

Rebranding Bali's Hospitality Industry Through Green Marketing: Can Brand Awareness Strengthen Brand Image?

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Abstract: Bali's hospitality industry is facing increasing tension between rapid tourism growth and mounting environmental pressure, which may weaken the destination's sustainable positioning. In this context, green marketing plays an important strategic role by integrating environmental considerations into product, price, place, and promotion. When sustainability signals are visible, credible, and consistent, green marketing can support hospitality rebranding while reducing the risk of greenwashing perceptions. This study examines the effect of green marketing on brand awareness and brand image, and tests the mediating role of brand awareness through the lens of Signaling Theory, where green marketing functions as the signal, brand awareness reflects signal reception, and brand image represents the cognitive outcome. A quantitative survey was conducted with 144 guests who had stayed between February 2025 and January 2026 at Ini Vie Hospitality villas or resorts in Bali holding Eco Climate Badge Gold or Silver certification from Eco Tourism Bali. The data were analyzed using PLS-SEM. The findings reveal that green marketing has a positive and significant effect on brand awareness ($\beta = 0.764$, $p < 0.001$) and brand image ($\beta = 0.520$, $p < 0.001$), while brand awareness also positively influences brand image ($\beta = 0.411$, $p < 0.001$). In addition, brand awareness significantly mediates the relationship between green marketing and brand image. These findings show that credible and verifiable sustainability signals can strengthen brand image through stronger brand awareness, while also offering practical guidance for hospitality managers in aligning environmental practices with consistent communication across guest touchpoints.

Keywords: Bali, brand awareness, brand image, green marketing, hospitality

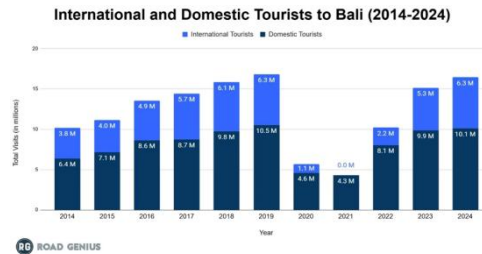
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Introduction

The hospitality industry in Bali is currently at a critical juncture, following the rapid recovery of tourism, which has reinstated the sector as a key driver of the regional economy, particularly through accommodation and food and beverage services. In 2024, Bali recorded approximately 16.45 million tourist arrivals, comprising 6.33 million international visitors and 10.12 million domestic travelers. This figure reflects a 7.9% increase compared to the preceding year (Bali Provincial Statistics Agency, 2025). This upward trend is also reflected at the firm level. Ini Vie Hospitality, a hospitality management company operating more than 40 villa and resort properties in Bali, reported an estimated average annual growth of 25% to 28% between 2022 and 2025, supported by the continued expansion of its managed properties. This development was particularly visible in key tourism areas such as Ubud, Seminyak, and Canggu. At the time of data collection, 13 of the company's properties had been certified under the Eco Climate Badge Gold and Silver categories, which formed the basis of this study. These properties recorded an average occupancy rate of approximately 91.5% during January to November 2025, indicating strong guest demand and increasing operational intensity. Such conditions not only reinforce the sector's economic significance but also imply

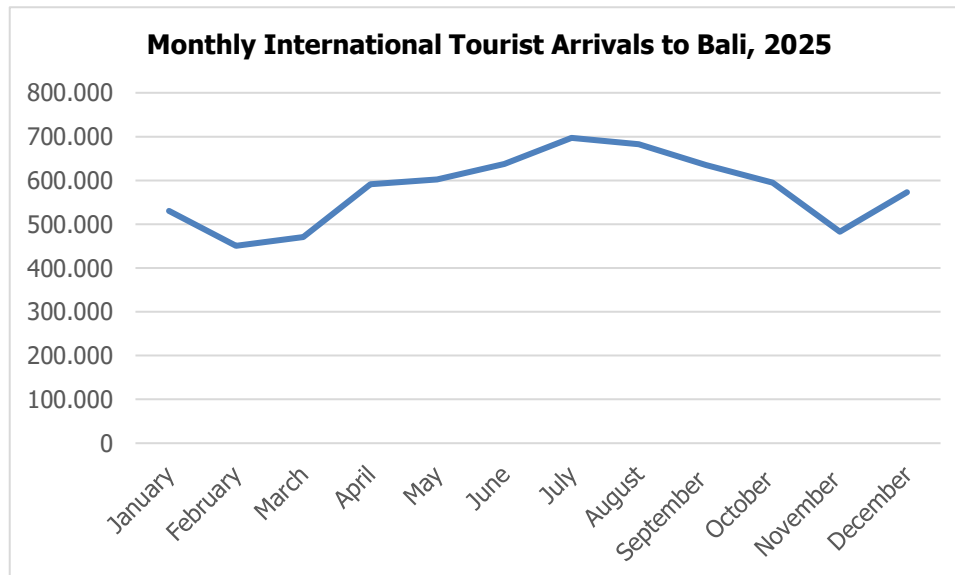
greater resource consumption and heightened environmental pressure at the operational level. This condition reflects a critical paradox in Bali's hospitality industry, where rapid tourism growth is accompanied by increasing environmental pressure and inconsistent sustainability performance.



(Source: Statistics Indonesia BPS Bali Province, 2025)

Figure 1. Growth of International and Domestic Tourists in Bali, 2014–2024

Monthly international tourist arrivals throughout 2025 show a fluctuating yet generally upward trend, with arrivals rising by 8.07% from January to December, reflecting the continued recovery of Bali's tourism sector, as presented in Figure 2.



(Source: Statistics Indonesia BPS Bali Province, 2025)

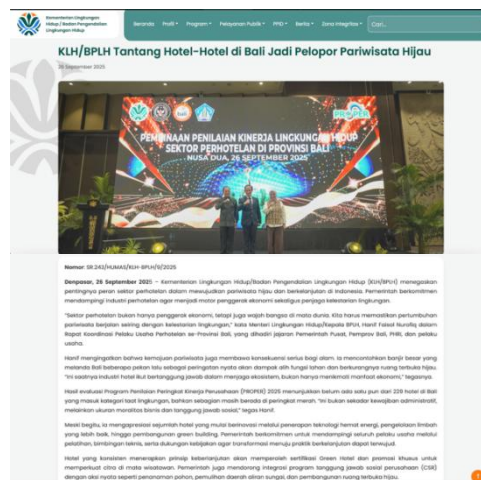
Figure 2. Monthly Trends in International Tourist Arrivals to Bali, 2025

Figure 2 illustrates that international tourist arrivals in Bali throughout 2025 followed a fluctuating yet overall increasing trend, reflecting seasonal patterns and the continued recovery of the tourism sector.

This growth coincides with increasing environmental pressures, particularly regarding water consumption and waste management, as many tourism areas place substantial resource demands on local systems and generate significant waste. The implementation of sustainability practices aligned with the local Tri Hita Karana values remains inconsistent. This situation underscores the importance of credible green marketing, in which brand awareness plays a key role in translating sustainability efforts into a strong, trustworthy brand image.

Although green marketing practices are increasingly implemented in the hospitality industry, several studies indicate a gap between the sustainability claims communicated

and actual on-the-ground practices, potentially generating perceptions of greenwashing and undermining brand credibility (Seyfi et al., 2025). The 2025 PROPER evaluation further indicates that no hotels in Bali had reached the compliant category, while some remained in the red rating, highlighting persistent gaps in measurable environmental performance (KLH/BPLH, 2025). This condition suggests that environmental practices within Bali's hospitality industry remain uneven, which may weaken the credibility of sustainability claims communicated to tourists. In this context, green marketing should not merely serve as a promotional tool but rather as a credible communication strategy grounded in actual, verifiable environmental performance. Otherwise, sustainability claims risk generating skepticism and reducing the effectiveness of marketing communication in shaping positive brand perceptions.



(Source: Directorate General of Pollution and Environmental Damage Control, 2024)

Figure 3. KLH/BPLH Statement on Hotels in Bali as Pioneers of Green Tourism

Furthermore, prior studies confirm that green marketing is relevant to hospitality and tourism branding, yet they also reveal unresolved issues in how consumers receive sustainability communication. Recent research shows that green hotel communication is often marked by a gap between the sustainability image projected by hotels and the image actually perceived by guests, creating risks of greenwashing or under-communication when sustainability signals are not clearly noticed or interpreted by consumers (Seyfi et al., 2025). Other findings indicate that excessive sustainability information in hotel booking contexts may increase perceived greenwashing and reduce the positive value of sustainability communication for consumers (Font et al., 2025). In addition, third-party sustainability certification has been shown to reduce skepticism and enhance the perceived authenticity and credibility of sustainability communication, suggesting that the effectiveness of green marketing depends not only on the claims conveyed but also on how credible signals are received by audiences (Marschlich & Hurtado, 2025).

Despite these important insights, the mediating role of brand awareness in the relationship between green marketing and brand image remains underexplored empirically, particularly in Bali's hospitality sector, where sustainability signals must compete within a dense tourism information environment. Therefore, this study addresses that gap by examining how green marketing influences brand awareness and brand image, including the mediating role of brand awareness, to explain how credible

sustainability signals are received, remembered, and translated into stronger brand perceptions.

Previous studies have emphasized the role of green marketing in shaping consumer perceptions and enhancing brand performance, particularly in the hospitality sector. Consistent implementation of green marketing through elements such as green product, green promotion, green price, and green distribution can effectively increase consumer brand awareness. Unlike conventional marketing, which mainly focuses on customer value, market competitiveness, and sales outcomes, green marketing incorporates environmental considerations into the marketing mix and communicates a firm's ecological commitment to consumers (Alhomaied et al., 2025; Liu et al., 2025). In the hospitality sector, successful green marketing implementation can be seen in practices such as eco-certification, energy- and water-saving systems, waste-reduction programs, and transparent sustainability communication, which make sustainability claims more visible and credible to guests (Velaoras et al., 2025).

Findings by Murtiningsih and Junaedi (2025) indicate that strong communication of eco-friendly values facilitates consumer recognition and recall of the brand, thereby enhancing awareness. Furthermore, research by Juni and Kustiawan (2025) and Ledikwe (2020) demonstrates that brand awareness significantly influences brand image, as consumers can more easily form positive associations with well-known, memorable brands. Recent research in the hospitality sector indicates that the tangible implementation of green practices contributes to the development of a favorable green image and enhanced green trust, which in turn strengthens tourists' revisit intentions. These findings emphasize the critical role of consistent sustainability practices in reinforcing a positive brand image (Huyen et al., 2025). Additionally, consistently applied green marketing strategies have been shown to enhance hotel image and reinforce customer loyalty by fostering positive perceptions of the brand's commitment to sustainability (Aly, 2023). These findings highlight the pivotal importance of credible and consistently communicated green signals in enhancing brand awareness and shaping brand image, while further supporting the applicability of Signaling Theory as a theoretical lens for understanding how consumers interpret and respond to sustainability-related information (Seyfi et al., 2025).

This study aims to examine the effects of green marketing on brand awareness and brand image in Bali's hospitality industry, and to test the mediating role of brand awareness in strengthening the relationship between green marketing and brand image. The study aims to understand the extent to which consistent and credible green marketing practices through green product, green promotion, green price, and green distribution can enhance tourists' brand awareness and shape positive, strong, and distinctive brand perceptions in consumers' minds (Keller & Swaminathan, 2020). Accordingly, the research also focuses on the mechanism by which sustainability signals communicated through green marketing are perceived, remembered, and processed by tourists, ultimately generating a credible brand image that supports the hospitality industry's rebranding strategy toward sustainability. This approach also aligns with local Tri Hita Karana values by promoting harmony with the environment (*palemahan*), social responsibility and community engagement (*pawongan*), and respect for cultural and ethical balance (*parahyangan*) (Wiryanata et al., 2025), while simultaneously addressing the communication pressures and credibility challenges surrounding sustainability claims in mass tourism settings (Font et al., 2025).

While green marketing is often linked directly to brand image outcomes, less empirical work explains how tourists first notice and retain sustainability signals, especially in mass tourism destinations where information density is high. Building on

Signaling Theory and brand equity logic, this study tests brand awareness as the cognitive reception stage that translates green signals into a more stable brand image. The novelty of this study lies in integrating the green marketing concept as a sustainability signal with the mediating mechanism of brand awareness to shape brand image within Bali's hospitality industry. This relationship has not been extensively examined empirically in the context of destinations facing mass-tourism pressures and local Tri Hita Karana values. Previous studies have generally positioned green marketing as a direct predictor of brand image or loyalty without thoroughly investigating the underlying psychological mechanisms (Aly, 2023; Seyfi et al., 2025).

Given these unresolved issues, it is crucial to examine the underlying cognitive mechanisms through which sustainability signals are interpreted and transformed into meaningful brand perceptions. This study emphasizes that consistent and credible sustainability signals do not automatically form a brand image; rather, they are first processed by tourists through the stages of brand recognition and recall (brand awareness) before developing into a stable and meaningful brand perception. Additionally, the study contextualizes Signaling Theory within the Bali tourism setting, where green practices are often invisible to guests, making signal credibility crucial for mitigating perceptions of greenwashing (Seyfi et al., 2025; Marschlich & Hurtado, 2025). This approach offers both theoretical and practical contributions by highlighting that brand awareness is not merely an outcome but a mechanism that bridges green marketing efforts and a meaningful, trustworthy brand image for tourists, providing strategic guidance for hospitality management to strengthen brand positioning in the context of verifiable, consumer-valued sustainability.

Methodology

This study employed a quantitative research design, utilizing a survey method administered via online platforms and complemented by on-site data collection to recruit respondents. The questionnaire link was shared via email, and QR code access was provided at the reception desk, including during checkout. This approach was selected to examine the causal relationships among green marketing, brand awareness, and brand image, and to test the mediating role of brand awareness in shaping brand image within Bali's hospitality context. The research was conducted in Bali across 13 properties managed by Ini Vie Hospitality, a Bali-based hospitality management company operating an integrated portfolio of villas, resorts, restaurants, spas, and other lifestyle-oriented services. The company operates an integrated hospitality portfolio across Bali and formed the organizational context of the present study. At the time of data collection, the 13 properties included in this study had been verified under the Eco Climate Badge Gold and Silver categories by Eco Tourism Bali, and thus constituted the research setting. Data collection took place from January 10 to January 31, 2026.

A non-probability purposive sampling approach was used. Eligible participants were guests who had stayed at one or more of the certified Ini Vie Hospitality properties between February 2025 and January 2026. Eligibility was verified through screening questions at the beginning of the questionnaire, including the property name visited and the approximate time of stay, before respondents proceeded to the main items. Participation in this study was entirely voluntary and anonymous, with all respondents providing informed consent prior to participation.

The study population consisted of tourists who had stayed at the certified Ini Vie Hospitality properties within the past 12 months, with an estimated unique guest population of approximately 1,300 to 1,950 individuals during the research period. Based on internal operational records for the 13 verified properties, average paid occupancy

during January to November 2025 was approximately 91.5%, which informed an estimate of occupied room nights during the 14-day data collection period (Ini Vie Hospitality, 2025). Assuming an average length of stay of two to three nights, the estimated number of unique guests who could be approached during this period ranged from approximately 1,300 to 1,950 (Ini Vie Hospitality, 2025). These figures are provided as operational estimates to describe the sampling frame rather than as official population statistics. A conservative response rate of 10 to 20% was assumed, informed by industry benchmarks for email-based or online guest surveys and adjusted for more directed recruitment procedures such as check-out or after-stay prompts (Revinat, 2024). Accordingly, the realistic target sample was estimated at approximately 130 to 390 respondents (Revinat, 2024).

The study variables include green marketing (dimensions: green product, green promotion, green price, and green place/distribution), brand awareness (brand recognition, brand recall, and top-of-mind awareness), and brand image (strength, favorability, and uniqueness of brand associations). In the context of Ini Vie Hospitality, a green product refers to environmentally responsible service attributes, such as eco-friendly amenities, reduced use of single-use plastics, and locally sourced materials or ingredients where applicable. Green promotion refers to communicating sustainability initiatives through digital platforms, property messaging, and eco-label or certification displays to enhance transparency and credibility. Green price reflects the alignment between pricing and the perceived value of environmentally responsible hospitality services. Meanwhile, green place/distribution refers to operational and service-delivery practices that minimize environmental impact, including efficient resource use, waste-management systems, and increasingly low-impact, paperless guest interactions.

Data were gathered using a structured, closed-ended questionnaire, employing a five-point Likert scale ranging from "strongly disagree" to "strongly agree." The questionnaire was developed based on previous literature and established indicators for each variable. Primary data were obtained through a Google Forms questionnaire distributed via various social media platforms, tourist communities, and property networks, complemented by on-site recruitment via QR code scanning and brief intercepts at checkout. Participation was voluntary and anonymous, preceded by informed consent. This method ensured that the data accurately reflected tourists' perceptions of green marketing practices and the brand image of certified properties.

Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software. The analysis involved evaluating the outer model to assess the reliability and validity of the measurement indicators and constructs (outer loadings ≥ 0.70 , AVE ≥ 0.50 , CR ≥ 0.70 , and discriminant validity assessed via HTMT < 0.85 – 0.90), followed by examination of the inner model to test the structural relationships among variables, the coefficient of determination (R^2), and effect size (f^2). Hypotheses were tested using bootstrapping with a minimum of 5,000 subsamples at a 5% significance level ($p \leq 0.05$ or $t \geq 1.96$). The hypotheses tested included the direct paths green marketing $\rightarrow$ brand awareness, brand awareness $\rightarrow$ brand image, green marketing $\rightarrow$ brand image, as well as the mediating role of brand awareness between green marketing and brand image. This approach allows for simultaneous evaluation of direct and indirect effects. All procedures, instruments, and analytical techniques were designed to ensure replicability in similar contexts with certified hospitality properties in Bali and other destinations, enabling the findings to serve as strategic guidance for management seeking to strengthen brand positioning through sustainable practices.

Results and discussions

Results

The following presents the research results, including respondent characteristics, evaluation of the measurement model, and analysis of the structural model to examine the relationships among variables using SmartPLS.

Respondent Characteristics

The study involved 144 respondents who had stayed at Ini Vie Hospitality properties within the past 12 months. Most respondents were aged between 21 and 35 years (78.5%), with primary travel purposes being leisure/holiday (62.5%) and honeymoon/couple getaway (24.3%). Most respondents had been exposed to information about green programs through electronic word-of-mouth (eWOM) (73.6%). Respondents originated from Bali (46.5%), other regions in Indonesia (18.1%), and international locations (35.4%), with visits distributed across Gold and Silver Eco Tourism Bali certified properties. Comprehensive respondent characteristics are presented in Table 1.

Table 1. Respondent Characteristics

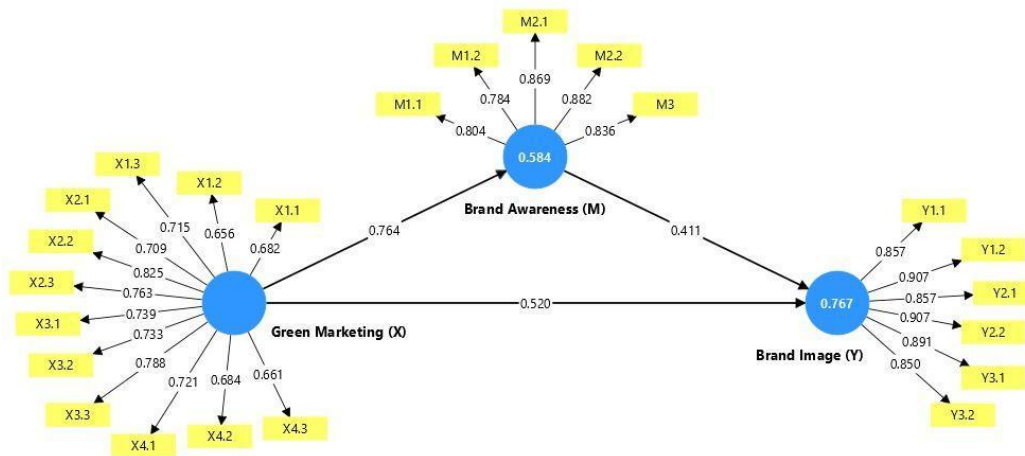
Characteristics	Category	Frequency	%
Age	21-35 years	113	78.47
	36-50 years	20	13.89
	>50 years	11	7.64
Villa or Resort Visited	Seascape Resort Uluwatu (Gold)	27	18.75
	Aksari Resort Ubud (Gold)	20	13.89
	Amarea Resort Ubud (Gold)	17	11.81
	Kaamala Resort Ubud (Gold)	15	10.42
	Sini Vie Resort Seminyak (Gold)	15	10.42
	Astera Resort Canggu (Silver)	13	9.03
	Cyrus Villa Seminyak (Silver)	13	9.03
	Asvara Villa Ubud (Silver)	13	9.03
	Monocale Resort Seminyak (Silver)	11	7.64
	Canggu Cabana Resort (Silver)	10	6.94
	Seascape Resort Sanur (Silver)	9	6.25
	Aksari Villa Seminyak (Silver)	2	1.39
	Astera Villa Seminyak (Silver)	1	0.69
Exposure to Green Program Information (eWOM)	Exposed	106	73.61
	Not Exposed	38	26.39
Domicile	Bali	67	46.53
	Outside Bali (Indonesia)	26	18.06
	Outside Indonesia	51	35.42
Purpose of Travel	Leisure/Holiday	90	62.50
	Honeymoon/Couple Getaway	35	24.31
	Business/Work	16	11.11
	Others	3	2.08

Source: Processed Data (2026)

Measurement Model (Outer Model)

The measurement model was evaluated through assessments of convergent validity, internal consistency reliability, multicollinearity, and discriminant validity. Figure

3 illustrates the measurement model (outer model), whereas Tables 3–4 present the results for outer loadings, Cronbach's alpha, Composite Reliability (CR), AVE, VIF, and discriminant validity (HTMT). All indicators for the Brand Awareness and Brand Image constructs exhibited outer loadings above 0.708, indicating strong indicator reliability. The Green Marketing construct had several indicators with outer loadings ranging from 0.655 to 0.684, yet the AVE still met the criterion ($0.525 > 0.50$). Although several indicators show borderline outer loadings, they were retained because the constructs demonstrate adequate convergent validity and internal consistency. According to Hair et al. (2019), reflective indicators with outer loadings ranging from 0.40 to 0.708 may be retained provided that their removal does not result in substantial improvements in composite reliability (CR) or Average Variance Extracted (AVE), and that the indicators remain theoretically relevant in representing the construct. The values of Cronbach's Alpha and CR exceeded the threshold of 0.70, indicating satisfactory internal consistency reliability. Furthermore, Variance Inflation Factor (VIF) values were below 5, indicating no multicollinearity. The HTMT ratios were below 0.90, thereby confirming discriminant validity. Based on these results, the measurement model was considered both valid and reliable.



(Source: Processed Data, 2026)

Figure 4. Measurement Model (Outer Model)

Table 2. Outer Loading, Cronbach's Alpha, Composite Reliability (CR), AVE, and VIF

Variable	Indicator	Outer Loadings	Cronbach's Alpha	CR	AVE	VIF
Green Marketing (X)	X1.1	0.682	0.917	0.930	0.525	1.802
	X1.2	0.656				1.597
	X1.3	0.715				1.978
	X2.1	0.709				2.189
	X2.2	0.825				3.120
	X2.3	0.763				2.055
	X3.1	0.739				2.604
	X3.2	0.733				2.765
	X3.3	0.788				2.837
	X4.1	0.721				2.229
	X4.2	0.684				2.029
	X4.3	0.661				1.662
Brand Awareness (M)	M1.1	0.804	0.892	0.920	0.699	1.990
	M1.2	0.784				1.974

	M2.1	0.869				2.626
	M2.2	0.882				2.859
	M3	0.836				2.344
Brand Image (Y)	Y1.1	0.857	0.941	0.953	0.772	2.984
	Y1.2	0.907				3.988
	Y2.1	0.857				3.129
	Y2.2	0.907				4.252
	Y3.1	0.891				3.654
	Y3.2	0.850				2.844

Source: Processed data (2026)

Table 3. Discriminant Validity (HTMT)

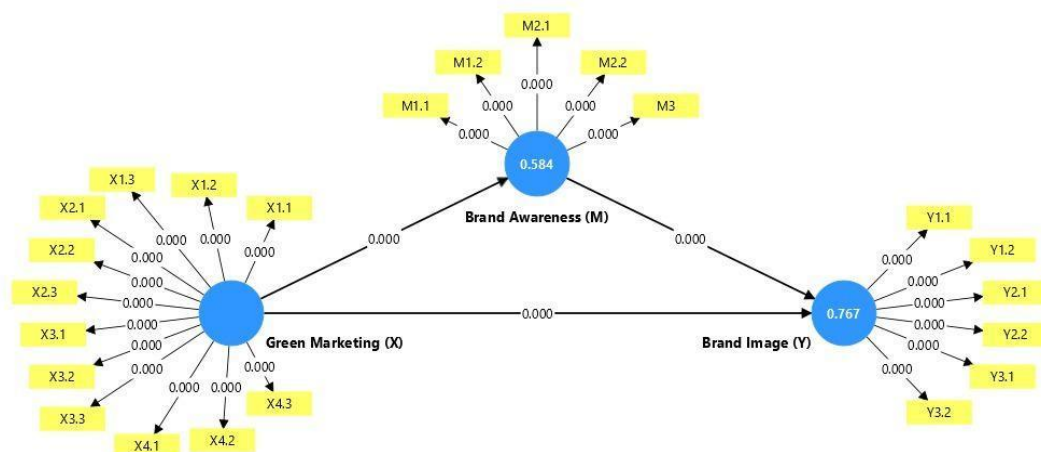
Construct Pairs	HTMT
Green Marketing ↔ Brand Awareness	0.840
Brand Awareness ↔ Brand Image	0.874
Green Marketing ↔ Brand Image	0.894

Source: Processed Data (2026)

Structural Model (Inner Model)

The structural model was evaluated to investigate the causal relationships among latent variables using the bootstrapping procedure in SmartPLS version 4.1.1.6. Figure 4 presents the structural model (inner model), while Tables 5–7 summarize the path coefficients, R^2 , f^2 , and mediation tests. The results indicate that:

1. Green Marketing → Brand Awareness: positive and significant ($\beta = 0.764$; $t = 19.428$; $p < 0.001$).
2. Green Marketing → Brand Image: positive and significant ($\beta = 0.520$; $t = 7.094$; $p < 0.001$).
3. Brand Awareness → Brand Image: positive and significant ($\beta = 0.411$; $t = 5.540$; $p < 0.001$).
4. Mediating effect: Brand Awareness significantly mediates the effect of Green Marketing on Brand Image ($\beta = 0.314$; $t = 5.414$; $p < 0.001$).



(Source: Processed Data, 2026)

Figure 5. Inner Model

Table 4. Inner Model Path Coefficient Results

Variable Relationships	Path Coefficient (β)	Interpretation
Green Marketing (X) → Brand Awareness (M)	0.764	Positive, strong
Green Marketing (X) → Brand Image (Y)	0.520	Positive, moderate
Brand Awareness (M) → Brand Image (Y)	0.411	Positive, moderate

Source: Processed Data (2026)

Table 5. Results of R-Square, f-Square, and Hypothesis Testing

Coefficient of Determination (R^2)		
Endogenous Variable	R^2	Adj R^2
Brand Awareness	0.584	0.581
Brand Image	0.767	0.764

Effect Size (f^2) and Hypothesis Testing

Relationship	f^2	β	Mean	STDEV	T-Stat	P-Value	Decision
Green Marketing → Brand Awareness	1.404	0.764	0.767	0.039	19.428	0.000	Accepted
Brand Awareness → Brand Image	0.303	0.411	0.404	0.074	5.540	0.000	Accepted
Green Marketing → Brand Image	0.484	0.520	0.528	0.073	7.094	0.000	Accepted

Source: Processed Data (2026)

Table 6. Mediation Test Results

Mediation Relationship	Path Coefficient (β)	T-Statistic	P-Value	Description
Green Marketing → Brand Awareness → Brand Image	0.314	5.414	0.000	Significant

Source: Processed Data (2026)

These results indicate that green marketing strategies play a significant role in strengthening consumer brand awareness and fostering a positive brand image. Furthermore, the influence of green marketing on brand image is exerted both directly and indirectly through enhanced brand awareness.

Discussions

The following discussion summarizes the key findings showing that green marketing enhances brand awareness and strengthens brand image. The mediation results suggest that brand awareness acts as a central mechanism, meaning that sustainability efforts are more likely to shape brand image when tourists first notice, recognize, and retain credible green signals associated with the brand. In the Bali hospitality context, this process is consistent with Tri Hita Karana, where harmony with nature is not only practiced operationally but also communicated in ways that are visible and meaningful to guests before it becomes part of their brand-image perceptions.

The Effect of Green Marketing on Brand Awareness

The findings demonstrate that green marketing plays a pivotal role in strengthening brand awareness within Bali's hospitality industry. This suggests that sustainability-based marketing strategies are not merely promotional activities but serve as mechanisms for communicating value, thereby increasing tourists' recognition and recall of the brand. In the hospitality context, many environmentally friendly practices are operational and not always directly visible to guests. Therefore, green marketing serves as a strategic instrument that bridges sustainability practices and consumer perceptions. These results align with the study by Murtiningsih and Junaedi (2025), which found that the integrated application of green marketing elements significantly increases consumer brand awareness, highlighting the cross-context influence of a coherent green marketing mix.

The strength of the relationship between green marketing and brand awareness can be explained by the visibility and credibility of sustainability signals in the study setting. Because the participating properties were verified through the Eco Climate Badge, sustainability cues are more likely to be perceived as authentic rather than self-declared claims, thereby enhancing signal credibility and clarity in accordance with Signaling Theory. In addition, most respondents reported prior exposure to green program information through websites, social media, and online reviews (eWOM), suggesting repeated exposure to sustainability cues across touchpoints before and during the stay. This repeated exposure increases the likelihood that green signals are noticed and retained in memory through recognition and recall, leading to stronger brand awareness.

In the context of Bali as an internationally recognized tourism destination, the strategic relevance of green marketing becomes increasingly pronounced, as tourists are becoming more sensitive to destination sustainability issues. International research in the green hospitality sector shows that sustainable marketing practices can strengthen brand perception by enhancing awareness of sustainable values and fostering positive perceptions of green brand innovation among customers (Baah et al., 2025). Furthermore, the consistent application of green marketing initiatives has been shown to significantly strengthen tourists' pro-environmental attitudes and their trust in eco-friendly destinations, thereby enhancing brand awareness and influencing the selection of sustainable tourism destinations (Chang et al., 2025).

Theoretically, these findings reinforce Signaling Theory, which posits that credible and consistent sustainability signals are more effective in shaping market perceptions. When green marketing practices are supported by tangible evidence, such as certifications or transparent environmental programs, these signals are more readily interpreted as authentic commitments (Marschlich & Hurtado, 2025). Conversely, discrepancies between green claims and actual practices can trigger perceptions of greenwashing, undermining the signal's effectiveness (Meenakshi et al., 2025). Thus, the impact of green marketing on brand awareness can be understood as a function of the readability and coherence of sustainability signals across multiple points of consumer interaction.

The Effect of Brand Awareness on Brand Image

The findings indicate that brand awareness serves as a critical foundation for brand image formation. Awareness enables tourists to recognize, recall, and differentiate among numerous similar accommodation options. When brand awareness is high, brand associations are more easily established and develop into positive and consistent brand perceptions. These results are consistent with the studies by Juni and Kustiawan (2025)

and Ledikwe (2020), which emphasize that brand awareness functions as a prerequisite for brand image formation.

Recent research in the hospitality industry also demonstrates that marketing communications that enhance awareness shape tourists' overall perceptions of a destination or service, subsequently influencing brand image evaluations (Simangunsong et al., 2025). Other studies in hotel and accommodation contexts confirm that awareness provides a cognitive foundation enabling the development of a strong brand image, indicating that these two variables are empirically interrelated in influencing consumer decision-making (Kelvin & Sarudin, 2024). The convergence of these findings reinforces the argument that brand image formation begins with recognition and familiarity.

In the context of rebranding Bali's hospitality industry toward a more sustainable image, brand awareness is the initial stage that determines the success of the transformation in brand perception. Conceptually, this relationship illustrates that brand image does not form instantaneously but develops through a gradual cognitive process. While green marketing can generate exposure, without adequate awareness, sustainability-related associations struggle to evolve into a robust brand image. Thus, brand awareness functions as a psychological mediating mechanism between marketing communications and the long-term formation of brand perceptions.

The Effect of Green Marketing on Brand Image

Implementing green marketing strategies can strengthen a positive brand image in hospitality because sustainability communications and cues influence how guests evaluate and perceive a hotel's overall image (Brañes et al., 2025; Topcuoglu et al., 2022). These sustainability signals communicated environmental responsibility and ethical business commitment, thereby strengthening sustainability-oriented brand associations. The findings indicate that green marketing directly contributes to the formation of a positive brand image. This suggests that tourists evaluate hospitality services not only on functional quality but also on symbolic and ethical business commitments, thereby strengthening sustainability-oriented brand associations.

These results are in line with prior research findings. Salsabila and Nasir (2026) and Tanhaei et al. (2024) demonstrate that the consistent implementation of environmentally friendly values enhances positive brand associations. Similarly, research in the tourism sector shows that the application of sustainable marketing elements such as green products, green promotion, and other environmentally oriented marketing strategies significantly improves perceptions of green brand image among tourists and tourism consumers (Uong, 2025). Furthermore, studies in the hospitality industry reveal that sustainable hospitality consumption value embedded through green marketing practices strengthens perceptions of innovation, trust, and green brand image, thereby reinforcing overall brand equity (Baah et al., 2025).

These findings confirm the strategic role of green marketing in shaping brand image in alignment with the evolving preferences of modern consumers, who are increasingly concerned about sustainability. However, the context of Bali introduces an additional dimension. The pressures of mass tourism have transformed sustainability from a mere marketing differentiator into a strategic necessity for destinations. In this context, green marketing in Bali's hospitality sector serves as a rebranding instrument aimed at constructing a more responsible, long-term-oriented destination image. Nevertheless, inconsistencies between sustainability claims and actual practices may damage brand credibility. Therefore, integrity and consistency in implementation are essential to maintaining brand trust and sustaining a positive brand image over time.

Mediation, Theoretical Contribution, and Strategic Implications

This study demonstrates that brand awareness mediates the relationship between green marketing and brand image, revealing the cognitive mechanisms underlying the formation of sustainability-based brand perceptions. Green marketing first generates exposure and brand recognition, which subsequently develops into associations and brand evaluations. These findings extend the application of Signaling Theory in the context of sustainable hospitality by emphasizing that the effectiveness of sustainability signals does not occur instantaneously but operates through cognitive stages before producing affective brand perceptions. Accordingly, the formation of a sustainability-based brand image is a gradual process influenced by the signal's credibility and interpretability.

The theoretical contribution of this study lies in integrating green marketing, psychological mediation processes, and the local cultural context of Bali. Unlike prior studies that primarily emphasize direct relationships among variables, this research demonstrates that sustainability, as a strategic value, must be communicated effectively to translate into brand image. In the context of Bali, the Tri Hita Karana philosophy, which emphasizes harmony among humans, culture, and nature (Wiryanata et al., 2025), provides a normative framework for sustainability practices. However, these values do not automatically translate into brand positioning without an appropriate communication strategy. Green marketing serves as a medium that conveys local values into messages comprehensible to global tourists, thereby strengthening the positioning of Bali's hospitality sector as a credible and sustainable destination.

Practically, these findings underscore that the success of green marketing depends on consistency between practice and communication. Sustainability claims must be supported by actual implementation to maintain credibility and reduce skepticism about greenwashing. Therefore, verified and consistently visible sustainability cues across pre-stay and on-site touchpoints are essential for strengthening awareness and supporting more coherent brand image formation.

Contextual Contribution and Managerial Implications

Bali has experienced a strong tourism recovery, which supports the economy but also intensifies environmental pressure related to resource use and waste, increasing the reputational stakes for hospitality brands operating in the destination (Bali Provincial Statistics Agency, 2025; KLH/BPLH, 2025). In such a high-exposure market, sustainability narratives can be communicated across multiple channels yet still be interpreted inconsistently by guests, creating a coherence gap between the projected and perceived green images (Seyfi et al., 2025). This challenge matters because tourists increasingly rely on online information search and online reviews when evaluating accommodation options, particularly for claims that are difficult to verify prior to consumption (Salameh et al., 2022).

This study is distinctive because it focuses on guests who stayed at properties verified by Eco Tourism Bali's Eco Climate Badge, thereby strengthening signal credibility through third-party validation (Eco Tourism Bali, 2025a, 2025b). From a signaling perspective, credible validation improves the interpretability of sustainability cues and helps reduce information asymmetry in hospitality markets (Spence, 1973; Steigenberger, 2025). Nevertheless, the mediation results indicate that credibility alone is insufficient when sustainability cues are not consistently noticed and retained across touchpoints, especially in information-dense contexts where deceptive or inconsistent signaling can undermine trust and weaken the impact of green communication (Seyfi et al., 2025; Steigenberger, 2025).

Given the significant mediating role of brand awareness, the findings provide clear operational guidance for how verified sustainability cues should be communicated across the guest journey. Managerially, sustainability rebranding should be treated as a staged process that deliberately builds awareness before expecting improvements in brand image. Priority should be given to high-visibility verification cues across pre-stay touchpoints, such as prominent badge display on official websites and OTA pages, concise sustainability summaries supported by verifiable evidence (e.g., third-party certifications, quantified environmental performance data, visual documentation of sustainability practices, and guest feedback reflecting observable green initiatives), and on-site cues that connect practices to guest experience. In addition, simplified evidence-based messaging should be easy to recognize and recall, and consistency between communicated claims and observable practices should be maintained across properties and guest touchpoints to preserve image coherence and reduce skepticism (Salameh et al., 2022; Seyfi et al., 2025; Steigenberger, 2025).

Conclusions

This study examined the influence of green marketing on brand awareness and brand image in Bali's hospitality industry and investigated the mediating role of brand awareness in this relationship. The findings confirm that the proposed research objectives have been successfully attained. Green marketing was shown to have a significant effect on both brand awareness and brand image, operating through direct pathways and indirectly via the mediating role of brand awareness. These results suggest that sustainability-oriented marketing strategies serve not merely as promotional instruments, but also as strategic mechanisms for cultivating credible brand perceptions among tourists.

Theoretically, this study advances the application of Signaling Theory within the context of sustainable hospitality by illustrating that the effectiveness of sustainability-related signals functions through sequential cognitive processes prior to the formation of a strong brand image. Moreover, integrating local Tri Hita Karana values into green marketing strategies enriches the literature by demonstrating that cultural values can serve as a foundation for destination positioning when communicated consistently and authentically.

Practically, the findings provide implications for hospitality practitioners and destination managers in Bali, emphasizing that the success of green marketing depends on the consistency between practice and communication. Sustainability claims must be supported by tangible, transparent implementation to maintain credibility and mitigate perceptions of greenwashing. An integrated green marketing strategy can serve as a rebranding tool to position destinations as more responsible and long-term-oriented.

This study has several limitations that should be considered when interpreting the findings. First, the sample was drawn exclusively from guests of a single hospitality group, specifically 13 properties under Inivie Hospitality verified through the Eco Climate Badge. This limited sampling frame may constrain the generalizability of the results to other hotel groups or properties without sustainability certification. Second, the study employed a cross-sectional design, capturing respondents' perceptions at a single point in time. Therefore, causal interpretations should be approached with caution and remain specific to the context of this research. Third, all constructs were measured using self-reported survey instruments, which may be prone to response biases, including common method variance and social desirability effects, despite voluntary and anonymous participation procedures.

For future research, it is recommended that the proposed model be extended to incorporate additional variables, such as brand trust, perceived green value, and customer loyalty, to more comprehensively capture the long-term behavioral outcomes associated with sustainability-based positioning strategies. Comparative studies across destinations and accommodation segments are also recommended to assess the model's robustness beyond a single hospitality group. Finally, longitudinal designs would be valuable to examine the stability of sustainability-based brand image over time as tourist preferences and sustainability expectations evolve.

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