


Chapter 3

Impact of Green Marketing on Consumer Behavior: An Investigation Towards Purchasing Decisions, Loyalty, and Willingness to Pay a Premium Price


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ABSTRACT

This study examines the influence of green marketing on consumer behavior, including purchasing habits, brand allegiance, and inclination to pay a premium. This research provides a clear definition of green marketing and examines different marketing strategies used by firms to advertise environmentally friendly products and services. A quantitative study approach was used, using a sample of 200 consumers who had previously made purchases of ecologically sustainable items or services. The acquired data was analyzed using regression analysis and qualitative statistics. Research findings demonstrate a substantial impact of environmental marketing on customer behavior. Consumers are inclined to choose ecologically friendly items and are prepared to pay a higher price for them when they are exposed to marketing strategies that promote environmental consciousness. Green marketing also enhances client loyalty. The results have substantial ramifications for organizations who are marketing eco-friendly goods and services.

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1. INTRODUCTION

The urgency for businesses to implement environmentally friendly practices has risen as a result of the present global environmental crisis, which has intensified the focus on sustainability. As a result, green marketing has emerged as a crucial tactic used by businesses to advertise their green goods and services. Green marketing is the practice of promoting goods and services that are friendly to the environment. It comprises a number of marketing initiatives, including branding, packaging, and advertising. Consumer behavior is changing in favor of environmentally friendly items as a result of growing consumer awareness of how their shopping decisions affect the environment. A variety of environmentally friendly products are being offered by businesses in response to the growing demand for sustainable goods and services brought about by environmentally concerned consumers. However, how green marketing affects customer behavior will determine its effectiveness (Martinez, 2015; Moser, 2015).

This study paper's goal is to examine how green marketing affects customer behavior, including decisions about what to buy, brand loyalty, and willingness to pay extra for environmentally friendly goods. By examining customer views of green products, the efficacy of green promotions, and the function of green retail in influencing consumer behavior, this study investigates the connection between green marketing and consumer behavior.

2. AN OVERVIEW OF GREEN MARKETING

The technique of advertising products or services that are favorable to the environment is known as "green marketing." a marketing plan that emphasizes a product or service's positive impact on the environment and incorporates diverse marketing tactics including branding, packaging, and advertising. Green marketing aims to enhance a company's reputation by promoting green products and programs. In recent years, green marketing has gained popularity as a vital technique for businesses to advertise their eco-friendly goods and services (Galati et al., 2023). The ability of green marketing to enhance a company's reputation and brand image is one of its primary advantages. Businesses may show their dedication to sustainability and environmental preservation by supporting environmentally friendly goods and activities. This draws in customers who are concerned about the environment and look for goods and services that reflect their values (Das et al., 2024).

Green marketing also has the potential to provide firms a competitive edge. The demand for environmentally friendly goods and services rises as people become more ecologically aware. Offering a variety of organic goods may help businesses stand out from the crowd and draw in a new demographic of customers prepared to spend extra for such goods (González-Rodríguez et al., 2020). Green marketing provides advantages, but there are drawbacks as well. The common misconception that organic products are more expensive than non-organic items is one of the key issues. For consumers who are price conscious and do not want to pay extra for organic products, this might be a hurdle. Another issue is that the green marketing sector sometimes lacks regulation and standards, which can result in businesses making deceptive or incorrect environmental claims. Green marketing is an important strategy for companies to promote their environmentally friendly products and services. It can improve a company's reputation, create a competitive advantage and attract green consumers (Zaidi et al., 2022).

Green marketing is not a new concept, but it has become very important in today's business world due to the growing environmental awareness of consumers. The creation and promotion of ecologically

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