

# Green Marketing Strategies and Consumer Behavior: A Contemporary Analysis in the Indian Context

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## ABSTRACT

Environmental sustainability has become a central theme in global business discourse. In India, where rapid industrialization intensifies ecological challenges, green marketing has emerged as a strategic response. This literature-based review explores green marketing strategies adopted by Indian firms and their influence on consumer behaviour. Drawing upon secondary data, the study applies theoretical models like the Theory of Planned behaviour to analyse the gap between green attitudes and actual purchase decisions. Key insights include psychographic consumer segmentation, the credibility gap due to green washing, and the role of pricing and trust. While limited by the absence of primary empirical data, the paper offers practical recommendations for marketers and policymakers and highlights the need for integrated, transparent, and accessible green strategies.

**Keywords:** Consumer, Green, Environment, Strategy, India.

## INTRODUCTION

The 21st century has witnessed a paradigm shift in consumer preferences, with sustainability and environmental ethics becoming key factors influencing purchase behaviour. Green marketing, which involves marketing products and services based on their environmental benefits, is now more than a corporate trend; it is an essential strategic tool. In India, where environmental degradation has reached critical levels in urban centres, green marketing has gained attention among policymakers, corporations, and consumers alike.

The shift toward eco-conscious behaviour among consumers is evident in the growing popularity of organic food, electric vehicles, biodegradable packaging, and sustainable fashion. However, the adoption of green products in India is not uniform across demographic and geographic segments. While urban, educated consumers may display awareness and intent; this rarely translates into actual purchase behavior for many. Companies that wish to remain competitive in a sustainable economy must better understand consumer expectations and tailor green marketing strategies that are credible, accessible, and engaging.

## LITERATURE REVIEW

### Evolution of Green Marketing

The concept of green marketing emerged during the late 1980s, primarily in response to growing public concern about environmental issues. Polonsky (1994) defined green marketing as “all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs with minimal detrimental impact on the natural environment.” Peattie & Crane

(2005) later critiqued early green marketing efforts as being superficial and driven by public relations motives rather than genuine environmental responsibility.

According to Kotler (2011), green marketing forms an integral component of sustainable marketing, which focuses on delivering value to customers in a socially and environmentally responsible manner. Companies increasingly face pressure from governments, NGOs, and environmentally conscious consumers to integrate sustainability into their core operations and branding efforts.

### **Green Consumer Behavior**

Green consumer behaviour refers to the consumption patterns that are guided by environmental concerns. According to Chan (2001), such behaviour is influenced by personal values, beliefs about the environment, perceived consumer effectiveness, and environmental knowledge. A study by Mostafa (2007) in Egypt found that consumer attitudes, environmental concern, and perceived seriousness of environmental problems significantly influenced green purchasing behaviour.

In the Indian context, D'Souza et al. (2006) found that while consumers expressed concern about environmental degradation, their actual behaviour often did not align with this sentiment. This gap between attitude and behaviour is termed the "green attitude behaviour gap" (Peattie, 2010), which remains a critical challenge for marketers.

### **Drivers of Green Purchasing Intentions**

Numerous studies have attempted to identify the antecedents of green purchasing intentions. According to Ajzen's Theory of Planned Behavior (TPB), intentions are influenced by attitudes, subjective norms, and perceived behavioural control. In the green marketing context, Chen & Chai (2010) extended TPB to include environmental knowledge and perceived consumer effectiveness as significant predictors of green behaviour.

Rahbar & Wahid (2011) identified price sensitivity, product availability, and trust in green claims as key factors affecting green purchase decisions. Jain & Kaur (2004) pointed out that Indian consumers were willing to pay a premium for green products if convinced of their efficacy and authenticity. Nevertheless, the influence of cultural norms, peer behaviour, and traditional consumption habits continue to moderate these intentions.

### **Challenges in Green Marketing**

One of the major concerns in green marketing is the credibility of green claims. The phenomenon of "green washing" where companies falsely advertise their products as environmentally friendly has led to consumer skepticism (Delmas & Burbano, 2011). Ottman (2011) emphasized the need for companies to offer transparency, third-party certification, and honest communication to build trust.

Cost also remains a barrier. Green products often entail higher production costs, which are passed on to consumers in the form of premium pricing. This becomes a major deterrent, particularly in price-sensitive markets like India. Moreover, a lack of clear standards and eco-labelling regulations makes it difficult for consumers to identify genuinely green products (Joshi & Rahman, 2015).

### **Green Marketing in India**

Several Indian companies have made notable efforts to integrate green practices into their core strategies. ITC Limited, for instance, has adopted sustainable sourcing and carbon-positive operations. Tata Motors has made strides with electric vehicles, while Godrej has promoted eco-friendly appliances under its "Good & Green" initiative. Yet, these efforts are limited to a few industry leaders. A study by Biswas & Roy (2015) revealed that green marketing is still in its infancy in India, with most consumers unaware of green labels or certifications. The authors recommend that public awareness campaigns and environmental education be strengthened to support sustainable consumption habits.

## Objectives of the Study

1. To analyse the strategies adopted by Indian firms in promoting green products and services.
2. To assess consumer awareness and perceptions of green marketing in the Indian context.
3. To identify key challenges businesses face in implementing effective green marketing.
4. To propose strategic recommendations for enhancing consumer engagement and trust in green marketing efforts.

## RESEARCH METHODOLOGY

This study adopts a narrative literature review design, drawing from peer-reviewed academic articles, industry reports, government publications, and case studies to synthesize existing knowledge on green marketing in India. The sources were selected using electronic databases such as Scopus, JSTOR, and Google Scholar with keywords including “green marketing India,” “consumer behaviour sustainability,” “eco-friendly branding,” and “green washing.”

Inclusion criteria included English-language studies published between 2000 and 2023 that discussed green consumer behavior, Indian market trends, or corporate green strategies. A total of 68 sources were initially shortlisted, out of which 36 were included based on relevance and quality. The data were organized thematically into categories: evolution of green marketing, consumer behavior, firm strategies, barriers, and future trends.

Although no primary data were collected, case examples from Indian firms and psychographic segmentation models were employed to generate contextual insights. This methodological approach was selected to provide a comprehensive conceptual foundation and identify research gaps for future empirical validation.

## ANALYSIS AND DISCUSSION

### Corporate Strategies and Green Branding

Indian firms are slowly integrating sustainability into their brand identities. For example, ITC’s commitment to being water-positive and carbon-positive is highlighted in its annual reports and sustainability disclosures. Patanjali Ayurved promotes herbal and Ayurvedic products with natural ingredients as part of its eco-friendly branding, although it focuses more on traditional values than environmental responsibility.

Tata Group’s ventures into electric vehicles (Tata Nexon EV) and renewable energy investments reflect a broader commitment to environmental goals. Meanwhile, consumer goods brands like Hindustan Unilever and Godrej have introduced recyclable packaging and reduced water usage in products.

However, green branding often remains a peripheral component of overall brand messaging. Many companies hesitate to highlight environmental features, fearing consumer pushback on pricing or product efficacy. This suggests a need for integrated marketing communications that reinforce the value proposition of sustainability without compromising on convenience or performance.

### Consumer Response to Green Marketing

While Indian consumers show increasing awareness of environmental issues, their purchasing patterns reflect a cautious and pragmatic approach. According to a Nielsen (2021) report, nearly 75% of urban Indian consumers expressed willingness to buy eco-friendly products, but only 22% had made such purchases recently. This gap underscores the influence of cost, accessibility, and brand trust in decision-making.

Green consumerism is more prevalent in Tier 1 cities, among younger and more educated consumers. For instance, the adoption of electric scooters and bicycles is gaining popularity among urban millennials concerned with pollution and fuel costs. However, in rural areas, affordability and product utility remain dominant considerations.

Educational campaigns, celebrity endorsements, and social media influencers can help bridge this gap by creating positive social norms around green consumption. Schools and colleges also play a crucial role in cultivating lifelong habits of environmental responsibility.

### **Regulatory Environment and Policy Support**

The Indian government has introduced several measures to support green practices, including subsidies for electric vehicles under the FAME scheme, bans on single-use plastics, and incentives for renewable energy adoption. However, regulations on green marketing communication and eco-labelling remain underdeveloped.

The Bureau of Indian Standards (BIS) and the Ministry of Environment have proposed certification programs for green products, but enforcement is weak, and consumer awareness is low. A unified, government-backed green label backed by transparency and third-party auditing could improve trust and reduce the prevalence of green washing.

### **Consumer Segmentation and Psychographics in Green Marketing**

A critical factor in the success of green marketing lies in correctly identifying and targeting the appropriate consumer segments. Green marketing cannot adopt a “one-size-fits-all” strategy because consumers differ vastly in terms of environmental awareness, willingness to pay, and lifestyle preferences. Segmentation strategies allow marketers to focus on high-potential groups and customize their value propositions accordingly.

Research by Straughan & Roberts (1999) identified three key psychographic factors influencing green behavior: environmental concern, perceived consumer effectiveness (PCE), and altruism. These psychological drivers shape not just how people think about environmental issues but how they act upon them. In India, these psychographic variables are moderated by socio-economic factors, including income, education, urbanization, and exposure to global media.

Kollmuss & Agyeman (2002) emphasized that even among environmentally concerned individuals; personal habits, social norms, and perceived barriers can prevent action. For instance, a consumer may be aware of the harmful effects of plastic but may still opt for it due to convenience or lack of alternatives.

Green consumers in India can be broadly categorized into the following groups:

1. **Eco-Activists** – highly informed, urban, educated consumers who prioritize sustainability in every purchase. This group is small but influential, often setting trends and influencing policy through activism and advocacy.
2. **Aspiration-Driven Urban Youth** – mostly in metro cities, these consumers prefer sustainable brands when aligned with status or lifestyle, often influenced by social media.
3. **Price-Sensitive Pragmatists** – aware of environmental issues but unwilling or unable to pay a premium for green products. Their behavior is driven by utility and value-for-money.
4. **Rural and Semi-Urban Consumers** – largely untouched by green marketing, this group may practice sustainable behavior (e.g., reuse, low waste) traditionally, but not due to environmental ideology.

Understanding these segments is vital for companies in designing products, communication strategies, and pricing models that resonate with the values and expectations of each group. For example, while brands targeting eco-activists can focus on detailed environmental credentials, those aiming at aspiration-driven youth should emphasize design, lifestyle, and innovation in sustainability.

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## Digital Green Marketing and the Rise of Eco-Conscious Influencers

With the rapid digitalization of commerce, green marketing has also evolved to leverage social media, e-commerce, and digital storytelling. Platforms like Instagram, YouTube, and LinkedIn are now critical tools for brands to communicate their sustainability stories and build communities around green lifestyles.

The rise of eco-conscious influencers has created a new avenue for sustainable brands to connect with younger audiences. Influencers who advocate zero-waste living, sustainable fashion, clean beauty, and plant-based diets are increasingly shaping consumer perceptions and behaviours. Their authenticity, relatability, and everyday use of green products offer a powerful form of peer validation.

Brands like Mama earth and The Whole Truth Foods have built strong digital presence using narratives centered on transparency, sustainability, and ethical sourcing. They often employ tools like behind-the-scenes videos, carbon-offset calculators, and sustainability scorecards to educate and engage their audience.

Moreover, platforms like Amazon and Flipkart have introduced “climate-friendly” filters that allow users to shop based on environmental impact, reflecting changing consumer preferences and increasing demand for green transparency in e-commerce.

Yet, digital green marketing must navigate the same risks of green washing as traditional methods. Consumers are quick to call out brands that are seen as insincere or inconsistent in their claims. Hence, integrating green marketing into the core of business strategy not just digital campaigns is essential for building long-term trust.

### Case Studies of Indian Brands and Green Marketing Practices

Several Indian companies stand out for their innovative and consistent green marketing efforts:

#### **ITC Limited**

ITC's “Paperkraft” notebooks and “Classmate” stationery lines highlight the use of wood from sustainable forests. The brand communicates its water-positive and carbon-positive status prominently in advertisements and CSR reports. ITC also leverages its e-Choupal initiative to promote sustainable sourcing among rural producers.

#### **Tata Motors**

Tata's commitment to electric mobility is evident in the launch of Tata Nexon EV and Tiger EV, targeting both individual and commercial consumers. The company also runs awareness campaigns on the long-term savings and environmental benefits of EVs. Their marketing efforts include real-time emissions comparisons and government incentives to offset pricing concerns.

#### **FabIndia**

This lifestyle brand integrates sustainability into both product and supply chain. Fab India's narrative is based on hand woven, organic, and ethically produced clothing and home décor. The brand highlights traditional Indian craftsmanship alongside eco-friendliness, appealing to the urban, ethically minded consumer.

#### **The Body Shop India**

As part of a global brand, The Body Shop emphasizes cruelty-free, vegan, and ethically sourced products. In India, it actively promotes its recycling initiatives and product refill stations, encouraging consumers to reduce packaging waste.

These examples demonstrate that integrating green marketing into brand identity, product innovation, and consumer engagement can lead to both environmental impact and competitive advantage. Table below



summarizes the key insights derived from the review and their corresponding strategic recommendations for practitioners and policymakers.

**Table 1: Summary of Key Insights and Strategic Recommendations**

Theme	Key Insight	Strategic Recommendation
Consumer Awareness	High awareness but low conversion to purchase	Educational campaigns and influencer engagement
Pricing Barrier	Green products perceived as expensive	Focus on economies of scale and affordable alternatives
Trust and Green washing	Consumers are skeptical of vague green claims	Implement third-party certifications and transparent communication
Psychographic Segmentation	Diverse consumer types with varying motivations	Tailor marketing messages based on psychographic profiles
Regulatory Environment	Weak eco-labeling standards	Strengthen BIS/central green certification and enforcement
Digital Green Marketing	Rise of eco-influencers and sustainability filters on platforms	Leverage social media for authentic green storytelling

Source: Self-Constructed

## Future Directions and Emerging Trends

As sustainability becomes main stream in global discourse, several future trends are expected to shape green marketing in India:

- **Circular Economy Models** – Companies will increasingly adopt “reduce-reuse-recycle” approaches in product design, packaging, and logistics. This includes product take-back schemes and repairable products.
- **Sustainability Certifications and Standards** – Standardization of eco-labels, both government- and third-party-backed, will improve consumer trust and purchasing confidence. Examples include Fairtrade, Ecomark (India), and ISO 14001.
- **Block chain for Supply Chain Transparency** – Technologies like block chain may be used to provide verifiable information on product origin, carbon footprint, and fair labour practices.
- **Green Loyalty Programs** – Brands may offer incentives for sustainable consumer behavior, such as discounts for returning used packaging or rewards for choosing low-impact delivery options.
- **Integration with ESG and CSR Reporting** – Investors and consumers alike are demanding environmental, social, and governance (ESG) disclosures. Green marketing will become part of a company’s broader ESG narrative, further integrating marketing with sustainability strategy.

## Limitations and Scope for Further Research

This paper is based primarily on secondary data, which, while rich in insights, lacks firsthand consumer perspectives. Future research could include primary surveys or interviews with Indian consumers to understand the nuanced motivations and barriers affecting green purchasing decisions. A comparative study across urban and rural markets, or across industries such as FMCG, automotive, and fashion, could also offer more sector-specific recommendations. Longitudinal studies may track how changing regulations, technologies, and generational shifts influence green consumerism in India.

## CONCLUSION

Green marketing in India reflects a crucial convergence of environmental responsibility, consumer awareness, and corporate strategy. As the Indian market matures, businesses that invest in genuine sustainability, transparent communication, and consumer education are more likely to succeed. However, challenges remain: the green attitude behavior gap, affordability issues, and skepticism rooted in green washing can dilute even well-intentioned efforts.

The transition from traditional to sustainable marketing demands not only innovation but also a cultural shift in how businesses and consumers view value. Companies must view green marketing not just as a trend but as a long-term strategic orientation aligned with India's sustainable development goals. In doing so, they can become not just market leaders but also stewards of positive environmental and social change.

## RECOMMENDATIONS

- **Strengthen Consumer Education:** Educational institutions and mass media should focus on building environmental literacy to cultivate informed consumers who can distinguish between genuine and misleading green claims.
- **Affordable Green Alternatives:** Companies should work toward achieving economies of scale that allow green products to be priced competitively with their conventional counterparts.
- **Transparent Certification Systems:** Third-party verification and a single national green label should be developed to ensure that consumers are not misled by unverified claims.
- **Integrated Marketing Communications:** Green marketing must be embedded into broader brand narratives, using storytelling, emotional appeal, and social proof to connect with consumer values.
- **Policy and Industry Collaboration:** Public-private partnerships can help create platforms for green innovation, industry benchmarking, and regulatory compliance.

## CONCLUSIONS

Green marketing is more than an emerging trend; it is an essential business strategy for a sustainable future. In India, both corporations and consumers are slowly but steadily embracing this shift. Yet, significant challenges remain in the form of affordability, awareness, regulatory gaps, and consumer skepticism. By adopting transparent, inclusive, and value-driven strategies, companies can effectively tap into the growing green market segment. For policymakers, the focus must be on standardization, education, and infrastructure to support sustainable production and consumption. The Indian market, with its diversity and dynamism, holds immense potential for green marketing to flourish if addressed with sincerity, innovation, and long-term vision.

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