



Contents lists available at ScienceDirect

Journal of Business Research

journal homepage: www.elsevier.com/locate/jbusres

The interplay of strategic and internal green marketing orientation on competitive advantage

1. Introduction

Unlocking the relationship between corporate environmental strategy and firm competitiveness is paramount for contemporary business researchers, policy makers and practitioners (Gibbs & O'Neill, 2016). A green economy that is low carbon, resource efficient and socially inclusive is also the goal of the United Nations Environment Programme (UNEP, 2011). Despite calls for radical, holistic approaches beyond mere technological fixes and product innovation (Geels, McMeekin, Mylan, & Southerton, 2015; Lim, 2016) there remains a perceived but unresolved tension between green marketing and competitive advantage. A reluctance to pursue a green marketing orientation (Papadas, Avlonitis, & Carrigan, 2017) undermines universal engagement with sustainable business practices, and exacerbates corporate risk and losses. Despite the potential costs involved, the damaging and costly environmental consequences of traditional linear production and consumption are driving more innovative firms to shift their focus to clean production, design for the environment and eco-efficiency (Banerjee, 2017), and pursue resource efficient circular economy (CE) strategies including materials recycling and product

repurposing (Moreau, Sahakian, van Griethuysen, & Vuille, 2017). CE has also gained momentum in the European Union Circular Economy package (EU, 2015) and Chinese law. There is no alternative to sustainable development and yet many companies remain convinced that their competitiveness will be eroded if they become more environmentally-friendly (Nidumolu, Prahalad, & Rangaswami, 2009). Further, much research in marketing remains data rather than theory driven (Hult, 2011; Webster, 2009). This hinders progress and leads to fragmented understanding of environmental concerns in marketing. A gap exists for a sound theoretical approach to provide a holistic understanding of the intersection between green marketing and competitiveness. Such an advance in knowledge not only presents theoretical support for future empirical investigation, but also provides legitimacy for managers facing resistance to the adoption of a green marketing orientation. This paper addresses that theoretical gap.

Over the last few decades, researchers have increasingly focused upon environmental/green marketing which now represents a critical concept in marketing/management literature (e.g. Chamorro, Rubio, & Miranda, 2009; Dangelico & Vocalelli, 2017; Polonsky, 2011). Research suggests that environmental strategy adds value to organizations, but

requires integration into the corporate strategy if obligations towards sustainability are to be achieved (Banerjee, Iyer, & Kashyap, 2003; Menon & Menon, 1997; Polonsky, 1995; Porter & Van der Linde, 1995). Furthermore, several studies stress the importance of implementing an environmental strategy that could also yield strong competitive advantage and profitability in the longer term (e.g. Leonidou, Katsikeas, & Morgan, 2013). Despite the above environmental strategy research streams, empirically little is known about the relationship between contemporary green marketing strategy and a firm's competitiveness. Although previous research identifies links between environmental/green marketing and business performance (e.g. Baker & Sinkula, 2005; Miles & Covin, 2000), surprisingly few studies examine environmentally-driven competitive advantage (Leonidou & Leonidou, 2011). Considering that competitive advantage is a strategic, long-term objective, its examination under a strategic green marketing approach constitutes a significant research gap and opportunity.

This paper seeks to clarify and refine the relationship between strategic and internal green marketing and firm competitiveness, achieving several theoretical and managerial contributions. Firstly, it extends the extant evidence regarding the importance of corporate environmental integration and stakeholder pressure to drive green marketing strategy. Secondly, it addresses a critical knowledge gap by extending our understanding of the green marketing-competitiveness relationship, uniquely revealing the effect of a holistic, strategic green marketing approach on competitive advantage. Confirming the mediating effect of strategic green marketing on financial performance through competitive advantage, this study extends our knowledge by underlining the dual positive effect of strategic green marketing on competitiveness and financial performance. Finally, while exploring the moderating effect of internal green marketing orientation on the strategic green marketing orientation - competitive advantage relationship, this study extends past investigations by being first to analyze how strategic and internal green marketing interplays to affect competitiveness, and signals the value of examining the different elements of green marketing strategy on competitiveness. The findings advocate an embedded culture where organizational activities are directly influenced by green marketing principles. For managers, the positive effect on competitiveness and profit evidenced by the study reveals the value of committing to long term investment in green marketing initiatives, and the distinctive positioning that results from doing so. The findings also suggest that to drive future improved performance, managers should leverage stakeholder pressures for green marketing commitment and excellence. Importantly, the results uncover the interplay of strategic and internal green marketing initiatives highlighting the importance of strategy and people towards firm competitiveness. Finally, the empirically-tested conceptual framework provides managers with tangible evidence of the sustainable competitive advantage to be enhanced from the adoption of a holistic green marketing orientation. This should go some way to moderate the unresolved tension managers perceive between green marketing and firm competitiveness.

2. Literature review and hypotheses development

Our research contributes to the green marketing literature by shedding light on a contemporary but unexplored relationship. Table 1 provides an overview of past related research in the field which reflects the need to provide a contemporary research framework that offers a strategic approach to the link between green marketing and competitive advantage. Previous research mostly focuses on environmental/green marketing strategy and its relationship with firm performance outcomes other than firm's competitiveness (e.g. Fraj-Andrés et al., 2009; Pujari et al., 2003). A few studies examined the link between environmental/green strategy and competitive advantage, but without sufficiently capturing the role of strategic green marketing, and without incorporating any internal green marketing actions targeted to employees (e.g. Sharma & Vredenburg, 1998). In addition, some of the key

findings of the literature include the relationship between stakeholders' pressures (e.g. Buysse & Verbeke, 2003) and environmental/green strategy, as well as the positive association of competitive advantage with green product and process innovation (Chen et al., 2006).

The underlying theoretical framework in this paper builds on green marketing orientation (GMO) theory (Papadas et al., 2017) and the concepts of corporate social responsibility, stakeholders' environmental pressures, competitive advantage and financial performance. The study focuses on green marketing from a corporate-wide perspective, also capturing the modern strategic and internal initiatives of an organization towards a holistic green marketing strategy (Banerjee, 2002; Menon & Menon, 1997). To conceptualize how the different factors fit together and interrelate, a brief review of the extant literature is presented next.

2.1. Strategic green marketing orientation

Peattie (1995) defines green marketing as “the holistic management process responsible for identifying, anticipating and satisfying the requirements of customers and society, in a profitable and sustainable way”, while Banerjee et al. (2003) analyze the greening of strategic marketing with implications for marketing theory and practice. Likewise, Polonsky and Rosenberger (2001) introduce a breakthrough conceptual framework focusing on a strategic marketing approach and its hierarchical levels. In general, strategic green marketing refers to long-term, top management actions and policies specifically focusing on corporate environmental strategy (Banerjee, 2002), proactive environmental strategies (Aragón-Correa, 1998) and external environmental stakeholders (Polonsky, 1995). Menon and Menon (1997) conceptualize enviropreneurial marketing as a multiple stakeholder view of green marketing defined as “the process for formulating and implementing entrepreneurial and environmentally beneficial activities with the goal of creating revenue by providing exchanges that satisfy firm's economic and social performance objectives” (p. 54). Strategic enviropreneurial initiatives reflect social responsibility and a desire to align marketing activities with the expectations of current and future stakeholders. Furthermore, enviropreneurial marketing decisions create long-term, corporate-wide activities for environmental sustainability (Charter & Polonsky, 1999), attempting to integrate environmental goals and interests with the strategic concern of achieving competitive advantage within current business and markets (Shrivastava, 1995). Finally, Papadas et al. (2017) summarize the pertinent literature and conceptualize strategic green marketing orientation (SGMO) as the extent to which an organization integrates the environmental imperative in its strategic marketing decisions. For example, partnerships and collaborations with organizations that pursue relevant environmental policies would constitute a strategic green marketing action.

Banerjee (2002) states such integration of green values into the firm's corporate strategy is a response to those that challenge the traditional marketing orientation of increased sales and profit maximization. Research that questions a marketing ideology of escalating consumption is gaining traction, recognizing how such positioning conflicts with sustainability and responsibility (Crane, Palazzo, Spence, & Matten, 2014). This requires firms to widen their marketing scope and include the protection of social stakeholders and the natural environment among their strategic marketing objectives, referred to as the triple bottom line of economic, social and environmental performance (Stoeckl & Luedicke, 2015). Environmental proactivity supports that orientation since adopting environmental protection strategies that go beyond legal compliance is a significant step further (Sharma & Vredenburg, 1998).

2.2. Corporate social responsibility, stakeholders' environmental pressures and strategic green marketing orientation

The topic of Corporate Social Responsibility (CSR) is receiving

growing attention in the academic literature consistent with the growing role that CSR plays in business (Campbell, 2007). Increasingly CSR policy includes actions such as promoting the advantages of eco-friendly products and developing environmental awareness (Rashid, Rahman, & Khalid, 2014). Therefore, CSR has become a fundamental decision bolstering corporate environmental behavior (Kärnä, Hansen, & Juslin, 2003).

A prevailing understanding of CSR is derived from the notion of stakeholders' expectations (Carroll, 1979), which are fundamental to strategic marketing (Balmer & Greyser, 2006). In addition, marketing scholars link CSR and marketing to extend the function of CSR in an organization (Maignan & Ferrell, 2004; Maignan, Ferrell, & Farrell, 2005). Podnar and Golob (2007) position CSR as a strategic tool shifting the focus from consumer marketing to corporate marketing. This idea is not new in the marketing literature as Kotler and Levy (1969) first attempted to integrate societal dimensions into the marketing concept. This led to the conceptualization of "holistic marketing" which embraces a stakeholder view of marketing and CSR aspects (Kotler & Keller, 2006). Thus, an organization that truly embraces environmental protection and sustainability requires an organizational and consistent strategic marketing approach (Kotler, 2011). CSR activities can provide advantages to an organization, facilitating other important corporate objectives such as customer and employee retention (Kärnä et al., 2003). Furthermore, Menguc et al. (2010) find that a firm's orientation to the natural environment links internal strategic resources, such as CSR and environmental commitment. Firms adopting such an orientation recognize the importance of environmental preservation and integrate environmental values within strategic marketing planning (Fraj-Andrés et al., 2009). We thus hypothesize that:

H1. Corporate social responsibility is positively associated with strategic green marketing orientation.

Buyse and Verbeke (2003) show that stakeholder pressures result in significant motivation for organizations to adopt environmental practices. Based on institutional theory, stakeholder engagement is important in order for companies to establish social legitimacy (Sarkis et al., 2010). Therefore, when stakeholders' environmental pressures (SEP) exist, improving social legitimacy in the eyes of its stakeholders can moderate the degree to which firms implement a proactive environmental strategy (Oliver, 1991). Past studies also find that firms have different environmental responses according to the stakeholders that they consider to be the most important (Henriques & Sadosky, 1999; Sharma & Henriques, 2005). The green management/marketing literature lists many different stakeholder groups that organizations should consider before designing a green marketing strategy. These groups include: employees, investors, suppliers, legislators, governmental agencies, shareholders, competitors and the general public as well as environmental groups, the media and labor unions (Coddington, 1992).

In general, stakeholders can be either internal or external affecting the adoption of strategic environmental practices. In particular, employees as the main internal stakeholders are the fundamental initiators of an organization's proactive environmental activities (Daily & Huang, 2001; Hanna, Newman, & Johnson, 2000). Regulatory bodies and government (Freeman, 1984) are external stakeholders and most typically associated with coercive pressures (Zhu & Sarkis, 2007). Companies may utilize proactive environmental practices to address such pressures (Backer, 2007), which can also manifest in the form of voluntary strategic initiatives for actions such as pollution prevention or deforestation (Sarkis et al., 2010). By implementing strategic environmental practices, organizations may form partnerships with governmental bodies (Darnall, 2006). Other external stakeholder pressures are exerted by non-governmental organizations and the community such as environmental groups, neighborhood groups, the media and labor unions (Hoffman, 2000). Client stakeholders also affect the adoption of environmental practices because they require that suppliers adhere to

certain practices and improve their environmental performance (Lee & Klassen, 2008).

Companies should also understand how factors such as product development, promotional mix, support services, manufacturing and production processes, R&D, material purchasing and waste disposal activities affect stakeholders' interest in green marketing strategies (Petkus & Woodruff, 1992). Finally, previous studies show that environmental responses to stakeholders can be classified along a continuum of environmental strategy (e.g. Buyse & Verbeke, 2003; Murillo-Luna, Garcés-Ayerbe, & Rivera-Torres, 2008) and consequently, pressure from any stakeholder has a positive impact on the intensity of this strategy (Henriques & Sadosky, 1999). Thus, we hypothesize that:

H2. Stakeholders' environmental pressures are positively associated with strategic green marketing orientation.

2.3. Strategic green marketing orientation, competitive advantage and financial performance

Preserving the world's biosphere is a business imperative if finite resources are to be protected (Unruh, 2008). Safeguarding the environment also represents an opportunity for businesses of all sectors to innovate. Therefore, firms invest in environmental strategies (i.e. reduction of carbon footprint; reverse logistics systems) to tackle environmental issues such as climate change and deforestation (Sharma & Vredenburg, 1998). However, companies employ different managerial approaches towards environmental challenges often categorized in a linear manner that ranges from reactive to proactive behaviors (Delmas, Hoffmann, & Kuss, 2011; Fraj, Matute, & Melero, 2015). In particular, reactive behaviors are short-term actions that adapt the corporate strategy to environmental regulations, while proactive behaviors require companies to move beyond the minimum expectation and voluntarily implement strategic initiatives to protect and preserve the natural environment (Aragón-Correa & Sharma, 2003). Thus, such strategic actions indicate the degree to which an organization is committed to tackle environmental issues through the development of innovative practices (Buyse & Verbeke, 2003).

Previous research shows that proactive environmental strategy offers companies competitive advantages because it allows the deployment of rare, unique and complex capabilities that help firms to differentiate (Hart, 1995; Miles & Covin, 2000). Porter and Van der Linde (1995) suggest that competitive advantage (CA) is driven by environmental performance resulting either from innovations or from adopting a strategic environmental management model. For instance, past studies show that green product and/or green process innovations are positively related with the creation of CA (Chen et al., 2006; Leonidou, Fotiadis, Christodoulides, Spyropoulou, & Katsikeas, 2015; Sharma & Vredenburg, 1998). Furthermore, proactive environmental strategy includes the implementation of strategic processes such as the research and development of green products and recycling systems (Aragón-Correa, 1998).

Apart from differentiation, the above capabilities are also linked with cost-advantages (Shrivastava, 1995). Cost-reductions may result from savings in the organization due to the reduction of energy and water consumption or even the adoption of recycling programs (Miles & Covin, 2000). Moreover, cost-related advantages may appear from the achievement of economies of scale by the increasing acceptance of green products (Kotler, 2011; Menon & Menon, 1997). Finally, strategic green marketing actions such as partnerships and collaborations with key stakeholders towards the preservation of the natural environment may also result in cost-driven CA (Zeithaml & Zeithaml, 1984; Leonidou et al., 2015).

As such, previous literature affirms the existence of CA from the implementation of strategic green marketing initiatives through cost reductions and innovative practices (Delmas et al., 2011; Menguc et al., 2010). Thus, we hypothesize that:

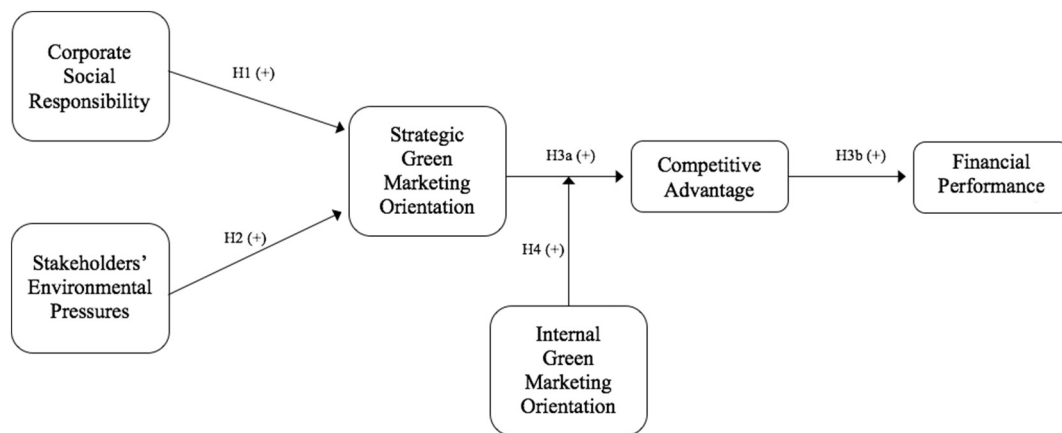


Fig. 1. Conceptual framework.

H3a. Strategic green marketing orientation has a positive effect on competitive advantage.

Prior research suggests that environmental strategies reward the financial performance (FP) of a firm (Klassen & McLaughlin, 1996). A potential explanation for a positive association between environmental strategy, CA, and FP is that environmental management becomes a source of a sustainable CA for some firms through a layering of both differential and cost based positions (Bonifant, Arnold, & Long, 1995). Notably, previous studies support the mediation effect of CA on the relationship between green marketing strategy and FP (e.g. González-Benito & González-Benito, 2005; Leonidou et al., 2015).

In addition, past literature suggests that when environmental management is integrated within the strategic planning process, there is a positive effect on the firm's financial performance (Klassen & McLaughlin, 1996; Porter & Van der Linde, 1995; Russo & Fouts, 1997). A few studies have shown that green marketing strategy has a positive impact on financial performance (e.g. Baker & Sinkula, 2005; Menon & Menon, 1997; Pujari et al., 2003). Finally, the positive effect of CA on FP is supported by several studies in the marketing/management literature (e.g. Jennings & Beaver, 1997; Porter & Kramer, 2006). For instance, McGuire, Sundgren, and Schneeweis (1988) found a positive relationship between a firm's reputation and financial returns, while reputation was also found to positively impact FP (Russo & Fouts, 1997). We therefore, hypothesize that:

H3b. Strategic green marketing orientation has a positive effect on financial performance through competitive advantage.

2.4. The moderating role of internal green marketing orientation

Internal green marketing orientation (IGMO) involves the pollination of environmental values across the organization to embed a wider corporate green culture (Papadas & Avlonitis, 2014). Such actions include employee training, efforts to promote environmental awareness inside the organization (Charter & Polonsky, 1999) and environmental leadership activities (Ramus, 2001). Disseminating knowledge and embedding an environmental culture throughout the entire organization encourages employees to develop skills and abilities to implement successful environmental strategies (McDonagh & Prothero, 2014). Environmental awareness education and training across the whole organization can also create environmental champions for the organization (McDaniel & Rylander, 1993).

From an internally driven perspective, top management behaviors in environmentally proactive companies include: communicating and addressing critical environmental issues; initiating environmental programs and policies; rewarding employees for environmental improvements; and contributing organizational resources to environmental

initiatives (Menguc et al., 2010). IGMO indicates that firms should align their green marketing strategy with the behavior of their employees who are expected to serve and implement it. In other words, it is an internal green marketing strategy which is related to the environmental culture that should pervade the whole organization. In general, IGMO reflects the level of assimilation of corporate environmental values by all internal stakeholders (Papadas et al., 2017).

Based on resourced-based view theory, an enhanced corporate culture can be viewed as one of the key resources to generate sustainable CA (Barney, 1986). Therefore, corporate environmental ethics represents a superior corporate culture to attain sustainable development (Chang, 2011). Chen (2008) introduces the concept of green human capital as the summation of knowledge, skills, innovation and capabilities of employees to reach organizational goals about environmental protection or green innovation. In addition, a strong environmental culture may help firms to improve their environmental marketing strategies towards business performance outcomes (Fraj-Andrés et al., 2009).

Finally, cultivating employees' culture of sustainability encourages their more efficient participation in total quality management processes and innovative production (Lee, Lee, & Pennings, 2001). Gupta and Kumar (2013) suggest that when green initiatives become part of the corporate culture, they provide opportunities for superior performance to different functions of the organization such as marketing and management. For instance, internal green initiatives help the management team to involve every employee to adopt green actions and benefit from the outcomes of that adoption in terms of increased profits through reduced costs (Bansal & Roth, 2000). This implementation drives operations to efficiently use resources and manage waste which helps marketers to create differentiation by improving the reputation of their company (Shrivastava, 1995). Research defines IGMO as a distinct green marketing orientation dimension (Papadas et al., 2017, p. 244) which means that it can function separately, if not co-existing with other GMO dimensions, such as SGMO. Therefore, we hypothesize that:

H4. The positive effect of strategic green marketing orientation on competitive advantage becomes more positive when internal green marketing orientation is greater.

Fig. 1 presents the conceptual framework of the study, which consists of four major parts: antecedents (i.e. CSR and SEP), SGMO, performance outcomes (i.e. CA & FP) and IGMO as a moderator.

Table 2
Measurement model.

Construct	Standard loadings (λ)	Mean	Standard Deviation
Corporate Social Responsibility (CSR) - Turker, 2009			
$\alpha = 0.930$, $CR = 0.925$, $AVE = 0.641$			
Our company participates in activities which aim to protect and improve the quality of the natural environment.	0.879	4.92	1.71
Our company implements special programs to minimize its negative impact on the natural environment.	0.855	4.41	1.96
Our company encourages its employees to participate in voluntarily activities.	0.778	3.96	2.03
Our company contributes to campaigns and projects that promote the well-being of the society.	0.716	4.58	1.87
Our company supports non-governmental organizations working in problematic areas.	0.671	4.46	1.95
Our company makes investment to create a better life for future generations.	0.798	4.61	1.96
Our company targets sustainable growth which considers future generations.	0.865	4.84	1.88
Stakeholders' Environmental Pressures (SEP) – Sarkis et al., 2010			
$\alpha = 0.864$, $CR = 0.868$, $AVE = 0.529$			
Client pressure	0.644	5.03	1.71
Government pressure	0.635	4.33	1.82
Shareholders' pressure	0.783	4.73	1.82
Workers' pressure	0.819	4.58	1.61
NGOs/Society pressure	0.853	4.54	1.69
Competitors' pressure	0.588	4.15	1.82
Strategic Green Marketing Orientation (SGMO) – Papadas et al., 2017			
$\alpha = 0.937$, $CR = 0.937$, $AVE = 0.623$			
We invest in R & D programs in order to create environmentally friendly products/services.	0.787	4.15	1.92
We have created a separate department/unit specializing in environmental issues for our organization.	0.755	3.15	2.18
We invest in low-carbon technologies for our production processes.	0.798	4.19	2.02
We participate in environmental business networks.	0.784	3.99	2.05
We use specific environmental policy for selecting our partners.	0.832	3.83	1.90
We engage in dialogue with our stakeholders about environmental aspect of our organization.	0.850	3.67	1.89
We make efforts to use renewable energy sources for our products/services	0.793	4.33	1.93
Among other target markets, we also target to environmentally-conscious consumers.	0.728	4.14	1.90
We implement market research to detect green needs in the marketplace.	0.770	3.38	1.98
Competitive Advantage (CA) – Chang, 2011			
$\alpha = 0.887$, $CR = 0.886$, $AVE = 0.566$			
The quality of the products or services that the company offers is better than that of the competitor's products or services.	0.660	5.40	1.19
The company is more capable of R&D than the competitors.	0.714	5.05	1.37
The company has better managerial capability than the competitors.	0.786	4.98	1.36
The company's profitability is better.	0.751	4.67	1.42
The corporate image of the company is better than that of the competitors.	0.854	5/19	1.38
The competitors are difficult to take the place of the company's competitive advantage.	0.720	4.96	1.50
Financial Performance (FP) – Morgan et al. (2004)			
$\alpha = 0.933$, $CR = 0.936$, $AVE = 0.749$			
Firm's profitability	0.909	4.19	1.35
Sales growth	0.869	4.31	1.38
Firm's economic results	0.958	4.32	1.42
Profit before tax	0.886	4.23	1.41
Market share	0.667	4.63	1.28
Internal Green Marketing Orientation (IGMO) – Papadas et al., 2017			
$\alpha = 0.918$, $CR = 0.917$, $AVE = 0.616$			
We organize presentations for our employees to inform them about our green marketing strategy.	0.861	3.25	1.86
Our employees believe in the environmental values of our organization.	0.850	4.19	1.73
Exemplar environmental behavior is acknowledged and rewarded.	0.833	3.30	1.85
We form environmental committees for implementing internal audits of environmental performance.	0.838	3.03	1.90
Environmental activities by candidates are a bonus in our recruitment process.	0.708	2.73	1.65
We have created internal environmental prize competitions that promote eco-friendly behavior.	0.683	2.43	1.67
We encourage our employees to use eco-friendly products/services.	0.675	4.00	1.91

Notes: All items were measured on 7-point scales, anchored at 1 = “strongly disagree” and 7 = “strongly agree” (apart from FP that was anchored at 1 = “much worse” and 7 = “much better”).

α : Cronbach's alpha, CR: Composite reliability, AVE: Average variance extracted.

5. Discussion

Given the centrality of sustainability in today's competitive marketplace, the contribution of our research is three-fold: 1) designing a rigorous research methodology, we demonstrate for the first time the application of a strategic approach for green marketing and its positive relationship with competitive advantage; 2) incorporating prior research in the field, we provide a contemporary framework for strategic green marketing based on real life business practice and we extend earlier studies regarding its drivers and outcomes; 3) testing the IGMO scale as a moderator of the SGMO-CA relationship, we uncover the moderating role of people towards the development of a sustained competitive advantage. These results offer a series of useful theoretical and managerial implications which are analyzed below.

5.1. Theoretical implications

Since this study constitutes a novel attempt to a) examine the meaning of strategic green marketing on competitiveness, and b) empirically test this relationship under the prism of internal green marketing actions, this work represents a significant contribution to the further development of the environmental/green marketing field. Overall, our results offer four main propositions for theoretical advancement. First, our study extends the findings of earlier studies with regards to the drivers of strategic green marketing. Our findings support a corporate environmental integration approach which is vital to competitive success rather than solely undertaking corporate social/environmental responsibility (Menon & Menon, 1997; Porter & Van der Linde, 1995). Our results also confirm prior studies about the positive relationship of stakeholders' pressures with a green marketing strategy (Polonsky, 1995). In addition, by examining the impact of SEP on the SGMO, this study provides additional support for the strategic role of stakeholders in forming a long-term green marketing strategy.

Second, our results extend previous studies on the green marketing-competitiveness relationship (e.g. Miles & Covin, 2000) by providing an updated and comprehensive investigation into the performance implications of a green marketing strategy. Importantly, since past empirical studies rely on the performance implications of green marketing mix-related activities, our study goes beyond this stream of research and reveals for the first time the impact of a holistic, green marketing approach on competitive advantage addressing a critical research gap in the literature (Leonidou & Leonidou, 2011).

Third, the confirmation of the mediation effect of SGMO on financial performance through CA provides support for previous related studies (e.g. Baker & Sinkula, 2005) regarding the impact of such strategies on performance outcomes. Our study also goes one step further and emphasizes the dual positive effect of strategic green marketing on both competitiveness and FP. That is, our findings build on green marketing theory by stressing the importance of being strategically green if competitive advantage and better financial performance are to be achieved.

Fourth, based on these findings, we explore the moderating effect of IGMO on the SGMO-competitive advantage relationship. Although, there is prior research about the positive relationship of corporate

¹ Note that we also confirmed both aforementioned results of moderation and mediation with PROCESS Model 7 estimation, given that the confidence interval of the index of moderated mediation does not contain the value of zero [0.003;0.057], implying a significant moderated mediation.

environmental strategy and competitiveness (Chen, 2008), the interplay between strategic and internal green marketing on competitiveness has not been studied in the past. Considering that a contemporary green marketing strategy should encompass the whole organization at every level (Kotler, 2011), our findings further corroborate this view by exposing the moderating role of IGMO. Notably, our study sheds light on the value of examining the impact of different elements of green marketing strategy on competitiveness. Whereas, the research in this domain is limited to the focus of a specific aspect of green marketing strategy and its marketing/financial implications (e.g. Leonidou et al., 2013), our results suggest that each of the two green marketing orientation dimensions can have a joint positive impact towards competitive advantage and financial performance. (Fig. 1).

5.2. Managerial implications

The findings have various implications for business practitioners. Firstly, SGMO reflects the value of long-term commitment and investment in green marketing initiatives and given its positive relationship with competitiveness and profitability, it could be also used as a strategic business tool. For example, green marketing initiatives such as investment in low-carbon technology and R & D related projects can be considered as potential objectives in the 5-year business plan of an organization. Moreover, such strategic decisions would help organizations to distinguish themselves from greenwash-driven competitors undertaking superficial gestures to merely improve their corporate image.

Secondly, our results show that CSR may be a forerunner of SGMO, however the latter requires a different approach since it involves strategic marketing-related tasks. In practice, this means that a CSR policy may be necessary but not sufficient for the design and implementation of a green marketing strategy. With regards to stakeholders, major pressure for changing marketing practices may come from different groups. For instance, today's consumers take into account the environmental commitment and attributes of a company and question to what extent an organization meets its environmental responsibilities (Kotler, 2011). Our findings suggest that stakeholders' pressures drive the adoption of strategic green marketing practices which in turn positively affect performance. As such, managers should turn these pressures into win-win opportunities for stakeholders' satisfaction and green marketing excellence.

Third, our empirically-tested conceptual framework provides managers with a comprehensive view of how SGMO initiatives can enhance competitive advantages based on differentiation. More specifically, since SGMO may not be easily engendered and based on our results, strategic green marketing activities such as participation in environmental business networks (i.e. development of synergies, collaboration in research projects) could help towards the development of sustainable competitive advantage. In practice, an organization can be green and competitive if a strategic direction exists. This assumption has its own implications for the C-level executives who seek to catalyze change within their corporate environmental strategy. Companies that embrace sustainability need to make drastic changes in their strategic marketing practices in order to pursue a green marketing orientation and ultimately, achieve business ethos and performance superiority. For example, investing in developing products that are eco-friendly can help a firm to build better R & D capabilities from its competitors and sustain a competitive advantage.

Finally, our findings reveal an interplay between strategic and internal green marketing initiatives and provide managers with nuanced insights about the approach an organization should employ in order to achieve high levels of competitiveness. This study suggests that strategy and people do matter when pursuing an environmentally-driven competitive advantage. Thus, a strategic direction that captures the human capital element is broader than any environmental strategy. However, such a goal should be consistent with the values of the company, have a

connection to its core business, and of course, elicit personal contributions from its members. To this end, internal green marketing actions could boost the impact of the core green marketing strategy on competitive advantage. For instance, awards that promote eco-friendly behavior and incentives for exemplary environmental employee behavior could contribute towards the development of better managerial capabilities inside the organization as well as help building a culture which differentiates the firm from its competitors. In that way, organizations will eventually create environmental knowledge and competence by making every employee a green champion (Bhattacharya & Polman, 2017).

5.3. Limitations and further research

Our results should be interpreted in light of certain limitations. First, green marketing practices are increasingly recognized as context specific, with their own unique characteristics (McDonagh & Prothero, 2014), suggesting it would be useful, methodologically, to investigate how the proposed framework operates in different cultural, social, economic and political environments, particularly comparing contexts. Second, although the sample representativeness is satisfactory, we acknowledge other areas have more negative environmental impact such as B2B and services; this constitutes another potential limitation of this paper. Thus, we suggest future studies focus on different firm types, specific sectors or industries (e.g. B2B in food versus automobiles), to draw comparative results and better understand how the SGMO-CA relationship operates in different settings. For instance, it would be interesting to examine to what extent industry environmental reputation moderates the impact of strategic green marketing on business performance (Menon & Menon, 1997). We also acknowledge the inequality of our cell sizes in terms of respondents' job title does not permit us to derive valid conclusions regarding the impact of the respondent's job position on the role and effect of SGMO. It would be interesting for future research efforts to investigate whether the existence of an autonomous CSR department and a well-regarded CSR managerial position inside the company might positively influence the role of SGMO and its impact on organizational outcomes.

Furthermore, the relationship of SGMO on CA (moderated by IGMO) offers evidence to companies regarding one way to achieve CA, but it is by no means exhaustive. CA and other general performance outcomes are affected by several factors and therefore, cannot be fully captured in a single study. Further research could investigate other drivers of CA and their significance compared to strategic green marketing. In addition, further research should focus on investigating the costs involved in green marketing strategies (e.g. clean production costs) and their effect on corporate performance.

From a methodological perspective, we specified the SEP scale as a reflective measurement model, relying on specific Jarvis, MacKenzie, and Podsakoff (2003) criteria (i.e., common theme shared, possibly similar antecedents and consequences, important and significant inter-item correlations). Our decision was also based on the example of how other researchers in the extant literature have specified the scale in equivalent research contexts (e.g., Garcés-Ayerbe et al., 2012; Murillo-Luna et al., 2008; Sarkis et al., 2010; Vazquez-Brust, Liston-Heyes, Plaza-Ubeda, & Burgos-Jimenez, 2010). However, given that the SEP scale could be also viewed as meeting some criteria of formative measurement model specification, it would be valuable to thoroughly investigate in future research efforts the best recommended model specification of this construct.²

Based on previous studies (Leonidou et al., 2013), we suggest that slack resources could be a potential driver of both SGMO and IGMO since environmental investments are often considered as significant expenditures with long-term payback. Companies with slack resources

² We thank the Anonymous Reviewer for bringing this issue to our attention.

are sometimes eager to make such investments (Campbell, 2007). In addition, prior research suggests that tactical activities (i.e. use of recycled materials, green pricing policies) offer flexibility to managers for a) improving their firm's green brand image in the short-medium term and b) adjusting their green marketing strategy according to external and internal environmental changes (Papadas et al., 2017). Therefore, we also encourage future studies to explore the moderating effect of such tactical, short-term green marketing practices on the green marketing strategy-performance relationship, which may act as a “fine-tuning” tool of the core, long-term green marketing strategy.

Finally, given that the overarching aim of any green marketing measure is to reduce the organization's environmental impact, future studies should also include an agreed, global, objective measure of environmental performance (e.g. detailed lifecycle analysis, CO₂ emissions) to identify where the most substantive environmental impacts occur and allow comparisons to be drawn about the benefits of a green marketing strategy on the natural environment. As marketing researchers, we may always be interested to discover whether a green marketing strategy pays-off in business terms, however our main motive in this field should remain the preservation of nature.