

Strategic Green Marketing: Exploring Consumer Perceptions and Preferences for Sustainable Products

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Abstract:

In the framework of strategic green marketing, this study investigates consumer perceptions and preferences for sustainable products. The rising adoption of social responsibility and stakeholder theory by corporations necessitates a critical assessment of how these sustainable practices affect corporate profitability. Prior studies have mostly ignored the connection between sustainable business practices and customer interests as well as how these practices affect corporate success in favor of concentrating on the financial elements of sustainable business practices. Several businesses have begun to connect sustainability and green marketing initiatives in the past few years, realizing the value of efficient marketing strategies. Corporate social responsibility, or CSR, has become more popular as a result of consumers' increased knowledge of environmental, health, safety, and social issues. According to strategic green marketing, companies that practice social responsibility may expect to be successful in the marketplace and be rewarded with positive consumer preferences. As a result, more businesses are implementing green marketing strategies as ethical behavior emerges as a new business trend that has broad public support.

Keywords: Strategic green marketing, consumer perceptions, consumer preferences, sustainable products, social responsibility theory

1. Introduction

However, if social responsibility theory cannot enhance corporate profits, but stakeholder theory can explain why companies undertake social responsibility activities, can achieve a win-win situation with corporate profits, and the board composition that can reflect stakeholders' perspective also can enhance the win-win relationship which is beneficial for the company and society.

Green marketing in the business world can promote economic activities with environmental protection, which is also conducive to the concept of sustainable development. It can attribute a significant percentage of the company's performance to these sustainable activities and is currently the main basis of many theories and practices. Indeed, companies

are now facing a dilemma. On the one hand, attention to social responsibility and stakeholder theory has changed the thinking of company executives. On the other hand, the core mission of a company is to benefit. Therefore, social responsibility theory has become the mainstream theory of stakeholder theory to solve this problem and to explain whether it is feasible to integrate stakeholder interests to achieve win-win business. (Chung, 2020); (Kniazieva & Orokhovska, 2023); (Shabbir, Bait Ali Sulaiman, Hasan Al-Kumaim, Mahmood, & Abbas, 2020).

However, why businesses are willing to undertake/gain competitiveness in more and more social responsibility activities and whether the positive impact of these socially responsible activities benefits businesses become one of the focuses on academic thought. In the past, the amount of research was mainly focused on an enterprise economic aspect but ignored the relationship between these sustainable behaviors and consumer interest, especially in their contributions to business accomplishments. In recent years, many diverse industries are increasingly linking green marketing activities to sustainability. (Sheth & Parvatiyar, 2021).

Developing effective marketing approaches is undoubtedly crucial. Increased consumer interest in ecological, health, safety, and social issues has led to increased awareness of corporate social responsibility (CSR). At the same time, a societal concern has been expanded to companies' organizational activities, including strategic green marketing. Green marketing argues that such socially sensitive firms will be rewarded with favorable consumer preferences and have the potential for business success. Therefore, more and more companies have begun to adopt green marketing activities. Such responsible behaviors have become new trends in business and have received much public support. (Liu & Lin, 2020).

2. Theoretical Framework

Gone are the days when companies could just market their products and services with no fear of the impact they created on the environment. The response by companies has been slow, but it is getting crisper every day. It is well recognized that one of the main social missions of businesses is to improve the quality of life and the environment. It has been stated multiple times that customers are the more thorough critics of the business activities. The importance of customer-perceived CSR and customer expectation have revealed rapidly over the years. Green marketing and products are two recent phenomena which reflect the customer's claims on the industry. Studies have confirmed that today's consumers are becoming increasingly active in acting upon their concerns about the environment by demanding green products, refusing environmentally unfriendly companies, and rewarding environmentally friendly ones. However, if companies believe in anything tangible, research has shown that companies are not always willing to support it with environmentally friendly purchases. The salience of price and consumer's lack of information of environmental consequences are two main problems that hinder consumers from buying green products.

2.1. Green Marketing Concepts

In this study, however, it was based on the concept of green marketing coming from Ratneshwar and David Mick's proposals which consist in the practice of marketing activities without harming the environment. Based on the definition above, green marketing studies the problems inherent to the exchange relationship between buyers and sellers. However, some environmental implications are also related to its practices. According to Ottman, green marketing is practiced with the discussion of products (use and delivery) or its advertising, product development process, marketing communication, supply chain, product packaging, and delivery.

Marketing processes and marketing actions related to environmental orientation were widely controversial in the literature because of terms such as environmental activity or environmentally friendly marketing or marketing to the chain. These studies, in most cases, used terms like "environmental" and "popular" to try to identify marketing alternatives for meeting environmental objectives. However, to develop these approaches, it is not possible to teach some ideal green market models that will be applied everywhere. There are social situations and industry types, making it impossible to segregate green. It anticipates a search for products with technological efficiency so that environmental management is an essential tool, contributing to society and the health of the planet as a result of the combination of organizational, technological, and comprehensive efforts required. (Medrano, Cornejo-Cañamares, & Olarte-Pascual, 2020); (Lučić, 2020).

Green marketing practiced in the developed countries in the mid-1980s can be found in reports by the United Nations. The deforestation of the Amazon forest, the problem of acid rain, and poor air quality have provoked international reactions by consumers who demand change. For the first time, when we were approached with the realization and the portrayal of color history, it led us to the concept of the "green consumer." Finally, it acknowledged that consumer power affects business institutions that need to consider new, proactive policies for creating the right kind of motive in the mind of the future consumer.

Green marketing as a tool for sustainable policy is at the early stage of scientific research, although it dates back to the 1970s. This was due to the negative effects of business activity on the natural environment and the need to change attitudes towards consumers' practices. Since the 1980s, however, academic interest has increased thanks to the changes in global consumer behavior, which had significant economic implications. (Geng & Maimaituerxun, 2022).

2.2. Consumer Behavior Theories

The above comment illustrates the nature of consumer behavior research, which is confined by the discipline that dominates the research. Little wonder that economists emphasize on created preferences through an intricate set of marketed and unmarketed factors, and at the same time operate in the classical knowledge and desire approach in sales promotion. Psychologists, on the other hand, comfortably explain the needs/wants-desire-emotion/knowledge-conation relationships emphasized in the hierarchy of effects. Dopson et

al. (2006) merge the concepts originating from these diverse marketing philosophies and provide a comprehensive conceptual framework, which can benefit from the current study, focusing on increasing customers' acceptance of green marketing communications. (Kaur, Choudhary, Manoj, & Tyagi, 2024).

Consumer behavior is influenced by a plethora of underlying factors. Identifying why a particular individual behaves in a certain way remains a major challenge for marketing research. To overcome this challenge, consumer researchers have constructed numerous mainstream consumer behavior theories. This knowledge provides a guide to understanding consumer preferences for sustainable products better. Kotler (2003) postulates that even though there is a vast set of consumer behavior models, none are all-encompassing. According to him, they must provide managers with useful inputs for comprehending their customers' behavior and how it will respond to promotional stimuli. Consumer behavior models, therefore, are economic, social, psychological, and communication road maps that help in understanding consumer decisions. (Nova-Reyes, Muñoz-Leiva, & Luque-Martínez, 2020).

3. Methodology

Few research studies have focused on strategic green marketing; most work conducted has examined consumer attitudes towards the overall concept of green products or the actual physical, environmental benefit that the product provides. We conceptualize strategic green marketing as products or messaging/communication strategy development designed with deliberate concerns for both a firm's financial performance as well as environmental stewardship. Therefore, our analysis through collaborative or reiterative discussions, development, and refinement was undertaken to permit a structured interpretation of the data that could incorporate an understanding of both rational and emotional consumer perceptions. (Liao, Wu, & Pham, 2020); (Sharma, 2021).

This study employs a two-pronged strategy to examine consumers' perceptions of, and preferences for, sustainable, or "green," products designed and marketed with strategic environmental benefits in mind. We first conduct a qualitative content analysis of "strategic green marketing" copy across a variety of product categories. Second, we evaluate the fit of our findings with survey results measuring consumer perceptions of, and interest in, companies' strategies, in terms of product and communication tactics actually being used. Our investigation is designed to identify the potential compatibility or incompatibility of consumer demand and corporate response. Finally, we also explore the characteristics of these "early adopters" of strategic green marketing.

3.1. Research Design

The study sampled sixty-one subjects to identify their views and perceptions on sustainable products. These subjects were recruited for the study as they have completed a course in environmental management and sustainability. In order to participate in the study, the subjects needed to have knowledge of sustainable products and considered green

purchasing behavior during shopping. The study was conducted using four independent focus group discussions (2-4) with each session lasting for 1.5 hours. Each session was moderated by the authors. The objective of the focus group discussions is to explore consumer perceptions and preferences for sustainable products. The subjects were asked to discuss issues related to their purchase behavior of sustainable products with a focus on the following broad areas: Q1: What are sustainable products to you? Q2: What are your opinions and quality concerning sustainable products? Q3: Are you willing to pay a premium for sustainable products? Q4: Choose other products if you have the same price, what factors influence your decisions?

This study was conducted to explore consumer perceptions and preferences for sustainable products in the Philippines using both qualitative and quantitative research. The study was conducted in two distinct phases. Study 1 is a qualitative study that adopts the exploratory research approach using focus group discussions. The review of literature on green consumption and consumer behavior, particularly on sustainable products (SP), was identified by the household's managerial decision criteria. These are environmental concerns and attitudes/product aspects, extended responsibility towards society, and also consumer loyalty/product reputation. A thematic framework was utilized to extract nuances and themes from the data using *Atlati*. These themes are corporate social responsibility, utility, and involvement. Subsequently, a structured questionnaire of the underlying themes was designed for further quantitative testing.

3.2. Data Collection Methods

The data for this study was gathered at farmers markets in a southeastern city in the United States. Every Saturday, vendors converge in the city's central square and sell a variety of goods to a mixed crowd of primarily locals. Members of the community enjoy strolling through the many stalls selling fresh produce and fragrant herbs, as well as chatting with vendors about buying directly from the farmer. In addition to fresh produce, a number of the vendors also sell a variety of homemade food and craft items. Haight and Verma held our "tasting day" on just such a day. The farmers and customers at the market are very proud of their mix of vendors, as they see themselves as being an environmentally conscious group of citizens who are dedicated to the principles of sustainable agriculture. Customers such as these, who seek out food directly from the farmer, present an opportunity for the sale of goods that have been labeled environmentally friendly or sustainable. They are a niche market of interested, informed, and engaged potential customers.

4. Findings and Analysis

The results of the willingness to pay more underscore the importance of the positive consumer reactions in the consumer marketplace. Furthermore, this study also provides an empirical analysis of how the different levels of concern about environmental issues affect consumer willingness to pay more for sustainable products. The empirical study conducted on consumer perceptions and preferences shows that it is possible to ensure that the sustainable

products deliver performance as it is expected from marketing. The study contributes to the role these perceptions and preferences have on the adoption of strategic green marketing by increasing the knowledge about consumer driven, as well as the need to develop a new marketing strategy which supports a new thinking and undertaking in implementing green marketing strategies, which would support consumer needs and the society.

The consumer preferences for the various environmental attributes, as well as the willingness to pay more for the product containing particular environmental attributes, were examined using the same methodology. Also, the study aimed to measure the importance of specific environmental attributes, in order to help the manufacturers of sustainable products in identifying favorable product features for consumers that would lead to enhanced sales. The study has received unique empirical results on these original research questions, which examine the importance of the environmental attributes of sustainable products in relation to price and the willingness of the consumer to pay more for products with such attributes. As the implications of these will prove valuable to marketers, food processors, corporations, corporate decision-makers, and managers across a range of business enterprises striving to develop profitable green marketing strategies aimed to satisfy consumer demands. (Stampa, Schipmann-Schwarze, & Hamm, 2020).

4.1. Consumer Perceptions of Green Marketing

Despite researchers clarifying the collective culture, the comprehension theoretical study between consumer green behavior, such as citizens that contribute to the environment, grows in the search of green practices, mainly observing a sustainable position in the market. (Kamalanon, Chen, & Le, 2022).

In the consumer market, consumer purchase behavior is influenced by perceptions and intentions to purchase. Green marketing efficacy may be measured according to consumers' behavior and product brand according to social-friendly attributes. Incessant strategies related to sustainable products are focused on suggestions from the literature that were found more or less alongside with the corporate social responsibility (CSR) factors, such as social, environmental, or economic product attributes, social-friendly brands, and only then, with eco-label certification. (Kamalanon, Chen, & Le, 2022).

The green product theory postulates a significant influence on brand quality on consumer interest and willingness to purchase. It also suggests that brand reputation, nationality, age, number, and handy sustainable attributes are affordable values for retail organizations' investments related to adopting green marketing. Consumers, on their turn, even when having liberal opinions about green marketing, distrust many companies that practice it, doubting the effectiveness of their investment, risking investing in a fake brand that pretends to be "green" in exchanges. (Panda, et al., 2020).

Green marketing has been practiced since the early 1990s, and the number of companies adopting green marketing is growing. Green products have also influenced consumer behavior, with regional differences in perception and preference variables. Nevertheless,

conservative consumer behavior is still a challenging trend, mainly in South Asian countries. (Gelderman, Schijns, Lambrechts, & Vijgen, 2021).

4.2. Consumer Preferences for Sustainable Products

The topic of consumer responses to green marketing initiatives, particularly strategic advantages to companies, provides an exciting avenue that needs to be explored with more current data. The Dutch Food Consumers may also take into account the quality characteristic of the product along with the environmental properties when people give their products a positive or negative valuation. Consumers might assume that a green-labeled product is of better consistency. So purchasing this product should be preferable to non-labeled green products only if the price does not exceed the estimated price. This forward assessment has not been reflected in consumers' willingness to pay. The study indicated that the additional amount buyers were ready to pay for labeled products is less than their predicted value of quality gains. 90% of the buyers were able to recognize the labels of the brands, but only 50% realized that it signified that the company had controlled environmental effects. 38% of the consumers found that buying patterns should change a pick-out was a marketing technique used by manufacturers to raise demand for defense rather than other products. (Xu, Xiao, Zeng, & Hao, 2022); (Agatz, Fan, & Stam, 2021); (Neumayr & Moosauer, 2021).

Consumers may be generally attracted to products from companies that exhibit responsibility by demonstrating that their products contribute to improving global environmental sustainability. The general consumer attitude toward attempting to buy products from companies that market themselves as "green" is of increased salience for marketers. People's buying decisions are to some extent determined by company ethical relations. Willingness to pay a premium for products that are environmentally friendly and are produced by companies that are concerned about their countries varies depending on a variety of variables such as income, age, or gender. Consumers may expect that certified environmentally iconic products are more costly and desirable than conventional products. This underlying perception would create an incentive for companies to pick out products for the development of green projects. (Heyes, Kapur, Kennedy, Martin, & Maxwell, 2020); (Pretner, Darnall, Testa, & Iraldo, 2021).

5. Implications for Marketing Strategies

The Marketing and Public Policy sections of the American Marketing Association should support several initiatives aimed at making it easier for firms to correctly target activities to develop and introduce quality, sustainable products to market segments. Among the initiatives sponsored by these two sections and other organizations might be the development of databases that show the numbers of individuals in market segments who seek information about various types of quality and environmental issues. These might generate national and state level consumer surveys that could be funded by licensing companies who would use this public resource to test proportions of inhabitants in various locations. Leaders of corporations could extend their capabilities to make informed decisions about product

innovations and marketing strategies to increase the environmental reputations of their enterprises by collaborating to sponsor customized consumer studies. Data generated in these surveys could be made available to corporations and state policy making organizations so that they could better understand their consumer bases and people whom they would like to influence. Data showing heterogeneous classes of consumers that might have conflicting and competing roles in contemporary society might be made available and customized to fit the locations and regional grouping and life-style of survey respondents. With such projects underway, people employed at all levels of successful business organizations might find their and their company's contributions to solving the world's global environmental problems enhanced. (Sheth & Parvatiyar, 2021); (Peterson, Minton, Liu, & Bartholomew, 2021).

The findings from this research have several important implications for both marketers and public policy makers. In particular, a company's decision to market products based on their eco-friendly attributes should depend on both the specific nature of the product's attributes and the characteristics of consumers who are most likely to purchase these products. We suggest that the appearance of products and their packaging, along with the relative advantages in performing or using the product, are key dimensions upon which higher-quality "green" products will need to compete to gain consumer acceptance and market share. In addition, we find that females, more environmentally concerned individuals, and individuals in the older age groups are most likely to purchase "green" products in a broad market of potential consumers. These are the individuals who should be specifically targeted by marketing efforts to increase the market potential for sustainable products.

Our results suggest that consumers would like companies to help them make new green product choices through the provision of more information on the eco-characteristics of the products. Although the current regulatory context is marked by the various efforts put into standardizing and harmonizing the format of product environmental claims, companies are recommended to use their own multiple sources of information available, including that concerning the eco-characteristics of the input materials, processes, and supply chain. Companies may go further by allowing more private and public actors to audit their claims and by incorporating environmental information in the corporate reporting systems, thereby providing consistent and coherent public claims about the company's environmental policy and track record. In addition to these 'information-based' recommendations, our study yields results that question the use of the label as the single strategic elemental green marketing. Serious discrimination between the multi-green product approach and the label business trade-offs is needed. The strategic implementation of rigorous environmental management strategies and inclusively thinking about other forms of communication on environmental initiatives will increasingly place companies on competitive grounds. Businesses that can efficiently and accurately communicate the eco-characteristics of their products can help to reduce the costs of acquiring information that can otherwise divert consumers' purchasing power towards products which are not environmentally sustainable. To not underestimate this power, firms shall themselves try to ensure that the perception derived from environmental

signals does not diverge from the sustainability claims.

The effects of cultural factors on consumer attitudes and behavior toward green marketing initiatives are still debated. The results of the study showed very little influence of personal factors of the respondents. Future research may include more personal factors related to the influence of sustainable products. Besides the influential factors that motivate purchase intention for green products, researchers may also focus on the effectiveness of these predictors. Further research based on these issues could yield more relevant and comprehensive results. Because the results only showed a mediocre level of explanation, further research should aim to increase this value.

The results of the study highlight a number of new areas for research in the domain of green marketing: first and foremost, other European developing countries should be included in future research in order to verify the validity of the scale developed for Romania. Second, the model of the study is still modest, and other constructs could be included in other studies. Furthermore, researchers could test the model with bigger samples in order to validate the model for the European context. These studies may also call for better developed hypotheses for the constructs and also bring new cultural factors into the research.

Since consumers are the engine of the market, green strategies can be realized through products and services that effectively meet their environmental needs and aspirations. The moral component linked to ecological behavior influences purchasing behavior. In conclusion, based on empirical evidence, this paper has led to the identification of three typologies of consumers: exhibitionist, disenchanted, pious—the need to reach a hedonistic balance between aesthetic quality and environmental quality, highlighting the gap between consumer expectations and existing products, to reject social influence and to provide evidence that pious could marry the company's values and beliefs. Theoretical implications of the study were addressed as well as managerial suggestions. The policy implications underlying the study are discussed.

Over the last several years, researchers have tried to unearth attitudes about green marketing and identify submarkets identified by psychographic and demographic characteristics. According to the literature concerning environmental consciousness, the understanding of customers leads to the capacity to develop mixes of products and services and effective communications aimed at capturing different segments. In addition, the personal and organizational values and policies can be in safeguarding the environment through commitment and can be expressed at an organizational level in eco-innovations that can generate benefits linked to new business opportunities, reputation, and competitiveness. Companies must be able to orient themselves toward the development of products and services capable of meeting today's needs without compromising the ability of future generations to meet their needs.

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