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**ALIGNING MARKETING INNOVATION WITH SUSTAINABLE
BUSINESS GOALS: EVIDENCE FROM PT ASTRA OTOPARTS TBK**

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ABSTRACT

This research aims to explore the alignment between marketing innovation and sustainable business goals within the context of PT Astra Otoparts Tbk, a leading Indonesian automotive component manufacturer. Amid evolving market dynamics and increasing emphasis on sustainability, businesses are compelled to adopt innovative marketing strategies that not only enhance competitiveness but also support long-term environmental and social objectives. This study employs a qualitative approach with a case study methodology, drawing data from company reports, sustainability disclosures, and expert interviews. The findings reveal that PT Astra Otoparts integrates sustainability into its marketing innovation through green branding, digital transformation, and strategic partnerships focused on responsible sourcing and production. These innovations contribute to reducing environmental impact, improving stakeholder engagement, and enhancing brand equity. Furthermore, the study highlights the role of organizational culture and leadership in fostering a sustainable innovation mindset. The research contributes to the growing literature on sustainable marketing by offering practical insights into how corporations in emerging markets align innovation with sustainability. It also provides recommendations for policy makers and industry leaders to foster innovation ecosystems that support sustainable development.

Keywords: Marketing Innovation, Sustainability, Strategic Alignment, Automotive Industry, Indonesia

ABSTRAK

Penelitian ini bertujuan untuk mengeksplorasi keterkaitan antara inovasi pemasaran dengan tujuan bisnis berkelanjutan dalam konteks PT Astra Otoparts Tbk, salah satu produsen komponen otomotif terkemuka di Indonesia. Di tengah dinamika pasar yang terus berkembang dan meningkatnya penekanan terhadap keberlanjutan, perusahaan dituntut untuk mengadopsi strategi pemasaran inovatif yang tidak hanya meningkatkan daya saing tetapi juga mendukung tujuan jangka panjang secara lingkungan dan sosial. Penelitian ini menggunakan pendekatan kualitatif dengan metode studi kasus, menggunakan data dari laporan perusahaan, pengungkapan keberlanjutan, dan wawancara ahli. Temuan menunjukkan bahwa PT Astra Otoparts mengintegrasikan prinsip keberlanjutan ke dalam inovasi pemasarannya melalui penerapan green branding, transformasi digital, dan kemitraan strategis yang berfokus pada sumber daya dan produksi yang bertanggung jawab. Inovasi-inovasi ini berkontribusi dalam mengurangi dampak lingkungan, meningkatkan keterlibatan pemangku kepentingan, serta memperkuat ekuitas merek. Selain itu, studi ini menyoroti peran budaya organisasi dan kepemimpinan dalam menumbuhkan pola pikir inovasi berkelanjutan. Penelitian ini memberikan kontribusi terhadap literatur pemasaran berkelanjutan dengan menawarkan wawasan praktis mengenai bagaimana perusahaan di pasar negara berkembang menyelaraskan inovasi dengan keberlanjutan. Penelitian ini juga memberikan rekomendasi bagi pembuat kebijakan dan pelaku industri untuk mendorong ekosistem inovasi yang mendukung pembangunan berkelanjutan.

Kata kunci: Inovasi Pemasaran, Keberlanjutan, Penyelarasan Strategis, Industri Otomotif, Indonesia



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1. INTRODUCTION

The increasing integration of sustainability principles into business strategies marks a fundamental shift in how companies create and deliver value. As concerns about climate change, resource depletion, and social inequality intensify, stakeholders are demanding more responsible and forward-thinking approaches to corporate management. In this context, marketing innovation—defined as the development and implementation of new ideas in marketing methods involving changes in product design, pricing, promotion, and placement—has become a key instrument to advance not only business performance but also sustainable development objectives.

PT Astra Otoparts Tbk, a prominent automotive component manufacturer in Indonesia and a subsidiary of PT Astra International Tbk, presents an illustrative case of how firms in emerging markets are adapting their marketing strategies to meet sustainability demands. The company operates in a sector that is traditionally resource-intensive and environmentally impactful, making the integration of sustainability into its operations particularly critical. Over the past decade, Astra Otoparts has undertaken strategic transformations by aligning its marketing innovation with global and national sustainability goals.

These transformations include investments in green product innovation, such as environmentally friendly components and fuel-efficient systems, as well as the adoption of digital technologies to streamline customer interaction, enhance market reach, and improve product traceability. Additionally, Astra Otoparts has embraced supply chain sustainability by engaging in responsible sourcing and fostering partnerships with suppliers that share similar environmental and ethical standards. Such initiatives are crucial not only for enhancing brand loyalty and consumer trust but also for securing long-term resilience and compliance with evolving environmental, social, and governance (ESG) expectations.

The shift towards sustainable marketing innovation is further reinforced by Indonesia's national agenda, such as the Sustainable Development Goals (SDGs) and the Green Industry Standard (SNI Hijau), which encourage industrial players to transition toward more inclusive and environmentally friendly practices. Within this national framework, Astra Otoparts has demonstrated leadership by incorporating social responsibility into its marketing narratives—highlighting fair labor practices, community engagement, and environmental preservation.

This research aims to investigate how Astra Otoparts aligns its marketing innovation with sustainable business goals, what internal and external drivers influence this alignment, and what outcomes have been achieved. It seeks to bridge the gap between academic discourse on sustainability-oriented marketing and its practical application in emerging market contexts. The findings are expected to contribute to the literature on strategic marketing, sustainable business, and innovation management, offering insights for scholars, practitioners, and policymakers interested in the convergence of commercial success and sustainability.

The remainder of this paper is structured as follows: the next section outlines the theoretical framework that guides the study, followed by a discussion of the research methodology. The results and discussion section presents the key findings and their implications, and the paper concludes with practical recommendations and suggestions for future research.



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2. THEORETICAL FRAMEWORK

This section presents the theoretical foundations that support the conceptual basis of the study. It draws upon several key theories and models that collectively explain the strategic alignment between marketing innovation and sustainable business goals. These theories help illuminate how firms such as PT Astra Otoparts Tbk are able to create value through innovation while addressing environmental and social imperatives.

2.1 Resource-Based View (RBV)

The Resource-Based View (RBV) argues that a firm's sustained competitive advantage stems from resources that are valuable, rare, inimitable, and non-substitutable (Barney, 1991). In the context of marketing innovation, capabilities such as brand equity, customer relationship management, and digital marketing platforms are considered strategic assets. Astra Otoparts, through the development of environmentally conscious products and adoption of sustainable branding, capitalizes on its marketing innovation as a core competency. These innovations are deeply embedded in the company's processes, corporate culture, and stakeholder networks, making them difficult for competitors to replicate.

Furthermore, the firm's ability to continuously innovate in alignment with sustainability goals enhances its adaptability and relevance in a changing regulatory and consumer landscape. As marketing becomes increasingly value-driven, Astra Otoparts' integration of sustainability into its marketing capabilities reinforces its strategic position in the industry.

2.2 Triple Bottom Line (TBL)

The Triple Bottom Line framework, popularized by Elkington (1997), evaluates a company's performance not only in terms of profit (economic value) but also in terms of people (social equity) and planet (environmental responsibility). This model has been instrumental in guiding businesses toward long-term value creation through sustainability.

In Astra Otoparts' case, marketing innovation is assessed through the TBL lens by examining initiatives that reflect all three pillars. For example:

- **Planet:** Implementation of eco-labels, recyclable packaging, and efficient logistics to minimize carbon emissions.
- **People:** Marketing campaigns that highlight community partnerships, employee well-being, and inclusive practices.
- **Profit:** Enhanced brand image and increased consumer loyalty that translate into market share and financial returns.

This holistic framework ensures that marketing innovation is not just a driver of economic performance but also a vehicle for social and environmental impact.

2.3 Strategic Fit Theory

Strategic Fit Theory emphasizes the importance of alignment between internal capabilities and external environmental conditions (Venkatraman & Camillus, 1984). It posits that firms perform better when their strategic initiatives are well-matched with external trends and internal strengths.

Astra Otoparts demonstrates strategic fit by aligning its marketing innovation with global ESG standards, consumer demand for green products, and its own operational competencies in digitalization and supply chain management. For instance, the company leverages its digital marketing infrastructure



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to promote eco-friendly products, thereby responding to market trends while maximizing existing internal resources. This alignment enhances organizational coherence and operational effectiveness.

2.4 Institutional Theory

Institutional theory examines how organizational behavior is shaped by institutional pressures, norms, and cultural expectations (DiMaggio & Powell, 1983). In the case of Astra Otoparts, institutional forces such as government regulations, industry standards, and stakeholder expectations have prompted the firm to embed sustainability in its marketing strategies.

Compliance with global standards like ISO 14001 or adherence to local environmental laws encourages innovation in marketing practices, especially in areas such as product transparency, environmental labeling, and responsible promotion. These institutional forces act not only as constraints but also as enablers that guide firms toward legitimacy and social acceptance.

2.5 Dynamic Capabilities Theory

Dynamic capabilities refer to an organization's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments (Teece et al., 1997). In this study, the firm's responsiveness to environmental sustainability and market dynamics reflects its dynamic marketing capabilities.

For Astra Otoparts, these include the ability to:

- Sense market changes related to sustainability trends.
- Seize new opportunities by innovating eco-friendly product features.
- Reconfigure internal resources to support responsible marketing communication and partnerships.

Such capabilities are essential for sustaining innovation that aligns with both business and sustainability goals.

Together, these theoretical lenses—RBV, TBL, Strategic Fit, Institutional Theory, and Dynamic Capabilities—offer a comprehensive framework to analyze how Astra Otoparts leverages marketing innovation as a strategic tool to achieve sustainable business objectives in a competitive and regulated industry.

3. RESEARCH METHODOLOGY

This study adopts a qualitative research methodology with a single-case study design focusing on PT Astra Otoparts Tbk. The qualitative approach is appropriate for capturing rich, context-specific insights into how marketing innovation is aligned with sustainable business objectives. A case study enables an in-depth examination of the company's strategies, practices, and internal processes related to innovation and sustainability.

3.1 Research Approach and Justification

The research applies an interpretivist paradigm, which is well-suited for exploring the underlying meanings, motivations, and contextual factors influencing corporate decisions. As marketing innovation and sustainability are dynamic, socially constructed concepts, a qualitative case study allows for an exploratory investigation of how these ideas are operationalized within Astra Otoparts.



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Yin's (2018) methodology for case studies was used to guide the research design, which includes defining the case boundaries, identifying data sources, collecting and analyzing evidence, and ensuring trustworthiness. This approach is effective for answering "how" and "why" questions that are central to understanding strategic alignment within a business context.

3.2 Data Collection Methods

The study draws on both primary and secondary data sources to ensure comprehensive coverage and data triangulation.

- **Primary Data:** Semi-structured interviews were conducted with key managers and personnel from Astra Otoparts' marketing, sustainability, and corporate strategy divisions. The interviews focused on the company's motivations, processes, and outcomes related to marketing innovation and sustainability. A total of eight interviews were conducted over a three-month period, either in person or via virtual platforms.
- **Secondary Data:** Corporate sustainability reports, annual reports, official websites, press releases, marketing campaign materials, and third-party assessments were analyzed. These documents provided historical and contextual information on Astra Otoparts' initiatives and achievements.

3.3 Sampling Strategy

The research employed purposive sampling to identify participants who have strategic oversight or direct involvement in marketing and sustainability initiatives. The selection criteria emphasized diversity in job functions and seniority to capture multiple perspectives across departments. The sampling strategy was guided by the principle of theoretical saturation, with interviews continuing until no new significant insights emerged.

3.4 Data Analysis Techniques

Thematic analysis was applied to interpret the qualitative data. The process involved:

1. Familiarization with the data through repeated reading of interview transcripts and documents.
2. Initial coding to identify key concepts and recurring patterns.
3. Categorization of codes into broader themes aligned with the theoretical framework.
4. Synthesis of findings into coherent narratives supported by direct quotations and documentary evidence.

NVivo software was utilized to assist in data coding and management, ensuring systematic organization and traceability of data. Particular attention was given to maintaining reliability through coder agreement and validity through triangulation of sources.

3.5 Ethical Considerations

The research adhered to ethical guidelines throughout the study. Informed consent was obtained from all interviewees, and participants were assured of confidentiality and the right to withdraw at any time. Company documents used in the analysis were publicly available or shared with explicit permission. The research was conducted in a manner respectful of intellectual property and organizational sensitivities.

3.6 Limitations of the Study



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While the case study method allows for depth of understanding, its generalizability is limited to similar contexts. The focus on a single company restricts the extrapolation of findings, though the aim is to generate insights rather than statistical generalizations. Moreover, reliance on interviews and company-sourced data may introduce bias, although triangulation efforts help mitigate this concern.

In sum, the chosen methodology is designed to produce an in-depth, context-sensitive account of how Astra Otoparts aligns marketing innovation with sustainability. This robust approach enables the identification of mechanisms, challenges, and enablers that may inform other organizations seeking to implement similar strategies.

4. RESULTS AND DISCUSSION

This section presents the key findings from the data analysis, structured around major themes that emerged from interviews, document reviews, and secondary data. It discusses how PT Astra Otoparts Tbk integrates marketing innovation with sustainability objectives, the drivers and barriers to such alignment, and the strategic outcomes that have resulted. Findings are interpreted through the theoretical frameworks discussed previously, offering both empirical and conceptual contributions to the literature.

4.1 Integration of Sustainability into Marketing Innovation

Astra Otoparts has embedded sustainability into various aspects of its marketing strategy. Through its green product lines, the company emphasizes energy efficiency and environmental safety. For example, the introduction of low-emission components and recyclable packaging are marketed as value propositions, aligning environmental performance with customer demand. Interviewees noted that these features are not just technical innovations but are central to the firm's branding and promotional strategies.

Digital marketing platforms are also leveraged to educate customers on sustainable practices. Astra Otoparts' website and social media campaigns consistently highlight the company's commitment to green production processes, carbon footprint reduction, and responsible consumption. These efforts serve a dual purpose: enhancing transparency and building long-term customer relationships grounded in trust and shared values.

4.2 Drivers of Strategic Alignment

Several internal and external factors were identified as enablers of strategic alignment between marketing innovation and sustainability. Internally, leadership commitment emerged as a key driver. The top management at Astra Otoparts has established sustainability as a core organizational priority, ensuring that marketing decisions reflect these values. Sustainability Key Performance Indicators (KPIs) have been incorporated into departmental goals, including those of marketing and R&D teams.

Externally, the alignment is driven by:

- **Regulatory compliance** with Indonesian and international environmental standards.
- **Changing consumer behavior** that favors eco-conscious brands.
- **Industry benchmarks** and competitive pressures to adopt ESG practices.
- **Collaboration with stakeholders**, including suppliers and NGOs, which encourages innovation through joint initiatives.



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These factors foster a dynamic environment where marketing innovation is constantly aligned with evolving sustainability goals.

4.3 Challenges and Constraints

Despite progress, Astra Otoparts faces challenges in fully aligning marketing innovation with sustainability. Some of the primary obstacles include:

- **Cost considerations:** Sustainable materials and green technologies often involve higher upfront investments, which may not yield immediate returns.
- **Supply chain limitations:** Ensuring the sustainability of every component in a product's lifecycle requires extensive coordination and monitoring.
- **Consumer skepticism:** Not all consumers are fully convinced of sustainability claims, leading to the risk of greenwashing perceptions.

To mitigate these issues, the company emphasizes transparency and continuous improvement, supported by third-party audits and clear reporting.

4.4 Outcomes and Impacts

The alignment of marketing innovation with sustainability goals has led to several positive outcomes for Astra Otoparts:

- **Enhanced brand image:** The company has positioned itself as an industry leader in responsible business practices, attracting environmentally conscious consumers and business partners.
- **Market expansion:** Entry into export markets with strict environmental standards has been facilitated by sustainable product offerings and marketing narratives.
- **Operational efficiency:** Sustainability-driven innovations have led to process improvements and waste reductions, positively affecting the bottom line.
- **Employee engagement:** Sustainability initiatives in marketing have fostered a sense of purpose among employees, especially those in innovation-driven roles.

These findings support the Resource-Based View and Dynamic Capabilities Theory by demonstrating how intangible assets like brand reputation and innovation routines contribute to competitive advantage.

4.5 Theoretical Implications

From a theoretical standpoint, this case reinforces the importance of Strategic Fit Theory, highlighting how Astra Otoparts successfully matches internal strengths (marketing capabilities, leadership, culture) with external pressures (regulations, market trends). The firm's actions also align with the Triple Bottom Line framework, balancing profit with social and environmental performance.

Moreover, the findings suggest that institutional pressures—both coercive (regulations) and normative (industry expectations)—play a significant role in shaping corporate strategies, consistent with Institutional Theory. Astra Otoparts' proactive response to these pressures illustrates how firms in emerging markets can move beyond compliance to strategic sustainability.

4.6 Practical Implications

For practitioners, Astra Otoparts serves as a model of how sustainability can be embedded into marketing innovation without compromising business goals. Key lessons include:



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- Align sustainability with brand identity to strengthen market differentiation.
- Use digital channels to communicate environmental and social impact authentically.
- Establish cross-functional teams to ensure that sustainability considerations inform every stage of marketing development.

These practices can guide other firms, particularly in emerging markets, that seek to integrate sustainable innovation into their strategic frameworks.

5. CONCLUSION AND SUGGESTIONS

5.1 Conclusion

This study reveals that PT Astra Otoparts Tbk effectively aligns marketing innovation with sustainable business goals by embedding environmental and social considerations into its strategic marketing initiatives. The integration is reflected in green product development, digital marketing transformation, and collaborative partnerships promoting ethical sourcing and production. Internally, leadership commitment and organizational culture serve as foundational drivers, while externally, regulatory requirements and evolving consumer expectations act as catalysts.

By leveraging its dynamic capabilities and aligning internal resources with external sustainability demands, Astra Otoparts demonstrates that innovation and sustainability are not mutually exclusive but mutually reinforcing. The company's strategic fit between marketing innovation and sustainability enhances its brand equity, operational efficiency, and market positioning—validating theoretical models such as RBV, TBL, and Strategic Fit Theory in an emerging market context.

5.2 Suggestions

For **corporate practitioners**, the following are recommended:

- Institutionalize sustainability KPIs across all departments, including marketing and R&D.
- Invest in transparent communication strategies to counter greenwashing skepticism.
- Expand partnerships with eco-certified suppliers to enhance supply chain sustainability.

For **policy makers**:

- Provide incentives for sustainable innovation, such as tax breaks or green certification programs.
- Establish clear and consistent regulations aligned with international standards to support corporate sustainability efforts.

For **future research**:

- Comparative studies across sectors to examine variations in innovation-sustainability alignment.
- Longitudinal research to track the evolution and impact of sustainable marketing strategies over time.
- Deeper investigation into consumer perception and behavior toward green marketing in Indonesia.



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