

The effect of strategic green marketing orientation on customer satisfaction: The mediating role of green corporate image

Md. Alauddin

*Department of Business Administration
International Islamic University Chittagong (IIUC), Bangladesh*

Abstract

Green marketing plays a significant role in promoting environment friendly products and developing a positive green image worldwide. This research aims to determine the role of green marketing orientation (GMO) on green corporate image (GCI) and green customer satisfaction (GCS). This research also examines the role of GCI as a mediator in the link between GMO and GCS. Data were collected from two hundred and fifteen clients of hotels in Hong Kong. The data were gathered using survey methods through the convenience sampling technique. The results indicate that green marketing orientation positively influences both green corporate image and green customer satisfaction. Furthermore, the findings demonstrate that GCI serves as a mediator between GMO and GCS. These findings suggest that hotel managers should develop a positive green image by designing the green marketing mix to enhance the level of green customer satisfaction. The research also brings out the significance of the GMO actions that are required for developing GCI and GCS.

Keywords Green Marketing Orientation (GMO), Green Corporate Image (GCI), Green Customer satisfaction (GCS), Hotels.

Paper type Research paper

1. Introduction

Environmental problems have continuously worsened in recent years due to severe environmental degradation and global warming (Chen, 2008; Jones, Hillier & Comfort, 2014). Thus, many companies can realize the importance of sustainability and its impact on businesses and societies (Saunila, Ukko, & Rantala, 2018). In this regard, companies should create new business strategies that may ensure accomplishment with these environmental alternatives, such as green marketing, to answer these ecological needs (Asadi et al., 2020). Companies may create and enable any transaction to satisfy client environmental needs by implementing green marketing strategies (Polonsky, 1994). Green marketing is significantly widespread to protect nature and aims to achieve environmental sustainability



(Chung, 2020). Therefore, companies should offer eco-friendly products, not only to please the customers, but also to ensure environmental safety (Martinez et al., 2020) and should conduct green marketing orientation to drive successful green consumption (Wu & Chen, 2014). The philosophy of GMO is that a product's total lifecycle, from manufacturing to distribution, will have the lowest possible influence on the environment (Charter, 2017).

Thus, the idea of green marketing is becoming popular for developing company strategies and maintaining strong relationships with green-sensitive customers (Papadas, Avlonitis, Carrigan, & Piha, 2019). Green marketing is now a quickly spreading trend, whereby more and more businesses are designating their goods or services as being ecological friendly to satisfy the customers (Lin & Chen, 2017). Thus, it is very important to know the role of green marketing in satisfying green customers in the tourism industry. Due to intense competition in the tourism industry, hotel managers can benefit from realizing a green corporate image and green satisfaction with clients. It is challenging, however, for managers in the tourism industry to develop GCI without adopting green marketing strategies. Therefore, proper GMO activities can enhance firm GCI and help to develop better associations to satisfy existing and potential clients an satisfying customers is one of the most significant issues for achieving success in tourism and hospitality (Bowen & Chen, 2001).

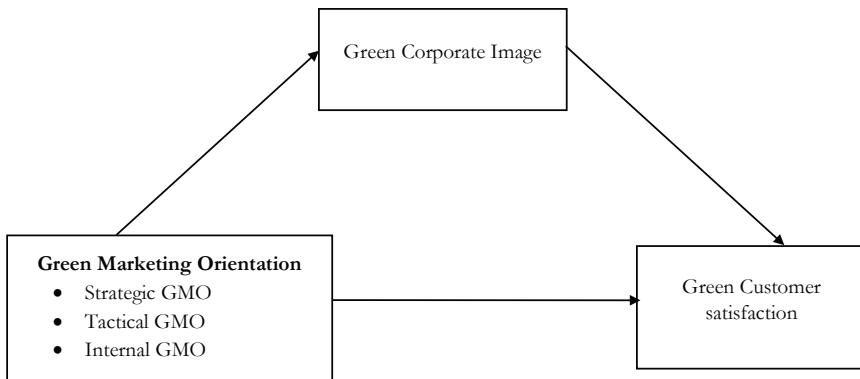
Further, due to the desire for global sustainability, many green-sensitive clients are emphasizing the green image of a company, shifting to purchasing green products rather than traditional products and services (Laroche, Bergeron, & Barbaro-Forleo, 2001). Adopting GMO strategies can help a hotel to develop its green image. The demand for green hotels is growing worldwide. To meet the demands of travellers who care about the environment, an increasing number of hotels are creating green marketing strategies that help to achieve a competitive advantage, such as developing their image and GCS (Hsieh, 2012). Based on the resource-based view (RBV), environmental achievements, such as GMO, can be seen as a scarce and valuable resource for a firm to generate sustainable CA (Chan, He, Chan, & Wang, 2012; Hunt & Morgan, 1995). Therefore, a GMO represents a valuable resource that enhances GCI and GCS.

The demand for green hotels is increasing due to consumer awareness about green practices. A green hotel commits to following green practices by offering eco-friendly products in its business operation (Hou & Wu, 2021). A green hotel can be defined as “environmentally responsible hotels that actively follow environment-friendly guidelines, practice environmental management, implement diverse eco-friendly practices, institute sound green

programs and commit themselves to achieve environmental improvement by displaying eco-labels or a green globe logo” (Kim & Han, 2010: 999). Hong Kong is famous worldwide for its tourism industry. It has many world-famous hotels which are trying to develop their GCI by offering green products. Thus, hotel managers must adopt many initiatives to develop their GCI through GMO. Moreover, managers in the tourist sector are themselves concerned about environmental problems. In order for the hotel sector to flourish, it is essential to offer environment friendly options (Kasim, 2007). Previous research has demonstrated that the hotel sector needs actual resources and eco-friendly management to uphold sustainable development (Erdogan & Baris, 2007). An ecologically responsible hotel that creates and implements eco-friendly programs is known as a “green hotel” (Chen & Peng, 2012).

Previous studies explored the effect of GMOs on business performance, competitive advantage, and provable development (Chung, 2020; Mercade Mele, Molina Gomez, & Garay, 2019; Papadas, Avlonitis, Carrigan, & Piha, 2019). However, only a few studies have focused on the role of GMO on the corporate image and GCS in the tourism industry. Further, former studies have investigated corporate image as the antecedent of business performance and loyalty (Martinez, 2015; Wu & Lin, 2016). Ko, Hwang, and Kim (2013) examined the role of a green marketing function on corporate image. Tan, Sadiq, Bashir, Mahmood, and Rasool (2022) have studied the role of corporate image as a mediator in the link between environmental knowledge and buying intention. However, no study has been found to consider the role of GCI as a mediator in the link between GMO and GCS, and we want to explore this gap. Therefore, it is worthwhile to explore an important question: To what extent does a GMO influence GCI and GCS? And what is the role of GCI as a mediator in the association between GMO and GCS?

Therefore, built upon GMO theory (Papadas, Avlonitis, & Carrigan, 2017), the resource-based view approach, and green marketing literature, this study examines the impact of GMO on GCI and GCS and the role of GCI as a mediator in the link between GMO and GCS. This study makes numerous strategic contributions. We contribute to the prevailing literature by investigating the impact of GMO on GCI and GCS and identifying the role of GCI as a mediator in the tourism industry in Hong Kong.



Source: Author's own contribution

Figure 1

Theoretical framework

2. Literature review

2.1 green marketing

Firms are now concentrating on green innovation to progress green products and services. The number of ecological friendly consumers is steadily increasing in society. Therefore, green marketing has become a common issue among stakeholders. The term is known in different words such as “sustainable, eco-friendly, and environment friendly marketing” (Kaur, Gangwar, & Dash, 2022; Machova, Ambrus, Zsigmond, & Bako, 2022). Firms initiate a green marketing strategy to supply customers with ecologically sound products that do not harm society (Grewal & Levy, 2008). According to Peattie and Charter (2003), green marketing is the procedure of promoting goods or services that are advantageous or less detrimental to the environment.

2.2 Green marketing orientation

GMOs have been classified into three major categories: strategic, tactical, and internal (Leonidou & Leonidou, 2011; Mourad & Ahmed, 2012).

2.2.1 Strategic green marketing orientation

SGMO is a firm strategy that aims to design ecological products based on customers' needs and competitors' actions (Fraj, Martínez, & Matute, 2013). According to Papadas, Avlonitis, and Carrigan (2017: 240), SGMO is defined as “the extent to which organizations integrate the environmental imperative in strategic marketing decisions”. It is a market-based strategy that directs businesses to comprehend clients' environmental needs and track rivals'

environmental tactics (Du & Wang, 2022). Firms can develop SGMO by networking and relationships that follow related environmental policies. The main goal and activities of SGMO are to enhance environmental performance (Fraj, Martinez, & Matute, 2013; Garg, 2015).

2.2.2 Tactical green marketing orientation

The conventional marketing mix focuses on products, price, channel, and promotion, and TGMO involves converting the traditional mix into a green marketing mix (Popescu, Corbos, Comănescu, & Bunea, 2017). Firms make these tactics to satisfy green-sensitive customers. Due to the green marketing mix, clients are delighted with green products, green packaging, etc. According to eco-friendly practices, green items are made with non-toxic materials (Gurau & Ranchhod, 2005). Green pricing is based on green appearance and functionality to support green initiatives (Kotler, 2011). Promoting green products is essential for raising consumer awareness and motivating people to buy solely environment friendly goods (Kaur, Gangwar, & Dash, 2022). The green distribution also entails reaching the correct customers, especially those that care about the environment, with the products (Yazdanifard & Mercy, 2011). Last but not least, green packaging is a strategy that highlights the benefits of goods and services (Wandosell, Parra-Meroño, Alcayde, & Baños, 2021).

2.2.3 Internal green marketing orientation

IGMO is a process that focuses on the inside of the organization. It works how a firm will be directed and lead to enhance green activities. According to Papadas and Avlonitis (2014), it comprises the parasitizing of ecological values crosswise the firm to entrench a broader green culture. Various strategies are followed in this stage, for example, employee training to encourage environmental consciousness inside the firm (Charter & Polonsky, 2017). In this stage, personnel are trained to advance their skills to manage and solve eco-friendly management issues carefully (Ramus, 2001).

2.3 Green corporate image

GCI plays a crucial role in creating a positive impression in customers' minds. Firms take many initiatives to develop GCI, for instance, offering an eco-friendly product and maintaining environmental regulations. According to Van Riel and Fombrun (2007: 40), “corporate image involves the features of the company that stakeholders come to perceive”. According to Amores-Salvadó, Martín-de Castro, and Navas-López (2014: 357), “green corporate image involves the environmental or green-related features of the

firm that stakeholders come to perceive”.

2.4 Green customer satisfaction

GCS has gained substantial attention equally from research scholars and practitioners (Vafaei, Azmoon, & Fekete-Farkas, 2019). Most effective businesses have accomplished their goals by concentrating on buyer needs and meeting their expectations (Hur, Kim, & Park, 2013). Customer satisfaction is a key factor in the tourism industry. Due to intense competition in the hospitality industry, a manager must differentiate their products by offering superior value. As Choi and Chu (2001 : 278) stated, “hoteliers need to understand their customer's needs and meet or exceed them”. Hence customers are becoming environmentally conscious, so they expect eco-friendly products and services. Therefore, managers must focus on the significance of GCS. GCS is defined as “a pleasure level of consumption-related fulfillment to satisfy customers' environmental desires, sustainable expectations, and green needs” (Martínez, 2015: 902).

3. Hypothesis development

3.1 GMO and green corporate image

Green marketing serves to advance the corporate image (D'Souza, Taghian, Sullivan-Mort, & Gilmore, 2015). Companies with a GMO can identify the value of eco-friendly management, watch cautiously for green competition, and convey a sustainable image to customers (Li, Ye, Sheu, & Yang, 2018). This strategy helps a firm change its traditional marketing mix to a green one. It inspires a company to change product quality, manufacturing methods, style of packaging, and promotion programs (Popescu, Corbos, Comănescu & Bunea, 2017). These sorts of activities draw the buyer's attention and improve the green image of the firm. Chen, Lai, and Wen (2006) proposed that a GMO boosts the performance of environmental management activities.

A GMO shows that a firm strongly explores environmental capabilities to develop green innovation. For instance, a firm can advance its competence, accomplish cost reductions, and meet green-sensitive customer demands, in this way improving its image and economic gains through an orientation towards environmental innovations (Amores-Salvadó, Martín-de Castro, & Navas-López, 2014). Firms can adopt long-term and short-term strategies to design green products so that they can develop their GCI. Therefore, GMO plays a central role in attaining the achievement of business processes. A company should accept green practices to attain a better corporate image in business. Buyers are more aware of choosing products

and prefer to buy those products and services that have a minor impact on the environment (Chang & Fong, 2010). Buyers also check information before buying, about which firms take care of the environment and eco-friendlier. Therefore, strategic, tactical, and internal GMOs can help the firms develop their image, resulting in long-term bonding with the buyers.

Hotels are increasingly conscious that rising environmental concerns might influence customers' purchasing habits (Kim & Chung, 2011). Before choosing hotels, consumers consider their environmental impact history and guest reviews (Caruana, 2007). According to previous scholar, buyers focus on the green image of hotels before booking. The corporate green image of a hotel is an important indicator to choose from (Bohdanowicz, 2005). Thus, when a hotel progresses a green marketing orientation in terms of strategy, tactics, and internal operations, it must achieve a good image in customers' minds. Based on the above discussion, we hypothesize that

H1: SGMO is positively associated with GCI

H2: TGMO is positively connected with GCI

H3: IGMO is positively associated with GCI

3.2 GMO and green customer satisfaction

Firms with green marketing practices are more advanced than firms with traditional marketing practices. GMO assists the firm in developing a long-term link with all stakeholders. The demand for green products is increasing rapidly due to changing consumer behavior and needs (Suki & Suki, 2015). A successful GMO brings buyers and sellers closer. Effective green marketing practices can lead the firm to achieve a competitive advantage. For instance, SGMO makes a long-term plan to develop a link with the buyers (Mohd Suki, 2017). All types of environmental policies and actions are taken to ensure customer satisfaction (Kumar, 2016). TGMO is another approach that focuses on a green marketing mix. Green-sensitive buyers always demand green products, and a proper green marketing mix will play a significant role in creating more loyal buyers and establishing strong relationships with the clients. Thus, the Green marketing mix strategy effectively satisfies green customers.

Further, IGMO can enrich the skill of employees so that employees can perform their managerial activities effectively and efficiently (Fuentes, 2015). A green marketing management strategy, known as "green marketing orientation", tries to balance the interests of customers, operators, and the environment (Chung, 2020). According to RBV, GMO is considered a resource, and the activities of GMO help to enhance GCS (Barney, 1991). GMO influences the firm to adopt green practices to satisfy green-sensitive

clients (Yu, Li, & Jai, 2017). Companies must adhere to environmental guidelines and reduce the use of potentially harmful or poisonous materials, resources, and energy in order to achieve sustainable growth (Glavic & Lukman, 2007). By emphasizing environmental responsibility, environmentally friendly marketing initiatives aim to satisfy customers (Wu & Lin, 2016), so there is a positive association between GMO and GCS (Wang, Xue, Sun, & Yang, 2020). Consequently, establishing long-term customer relations depends greatly on a company's approach toward the green market.

Therefore, we propose

H4: SGMO is positively related to GCS

H5: TGMO is positively associated with GCS

H6: IGMO is positively influenced by GCS

3.3 Green corporate image and GCS

The green corporate image (GCI) draws the attention of buyers (Kandampully & Hu, 2007). Many buyers order products and services based on the positive image of a company. A green corporate image helps companies augment relationship quality. Firms can achieve their GCI by establishing environmental rules and policies and developing green marketing. According to Leonidou, Katsikeas, and Morgan (2013), enhancing environmental efficiency may save expenses, boost a company's reputation, and increase customer satisfaction. Additionally, maintaining a positive business image is crucial for meeting the wants and preferences of customers (Martinez, 2015). Hu and Wall (2005) claimed that a stronger environmental image might improve tourism's competitiveness. Han, Hsu, and Lee (2009) stated that there is a positive connection between the green image of a firm and customer satisfaction and argued that clients are ready to pay extra for environmentally friendly products (Martenson, 2007). Therefore, we propose,

H7: Green corporate image is positively associated with GCS

3.4 Mediation effects of GCI

Corporate image is the total perception of a company (Ditcher, 1985). GCI is described as “a collection of customer views of a company that are related to environmental commitments and concerns” (Martinez, 2015: 901). It can be proven that GMO techniques aid a company in forging stronger ties with customers in the travel sector. Businesses that use GMOs may recognize the benefits of eco-friendly management, keep an eye out for green competition, and project an eco-friendly image to clients (Li, Ye, Sheu, & Yang, 2018). A

GMO strategy is intended to draw attention to a company's focus on environmental concerns in order to enhance its public perception (Chen, Lai, & Wen, 2006). To enhance brand's perception among customers, the company employs a variety of green marketing mix methods (Kaur, Gangwar, & Dash, 2022). Green marketing techniques may boost a company's image and reputation (Dangelico & Pujari, 2010). Businesses with a positive corporate image are more likely to develop long-term relationships with their clients (Keller, 2003). For instance, Lin, Morais, Kerstetter, and Hou (2007) showed that travellers are quite inclined to select a site that has a positive reputation. Han, Hsu, and Lee (2009) demonstrate the association between overall image and satisfaction in the hotel industry. Therefore, establishing a positive company image constructed by customers is a key goal of the green business sector (Ko, Hwang, & Kim, 2013). According to past research, customer satisfaction and overall image are positively correlated (Martenson, 2007).

H8: GCI mediates the connotation between a) SGMO; b) TGMO; and c) IGMO and green customer satisfaction

4. Methodology

4.1 Procedure and data collection

The study followed a quantitative method. Data was gathered from the 215 respondents using a structured questionnaire through a convenience sampling technique, and our target respondents were the clients of hotels who have been consumers of any hotel in the past in Hong Kong. Earlier scholars projected that the sample size more than 200 is sufficient for the covariance-based structural equation modeling (Hoelter, 1983; Sultan, Wong, & Azam, 2021). We employed the convenience sampling technique because it takes a short period of time to get satisfactory responses (Al-Swidi, Gelaidan, & Saleh, 2021). The data was gathered using face-to-face and mail surveys from April to July 2022. The questionnaire uses a 1–5 scale in which 1 was “strongly disagree” and 5 was “strongly agree”. Two hotel managers and two academicians examined the survey instrument in the marketing field to ensure content validity. The collected data were analyzed with SEM using SPSS AMOS 24. First, we analyzed the measurement model to evaluate validity, reliability, and statistical fit, and later, we assessed the structural model and path analysis (Hair, Black, Babin, & Anderson, 2010).

4.2 Measures

This study aims to identify the role of GMOs and GCI in developing GCS in the tourism industry. SGMO, TGMO, and IGMO were adapted from the

study of Papadas, Avlonitis, and Carrigan, (2017). GCI was adapted from Martínez, (2015), and the items of GCS were adapted from (Kim & Cha, 2002), and (Martínez, 2015).

4.3 Profile of respondents

Table 1
Demographics of a sample (N = 215)

Measures	Particulars	Frequency	Percentage
Gender	Male	150	69.76
	Female	65	
	Total	215	30.24
			100
Age group	Below 25 years	30	13.95
	25-35 years	90	41.86
	36-45 years	60	27.90
	46-55 years	25	11.62
	Above 55 years	10	4.6
	Total	215	100
Education	High School	30	13.95
	Bachelor	110	51.16
	Master	65	30.23
	PhD	10	4.6
	Total	215	100

Source: Author computation by field Survey

Table 1, summarizes the demographic outlines of the participants. Most of the them were male (69.76%) and the remaining 30.24% of them were female. In terms of age of the respondents, most of the informants were in the 25–35 age group while around 28% belonged to the 36–45 age range. Only 4.6% of the respondents were above 55 years old. The majority of respondents (51.16%) had a bachelor degree. Approximately 31% of participants had master's degree, almost 14% respondents were from high school. Only 4.6% of them had a PhD degree.

4.4 Common method bias (CMB)

CMB occurs when we collect our data, including the same independent and dependent variable, from the same informants. We measured the seriousness of CMV by applying Harmon's single-factor test to assess the significance of its bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). The findings

expose that one component can explain 34.9% of the variance, which is below the maximum threshold of 50%, indicating that the data set did not have the seriousness of CMV (Podsakoff & Organ, 1986).

5. Analysis and results (measurement model)

Table 2 showed that the FL of all the constructs was above 0.7. To ensure reliability, we found Cronbach's alpha value of all constructs is above 0.7, which confirms its acceptability (Nunnally & Bernstein, 1967). The AVE values of all the constructs were also above 0.5, and the value of CR of each construct was above 0.7, which ensures convergent validity (Hair, Black, Babin, & Anderson, 2010). The proposed model ensures a good fit; hence, all the CFA model indices are within the suggested ranges. The goodness-of-fit indices provides acceptable model fit (CMIN/DF=1.963 ($p < 0.001$), CFI= 0.951, GFI= 0.910, TLI=0.924, SRMR= 0.053, RMSEA=0.057) (Hair, Black, Babin, & Anderson, 2010).

Table 2

Summary of the measurement model

Constructs	Items	FL	AVE	CR	α
SGMO	SGM1	.725	.610	.902	.905
	SGM2	.864			
	SGM3	.837			
	SGM4	.847			
	SGM5	.858			
	SGM6	.785			
TGMO	TGM1	.713	.598	.881	.878
	TGM2	.720			
	TGM3	.825			
	TGM4	.865			
	TGM5	.922			
IGMO	IGM1	.804	.600	.913	.914
	IGM2	.831			
	IGM3	.703			
	IGM4	.780			
	IGM5	.781			
	IGM6	.874			
	IGM7	.851			
GCI	GCI1	.894	.716	.882	.876
	GCI2	.921			
	GCI3	.870			
GCS	GCS1	.875	.752	.924	.921
	GCS2	.832			
	GCS3	.842			
	GCS4	.925			

Source: Author computation by field Survey

Notes: “FL: Factor Loading; α : Cronbach Alpha; CR: Composite Reliability; AVE: Average Variance Extracted”.

Table 3

Descriptive statistics and correlation matrix for the study constructs from CFA

Constructs	Mean	SD	IGMO	TGMO	SGMO	GCS	GCI
IGM Orientation	3.84	.625	0.775				
SGM Orientation	3.91	.640	0.164*	0.781			
TGM Orientation	4.04	.626	0.496***	0.307***	0.773		
Green Customer Satisfaction	4.10	.654	0.510***	0.451***	0.562***	0.867	
Green Corporate Image	4.05	.696	0.525***	0.306***	0.555***	0.553***	0.846

Source: Author Computation by field Survey

*** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$

Legends: “IGMO= Internal Green Marketing Orientation; TGMO= Tactical Green Marketing Orientation; SGMO= Strategic Green Marketing Orientation; GCS= Green customer Satisfaction; GCI= Green Corporate Image”

6. Structural model

In order to evaluate the study framework and hypotheses, we employed structural equation modeling. Table 4 displays the outcomes for the structural model. According to the measurements of overall fit, the structural model's fit was satisfactory (CMIN/DF=1.98, CFI= .948, GFI= 0.920, TLI= 0.930, SRMR= 0.018, PClose = 0.84) (Hair, Black, Babin, & Anderson, 2010). Table 4 demonstrates that SGMO, IGMO, and TGMO are positively associated with corporate image. It is revealed that SGMO has positive effect on ($\beta = .129^*$, CR=2.05) CI, IGMO is positively correlated with ($\beta = .329^{***}$, CR=4.47) CI, and TGMO has significant impact on ($\beta = .351^{***}$, CR=4.50) CI. The highest association exists between TGMO and ($\beta = .351^{***}$, CR=4.50) corporate image. So, our hypotheses H1, H2, and H3 are supported. Moreover, it is shown that SGMO has positive effect on ($\beta = .266^{***}$, CR=4.09) GCS, IGMO is positively correlated with ($\beta = .228^{**}$, CR=3.18) GCS, and TGMO has significant impact on ($\beta = .24^{**}$, CR=3.17) GCS. So, we can say that our hypotheses H4, H5, and H6 are supported. Finally, we find positive and significant relations between corporate image and ($\beta = .222^{**}$, CR=2.93) relationship quality. Therefore, hypothesis H7 supports our statement.

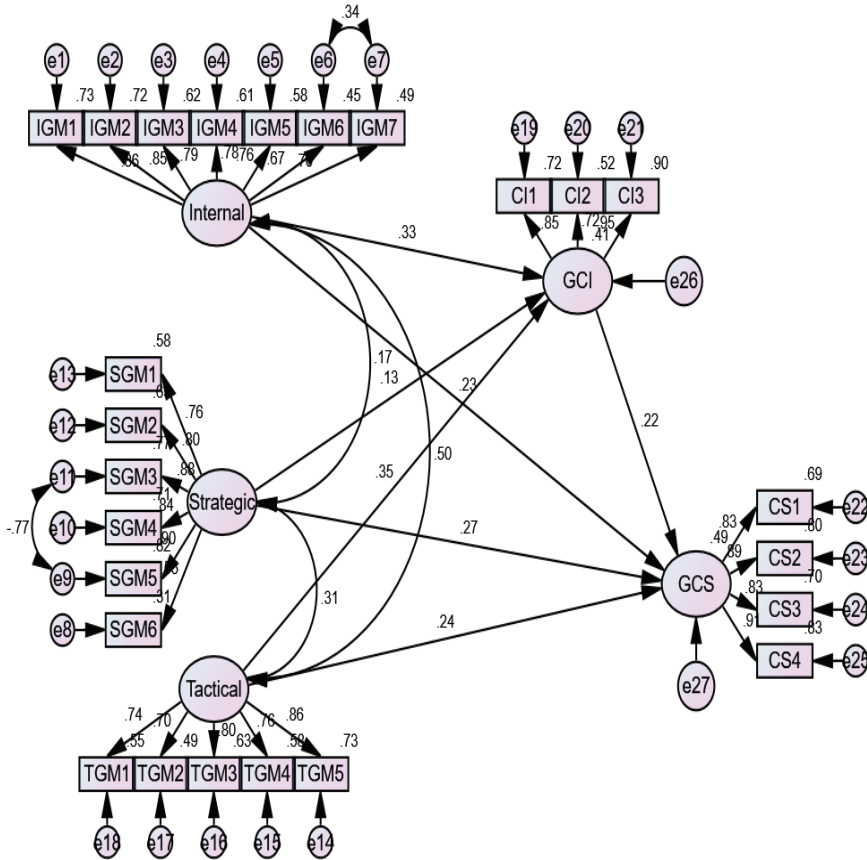


Figure 2
Structural model

Table 4
Hypotheses testing

No.	Path relationship	β	SE	CR	P value	Result
H1	SGMO → Green Corporate Image	.129	.10	2.05	.040	Supported
H2	IGMO → Green Corporate Image	.329	.07	4.47	***	Supported
H3	TGMO → Green Corporate Image	.351	.08	4.50	***	Supported
H4	SGMO → Green customer satisfaction	.266	.10	4.09	***	Supported
H5	IGMO → Green customer satisfaction	.228	.07	3.18	.001	Supported
H6	TGMO → Green customer satisfaction	.243	.07	3.17	.002	Supported
H7	GCI → Green customer satisfaction	.222	.07	2.93	.003	Supported

Source: Author computation by field Survey

***Correlation is significant at $p < 0.001$, ** $p < 0.01$, * $p < 0.05$

7. Mediation analysis

The mediating role of GCI in the relationship between GMO and GCS has been investigated in the setting of this study. Next, mediation effects (H8a – H8c) were studied. The bootstrapping technique used 2000 resamples with a 95% confidence interval to assess the significance of the mediation effects (Byrne, 2009). There are two types of mediation effects: "partial mediation and full mediation." When both direct and indirect paths from explanatory variables to dependent variables are significant, it is presumed to be partial mediation (Cheung & Lau, 2008). However, according to previous scholars, if the direct effect is insignificant and the indirect effect is significant, it is supposed to be full mediation. Accordingly, results showed GCI partially mediates the effects of SGMO (DE=.266, $p < 0.01$; IE=.029, $p < 0.05$), TGMO (DE=.243, $p < 0.01$; IE=.078, $p < 0.05$), and IGMO (DE=.228, $p < 0.01$; IE=.073, $p < 0.01$) on GCS, hence H8a, H8b, and H8c were supported. Therefore, it can be ascertained that GCI partially mediates the relationship between GMO and GCS.

Table 5

The summary of the mediation effects

No	Path	β -Value	p value	Direct effect (DE)	Indirect effect (IE)	Conclusion
H8a	SGMO → GCI → GCS	.029	.03	Significant	Significant	Partial Mediation
H8b	TGMO → GCI → GCS	.078	.01	Significant	Significant	Partial Mediation
H8c	IGMO → GCI → GCS	.073	***	Significant	Significant	Partial Mediation

Source: Author computation by field Survey

7. Discussion and analysis

The present study investigated the role of GMOs on green corporate image and GCS in the tourism industry in Hong Kong. Firstly, we examined the role of SGMO, TGMO, and IGMO on GCI. The results show that strategic, tactical, and internal GMO have a significant impact on GCI. The findings of the results confirm the prophecy of the study. The results suggest that company can develop their GCI through green marketing practices. The study's findings also indicate that TGMO has the most significant influence on GCI. The results of this study are supported by (Ko, Hwang & Kim, 2013). We have also investigated the effect of GMOs on GCS. It shows that strategic, tactical, and internal GMO have a positive influence on GCS, supporting our study's prediction.

Interestingly, it is observed that TGMO has the most significant influence on GCS. We also investigated the mediating role of GCI on the link

between GMO and GCS. The results show that GCI partially mediates between GMO and GCS. Green marketing plays a key role in developing networking with buyers and results in customer satisfaction (Kushwaha & Kumar, 2014). Further, we inspected the effect of a GCI on GCS, and the results show that GCI is positively associated with GCS. Our results are supported by (Chung, 2020).

8. Theoretical contributions

This research examines the link between GMO, GCI, and GCS. According to RBV, GMO is viewed as a valuable resource for a firm that helps to generate sustainable CA (Chan, He, Chan, & Wang, 2012). Therefore, GMO represents a rare and significant resource that enhances GCI and GCS through GMO. This research contributes to the extant literature by examining the influence of GMOs on GCI and GCS and identifying the role of GCI on GCS. This study showed that GMO significantly and positively influences GCI and GCS: GMO has a vital role in enhancing both GCI and GCS. Another contribution is the mediating role of GCI. We find that GCI partially mediates the association between GMO and GCS.

This study will have diverse impacts on green hoteliers. First, GMO reflects a continuing promise and adds customer value to the company. Effective GMO will ensure a better corporate image for the company. It can guarantee better relationship quality with the buyers. By adopting a GMO, the company will make customers more familiar with green products, the link between companies and customers will be stronger, and they can recognize each other. Green-oriented companies can differentiate themselves from their competitors, which helps to develop a good image for the customers.

The study suggests that GMO can help the firm develop a GCI and GCS. Mostly, TGMO is very needed for a company to develop its image of the company. A company should adopt a long-term and short-term plan to design green marketing. The results also suggest that there is a good association between GMO and GCS. Therefore, a company should focus on developing a green marketing mix based on customer demands. A company can also develop IGMO by developing employees' skills, which helps them provide superior services to green customers. The result has established the connection and provided the empirical indication in the research setting of the tourism industry in Hong Kong.

Furthermore, a better green image will help the company to get more clients and build strong networking with buyers. We additionally extend the RBV literature by revealing the underlying mechanisms through which GMO

strategies influence GCI and GCS in the tourism industry in Hong Kong.

9. Managerial implications

The following suggestions for hoteliers in creating environmental programs and promoting green hotels are based on the results of the present study. First, when constructing a green hotel, hotel managers should develop a green marketing mix to satisfy the clients, which helps to maintain good networking with the guests. Managers of hotels should pay attention to using green technology, eco-friendly materials, etc. By pursuing GMO, a company can contribute to society in many ways. For example, the company has the opportunity to offer green products to buyers that ensure environmental protection and achieve overall sustainable development. Moreover, tourism and hospitality managers should focus on developing a green image that meets the needs of green customers to enhance their satisfaction levels.

10. Limitations and future research

First, data collected for this study is based on the hotel sector, but the model might also be beneficial in other settings. Second, the sample size is not large; we have gathered data only from two hundred fifteen informants. Future research could be conducted with a larger sample. Moreover, the sample covered only hotel buyers in Hong Kong. Future research could be based on different countries to enhance the validity of findings. In conclusion, this research uses survey methods, so it would be good to have a mixture of qualitative and quantitative data to lessen the risk of common method bias in further studies.

11. Conclusion

This study adds to the green marketing literature by examining the role of green marketing orientation on green corporate image and green customer satisfaction. It also contributes to the field of service industries, particularly in green tourism and the hospitality industry. The role of green marketing is immense in order to ensure customers' demands are met, as well as environmental sustainability. It can help a firm achieve a green image and competitive advantage. The findings reveal that GMO has a significant influence on GCI and GCS. Further, GCI mediates the link between GMO and GCS. This study will help hotel managers and service entrepreneurs to understand the significance of green marketing to satisfy the needs of green-sensitive customers. Further, hotel managers should promote environmentally responsible actions to create awareness among their

customers and develop new business strategies to fulfill customers' needs. Finally, the findings suggest that implementing green marketing orientation helps a company achieve a green corporate image that helps to increase the satisfaction level of green customers.

References

- Al-Swidi, A. K., Gelaidan, H. M., & Saleh, R. M. (2021). The joint impact of green human resource management, leadership and organizational culture on employees' green behaviour and organisational environmental performance. *Journal of Cleaner Production*, 316, 1-19.
- Amores-Salvadó, J., Martín-de Castro, G., & Navas-López, J. E. (2014). Green corporate image: Moderating the connection between environmental product innovation and firm performance. *Journal of Cleaner Production*, 83, 356-365.
- Asadi, S., Pourhashemi, S. O., Nilashi, M., Abdullah, R., Samad, S., Yadegaridehkordi, E., & Razali, N. S. (2020). Investigating influence of green innovation on sustainability performance: A case on Malaysian hotel industry. *Journal of Cleaner Production*, 258, 1-15.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
- Bohdanowicz, P. (2005). European hoteliers' environmental attitudes: Greening the business. *Cornell Hotel and Restaurant Administration Quarterly*, 46(2), 188-204.
- Bowen, J. T., & Chen, S. L. (2001). The relationship between customer loyalty and customer satisfaction. *International Journal of Contemporary Hospitality Management*, 13(5), 213-217.
- Byrne, B. M. (2009). *Structural equation modeling with AMOS: Basic concepts, applications, and programming* (2nd ed.). New York, NY: Taylor & Francis.
- Caruana, R. (2007). A sociological perspective of consumption morality. *Journal of Consumer Behaviour: An International Research Review*, 6(5), 287-304.
- Chan, R. Y., He, H., Chan, H. K., & Wang, W. Y. (2012). Environmental orientation and corporate performance: The mediation mechanism of green supply chain management and moderating effect of competitive intensity. *Industrial Marketing Management*, 41(4), 621-630.
- Chang, N. J., & Fong, C. M. (2010). Green product quality, green corporate image, green customer satisfaction, and green customer loyalty. *African Journal of Business Management*, 4(13), 2836.

- Charter, M. (Ed.). (2017). *Greener marketing: A responsible approach to business*. New York, USA: Routledge.
- Charter, M., & Polonsky, M. J. (Eds.). (2017). *Greener marketing: A global perspective on greening marketing practice.*, New York, USA: Routledge.
- Chen, A., & Peng, N. (2012). Green hotel knowledge and tourists' staying behavior. *Annals of Tourism Research*, 39(4), 2211-2219.
- Chen, Y. S. (2008). The driver of green innovation and green image—green core competence. *Journal of Business Ethics*, 81(3), 531-543.
- Chen, Y. S., Lai, S. B., & Wen, C. T. (2006). The influence of green innovation performance on corporate advantage in Taiwan. *Journal of Business Ethics*, 67(4), 331-339.
- Cheung, G. W., & Lau, R. S. (2008). Testing mediation and suppression effects of latent variables: Bootstrapping with structural equation models. *Organizational Research Methods*, 11(2), 296-325.
- Choi, T. Y., & Chu, R. (2001). Determinants of hotel guests' satisfaction and repeat patronage in the Hong Kong hotel industry. *International Journal of Hospitality Management*, 20(3), 277-297.
- Chung, K. C. (2020). Green marketing orientation: Achieving sustainable development in green hotel management. *Journal of Hospitality Marketing & Management*, 29(6), 722-738.
- Dangelico, R. M., & Pujari, D. (2010). Mainstreaming green product innovation: Why and how companies integrate environmental sustainability. *Journal of Business Ethics*, 95(3), 471-486.
- Ditcher, E. (1985). What's in an image? *Journal of Consumer Marketing*, 2(1), 75-81.
- D'Souza, C., Taghian, M., Sullivan-Mort, G., & Gilmore, A. (2015). An evaluation of the role of green marketing and a firm's internal practices for environmental sustainability. *Journal of Strategic Marketing*, 23(7), 600-615.
- Du, Y., & Wang, H. (2022). Green innovation sustainability: How green market orientation and absorptive capacity matter? *Sustainability*, 14(13), 8192.
- Erdogan, N., & Baris, E. (2007). Environmental protection programs and conservation practices of hotels in Ankara, Turkey. *Tourism Management*, 28(2), 604-614.

- Fraj, E., Martínez, E., & Matute, J. (2013). Green marketing in B2B organisations: An empirical analysis from the natural-resource-based view of the firm. *Journal of Business & Industrial Marketing*, 28(5), 396-410.
- Fuentes, C. (2015). How green marketing works: Practices, materialities, and images. *Scandinavian Journal of Management*, 31(2), 192-205.
- Garg, A. (2015). Green marketing for sustainable development: An industry perspective. *Sustainable Development*, 23(5), 301-316.
- Glavic, P., & Lukman, R. (2007). Review of sustainability terms and their definitions. *Journal of Cleaner Production*, 15(18), 1875-1885.
- Grewal, D., & Levy, M. (2008). *Marketing*. Boston, MA: McGraw-Hill.
- Gurau, C., & Ranchhod, A. (2005). International green marketing: A comparative study of British and Romanian firms. *International Marketing Review*, 22(5), 547-561.
- Hair, J., Black, B., Babin, B. & Anderson, R. (2010). *Multivariate data analysis* (7th ed.). Upper Saddle River, NJ : Pearson Prentice Hall, Inc.
- Han, H., Hsu, L. T. J., & Lee, J. S. (2009). Empirical investigation of the roles of attitudes toward green behaviors, overall image, gender, and age in hotel customers' eco-friendly decision-making process. *International Journal of Hospitality Management*, 28(4), 519-528.
- Hoelter, J. W. (1983). The analysis of covariance structures: Goodness-of-fit indices. *Sociological Methods & Research*, 11(3), 325-344.
- Hou, H., & Wu, H. (2021). Tourists' perceptions of green building design and their intention of staying in green hotel. *Tourism and Hospitality Research*, 21(1), 115-128.
- Hsieh, Y. C. J. (2012). Hotel companies' environmental policies and practices: A content analysis of their web pages. *International Journal of Contemporary Hospitality Management*, 24(1), 97-121.
- Hu, W., & Wall, G. (2005). Environmental management, environmental image and the competitive tourist attraction. *Journal of Sustainable Tourism*, 13(6), 617-635.
- Hunt, S. D., & Morgan, R. M. (1995). The comparative advantage theory of competition. *Journal of Marketing*, 59(2), 1-15.
- Hur, W. M., Kim, Y., & Park, K. (2013). Assessing the effects of perceived value and satisfaction on customer loyalty: A 'Green perspective. *Corporate Social Responsibility and Environmental Management*, 20(3), 146-156.
- Jones, P., Hillier, D., & Comfort, D. (2014). Sustainability in the global hotel industry. *International Journal of Contemporary Hospitality Management*, 26(1), 5-17.

- Kandampully, J., & Hu, H. H. (2007). Do hoteliers need to manage image to retain loyal customers? *International Journal of Contemporary Hospitality Management*, 19(6), 435-443.
- Kasim, A. (2007). Towards a wider adoption of environmental responsibility in the hotel sector. *International Journal of Hospitality & Tourism Administration*, 8(2), 25-49.
- Kaur, B., Gangwar, V. P., & Dash, G. (2022). Green marketing strategies, environmental attitude, and green buying intention: A multi-group analysis in an emerging economy context. *Sustainability*, 14(10), 6107.
- Keller, K.L. (2003). *Strategic brand management-building, measuring, and managing brand equity*. Upper Saddle River, NJ: Prentice Hall.
- Kim, H. Y., & Chung, J. E. (2011). Consumer purchase intention for organic personal care products. *Journal of Consumer Marketing*, 28(1), 40-47.
- Kim, W. G., & Cha, Y. (2002). Antecedents and consequences of relationship quality in hotel industry. *International Journal of Hospitality Management*, 21(4), 321-338.
- Kim, Y., & Han, H. (2010). Intention to pay conventional-hotel prices at a green hotel—a modification of the theory of planned behavior. *Journal of Sustainable Tourism*, 18(8), 997-1014.
- Ko, E., Hwang, Y. K., & Kim, E. Y. (2013). Green marketing' functions in building corporate image in the retail setting. *Journal of Business Research*, 66(10), 1709-1715.
- Kotler, P. (2011). Reinventing marketing to manage the environmental imperative. *Journal of Marketing*, 75(4), 132-135.
- Kumar, P. (2016). State of green marketing research over 25 years (1990-2014): Literature survey and classification. *Marketing Intelligence & Planning*, 34(1), 137-158.
- Kushwaha, G. S., & Kumar, A. (2014). Impact of Green Marketing Practices on Customer Satisfaction among the Leather Industries' Customers. *Asia-Pacific Journal of Management Research and Innovation*, 10(1), 79-88.
- Laroche, M., Bergeron, J., & Barbaro-Forleo, G. (2001). Targeting consumers who are willing to pay more for environmentally friendly products. *Journal of Consumer Marketing*, 18(6), 503-520.
- Leonidou, C. N., & Leonidou, L. C. (2011). Research into environmental marketing/management: A bibliographic analysis. *European Journal of Marketing*, 45(1/2), 68-103.

- Leonidou, C. N., Katsikeas, C. S., & Morgan, N. A. (2013). "Greening" the marketing mix: Do firms do it and does it pay off? *Journal of the Academy of Marketing Science*, 41(2), 151-170.
- Li, Y., Ye, F., Sheu, C., & Yang, Q. (2018). Linking green market orientation and performance: Antecedents and processes. *Journal of Cleaner Production*, 192, 924-931.
- Lin, C. H., Morais, D. B., Kerstetter, D. L., & Hou, J. S. (2007). Examining the role of cognitive and affective image in predicting choice across natural, developed, and theme-park destinations. *Journal of Travel Research*, 46(2), 183-194.
- Lin, Y. H., & Chen, Y. S. (2017). Determinants of green competitive advantage: The roles of green knowledge sharing, green dynamic capabilities, and green service innovation. *Quality & Quantity*, 51(4), 1663-1685.
- Machova, R., Ambrus, R., Zsigmond, T., & Bakó, F. (2022). The impact of green marketing on consumer behavior in the market of palm oil products. *Sustainability*, 14(3), 1364.
- Martenson, R. (2007). Corporate brand image, satisfaction and store loyalty: A study of the store as a brand, store brands and manufacturer brands. *International Journal of Retail & Distribution Management*, 35(7), 544-555.
- Martinez, M. P., Cremasco, C. P., Gabriel Filho, L. R. A., Junior, S. S. B., Bednaski, A. V., Quevedo-Silva, F., ... & Padgett, R. C. M. L. (2020). Fuzzy inference system to study the behavior of the green consumer facing the perception of greenwashing. *Journal of Cleaner Production*, 242.
- Martinez, P. (2015). Customer loyalty: Exploring its antecedents from a green marketing perspective. *International Journal of Contemporary Hospitality Management*, 27(5), 896-917.
- Mercade Mele, P., Molina Gomez, J., & Garay, L. (2019). To green or not to green: The influence of green marketing on consumer behaviour in the hotel industry. *Sustainability*, 11(17), 4623.
- Mohd Suki, N. (2017). Green products usage: Structural relationships on customer satisfaction and loyalty. *International Journal of Sustainable Development & World Ecology*, 24(1), 88-95.
- Mourad, M., & Ahmed, Y. S. E. (2012). Perception of green brand in an emerging innovative market. *European Journal of Innovation Management*, 15(4), 514-537.

- Nunnally, J. C., & Bernstein, I. H. (1967). *McGraw-Hill series in psychology. Psychometric theory*. New York, NY, US: McGraw-Hill.
- Papadas, K. K., & Avlonitis, G. J. (2014). The 4 Cs of environmental business: Introducing a new conceptual framework. *Social Business, 4*(4), 345-360.
- Papadas, K. K., Avlonitis, G. J., & Carrigan, M. (2017). Green marketing orientation: Conceptualization, scale development and validation. *Journal of Business Research, 80*, 236-246.
- Papadas, K. K., Avlonitis, G. J., Carrigan, M., & Piha, L. (2019). The interplay of strategic and internal green marketing orientation on competitive advantage. *Journal of Business Research, 104*, 632-643.
- Peattie, K., & Charter, M. (2003). *Green marketing. The marketing book*, Oxford, UK: Butterworth Heinemann, Publication.
- Podsakoff, P. M., & Organ, D. W. (1986). Self-reports in organizational research: Problems and prospects. *Journal of Management, 12*(4), 531-544.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: a critical review of the literature and recommended remedies. *Journal of Applied Psychology, 88*(5), 879.
- Polonsky, M. J. (1994). Green marketing regulation in USA and Australia: The Australian checklist. *Greener Management International, 5*(1), 44-52.
- Popescu, R. I., Corbos, R. A., Comănescu, M., & Bunea, O. I. (2017). Ecological marketing-strategic option for business development in bucharest. *Economic Computation & Economic Cybernetics Studies & Research, 51*(2), 67-83.
- Ramus, C. A. (2001). Organizational support for employees: Encouraging creative ideas for environmental sustainability. *California Management Review, 43*(3), 85-105.
- Saunila, M., Ukko, J., & Rantala, T. (2018). Sustainability as a driver of green innovation investment and exploitation. *Journal of Cleaner production, 179*, 631-641.
- Suki, N. M., & Suki, N. M. (2015). Consumers' environmental behaviour towards staying at a green hotel: Moderation of green hotel knowledge. *Management of Environmental Quality: An International Journal, 26*(1), 103-117.
- Sultan, P., Wong, H. Y., & Azam, M. S. (2021). How perceived communication source and food value stimulate purchase intention of organic food: An examination of the stimulus-organism-response (SOR) model. *Journal of Cleaner Production, 312*.

- Tan, Z., Sadiq, B., Bashir, T., Mahmood, H., & Rasool, Y. (2022). Investigating the impact of green marketing components on purchase intention: The mediating role of brand image and brand trust. *Sustainability*, 14(10), 5939.
- Vafaei, S. A., Azmoon, I., & Fekete-Farkas, M. (2019). The impact of perceived sustainable marketing policies on green customer satisfaction. *Polish Journal of Management Studies*, 19(1), 475-491.
- Van Riel, C. B., & Fombrun, C. J. (2007). *Essentials of corporate communication: Implementing practices for effective reputation management*, London, UK: Routledge.
- Wandosell, G., Parra-Meroño, M. C., Alcayde, A., & Baños, R. (2021). Green packaging from consumer and business perspectives. *Sustainability*, 13(3), 1356.
- Wang, J., Xue, Y., Sun, X., & Yang, J. (2020). Green learning orientation, green knowledge acquisition and ambidextrous green innovation. *Journal of Cleaner Production*, 250.
- Wu, S. I., & Chen, Y. J. (2014). The impact of green marketing and perceived innovation on purchase intention for green products. *International Journal of Marketing Studies*, 6(5), 81-100.
- Wu, S. I., & Lin, S. R. (2016). The effect of green marketing strategy on business performance: A study of organic farms in Taiwan. *Total Quality Management & Business Excellence*, 27(1-2), 141-156.
- Yazdanifard, R., & Mercy, I. E. (2011, June). The impact of green marketing on customer satisfaction and environmental safety. *In the proceeding of 2011 International Conference on Computer Communication and Management*, 5(1), 637-641.
- Yu, Y., Li, X., & Jai, T. M. C. (2017). The impact of green experience on customer satisfaction: Evidence from TripAdvisor. *International Journal of Contemporary Hospitality Management*, 29(5), 1340-1361.

Corresponding author

Md. Alauddin can be contacted at: mdalauddin89@yahoo.com

