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Green Integrated Marketing Communication (GIMC) to Improve Organizational Performance through Green Brand Equity (GBE) in the Sarung Industry in Gresik Regency - East Java

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Abstract

This study aims to prove and analyze the influence of Green Integrated Marketing Communication (GIMC) to Improve Organizational Performance through Green Brand Equity (GBE) in the Sarung Industry in Gresik Regency - East Java. The population of this study was 150 sarongs and sampling techniques using the Slovin formula so that the number of respondents was found to be 109 sarongs. The data analysis technique uses SEM-PLS. The results of the study show that GIMC does not have a significant effect on Organizational Performance. GIMC has a significant positive effect on GBE. GBE shows a significant effect on Organizational Performance. The results of the dialysis influence test show that GBE fully mediates the influence of GIMC on Organizational Performance. This study recommends maximizing GIMC to improve Organizational Performance through increasing the role of GBE.

Keywords: GIMC, GBE, Organizational Performance, Sarong Industry

JEL Classification: M31, Q56, M14

INTRODUCTION

Global environmental changes characterized by increasing ecological damage, pollution, and global warming are encouraging various industries to adapt through the application of sustainability principles. The textile industry is increasingly pressured to adopt sustainable practices due to its contribution to pollution, waste, and carbon emissions. Consequently, Green Integrated Marketing Communication (Green IMC) has emerged as an important strategy to communicate environmental commitment and sustainability practices to consumers. Today's consumers are increasingly critical of the environmental impact in the textile product production chain, thus demanding companies to develop more environmentally friendly marketing approaches. This condition puts *Green Integrated Marketing Communication (GIMC)* As an important strategy for companies to convey green commitments and practices in a consistent, integrated, and credible manner to the public.

The development of the textile and green fashion industry has become a global phenomenon as consumer awareness and regulations related to the sustainability of the green industry increase. Industry *fashion* It is now estimated to account for about 10% of global greenhouse gas emissions and enormous water consumption in its production process(Albab et al., 2024). In Indonesia, the textile and textile products (TPT) sector is one of the important components in the country's processing and export industry, for example, apparel exports in 2020 were worth USD 10.55 billion and absorbed a workforce of up to 3.43 million people. In this context, the transformation towards more environmentally friendly production practices and marketing communications that emphasize sustainability aspects is becoming increasingly urgent.

Gresik Regency, East Java, is one of the largest sarong production centers in Indonesia, with strong local brands and an industrial structure dominated by small and medium enterprises (SMEs). Most sarong manufacturers in Gresik are in the process of transitioning to environmentally friendly business practices, but still face challenges in terms of green marketing knowledge, brand communication skills, and limited resources. In the midst of global competition and increasing consumer demands for sustainable textile products, the Gresik sarong industry needs to develop an integrated marketing communication strategy that is oriented towards the environment to strengthen competitiveness and maintain business sustainability.

This industry not only plays a role as a cultural heritage but also as an MSME sector that absorbs labor and supports the local economy. However, traditional production often faces challenges, such as the use of environmentally unfriendly raw materials, coloring processes that generate waste, and limited marketing communication channels that emphasize sustainability. With the increasing consumer demand for "green" products and how local brands can respond to these trends, it is important to conduct research that explores the implementation of sustainability-oriented integrated marketing strategies (Green IMC) in the context of the sarong industry in Gresik.

Green IMC It has a strategic role in building positive consumer perceptions through messages that emphasize the use of environmentally friendly raw materials, energy-efficient production processes, waste management, and the company's commitment to environmental social responsibility. Integrated and consistent communication has the potential to create Green Brand Equity, which is added value that is formed when consumers perceive that a product has better ecological performance than other products. Green Brand Equity encompasses four important dimensions: *Green Brand Awareness, Green Brand Associations, Perceived Green Quality*, and *Green brand loyalty.* When this perception is strongly formed, consumers tend to have high loyalty, are willing to pay a premium price, and become advocates for the brand.

Green Brand Equity (GBE) reflects the added value of environmentally responsible brands and plays an important role in strengthening customer trust, loyalty, and organizational competitiveness. In the context of the sarong industry in Gresik, good organizational performance is characterized by the ability to maintain competitiveness, increase productivity, and manage sustainable operations in the midst of changing consumer preferences. Thus, *Green IMC* which is effectively

believed to be able to strengthen GBE so that it ultimately has a significant impact on improving organizational performance

However, the implementation of the Green IMC strategy in the Gresik sarong industry still faces various obstacles such as: limited understanding of industry players about the concept of green marketing, lack of standardization of environmental communication messages, low ability to market based on environmental marketing, and lack of investment in environmentally friendly technology. In addition, there have not been many studies that have specifically examined the relationship between *Green IMC, GBE* and organizational performance in the context of the sarong industry, especially in the Gresik area. This shows that there is a research gap that is important to be studied through empirical research.

Several previous studies have examined aspects such as green marketing, environmentally friendly product innovation, and sustainability in the textile or fashion industry. Studies show that green brand equity contributes significantly to the intention to buy eco-friendly products (Zahra & Rohman, 2024). However, in the context of traditional textile MSMEs in Indonesia, especially sarongs, research that links the Green IMC strategy with *Green Brand Equity* and to organizational performance or business performance holistically is still very limited.

(Sudirjo A.; Tamher, E.; Mardiah, A.; Zulbaidah, Z., 2024) revealed that green marketing and innovation of environmentally friendly products have a positive influence on the competitiveness of the textile industry in Indonesia. Other research on batik MSMEs shows that business communication that leads to green entrepreneurship also contributes to the development of the company's brand and social value. However, the research that specifically explores IMC as a comprehensive framework that combines all communication channels, then examines its implications on GBE and organizational performance — especially in the context of the sarong industry in Gresik Regency — has so far not been published.

From the review, a number of research gaps emerged that needed to be filled. First, although many studies have researched green marketing or green branding, few have adopted the concept of IMC that is integrated with the message of sustainability (Green IMC) as the main variable in the textile industry/MSMEs in Indonesia. Second, most studies still focus on purchase intent and brand image, while the relationship between *Green IMC* → *Green Brand Equity* → Organizational Performance is rarely tested in traditional industrial contexts such as sarongs. Third, research on the local sarong industry in Gresik that combines aspects of traditional production, sustainability, and environmentally friendly marketing empirically is still very minimal. Therefore, this study is expected to fill this gap by testing a quantitative model that connects these variables in a local context. This research is relevant because it offers a conceptual model of how *Green Integrated Marketing Communication* can strengthen *Green Brand Equity* and ultimately improve organizational performance.

From this description, the purpose of this study is to analyze the application of *Green Integrated Marketing Communication* in the sarong industry in Gresik Regency, testing its influence on the *Green Brand Equity*, as well as measuring the

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impact *Green Brand Equity* to organizational performance. In addition, this study also aims to analyze the role of mediation *Green Brand Equity* in the relationship between *Green IMC* and organizational performance.

Green Integrated Marketing Communication (Green IMC) is an evolution of the traditional IMC concept with the addition of an environmental sustainability dimension. *Green IMC* It is defined as a marketing communication approach that integrally conveys sustainability and environmental responsibility messages through various marketing channels and tactics, as well as coordinating all communication channels to create a consistent impact on consumer and stakeholder perceptions of an organization's environmental commitments (Twum A. A., 2021).

According to (Twum A. A., 2021), *Green IMC* must have specific characteristics that distinguish it from conventional marketing communications, namely: ***Audience-Focused*** (focusing on the segment of consumers who care about the environment), ***Interactive content*** (content that involves the active participation of consumers in sustainability issues), ***channel-integrated*** (coordination of green messages across communication channels), and ***result-driven*** (oriented towards measurable results both from the aspect of communication and environmental impact).

Green Brand Equity (GBE) is an extension of the conventional brand equity concept into the context of environmental sustainability. (Górska-Warsewicz M.; Fabuš, M.; Kováč, M., 2021) Define *Green Brand Equity* as a brand value that arises specifically because of the eco-friendly attributes that a brand has, which then affects consumer perception, trust, loyalty, and ultimately the brand's performance in the market.

Research (Dinni & Zuliestiana, 2022) shows that the results of Green IMC have a significant influence on GBE. GBE reflects how an organization's environmental commitments and practices contribute to overall brand value. Brands that manage to build a strong GBE will gain a competitive advantage as a growing segment of consumers begins to incorporate environmental considerations into their purchasing decisions. GBE is not only about "green" perceptions, but also about how those perceptions translate into *trust, preference,* and *Loyalty* higher.

Green IMC is the strategic coordination of various marketing communication tools that emphasize environmentally friendly messages consistently to build relationships with environmentally conscious consumers (Belz & Peattie, 2012; Kitchen & Burgmann, 2021). The indicators used in this study include advertising and promotion emphasizing the eco-friendly attributes of sarong products, consistency of green messages in various communication channels (social media, websites, brochures), educational programs to consumers about the benefits of eco-friendly products, transparency of information about sustainable production processes, community involvement in environmental campaigns, and the use of digital media to disseminate green content. *Green IMC* integrating sustainability messages across all communication platforms to create a coherent and environmentally responsible brand perception (Mogaji et al., 2021).

Based on the literature review and previous research, the hypothesis can be developed:

H1: Green BMC has a positive and significant effect on GBE

Green IMC Not only does it convey the message about eco-friendly products, but it also reflects the organization's commitment to sustainable business

practices, transparency of environmental information, and active engagement with stakeholders on sustainability issues. This approach requires originality (*Authenticity*) and credibility, as consumers are increasingly critical of practices *Greenwashing*—environmental claims that are misleading or not supported by factual evidence.

Organizational performance is a multidimensional construct that reflects the level of achievement of the organization in realizing its goals. In the context of small and medium industries (SMEs) or MSMEs, organizational performance is not only measured from financial aspects, but also includes non-financial dimensions that are equally important for business sustainability and competitiveness.

Organizational performance can be understood as the end result of organizational activities and processes that describe the level of efficiency and effectiveness in the use of resources to achieve strategic objectives. Comprehensive performance measurement requires an approach *balanced scorecard* that consider multiple perspectives: financial, customer, internal business processes, and learning/growth.

Study (Chen, 2023) found that various Integrated Marketing Communications—including advertising, PR, and digital marketing—significantly influenced green product purchase intentions. Research (Reza I. V.; Sugiarta, N., 2023) shows that the implementation of the Green IMC *audience-focused, content-interactive*, and *channel-integrated* contribute to the formation of a strong brand image. Research (Luo et al., 2025) shows that green marketing has a significant effect on the performance of the organization/company.

Based on the literature review and previous research, the hypothesis can be developed:

H2: Green IMC has a positive and significant effect on Organizational Performance

Green Brand Equity (GBE) is the added value of a brand that is formed from consumer perception, trust, and assessment of the brand's environmental commitment and performance. In other words, green brand equity arises when consumers feel that a brand is environmentally friendly, uses sustainable production practices, reduces ecological impact, and communicates green values consistently.

GBE combines traditional brand equity concepts (quality, loyalty, brand association) with environmental values, so that consumers give higher trust, loyalty and preference to brands that are considered sustainable Strengthening purchasing preferences in the environmentally conscious consumer segment. In contrast to *Brand Equity* conventional focusing on the functional and emotional attributes of the product, GBE adds the dimension of environmental responsibility as a differentiating element. Consumers who choose brands based on green attributes are not only looking for functional benefits, but also want to contribute to environmental preservation through their purchasing decisions (*Conscious consumerism*).

Green Brand Equity is the added value that brands give to products based on green attributes perceived by consumers, including awareness, association, quality, and loyalty to green brands (Chen, 2010; Keller, 2013). GBE in the context of the sarong industry in Gresik Regency is measured by indicators of consumer

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awareness of sarong brands as environmentally friendly products (green brand awareness), brand associations with an image of environmental care (green brand associations), perception of superior quality of green products compared to competitors (green perceived quality), consumer loyalty to brands due to environmental commitment (green brand loyalty), willingness to pay premiums for green products (green brand premium), Green Brand Advocacy

Green brand equity contributes significantly to brand differentiation and competitive advantage in an increasingly environmentally conscious market (Hasan & Ali, 2017). For the Gresik sarong industry that implements the strategy *green IMC*, sustainability performance includes: the use of natural dyes that reduce water pollution, energy-efficient traditional production processes, the preservation of traditional weaving skills. Study (Górska-Warsewicz M.; Fabuš, M.; Kováč, M., 2021) shows that Green Brand Equity is positively related to impacts such as customer loyalty, willingness to pay premium, and overall brand performance. Research (Prediction, 2024) found that the components of GBE (green brand image, green trust, green brand attitude) significantly influence purchase intent and brand loyalty, which ultimately contributes to organizational performance.

Based on the background and previous research, a hypothesis can be developed:

H3: Green Brand Equity has a positive and significant effect on Organizational Performance

Application *Green IMC* is an important strategy for organizations in conveying sustainability commitments to the public. When green messages are delivered consistently, clearly, unifiedly, and credibly, consumers form a positive perception of the brand. This perception then develops into *Green Brand Equity*, which includes brand awareness, brand association, eco-friendly quality perception, and loyalty.

Green Brand Equity A strong can improve an organization's performance through sales growth, customer loyalty, and competitive advantage. In addition, Green IMC is believed to have a direct effect on organizational performance because a good communication strategy can improve a company's reputation, strengthen relationships with consumers, and create marketing efficiency. Thus, Green Brand Equity has the potential to be a variable that mediates the influence of Green IMC on organizational performance in the sarong industry in Gresik Regency.

Based on this background and mechanism, a hypothesis can be developed:

H4: Green Brand Equity mediates the influence of Green Integrated Marketing Communication (Green IMC) on Organizational Performance

METHOD (Capital, 12 pts, bold)

This study uses the **Quantitative Explanatory** which aims to test the causal relationship between variables. Explanatory research is designed to elucidate the cause-and-effect relationship between independent and dependent variables through hypothesis testing (Scott, 2019). The main objective is to test the influence *Green Integrated Marketing Communication (Green IMC)* to the Organization's Performance with *Green Brand Equity* as a mediation variable.

The analysis techniques used are **Structural Equation Modeling (SEM)** based on Partial Least Squares (SEM-PLS). The technique was chosen for its ability to analyze complex models with latent variables, relatively small sample sizes, and

does not require the assumption of a multivariate normal distribution (Hair et al., 2019).

Research was conducted on the sarong industry in Gresik Regency, East Java. The selection of the location is based on the characteristics of Gresik as a traditional sarong production center that is facing environmental sustainability challenges and market competition. The research was conducted in July-November 2025 including the stage of instrument preparation, data collection, analysis, and reporting.

The research population is all sarong-industry business actors in Gresik Regency which includes business owners, managers, or marketing/operations departments who have knowledge about green marketing strategies and organizational performance. Based on data from the Gresik Regency Industry and Trade Office (2024), there are around 150 sarongs business units that are still actively operating. *Sampling technique using purposive sampling* Because it allows researchers to choose respondents who have specific characteristics according to the research objectives (Etikan et al., 2016). The criteria for determining the sample that respondents were the owners and marketing managers with decision-making authority, having carried out marketing activities for at least 1 year, having knowledge of green marketing practices or sustainability in operations, and willing to participate voluntarily in the research

The determination of the sample size follows the SEM-PLS guideline, i.e. the minimum sample can be determined by the rule of 10 times the number of the most structural pathways leading to the endogenous construct in the model (Hair Jr. et al., 2022). For this reason, this study used the Slovin formula: $n = N / (1 + N \times e^2)$ and found the following respondent data: N = 150 (population), e = 0.05 (margin of error) $n = 150 / (1 + 150 \times 0.0025) = 109$ respondents.

RESULTS AND DISCUSSION (Capital, 12 pts, bold)

Industry Profile of Gresik Sarung

Gresik Regency, East Java, is one of the important traditional sarong production centers in Indonesia. The sarong industry in Gresik has a long history and is an integral part of the region's economic and cultural identity. This industry is dominated by MSMEs with small to medium production scales, using a combination of traditional and semi-modern weaving techniques.

Key Characteristics:

a) Industrial Structure: Most of the actors are family MSMEs with limited production scale. There are also some mid-sized manufacturers that already have a wider brand and distribution network.
b) Production Process: A combination of manual/traditional (especially for premium sarongs with complex motifs) and semi-mechanical (for mass production) processes. Some craftsmen still maintain traditional techniques such as the use of non-machine looms (ATBMs).
c) Raw Materials: The majority use synthetic or blended yarns, with a small percentage still using natural materials. Dyes generally use modern chemical dyes, although there is a movement back to natural dyes in some craftsmen.

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d) Market: Products are sold in local (East Java), regional (Javaisland) markets, and some manufacturers have penetrated the national market. Distribution channels include traditional markets, textile stores, and more and more people are using e-commerce.

Validity and Reliability Tests

Validity Test

Validity measures the extent to which the instrument can measure the construct in question. In PLS-SEM, validity is tested through:

a. Convergent *Validity*

Convergent validity was assessed through Average Variance Extracted (AVE) with a minimum value of 0.50 and an outer loading of at least 0.70 (Hair et al., 2019). Indicators with a loading < of 0.40 should be eliminated, while loading 0.40–0.70 is considered for removal if it can increase AVE.

Table 1 Convergent Validity

	Green Brand Equity	**Green Integrated_Marketing Communication**	**Organizational_Performance**
GBE1	0.766		
GBE2	0.810		
GBE3	0.777		
GBE4	0.798		
GBE5	0.783		
GBE6	0.792		
GIMC1		0.769	
GIMC2		0.847	
GIMC3		0.799	
GIMC4		0.775	
GIMC5		0.757	
GIMC6		0.579	
KO1			0.812
KO2			0.893
KO3			0.817
KO4			0.757
KO5			0.822
KO6			0.894
KO7			0.918

Based on the data presented in table 1, it is known that each indicator of the research variable has an outer loading value of > 0.5. The data shows that there are no variable indicators with an outer loading value below 0.5. This means that the instruments (measuring tools) used in this study are valid and reliable.

Table 2 Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
Green Brand Equity	0.621
Green Integrated_Marketing Communication	0.576
Organizational_Performance	0.716

Based on the data presented in table 2, it is known that each research variable has an Average Variance Extracted (AVE) value of more than 0.5, that is, the instruments (measuring tools) used in this study are valid and reliable.

b. Discriminant *Validity*

Discriminant validity shows that each construct in the model is completely different from each other, which is tested using the Fornell–Larcker criteria and the Heterotrait–Monotrait ratio (HTMT) as proposed by (Henseler et al., 2015), where the square root of the Average Variance Extracted (AVE) of each construct must be greater than its correlation with other constructs and the HTMT value must be below 0.90 or more conservative below 0.85. In addition, reliability is used to measure the internal consistency of research instruments in the PLS-SEM approach through several indicators, namely Cronbach's Alpha with a minimum value of 0.70 as an acceptable limit and ≥0.80 as a good category, Composite Reliability which is considered more appropriate in PLS-SEM because it considers the actual factorial loading with the criteria of at least 0.70 and ≥0.80 as the good category (Hair Jr. et al., 2022), as well as Rho_A (ρA) with a minimum value of 0.70 which is considered a more accurate measure of reliability than Cronbach's Alpha.

Table 3 Reliability Test

	Cronbach's Alpha	**rho_A**	**Composite Reliability**
Green Brand Equity	0.878	0.883	0.908
Green Integrated_Marketing Communication	0.849	0.858	0.89
Organizational_Performance	0.933	0.936	0.946

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Based on the data presented in table 3, it can be seen that the *composite reliability* value of all research variables is >0.7. These results show that each variable has met the *composite realibility* so that it can be concluded that the entire variable has a high level of reliability. It can also be found that the *cronbach alpha* value of each research variable is >0.7. Thus these results can show that each of the study variables has met the requirements of *the cronbach alpha* value, so that it can be concluded that the overall variable has a high level of reliability.

Inferential Analysis

The data analysis technique using SEM-PLS was chosen for its ability to analyze complex relationships between latent variables with several advantages: it does not require normal distribution, it is effective for small to medium samples, and it can handle complex models with many indicators (Hair et al., 2019).

Data analysis was carried out by evaluating two models, namely the outer model and the inner model.

1. Evaluation of Measurement Models (*Outer Model*)

Testing the validity and reliability of indicators against latent constructs was carried out through convergent validity evaluation as seen from the outer loading and Average Variance Extracted (AVE) values, discriminant validity analyzed using Fornell–Larcker criteria and Heterotrait–Monotrait ratio (HTMT), and internal consistency reliability measured through Cronbach's Alpha, Composite Reliability (CR), and Rho_A values.

2. Evaluation of Structural Models (*Inner Model*)

Structural model evaluation was carried out to assess the relationship between latent constructs through the analysis of path coefficients, significance levels, and predictive capabilities of the model as described by Sarstedt et al. (2020), using several goodness of fit criteria, namely the value of R^2 (Coefficient of Determination) which indicates the proportion of endogenous construct variance that can be explained by exogenous constructs, where $R^2 > 0.75$ is categorized as substantial, 0.50–0.75 moderate, and 0.25–0.50 weak; a Q^2 (Predictive Relevance) value that measures the predictive ability of the model and is declared adequate if the value is greater than zero and obtained through the blindfolding procedure; effect size (F^2) which shows the large influence of exogenous constructs on endogenous constructs with criteria ≥0.35 as large, ≥0.15 medium, and ≥0.02 small; and SRMR (Standardized Root Mean Square Residue) value as an indicator of overall model suitability, where a value of less than 0.08 indicates that the model has a good fit level.

3. Multicollinearity Test

Variance Inflation Factor (VIF) is used to detect multicollinearity, with a VIF value of < 5 indicating no serious multicollinearity problems (Hair et al., 2019).

Table 4 Multicollinearity Test

	VIVID

Green Brand Equity	2.132
Green Integrated_Marketing Communication	2.132

Based on test results *Multicollinearity* shows that the VIF value is below 10 so that it can be said that from each of the variables this study does not occur *Multicollinearity*.

Hypothesis Testing

From the results of the research hypothesis testing model using SmartPLS 3.0 as shown in figure 1, it can be seen the direct and indirect influence of the relationship between the variables. The results of the test of the direct influence of the relationship between variables using SmartPLS 3.0 can be seen in the following table:

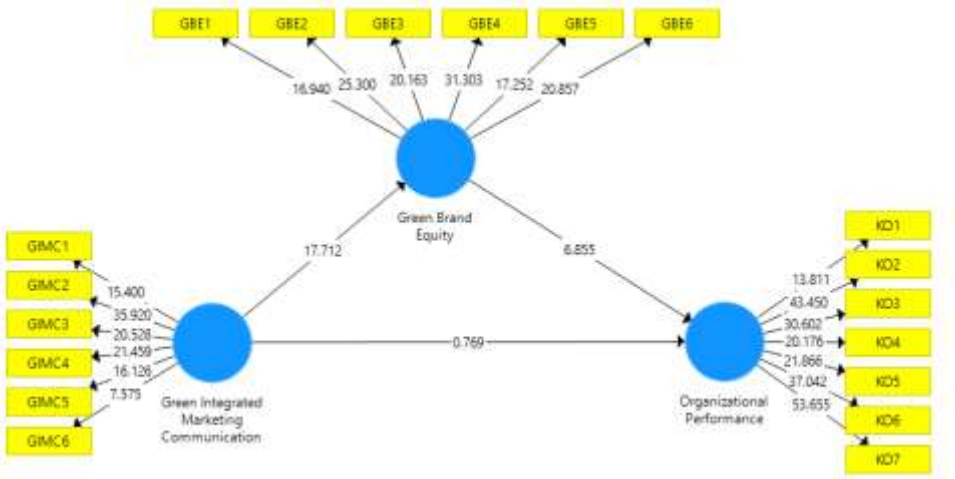

Figure 1 Hypothesis test results

From the results of the research hypothesis testing model using SmartPLS 3.0 as shown in figure 1, it can be seen the direct and indirect influence of the relationship between the variables. The results of the test of the direct influence of the relationship between variables using SmartPLS 3.0 can be seen in the following table:

Table 3 Direct Influence

	Original Sample (O)	**Sample Mean (M)**	**Standard Deviation (STDEV)**	**T Statistics (|O/STDEV|)**	**P Values**
Green Brand Equity -> Organizational_Performance	0.663	0.672	0.097	6.855	0.000
Green Integrated_Marketing Communication -> Green Brand Equity	0.729	0.731	0.041	17.712	0.000

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Green Integrated_Marketing Communication -> Organizational_Performance	0.092	0.096	0.120	0.769	0.442

Based on the direct effect testing of figure x.x and table x.x, it can be seen that Green IMC has a significant positive effect on Green Brand Equity with a Pvalue value of 0.000 below 0.05, Green Brand Equity has a significant positive effect on Organizational Performance with a Pvalue value of 0.000 below 0.05 while Green IMC has no effect on Organizational Performance with a Pvalue value of 0.442 above 0.05.

Indirect Influence (Mediation):

Mediation analysis in PLS-SEM uses the bootstrapping method to test for indirect effects, with specific indirect effects significant showing the presence of mediating effects (Nitzl et al., 2016).

Table 4 Indirect Influence

	Original Sample (O)	**Sample Mean (M)**	**Standard Deviation (STDEV)**	**T Statistics (|O/STDEV|)**	**P Values**
Green Integrated_Marketing Communication -> Green Brand Equity -> Organizational_Performance	0.483	0.489	0.080	6.032	0.000

Based on the indirect influence test on the structural analysis of the Equation Model (SEM), it shows that the indirect influence of Green IMC on Organizational Performance through Green Brand Equity is significant, while the direct influence of Green IMC on Organizational Performance does not have a significant effect, which means that this mediation test is a type of *full mediation*.

Discussion

1. The Influence of *Green Integrated Marketing Communication* on Organizational Performance

The results of the study show that Green Integrated Marketing Communication (Green IMC) does not have a significant effect on the performance of sarong industry organizations in Gresik Regency. These findings are in line with research (Luo et al., 2024) which shows that green marketing communication practices do not always have a direct impact on company performance, especially financial and operational performance, if it is not supported by internal capabilities and a strong sustainability strategy. This indicates that the implementation of environmentally oriented marketing communication has not been able to directly improve organizational performance achievements, both from financial, operational, and non-financial aspects.

Conceptually, Green IMC aims to convey the company's commitment and environmentally friendly practices in an integrated manner to stakeholders. However, the insignificance of the influence of Green IMC on organizational

performance shows that green communication has not yet become a major strategic factor in improving the performance of the sarong industry in the region. This condition is in line with the findings (Hidayat et al., 2024) which concludes that the relationship between green marketing and business performance is contextual and often indirect, depending on the characteristics of the industry and the market served.

Several factors may explain this result. First, the sarong industry in Gresik Regency is still dominated by traditional markets, where consumers' purchasing decisions are more influenced by price, material quality, motifs, and cultural values than environmentally friendly messages. As a result, green communication has not had a direct impact on increasing sales and organizational productivity. These findings are in line with research (Correia et al., 2023) which states that the effectiveness of green marketing communication is highly dependent on the level of environmental concern of consumers, and tends to be stronger in consumer segments that already have a pro-environmental orientation.

Second, low literacy and consumer concern for environmental issues caused Green IMC's message to receive less response. Consumers have not made the environmentally friendly aspect the main consideration in decision-making, so the effectiveness of green communication in driving organizational performance is limited. This reinforces the findings (Correia et al., 2023) which shows that consumer environmental knowledge and attitudes are an important prerequisite for green communication to make a real impact.

Third, the Green IMC that is applied tends to still be normative or symbolic, such as the use of environmentally friendly claims without being supported by real innovations in the green production process. This condition causes Green IMC to not be able to create significant added value for the organization. This phenomenon is consistent with the findings (Alnasser et al., 2025) which emphasizes that green marketing practices only have an optimal impact on performance if accompanied by sustainable innovation and substantial implementation of green practices.

Fourth, the performance of the sarong industry organization is more determined by internal factors such as production efficiency, human resource competence, technology, and cost management than marketing communication activities. Thus, Green IMC does not have a direct influence on organizational performance without the support of these internal factors, as also emphasized by (Luo et al., 2024) in the context of manufacturing companies.

Fifth, Green IMC tends to have an indirect impact, for example through the formation of a green brand image or green brand equity, which further has the potential to improve organizational performance. These findings are in line with research (Hidayat et al., 2024) and (Alnasser et al., 2025) which shows that green marketing communication is more effective if it acts as an antecedent of mediation variables, not as a direct determinant of organizational performance.

These findings have both theoretical and practical implications. Theoretically, the results of this study reinforce the view that Green IMC is not a direct determinant of organizational performance, especially in traditional-based industries. Green IMC is more appropriately positioned as a long-term strategy that

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requires the support of innovation, green brand image, and changes in consumer behavior in order to have an impact on performance. Practically, for sarongs industry players in Gresik Regency, these results show that the implementation of Green IMC needs to be integrated with improving green production processes and strengthening environmentally friendly brands in order to make a real contribution to organizational performance.

2. The Influence *of Green Brand Equity* on Organizational Performance

The results of the study show that Green Brand Equity has a positive and significant effect on the performance of sarong industry organizations in Gresik Regency. These findings are consistent with empirical evidence that the development of strong green brand equity contributes to organizational performance outcomes through improved consumer relationships and market competitiveness (Nguyen et al., 2023), as well as through green practices that increase brand attachment and green brand equity (Khan et al., 2022). These findings indicate that the stronger the brand equity based on eco-friendly values, the better the organization's performance, both from financial and non-financial aspects.

Conceptually, Green Brand Equity reflects the added value of the brand owned due to consumers' positive perception of the company's environmental commitments and practices. In the context of the sarong industry in Gresik Regency, brands associated with environmental concern are able to build consumer trust, loyalty, and preferences, thereby having a direct impact on improving organizational performance, in accordance with the findings that the perception of green practices can increase consumer-based green brand equity through consumer emotional bonding (Khan et al., 2022).

Some of the reasons that explain the positive and significant influence of Green Brand Equity on organizational performance are as follows. First, product differentiation in the traditional market — Green Brand Equity provides uniqueness and differentiation for sarong products in the midst of relatively homogeneous competition, thereby increasing the ability of products to compete strategically (Nguyen et al., 2023). Second, increased consumer loyalty and trust — the perception of brands that care about the environment drives emotional bonding and consumer trust, which has implications for repurchase and demand stability (Khan et al., 2022).

Third, non-financial added value — Green Brand Equity not only impacts financial performance, but also improves the organization's reputation, corporate image, and social legitimacy, which is an important indicator in the performance of modern organizations as global sustainability trends rise (Nguyen et al., 2023). Fourth, alignment with sustainability trends — although the sarong industry is traditional, increasing awareness of environmental issues makes Green Brand Equity a long-term strategic asset that supports the growth and sustainability of the organization (Khan et al., 2022).

These findings provide both theoretical and practical implications. Theoretically, these findings support the idea that Green Brand Equity is a source

of competitive advantage and a determinant of organizational performance in the context of modern sustainability (Khan et al., 2022; Nguyen et al., 2023). Meanwhile, the practical implication is that for sarongs industry players in Gresik Regency, strengthening Green Brand Equity needs to be a priority through the consistency of environmentally friendly practices, product quality, and brand credibility in order to be able to improve organizational performance in a sustainable manner.

3. The Influence of *Green Integrated Marketing Communication* on Organizational Performance through *Green Brand Equity*

The results of the study show that Green Integrated Marketing Communication (Green IMC) does not have a significant effect directly on organizational performance, but Green Brand Equity has a positive and significant effect on organizational performance. These findings indicate that Green Brand Equity plays a mediating variable in the relationship between Green IMC and organizational performance in the sarong industry in Gresik Regency. Conceptually, Green IMC functions as a strategic means of communication to convey the company's commitment and environmentally friendly activities to consumers and stakeholders. However, this communication has not automatically improved organizational performance, especially in the sarong industry which is characterized by a traditional market and based on cultural values. In this context, Green IMC will only have an impact if the environmental message succeeds in building green brand value, in line with research findings that show that the relationship between green marketing and organizational outcomes is often mediated by brand perception or brand equity dimensions (Sun et al., 2025).

The mechanism of Green Brand Equity mediation can be explained as follows. Green IMC plays a role in shaping the perception, association, and image of the eco-friendly brand. Through a consistent, integrated, and credible message, Green IMC is able to increase awareness, trust, and positive associations with sarong brands that care about the environment. This process strengthens Green Brand Equity as an organization's intangible asset, in line with empirical studies that show that green marketing can increase the dimension of brand equity which then influences consumer behavior (Sun et al., 2025).

Furthermore, strong Green Brand Equity drives consumer loyalty, brand preference, and organizational reputation. The impact can be seen in improving organizational performance, both from financial (sales, market share) and non-financial (reputation, sustainability, social legitimacy) aspects. Other research shows that the green brand equity dimension has a significant effect on consumer behavior outcomes and organizational impact through indirect channels, confirming that psychological-strategic variables such as quality perception and brand association are key in bridging the gap between green marketing strategy and performance outcomes (Sun et al., 2025).

The insignificance of the direct influence of Green IMC on organizational performance shows that Green IMC works indirectly. Green IMC becomes effective in improving organizational performance through the formation of Green

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Brand Equity, not through direct channels, so that the role of Green Brand Equity as a dominant mediator or full mediator depends on the results of the statistical mediation test obtained. In the sarong industry in Gresik Regency, the functional value and culture of the product are still the main considerations of consumers. Therefore, the Green IMC messages that stand alone are not strong enough to affect the organization's performance. However, when those eco-values are internalized into the brand and form Green Brand Equity, consumers begin to view the brand as having a different added value from competitors. This condition ultimately encourages the improvement of organizational performance.

These findings provide implications both theoretical and practical. Theoretically, these findings reinforce the theory of green marketing and brand equity that states that green marketing communication requires psychological-strategic variables as a bridge to influence organizational performance, with Green Brand Equity serving as a key mechanism that converts Green IMC messages into tangible performance outcomes (Sun et al., 2025).

Practically, for sarongs industry players in Gresik Regency, this result confirms that the focus of Green IMC should not stop at communication activities alone, but must be directed at strengthening Green Brand Equity through the consistency of green messages with production practices, credibility of environmental claims, and the development of an authentic and sustainable green brand identity to improve organizational performance in a sustainable manner.

CONCLUSION

This study examined the effect of Green Integrated Marketing Communication (Green IMC) on Organizational Performance through the mediating role of Green Brand Equity (GBE) in the sarong industry in Gresik Regency, East Java. The findings indicate that Green IMC does not directly influence Organizational Performance. However, Green IMC has a significant positive effect on Green Brand Equity, while Green Brand Equity significantly improves Organizational Performance. Furthermore, Green Brand Equity fully mediates the relationship between Green IMC and Organizational Performance.

The findings contribute theoretically to the Green Marketing and Green Brand Equity literature by confirming that environmentally oriented marketing communication is more effective when it strengthens consumers' perceptions of green brand value. This study also extends previous research by providing empirical evidence from the traditional textile SME sector, particularly the sarong industry, which has received limited attention in green marketing studies. The study demonstrates that Green Brand Equity acts as a strategic mechanism that transforms Green IMC initiatives into improved organizational outcomes.

Practically, the results suggest that sarong industry players should not only focus on green promotional activities but also strengthen authentic environmentally friendly business practices to build stronger Green Brand Equity. Consistency between green communication and sustainable production practices is essential to improve organizational competitiveness and long-term performance.

This study has several limitations. First, the sample size was limited to sarong industry SMEs in Gresik Regency, which may restrict the generalizability of the findings to other industries or regions. Second, the study used a cross-sectional research design, which limits the ability to observe long-term changes in Green IMC and organizational performance. Third, the study focused only on Green Brand Equity as a mediating variable and did not include other potential variables such as Green Trust, Green Innovation, or Green Brand Image.

Future research is recommended to conduct comparative studies across different industries or regions to improve the generalizability of the findings. In addition, longitudinal research designs may provide deeper insights into the long-term impact of Green IMC on organizational sustainability and performance. Future studies are also encouraged to include additional mediating or moderating variables to enrich the understanding of green marketing mechanisms in traditional and modern industries.

Recommendations

First, sarongs industry players in Gresik Regency are advised to focus on strategies *Green Integrated Marketing Communication (Green IMC)* on reinforcement *Green Brand Equity*, not just in environmentally friendly communication activities. Green marketing communication needs to be supported by real practices such as the use of environmentally friendly raw materials, production process efficiency, and sustainable waste management so that the message conveyed has credibility and is able to build consumer trust.

In addition, industry players need to integrate eco-friendly values into their identity and *Positioning* brand of sarong, so that *Green Brand Equity* can be formed consistently. Strengthening the green brand narrative that is in line with Gresik's cultural values and local wisdom is also important to increase consumer acceptance of the concept of sustainability.

Second, the local government of Gresik Regency and related stakeholders are expected to provide policy support, assistance, and incentives for the sarong industry that implements environmentally friendly practices. Training programs related to green marketing, certification of eco-friendly products, and facilitation of green brand promotion can help improve *Green Brand Equity* and the performance of the sarong industry organization in a sustainable manner.

Third, the results of this study recommend that the next research develop a conceptual model that places *Green Brand Equity* as the main mediating variable between *Green IMC* and organizational performance. Future research may also include other variables such as *Green Trust*, *Green Brand Image*, or green innovation to enrich understanding of the mechanism of the influence of green marketing on organizational performance.

Fourth, further research is recommended to use a wider sample coverage and consider a longitudinal approach to capture long-term impacts *Green IMC* and

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Green Brand Equity to organizational performance. In addition, the use of objective performance indicators can improve the accuracy of measuring research results.

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