

The Impact of Green Marketing on Consumer Behavior in Retail Industry

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Abstract:

Currently, numerous companies incorporate environmental concerns into their marketing strategies, a practice commonly referred to as Green Marketing. This approach reflects a growing awareness of environmental issues within markets. As a result, many companies are opting for green marketing strategies, recognizing the potential for increased sales. Through Green Marketing, companies must compete and demonstrate that their products are manufactured following environmentally conscious practices and are safe for use. In a similar manner to other companies in the retail industry, businesses can enhance their brand image by offering environmentally friendly products and services. By adopting green marketing strategies, they can appeal to consumers who prioritize sustainability and create a positive perception of their brand. This approach allows retailers to align with the growing demand for eco-friendly options and contribute to a more sustainable future.

Keywords: Green marketing, retail industry, consumer behavior.

INTRODUCTION.

During the past years, the human consciousness towards the environment and the importance of environmental protection has increased significantly. This awareness has become a global issue that changed the people's perspective and lifestyle. The increased concern about natural disasters stems from the potential risks they pose not only to human health but also to the survival of present and future generations. Scientists and environmentalists have highlighted the thinning of the ozone layer, warning that this could result in global warming and disrupt the worldwide climate. This has prompted a call for ongoing efforts to enhance quality of life in response to these evolving conditions.

However, the problem of sustainability is considered a key concern for both business organizations and individuals [1]. Since the 1990s, it has been observed that consumers have deep concern for the environment and have changed their behavior as a consequence [2]. Such behavior has provided a

pathway for green marketing and sustainable products that are more environmentally friendly [3]. Empirical findings also indicated that marketers of green products have stated the gap between pro-environmental attitudes and green purchasing behavior [4]. The belief of individuals towards damage to the environment is entitled within the role of industry [5]. In another study, it was found that being environmentally friendly has an impact on all business categories. Meanwhile, other researchers [6] explained the concept that for purchase results, eco-labeling is an important factor that will influence the purchasing pattern of consumers. However, the confusion regarding green products in the mindset of the public has remained the key concern since the 1980s [7]. Meanwhile, those consumers who are ecologically conscious try to keep the environment cleaner in different ways. In a recent study, it was found that consumers have a lack of trust towards the plethora of eco-labeling on products. Other recent studies [8,9] indicated that green packaging and branding is a significant factor in guiding consumer behavior. Consumer behavior is, therefore, affected by green products and their pricing [9]. With the passage of time, communication about consumer beliefs regarding green items is increasing [10]. Therefore, it is necessary for information regarding green products to be communicated in a way that is accessible and understandable for various consumers [11]. To better understand the topic, we now address some of the key factors affecting this.

Literature Review

The concept of “green marketing” refers to an organization’s efforts at designing, pricing, distributing and promoting products that will not damage the environment [12]. In 1995, Peattie described green marketing as “the management process for identifying, anticipating and satisfying the requirements of customers and society in a profitable and sustainable way” [13]. In addition, Hasan and Ali [14] noted that green promotion is one of the crucial factors that must be applied as a green marketing strategy.

In retail businesses, most eco-friendly retailers specifically choose green products designed and produced by environmentally friendly manufacturers. D’Souza, Taghian and Lamb [15] emphasized that eco-friendly retailers promote these products because they are concerned about environmental safety, recyclability/reusability and biodegradable ingredients. Eco-friendly retailers also promote green products due to the social esteem associated with waste recycling, health and fitness, sustainability-related benefits, or supporting local communities [16].

Various strategies can be utilized to encourage customers and companies (retailers) to become more socially responsible. These strategies may also provide a source of competitive advantage for retailers. If retailers engage in an activity that benefits the environment or addresses environmental concerns, customers may reward them through loyalty and increased sales, leading to increased profitability [17]. Hunt and Morgan [18] suggested that a company must be market-oriented in order to stay competitive in the marketplace and attain optimal performance. Thus, managers should implement strategies that result in advantages over competitors by offering innovative products and high service quality. Hence, promoting green products through green marketing based on customers’ market orientation is one of the strategies which retailers can implement to remain competitive.

Studies on green marketing in retail businesses have also been conducted. Ko, Hwang and Kim [19] investigated the relationships between green marketing, corporate image and purchase intentions in the retail setting from a customer perspective. Kumar [20] aimed to determine the extent of green retailing taking place in India. The researcher also investigated various initiatives taken by retailers. He suggested that retailers should consider store designs that provide green products in prominent positions for convenient shopping experiences and attractive displays. By doing so, it may help to reduce environmental damage indirectly as well as increase sales and profitability to keep retailers competitive in the marketplace.

FINDINGS

The study found that green product quality and green value significantly contribute to green purchase intention and green consumption behavior. At the same time, the research suggests that green product quality, green value, and environmental concern are precursors of green consumption behavior.

In terms of green advertising practices, the strategies focus on establishing the brand of an eco-friendly product or service and raising environmental consciousness among consumers through various promotional methods. These include influencer marketing, word-of-mouth promotion among environmentally conscious consumers and influencers, who share information about the advantages of eco-friendly products and services. Several studies emphasize the significance of promoting green products and how such efforts impact environmental awareness and consumer purchasing choices.

Conclusion

In retail businesses, environment issues must be considered. One of the first steps is to promote green products of customers' daily necessities in general. As customers prefer to get their everyday products from retail stores, by investigating and understanding customers' in-store shopping behaviors, appropriate promotion strategies can be applied in order to encourage customers to purchase green products that meet their daily needs.

This strategy can also be used to support the store decision-makers to solve the issue of sustainability as well as boost profit for retail industries. Future studies could involve the validation on more specific green products and more analysis, such as vertical analysis of product shelves, so that more specific convenient position of green products in shelves can be discussed. Moreover, an analysis of the social influences [21] and psychological influences [22], as prominent factors that predispose customer behavior, need to be included. These influences could make a more complex analysis to get more interesting results.

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