

ABSTRACT

In the era of increasing environmental awareness and global sustainability efforts, companies are compelled to adopt green business practices to maintain their competitive advantage. This study investigates the influence of Green Industry implementation and Green Marketing strategies on Green Product Innovation as a driver of corporate competitive advantage in the food and beverage manufacturing sector in Central Java, Indonesia.

Using a quantitative approach, data was collected from 150 manufacturing firms through structured surveys and analyzed using Structural Equation Modeling (SEM). The findings reveal that both Green Industry implementation and Green Marketing strategies positively and significantly impact Green Product Innovation. Moreover, Green Product Innovation acts as a partial mediator in enhancing corporate competitive advantage. These results highlight the pivotal role of environmentally sustainable business practices in fostering innovation and differentiation in competitive markets.

Theoretical implications suggest that Resource-Based View (RBV) and Competitive Advantage frameworks must incorporate sustainability-driven innovation as a core component of business strategy. From a managerial perspective, companies should align their production processes and marketing efforts with green principles to enhance brand reputation, meet regulatory requirements, and attract environmentally conscious consumers.

This research contributes to the growing literature on sustainable competitive advantage and provides practical recommendations for industry stakeholders to transition toward more sustainable business models while maintaining market leadership.

Keywords : *Green Industry, Green Marketing, Green Product Innovation, Competitive Advantage, Structural Equation Modeling, Sustainability Strategy.*