



Green Marketing Strategies and Its Effect on Business Performance

Mrs. M. Bama¹, Dr. S. Thangamani²

¹Research Scholar-Dr. S. N. S. Rajalakshmi, Coimbatore, Tamil Nadu and
Assistant Professor-Kongunadu Arts And Science College, (autonomous) Coimbatore, Tamil Nadu

²Head and Associate Professor, Department of Commerce with Finance at Dr.S.N.S.Rajalakshmi
College Of Arts And Science(autonomous) Coimbatore Tamilnadu

Corresponding Author – Mrs. M. Bama

Email: mbama_cc@kongunaducollege.ac.in

DOI- 10.5281/zenodo.10673391

Abstract

Due to harmful practices pursued by both companies and consumers, India is currently at a very high risk of environmental degradation. The field of environmental sustainability in India has not received sufficient funding from academic institutions. Since green marketing is a very young area of study, numerous ideas within it are currently undergoing retesting and cross-cultural testing. Green marketing is an emerging area of study that has the potential to revolutionize traditional marketing practices. This study's overarching goal was to determine whether or not green marketing tactics had a discernible impact on company performance, and it succeeded for all the reasons stated above.

Keywords: Environmental Degradation, Green Marketing, Business Performance.

Prologue and Problem

Green marketing's purpose is to ensure that businesses do not have a negative influence on the environment as a result of their operations by providing them with tools to establish environmentally friendly strategies. Zhang et al. (2011) are cited. According to Leonidou, Katsikeas, and Morgan (2012), a company's green marketing strategy addresses consumer and societal environmental concerns through marketing strategies, policies, and processes that are consistent with the company's broader corporate strategy. By extension, the overarching goal of green marketing approaches is to assist firms in meeting their objectives while reducing their environmental impact.

To accomplish this, the firm must rethink its entire corporate strategy as well as the interdependent processes that exist within it. "Green marketing" refers to both environmentally friendly products and enterprises. Green marketing necessitates a detailed understanding of public policy processes since it manipulates the four Ps of marketing: product, price, place, and promotion. Green marketing, being a holistic concept that incorporates every management function from raw material procurement to used product disposal, demands organisational commitment and a systems approach. This means that all of a company's processes, such as marketing, production, HR, IT, and so on, are included in the processes. Green plans are all focused on doing things that are good for the environment at every step of the company's value chain. To adopt green initiatives, which require

long-term organisational commitment, there must be a significant change in how the firm organizes and executes its marketing campaigns, as well as how it analyses and decides on markets. Cronin et al. (2011) state that in 2011. A greening plan results in changes to the supply chain, green communication, design, production, and the acquisition of raw materials from suppliers. Because green marketing entails a full review of all value chain activities, green marketing strategies must be viable and doable. According to Klassen and Mc Laughlin (1996), "greening" a product has a favourable influence on a company's corporate business performance, and an increasing number of companies are utilising green marketing methods, according to Dangelico and Pujari (2010). Most businesses in India and around the world are greening their marketing tactics, thanks to recent dramatic changes and a more conscious generation of socially responsible firms. A new green product that meets both client demand and environmental concerns can provide a company a major competitive advantage. Miles and Covin (2010) state. While the majority of businesses are becoming more conscientious and ethical in their green marketing, a few are simply making green claims without producing any green items. This is known as "green washing," and it occurs when a company manufactures both conventional and "green" goods (Darmall, Henriques, and Sadorsky, 2010). Corporate strategy must make it apparent whether a business's "Green strategy" is driven by product categories or by the company itself. When consumers believe it is driven by both, the company

image is distorted, the market is divided, and everyone involved is confused. Albino and colleagues in 2009.....

The marketing function must implement the "Green strategy," an important component of every successful business plan, to establish a balance between the company's financial performance goals and the quality of its environmental products. This is due to the fact that marketing is in charge of ensuring that client preferences are represented in business actions. Within the context of green marketing strategy, a method known as the triple bottom line (TBL) notion provides a more balanced corporate responsibility. Nobili and colleagues (2011). The study also aims to conceptualize the function of "green" as a marketing strategy and how it affects business performance, which is significant because green marketing strategies are becoming increasingly important for organisations that are adopting the triple-bottom line approach to performance measurement.

The company's major purpose is to assess whether they wish to include a green orientation into their corporate strategy. If they do, the next question is how they will put their "Green strategy" into effect, whether that means identifying themselves as 'Green' to some extent or reconsidering and adopting marketing techniques to back it up. Second, you must examine the market's ever-changing dynamics, identify the opportunities and risks that will form your strategy, and then put them into action. Zhang et al. published their findings in 2011. The level of greenness implemented by companies is determined by their policies, which are in turn determined by their abilities. However, regardless of the method they adopt, they will need to commit a significant amount of time and money to see results, which has an impact on their green strategy because it is a long-term investment. Babiak and Trendafilova (2011). To achieve the goal and instill greenness in the company's human resources and philosophy, a green marketing strategy must be implemented, which includes numerous changes in other activities such as identifying new suppliers, sourcing new raw materials, and modifying quality control procedures.

The successful implementation of the green strategy is dependent on close collaboration throughout the organization's various divisions; if one division fails, the company's overall corporate plan may fail. It is critical for departments to work together to effectively implement the green plan. According to the literature, good green supply chain management is just as important as any other function, hence supply chain initiatives must not be disregarded. Companies and academics alike are still unsure what a "green supply chain" is, owing to the fact that the concept is still in its early stages and there has been little research into it. It is vital to develop a framework for ecologically friendly

supply chain management. The scope of the current study includes topics such as what requires greening, why customers buy green products and don't buy green products, and how firms should consider declaring their plans on environmental claims. Companies can help to respond to environmental sustainability by employing approaches such as green processes and product development. It is critical to investigate if the environmental strategies of sustainability-driven enterprises aid or hinder the production of environmentally friendly items. According to the survey, when given the choice between conventional and green products provided through a green supply chain, consumers would prefer to buy green. The study also indicates a fundamental link between Green Marketing Strategies and corporate financial success. Prospector, analyzer, low-cost defender, and distinctive defender business strategies should be supported by formalization, centralization, and crystallization, as well as strategic behaviours such as customer, competition, innovation, and pricing, all of which have an impact on whole firm performance. Because of the multi-functional nature of the elements influencing the economic success of environmentally friendly products, coordination between environmental experts, those working on new products, suppliers, a market focus, and life cycle analysis is critical.

Literature Review

In his research, Murugesan (2008) stated that organisations may use green marketing to overcome profit or cost problems using IT. The cost of disposing of environmentally harmful byproducts is rising, so organisations that can reduce their waste may wind up saving a lot of money. According to Robert Dahlstrom's (2011) research, Green Marketing benefits a wide range of economic operators. Environmentally friendly marketing and the use of environmentally friendly marketing practices benefit developing economies, consumers, firm strategies, goods, industrial processes, and supply networks. Rahbar and Wahid (2011), on the other hand, discovered that "green" or environmental advertising encourages people to buy more environmentally friendly products because it appeals to their ideals. Those who aren't particularly concerned about the environment were swayed, according to reports. Environmentally responsible advertisements have the ability to influence consumer decisions. The high cost of environmentally friendly items, as well as consumers' unwillingness to pay extra for them, is a significant barrier to their widespread usage. Drozdenko and colleagues conducted research in 2011. Doran and Ryan (2012) concluded that environmentally conscious advertising and green marketing approaches boost companies' bottom lines. Companies' bottom lines improve when they

implement eco-friendly practices and have their management systems certified to ISO 14001 standards; nevertheless, research has not yet sufficiently investigated the influence of green innovation and green promotion on corporate bottom lines. Punitha and Mohd Rasdi (2013) emphasized the benefits of green business strategies for businesses, such as increased financial and market performance. According to Eltayeb, Zailani, and Jayaraman (2018), the key motivators for green projects are anticipated benefits such as lower expenses, new avenues for advertising, and financial gains from selling environmentally friendly goods.

Research Methodology

The research is both analytical and descriptive. The primary data for the study was gathered from the selected companies via mailed questionnaires. Secondary data for the study was gathered from books, websites, and a few journals and news papers. Secondary data for this study was gathered from a variety of sources, including magazines, the internet, company reports, and business journals. The respondents for this study were from companies that use green marketing tactics to get their products into the hands of customers in Tamilnadu. The questionnaires were sent to a total of 25 firms in the city of Coimbatore for data collection. The study used basic random sampling as its sampling technique.

Table 1 Demographic Profile of the companies

Variables	Classification	No. of Companies
Nature of Company	Trading	14
	Manufacturing	11
Size of the Company	Large sized	4
	Medium sized	9
	Small sized	12
Years of Existence	Less than 10 years	2
	Between 10 & 20 years	5
	Above 20 years	18
Annual spending on various green marketing strategies	Less than 5 lakhs	9
	Between 5 & 10 lakhs	13
	More than 10 lakhs	3

Source: Compiled and calculated using primary data

The table 1 denotes the demographic classification of companies and it is conferred from the table that out of 25 companies,

- 14 companies are trading firms
- 12 companies are small sized

- 18 companies are running for more than 20 years and
- 13 companies spent between 5 & 10 lakhs for various green marketing strategies

Differences between the demographic profile of companies and the green marketing strategies

H₀₁: The difference between the demographic profile of companies and the green marketing strategies is not significant

Table 2: ANOVA

Variables	Classification	F	P value
Nature of Company	Trading	63.21	0.00**
	Manufacturing		
Size of the Company	Large sized	2.98	0.04*
	Medium sized		
	Small sized		
Years of Existence	Less than 10 years	13.40	0.02*
	Between 10 & 20 years		
	Above 20 years		
Annual spending on social media advertisements	Less than 5 lakhs	26.37	0.03*
	Between 5 & 10 lakhs		
	More than 10 lakhs		

*Significant at 5 per cent level **Significant at 1 per cent level

Source: Compiled and calculated using the primary data

The table above represents the analysis of association using analysis of variance between the demographic profile of companies and the green marketing strategies. It is clear from the table that the all the demographic profiles are found

significant at 1 per cent and 5 per cent levels respectively. Hence the null hypothesis is rejected and concluded that the difference between demographic profile of companies and the green marketing strategies is significant.

Impact of green marketing strategies on the business performance

H₀₁: The impact posed by the green marketing strategies on the business performance is not significant

Table – 2 Multiple Regression analysis

Variable	Coefficient	Std.Error	t-Statistic	Prob.
IN	0.036	6.120	2.874	0.007
C	1.231	5.549	0.777	0.041
R-Squared	0.498		Durbin-Watson stat	1.052
Adjusted R-squared	0.423			
F-statistic	231.521		Prob (F-statistic)	0.002

Source: Calculated and Compiled using Primary data

The above table shows the multiple regression analysis between green marketing strategies and the business performance. The analysis shows ($R^2 = 0.498$), which states that the green marketing strategies contributed significantly for the business performance. The F-statistic (231.521) is significant indicating that the hypothesized relationship between the green marketing strategies and the business performance is validated. The value of Durbin-Watson statistic is 1.052 indicating that the model is not suffering from auto correlation problem. The calculated F value is more than the table value and hence, the null hypothesis is rejected and the impact posed by the green marketing strategies on the business performance is significant.

Conclusion

Finally, according to the research, green marketing tactics have a substantial impact on and boost corporate performance. The study focused on green marketing methods such as sustainable sourcing, transparent communication of environmental activities, and eco-friendly product creation, which clarified the complex ways in which these tactics contribute to the overall performance of firms. The findings emphasised the significance of corporations embracing true, all-encompassing sustainability strategies in order to develop long-term consumer connections, rather than simply indulging in greenwashing. The study not only sheds light on the mutually beneficial relationship between green marketing and financial success, but it also gives important information for organisations attempting to make sense of the sustainable environment and take advantage of all of the opportunities it affords. Organisations who seek to meet market demands while also contributing to environmental conservation and societal well-being may find this study useful as the global economic landscape evolves.

References

1. Albino, V., Balice, A., & Dangelico, R. M. (2009). Environmental strategies and green product development: an overview on sustainability-driven companies. *Business Strategy and the Environment*, 18(2), 83-96.
2. Babu Ramesh, Shankar R, and Amirtharaj E. Nixon. (2018). Consumers' Purchase Decision on Eco-Friendly products in

Coimbatore-Factors Determining. *ZENITH International Journal of Business Economics & Management Research*, 8(3), 77-84.

3. Barr, S. (2003). Strategies for sustainability: citizens and responsible environmental behaviour. *Area*, 35(3), 227-240.
4. Berger, I. E., & Corbin, R. M. (1992). Perceived consumer effectiveness and faith in others as moderators of environmentally responsible behaviors. *Journal of Public Policy & Marketing*, 79-89.
5. Cronin Jr, J. J., Smith, J. S., Gleim, M. R., Ramirez, E., & Martinez, J. D. (2011). Green marketing strategies: an examination of stake holders and the opportunities they present. *Journal of the Academy of Marketing Science*, 39(1), 158-174.
6. Cronin, J.J., Smith, J.S., Gleim, M.R., Ramirez, E., & Martinez, J.D. (2011). Green marketing strategies: an examination of stakeholders and the opportunities they present. *Journal of the Academy of Marketing Science*, 39(1), 158-174.
7. Doran, J., & Ryan, G. (2012). Regulation and firm perception, eco-innovation and firm performance. *European Journal of Innovation Management*, 15(4), 421-441.
8. Fraj, E., Martínez, E., & Matute, J. (2011). Green marketing strategy and the firm's performance: the moderating role of environmental culture. *Journal of Strategic Marketing*, 19(4), 339-355.
9. Kalaivani, G and R. Shankar. 2017. Impact of promotional activities on consumers' behaviour at shopping malls in Coimbatore city. *IJAR*, 3(5): 177-182. <https://www.allresearchjournal.com/archives/?year=2017&vol=3&issue=5&part=C&ArticleId=3673>
10. Klassen, R. D., & McLaughlin, C. P. (1996). The impact of environmental management on firm performance. *Management science*, 42(8), 1199-1214.
11. R, & R. (2023). Impact of Social Media Influencers' Attributes in the Purchase Desire of Consumers of Quick Service Restaurants. *Empirical Economics Letters*, 22(2), 1–13. <http://www.eel.my100megs.com/volume-22-number-april-2-special-issue.htm>