



Effect of Green Marketing on Consumer's Purchase Decision

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Abstract: The conducted research studies examine and analyse the impact of strategies of green marketing on the consumer's purchase decision. It focuses on the intention-action gap in the Indian context. Primary data was collected from 68 respondents mainly based in Delhi-NCR using a structured questionnaire and analysed using the method of correlation analysis.

The findings indicated that eco-labelling had a strong and powerful positive influence on the purchase decisions, while awareness shows only a weak relationship. Green advertising and consumer trust have a minimal impact, whereas price sensitivity acts as a barrier to the adoption of green products. These results confirm that although the consumers are environmentally aware, this does not always convert to the actual purchasing behaviour.

The study concludes that effective green marketing requires credible information, transparency and affordable pricing to influence consumer decisions.

Keywords: *Green Marketing, Ecolabelling, Sustainability, Environmental Awareness, Consumer Behaviour, Green Advertising, Price Sensitivity*

1. Introduction

1.1 Background of the Study

Nearly 66% of Americans say that are willing to pay more for sustainable products in 2022, and 72% of consumers stated that a product's environmental impact was an important consideration in their purchasing decisions (Business of Sustainability Index, 2022).

As result, businesses have included Green Marketing approach that is in charge of recognising, anticipating, and meeting customer needs in a sustainable way. Businesses are using green features, such as eco-labelling and sustainable packaging, to stand out in a crowded market. Although "green awareness" reached all-time highs in 2021 and 2022, the shift to real "green purchases" is still uneven, making it difficult for marketers to navigate

1.2 Statement of Problem

The main issue this study attempts to address is the enduring "Intention-Action Gap". Sales data often does not reflect consumer sentiment, despite the reported increase in environmental concern. For example, an industry study from 2021 found that although 75% of consumers said they would be willing to purchase eco-friendly products, only 22% had done so recently.

While consumers often speak favourably about green marketing, those positive sentiments don't always translate into sales. There is a persistent "intention action gap" that brands are struggling to close.

This gap became particularly clear in late 2022. Faced with rising inflation, consumer priorities shifted: 54% of global shoppers began choosing affordability over sustainability when forced to make a trade-off. Economic pressure has effectively tested the limits of consumer idealism.

Beyond pricing, a growing credibility crisis is also at play. Widespread scepticism regarding "greenwashing" where companies overstate their environmental impact has eroded consumer trust.

Consequently, the industry is still searching for the primary "buy signal." We have yet to determine which specific levers be it competitive pricing, product performance, or the verified legitimacy of eco-labels are most effective at converting environmental concern into a confirmed purchase.

1.3 Objectives of the Study

Against this backdrop, this research paper aims to evaluate the direct impact of green marketing strategies on consumer purchase decisions. The specific objectives are:

- To identify the key green marketing tools (eco-labelling, green advertising etc) that most significantly influence consumer trust.
- To examine the barriers specifically price sensitivity and scepticism that prevent environmentally conscious attitudes from translating into purchase actions.
- To determine the extent to which demographic factors moderate the relationship between green marketing exposure and purchase behaviour.

1.4 Scope of the Research

This study looks at how consumer's decisions to buy various product categories are impacted by green marketing tactics. Key components of green marketing, including eco-labels, green advertising, sustainable packaging, environmental claims, and corporate social responsibility (CSR) initiatives, are examined in this study along with their effects on consumer attitudes, perceived value, trust, and actual purchasing behaviour. The study only looks at consumer markets; industrial or business-to-business purchasing practices are not covered. Understanding the intention-action gap between consumer's declared environmental concerns and their actual purchasing patterns is the main focus. To ascertain whether demographic variables like age, gender & income. consumer's receptivity to green marketing strategies, the study examines these variables. Geographically, the study is limited to the Indian market and concentrates on urban consumers who have access to green product substitutes. The study uses both primary data obtained through structured questionnaires and secondary literature.

In general, the scope entails determining the degree to which green marketing initiatives are successful in influencing consumer preferences, purchase intentions, and ultimate purchasing decisions while emphasising the obstacles that keep consumers from converting pro-environmental attitudes into sustainable purchasing behaviour.

1.5 Research Questions

- To what extent do green marketing tools such as eco-labelling, green advertising, and CSR initiatives influence consumers' purchase decisions in the Indian market?
- What barriers, particularly price sensitivity and scepticism toward green claims, prevent environmentally conscious consumers from converting purchase intentions into actual buying behaviour?
- How do demographic factors such as age, income, and gender moderate the relationship between green marketing strategies and consumers' purchase decisions?

1.6 Hypothesis

- **H1-** Awareness has a significant impact on consumer purchase decision.
- **H2-** Eco-labelling has a significant positive impact on consumer purchase decision
- **H3-** Green advertising has a significant impact on consumer purchase decision.
- **H4-** Consumer trust has a significant impact on consumer purchase decision.
- **H5-** Price sensitivity has a significant negative impact on consumer purchase decision.

2. Literature Review:

Green marketing is a strategy in today's dynamic business environment as firms try to balance environmental responsibility with shifting choices of consumers. With growing concern for sustainable environment, marketers are using more of green practices to appeal to environmentally conscious consumers. This literature review compiles together studies that have been conducted between 2013 and 2024 to understand the working of green marketing tools, practices, and strategies that influence consumer's purchase decisions in India across different sectors and different kind of consumer groups.

2.1 Theoretical and Empirical Studies

The foundation of relationship between green marketing and consumer behaviour is documented. Babita Saini (Saini, 2013) conducted a theoretical study, claiming that environmentally conscious consumers preferred firms that minimize environmental harm, though this study was conceptual and lacked quantification.

Later empirical studies validated this theory. Through a study of 250 survey participants in Hyderabad by P.V Sah, it was that consumers generally agree that the green marketing strategies influence purchasing decisions of the consumers at a major level, although demographic factors showed weak correlations. Similarly, Dr. Uma Durgude (Durgude, 2022) found that green marketing approaches significantly encouraged consumers to adopt sustainable consumption practises, providing quantitative data as evidence that these strategies highly influenced decision making process.

2.2 Awareness and Environmental Knowledge

A recurring theme across the literature is the critical role of consumer awareness and knowledge as prerequisites for green purchasing.

Awareness: Rahul Sen (Sen, 2014) focused on urban consumers in Kolkata city, finding that higher awareness of green practices is directly associated with favourable attitudes and an increased likelihood of purchasing green products.

Knowledge: Dr. Girish Jadhav (Jadhav, 2024) emphasized the "mediating role" of knowledge, concluding that environmental knowledge is a key factor In determining whether green marketing successfully influences buying behaviour. Without this knowledge, marketing efforts may fail to convert interest into action.

2.3 Specific Marketing Tools and Drivers

Research has moved beyond general impacts to identify specific tools and drivers that shape behaviour: Marketing Tools: Anupreet Mokha (Mokha, 2018) examined specific tools in the Delhi NCR region, such as eco-labelling, eco-brands, and eco-advertising. The study found that these specific tools significantly shape consumer awareness and directly influence eco-friendly purchase decisions of the consumers.

Key Drivers: In the context of green cosmetics, Dr. Trilok Nayak (Nayak, 2024) identified broad set of driving factors. Beyond awareness, factors such as social influence, pricing, and brand image were found to enhance purchase intention.

2.4 Sector-Specific Studies

While many studies looked at general consumer behaviour, some provided insights into specific industries: Consumer Durable Sector: Study conducted by Pooja Deshmukh (Deshmukh, 2022) analysed the consumer durables sector and the findings suggested that in this category, green practices positively affect perception of product quality and corporate responsibility, which subsequently drive purchase decisions of the potential consumers.

Cosmetics: As suggested by Dr. Trilok Nayak (Nayak, 2024), the cosmetics sector relied heavily on image of the brand and social influence, suggesting that the effectiveness of green marketing may vary depending on the product category.

2.5 Research Gaps and Limitations

The review of these studies highlights several limitations:

- Geographical Limitation of Data: Most studies are based in urban cities of India (Delhi NCR, Kolkata, Hyderabad), which limits the generalizability of findings to rural areas or other regions (Rahul Sen (Sen, 2014); P.V Sah, (Sah, 2016); Anupreet Mokha, (Mokha, 2018)).
- Sample Size: Studies relied on small sample sizes, such as Babita Saini (Saini, 2013) (n=100) and Anupreet Mokha (Mokha, 2018) (n=152), which may introduce biasness.
- Methodology: The study by Babita Saini (Saini, 2013) was purely conceptual, others like Dr. Girish Jadhav (Jadhav, 2024) used self-reported knowledge, which is liable to response biasness.

2.6 Conclusion

This literature demonstrates that green marketing is a powerful driving force of consumer buying behaviour. With specific tools such as eco-labels to the broad concepts such as corporate responsibility, these strategies positively shape the attitude of consumer. However, the success of these initiatives is majorly dependent on environmental knowledge and specific driving factors like social influence and pricing.

3. Research Methodology

3.1 Research Design

This study uses a descriptive and analytical approach to analyze the impact of green marketing tools on the purchase decision of the consumer. The descriptive approach helps to understand the attitude, awareness, and perceptions of the consumers toward the green marketing strategy, while the analytical part examines the relationship between green marketing tools and actual purchase behaviour.

3.2 Data Collection

The data used is primary in nature and collected from consumers situated in Delhi-NCR

3.3 Method of Data Collection

Data was collected using structured questionnaire which consisted of close ended questions.

The questionnaire covered following sections:

- Demographics
- Awareness of Eco-friendly & Sustainable Products
- Sensitivity to Price
- Influence of Green Advertising

- Purchase Intention & Actual Buying Behaviour

3.4 Sampling

Technique: Convenience Sampling

Sampling Size: 68 Respondents

Target Population: Urban Consumers who are aware of green products

Geographical Area: Delhi-NCR

3.5 Variables Studied:

3.5.1 Independent:

- Eco Labelling
- Awareness
- Green Advertising
- Consumers Trust on the Company
- Price Sensitivity

3.5.2 Dependent:

- Purchase Decision

3.6 Tools Used for Data Analysis

The collected data was analysed using Microsoft Excel. Statistical tools such as correlation analysis were used to determine the relationship between green marketing variables and consumer purchase decisions. Correlation analysis helped measure the strength and direction of association between the independent variables and purchase behaviour.

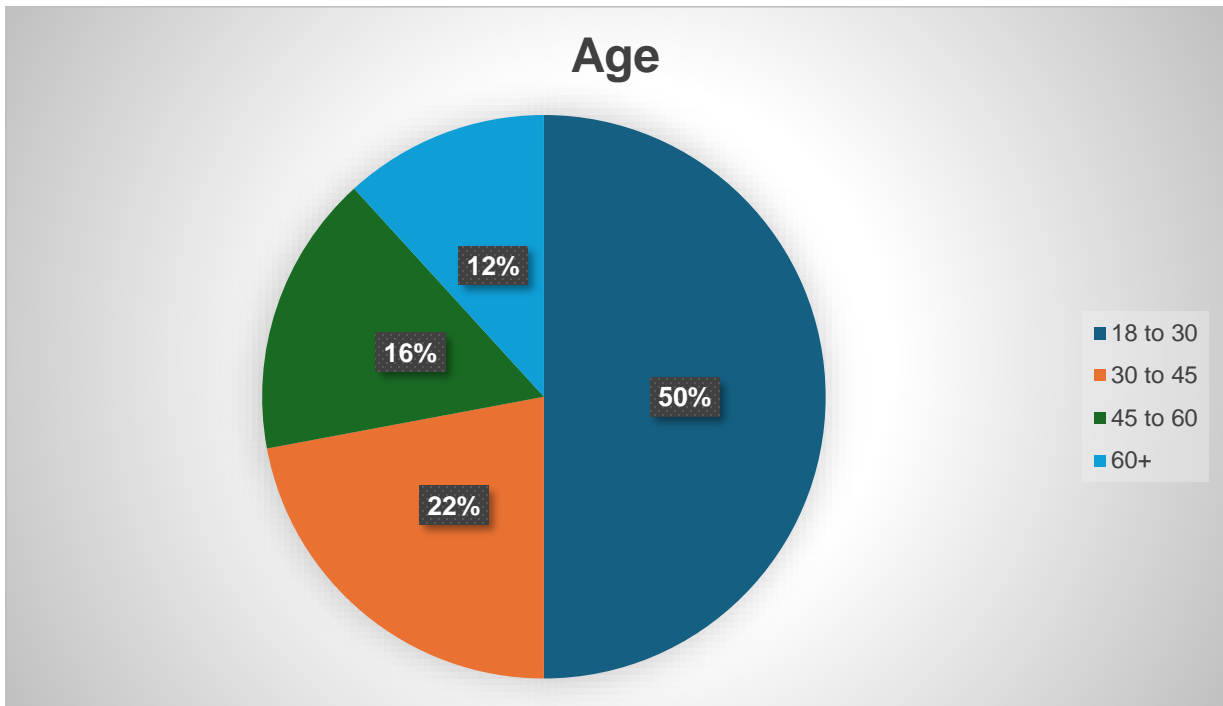
4. Demographic Analysis of Respondents

4.1 Age Analysis

Table 1 Age –

Age Group	Absolute Number of Responses	%
18 to 30	34	50
30 to 45	15	22
45 to 60	11	16
60+	8	12
Total	68	100

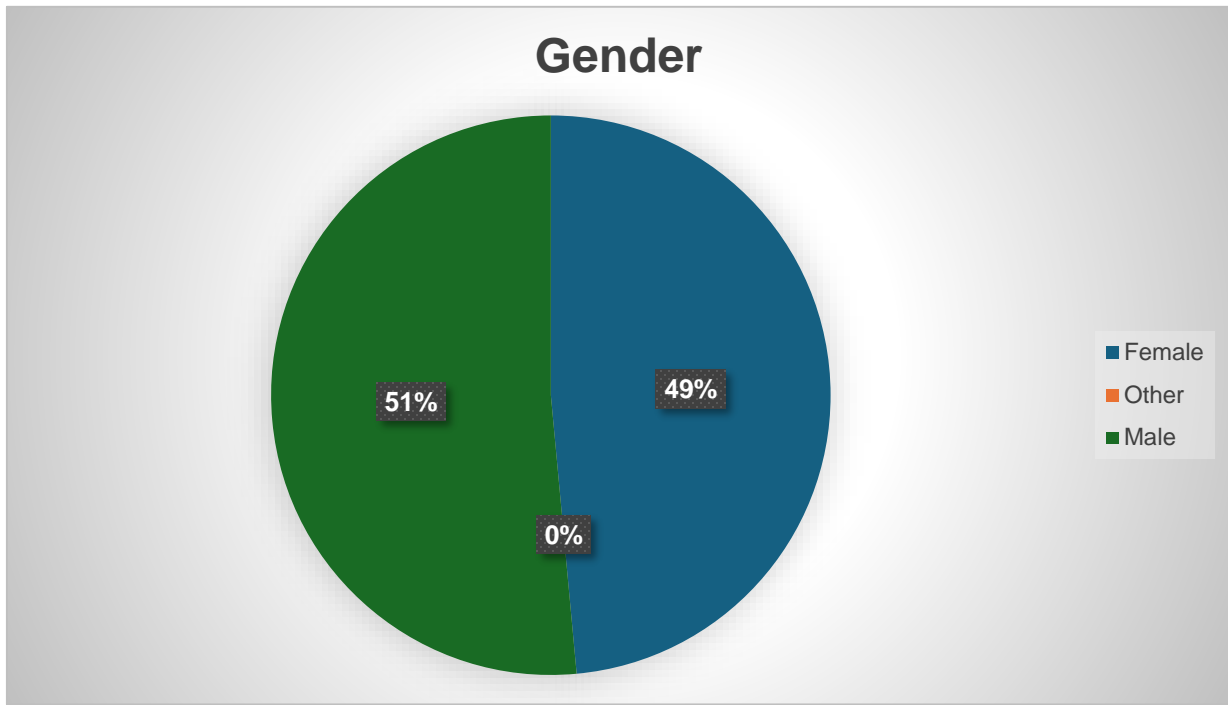
Chart-1 Age



4.2 Gender Analysis
Table-2 Gender

Male	35	51
Female	33	49
Other	0	0
Total	68	100

Chart-2 Gender

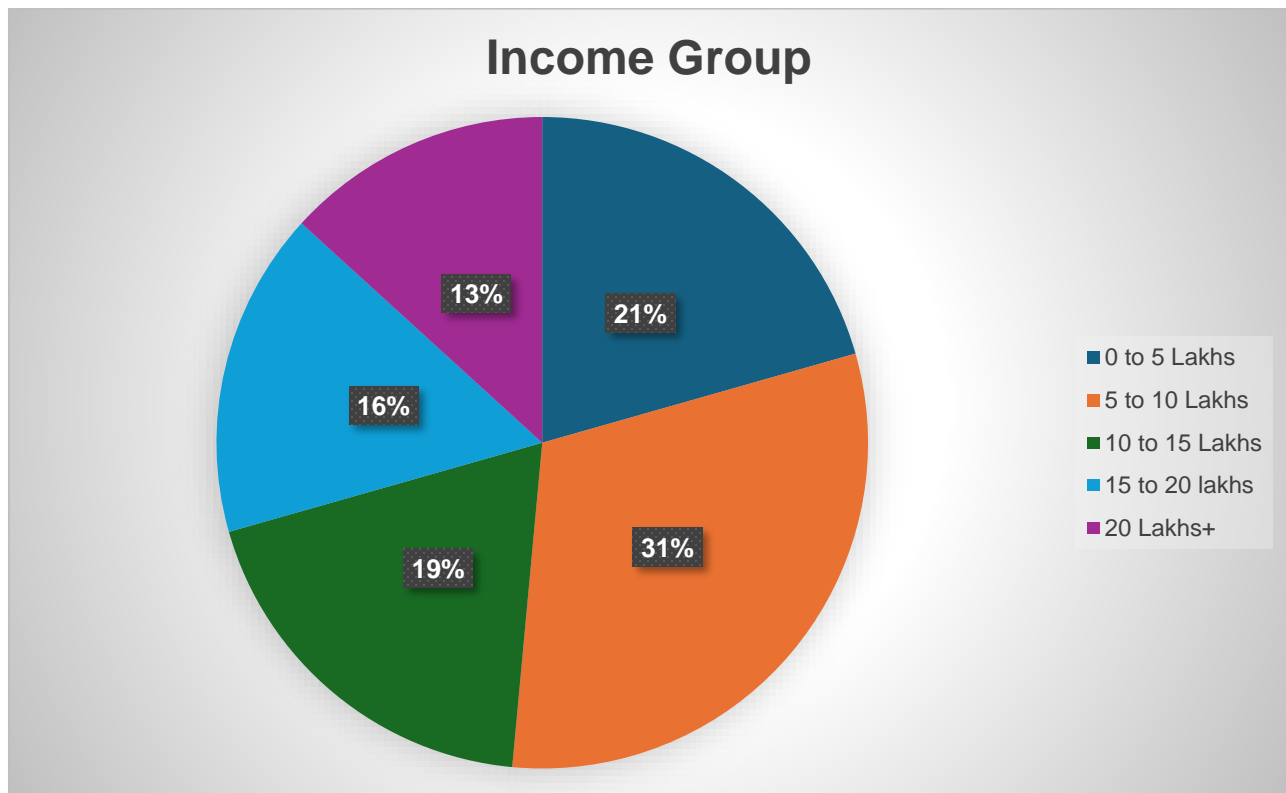


4.3 Income Analysis

Table-3 Income Group –

0 to 5 Lakhs	14	21
5 to 10 Lakhs	21	31
10 to 15 Lakhs	13	19
15 to 20 lakhs	11	16
20 Lakhs+	9	13
Total	68	100

Chart-3 Incomes



5. Interpretation of Correlation Analysis

Table-4 Interpretation

Variables	r
Awareness and Purchase Decision	0.017887099
Ecolabelling & Purchase Decision	0.610195502
Green Advertisement & Purchase Decision	0.058905366
Consumers' Trust & Purchase Decision	0.023688325
Price Sensitivity & Purchase Decision	-0.188810663

6. Findings

Based on the analysis of the data collected from 68 respondents, we find that ecolabelling is the most influential factor. It has a strong positive relationship with the purchase decision of the consumer ($r=0.61$) hence it can be noted that the consumers rely heavily on the environmental certifications and label while finalising the purchase. The 2nd finding was that the awareness had a limited impact on the actual purchase behaviour, the correlation between awareness and purchase decision is weak ($r=0.018$). This suggests awareness alone does not lead to actual buying decision. The 3rd finding is that green advertising has a minimal influence to the purchase decision ($r=0.06$). This indicates that promotional efforts are not sufficient to convince consumers to purchase green products. 4th finding is about how consumer trust doesn't strongly drive purchase decision. The correlation amongst the trust and purchase decision is very weak ($r=0.023$). The 5th finding is about how price sensitivity acts as a barrier to the purchase decision ($r=-0.19$). This indicates that higher prices discourage consumers from purchasing green products. The last and the final finding is about how the intention-action gap is present amongst the consumers. They are aware and concerned for environmental issues but that doesn't consistently translate into actual purchase decisions, indicating a clear gap of intention and action.

7. Gaps and Limitations of the Research

Few of the limitations of this study are as follows: -

- Geographically restrained responses
The data was collected from residents of Delhi-NCR only. Hence, the results can't be generalized to the rural areas.
- Use of convenience sampling
The study uses a convenience sampling technique, which may introduce sampling bias and affect the representativeness of the data.
- Reliance on Self-Reported Data
The responses are based on self-reported perceptions of respondents, which may be subject to bias such as social desirability or inaccurate reporting.
- Limited Scope of Variables
The study focuses on selected green marketing variables such as eco-labelling, advertising, trust, and price sensitivity. Other factors like product quality, brand loyalty, and availability were not included.
- Time Constraint
The study was conducted within a limited time frame and does not capture changes in consumer behaviour over time.

8. Conclusion

This study examined the impact of green marketing strategies on consumer purchase decisions in the Indian context, with a particular focus on the intention–action gap. The findings reveal that while consumers are generally aware of green marketing and express positive attitudes toward environmentally friendly products, this awareness does not consistently translate into actual purchasing behaviour.

Among the various factors analysed, eco-labelling emerged as the most significant influencer of consumer purchase decisions, indicating that consumers rely more on credible and verifiable product information than on promotional efforts. In contrast, green advertising and consumer trust showed minimal influence, suggesting that consumers may be sceptical of marketing claims, possibly due to concerns related to greenwashing.

The study also highlights that price sensitivity acts as a key barrier, as consumers are less likely to purchase green products when they perceive them to be expensive. This reinforces the existence of the intention–action gap, where environmental concern does not always lead to actual buying behaviour.

Overall, the research concludes that while green marketing has the potential to influence consumer behaviour, its effectiveness depends largely on credibility, transparency, and affordability. For green marketing strategies to be successful, companies must focus not only on creating awareness but also on building trust and offering value-driven, competitively priced products.

9. Acknowledgement

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10. Appendices:**10.1 Questionnaire****Response Scale (For Section B, C, D & E)**

1	Strongly Agree
2	Agree
3	Neutral
4	Disagree
5	Strongly Disagree

Section A: Demographics

1. Age

18 to 30	
30 to 45	
45 to 60	
60+	

2. Gender

Male	
Female	
Other	

3. Annual Income (Rs. In Lakhs)

0 to 5	
5 to 10	
10 to 15	
15 to 20	
20+	

Section B: Level of Awareness of Green Marketing

4. I am aware of the concept of green marketing.
5. I understand what eco-labels and environmental certifications mean.
6. I prefer brands that promote environmental sustainability.

Section C: Tools of Green Marketing

7. Eco-labels influence my purchase decisions.
8. Green advertisements increase my trust in a brand.
9. Sustainable packaging positively affects my perception of a product.
10. Companies engaged in CSR activities are more trustworthy.

Section D: Barriers to Green Purchase

11. Green products are usually more expensive than regular products.
12. High price discourages me from buying green products.
13. I am sceptical about environmental claims made by companies.
14. I find it difficult to verify whether a product is truly eco-friendly.

Section E: Purchase Decision

15. I intend to buy green products whenever possible.
16. I regularly purchase environmentally friendly products.
17. I am willing to pay a premium for eco-friendly products.
18. Green marketing influences my final purchase decision.

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