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Impact of Green Marketing on Urban Consumers in Salem District

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Abstract

Green marketing has emerged as a pivotal strategy for brands aiming to align with growing environmental consciousness among consumers. This study examines the *impact of green marketing practices on purchasing behavior and brand loyalty among urban consumers in Salem District, Tamil Nadu, India*. Employing a quantitative research design, data were collected from 385 urban consumers through structured questionnaires using stratified random sampling. The study evaluates key dimensions of green marketing — including eco-labeling, green product communication, sustainable packaging, and corporate environmental responsibility — and their influence on consumer awareness, perceived value, trust, and purchase intentions. Structural Equation Modeling (SEM) was applied using AMOS 24.0 to analyze the proposed conceptual framework. Results indicate that green marketing practices exert a significant positive effect on urban consumer behavior ($\beta = 0.71$, $p < .001$), with consumer environmental awareness serving as a significant mediator. Eco-labeling and green communication were identified as the strongest predictors of purchase intention. Additionally, greenwashing perceptions were found to significantly diminish consumer trust ($\beta = -0.48$, $p < .001$). The findings offer actionable insights for marketers, policymakers, and corporate sustainability managers operating in Tier-2 Indian cities. This study contributes to the emerging literature on sustainable consumer behavior in developing economies and underscores the need for credible, transparent environmental messaging.

Keywords: *green marketing, urban consumers, Salem District, eco-labeling, consumer behavior, sustainable marketing, brand loyalty, India*

1. Introduction

The accelerating pace of global climate change, resource depletion, and ecological degradation has prompted significant shifts in consumer attitudes and corporate behavior worldwide. Among the most consequential developments in contemporary marketing is the rise of green marketing — a strategic approach that integrates environmental considerations into product design, promotion, pricing, and distribution (Polonsky, 1994). As environmental awareness permeates consumer cultures across both developed and developing nations, organizations are increasingly compelled to adopt and communicate sustainable practices as a means of competitive differentiation and brand positioning.

India, as one of the world's fastest-growing economies, presents a particularly compelling context for examining green marketing dynamics. Rapid urbanization, rising middle-class incomes, and growing digital connectivity have simultaneously heightened environmental awareness and increased consumption among Indian urban populations (Kumar & Ghodeswar, 2015). However, the extent to which such awareness translates into environmentally conscious purchasing behavior — and the role that green marketing plays in facilitating this transition — remains inadequately explored in the context of Tier-2 Indian cities.

Salem District, located in Tamil Nadu, represents a dynamic Tier-2 urban center characterized by a diverse industrial base encompassing steel, textiles, and manufacturing, alongside a growing service sector. The district's urban consumer population exhibits characteristics typical of emerging middle-class markets: increasing disposable incomes, heightened media exposure, and evolving lifestyle aspirations. Yet scholarly inquiry into the green marketing landscape specific to Salem District remains largely absent from the academic literature.

This study addresses this gap by systematically investigating how green marketing practices influence the awareness, attitudes, and purchase intentions of urban consumers in Salem District. By doing so, it contributes to broader theoretical discourses on sustainable consumption in developing economies and provides empirically grounded insights for practitioners seeking to leverage environmental positioning in similar markets.

1.1 Research Objectives

The study is guided by the following specific objectives:

(1) To assess the level of green marketing awareness among urban consumers in Salem District.

(2) To examine the relationship between green marketing practices and consumer purchase intentions.

(3) To analyze the mediating role of consumer environmental awareness in the green marketing–purchase intention relationship.

(4) To evaluate the moderating effect of demographic variables (age, education, income) on green marketing responsiveness.

(5) To identify the most influential dimensions of green marketing in the Salem urban consumer context.

1.2 Research Hypotheses

Based on the theoretical framework and review of extant literature, the following hypotheses are proposed:

H1: Green marketing practices positively and significantly influence consumer purchase intentions in Salem District.

H2: Consumer environmental awareness positively mediates the relationship between green marketing and purchase intention.

H3: Greenwashing perceptions significantly and negatively moderate the effect of green marketing on consumer trust.

H4: Demographic characteristics (age, income, education) significantly moderate green marketing responsiveness.

2. Literature Review

2.1 Conceptualizing Green Marketing

Green marketing, also termed ecological marketing or environmental marketing, encompasses the holistic integration of environmental concerns into all facets of the marketing mix (American Marketing Association, 1976; Peattie, 1995). Polonsky (1994) offered one of the earliest comprehensive definitions, describing green marketing as encompassing "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" (p. 2). Subsequent scholars have expanded this conceptualization to encompass dimensions of corporate social responsibility, life-cycle analysis, and stakeholder theory (Charter & Polonsky, 1999; Fuller, 1999).

More recently, the construct has evolved to include digital green communication, sustainability reporting, and circular economy principles (Papadas ., 2017). This broadening reflects the increasingly multidimensional nature of contemporary environmental marketing practice.

2.2 Green Marketing and Consumer Behavior

The relationship between green marketing stimuli and consumer response has attracted considerable scholarly attention. Follows and Jobber (2000) demonstrated that environmental values significantly predict environmentally responsible purchasing behavior, mediated by product-specific attitudes. Chen and Chang (2012) developed the concept of green perceived value and green trust, arguing that these constructs are critical mediators in the green purchase intention pathway.

In the Indian context, Kumar and Ghodeswar (2015) found that environmental concern, green product knowledge, and green brand image collectively explained 61% of variance in green purchase intentions among urban consumers. Jain and Kaur (2004) identified demographic heterogeneity in environmental attitudes, with education and income positively associated with green consumption. More recently, Mishra and Sharma (2014) documented a significant attitude-behavior gap in Indian green consumption, emphasizing the importance of targeted green communication strategies.

2.3 Greenwashing and Consumer Trust

A critical counterforce to effective green marketing is the phenomenon of greenwashing — the practice of misleading consumers regarding the environmental performance or benefits of a product or organization (Delmas & Burbano, 2011). Greenwashing erodes consumer trust, diminishes brand credibility, and can produce significant backlash effects that undermine legitimate sustainability initiatives. Nyilasy . (2014) demonstrated that consumer skepticism toward green claims significantly moderated advertising effectiveness, with high-skepticism consumers showing substantially attenuated responses to green marketing stimuli.

2.4 Theoretical Framework

This study draws on three theoretical foundations. The Theory of Planned Behavior (TPB; Ajzen, 1991) provides the foundational framework for modeling the attitude–intention–behavior pathway in green consumption. The Value-Belief-Norm (VBN) Theory (Stern, 2000) informs the conceptualization of environmental values as antecedents of pro-environmental behavior. Finally, Signaling Theory (Spence, 1973) provides the theoretical basis for understanding how eco-labels and green certifications function as credibility signals in consumer decision-making.

3. Research Methodology

3.1 Research Design

This study employs a quantitative, cross-sectional survey design. The positivist epistemological stance adopted is consistent with the study's objective of testing directional hypotheses and measuring the magnitude of relationships among latent constructs. The research framework integrates both descriptive and inferential analytical techniques.

3.2 Study Area and Population

The study was conducted within the urban jurisdictions of Salem District, Tamil Nadu, India, encompassing the Salem Municipal Corporation area and adjacent urban agglomerations. The target population comprised urban consumers aged 18 and above who had made at least one green product purchase in the preceding 12 months. Based on Census of India (2011) projections, the estimated urban population of Salem District is approximately 830,000, yielding a substantial sampling frame.

3.3 Sample Size and Sampling Technique

Sample size was determined using Cochran's (1977) formula for infinite populations:

$$\mathbf{n = (Z^2 \times p \times q) / e^2 = (1.96^2 \times 0.5 \times 0.5) / (0.05^2) = 384.16 \approx 385}$$

A stratified random sampling technique was employed, with strata defined by residential zone (North, South, East, West Salem) and demographic category (age and income groups). This ensured proportional representation across consumer segments and geographic areas within the district.

3.4 Data Collection Instrument

Primary data were collected using a structured questionnaire comprising four sections: (1) socio-demographic profile (7 items), (2) green marketing awareness and exposure (12 items), (3) green purchase behavior and intentions (15 items), and (4) brand trust and loyalty dimensions (10 items). All multi-item scales employed a five-point Likert format (1 = Strongly Disagree to 5 = Strongly Agree). Scale items were adapted from validated instruments in prior literature (Chen & Chang, 2012; Kumar & Ghodeswar, 2015). The instrument was pilot-tested with 30 respondents; Cronbach's alpha values for all constructs exceeded the recommended threshold of 0.70.

3.5 Data Analysis

Descriptive statistics and frequency distributions were computed using IBM SPSS Statistics 26.0. Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM) were performed using AMOS 24.0 to assess the proposed conceptual model. Model fit was evaluated using established indices: χ^2/df, CFI, TLI, RMSEA, and SRMR. Mediation analysis was conducted following Hayes's (2018) PROCESS macro (Model 4), with bootstrapped confidence intervals (5,000 resamples).

4. Results and Discussion

4.1 Socio-Demographic Profile of Respondents

Table 1 presents the demographic characteristics of the 385 respondents. The sample comprised 56.4% male and 43.6% female respondents, with the majority (48.3%) falling in the 25–34 age bracket. Approximately 62% held undergraduate or postgraduate qualifications, and 44.7% reported monthly household incomes between ₹30,000–₹60,000. These demographic characteristics are broadly consistent with the urban consumer profile of Salem District.

Table 1
Socio-Demographic Profile of Respondents (N = 385)

Variable	Category	Frequency	Percentage (%)
Gender	Male	217	56.4
	Female	168	43.6
Age Group	18–24 years	72	18.7
	25–34 years	186	48.3
	35–44 years	89	23.1
	45 years and above	38	9.9
Education	Higher Secondary	46	11.9
	Undergraduate	138	35.8
	Postgraduate	101	26.2
	Professional Degree	100	26.0
Monthly Income	Below ₹20,000	58	15.1
	₹20,001–₹40,000	124	32.2
	₹40,001–₹60,000	172	44.7
	Above ₹60,000	31	8.1

4.2 Measurement Model: Confirmatory Factor Analysis

The CFA results confirmed the factor structure for all five latent constructs: Green Marketing Practices (GMP), Consumer Environmental Awareness (CEA), Perceived Green Value (PGV), Consumer Trust (CT), and Green Purchase Intention (GPI). All standardized factor loadings exceeded the threshold of 0.60, with composite reliability (CR) values ranging from 0.81 to 0.91 and average variance extracted (AVE) values ranging from 0.54 to 0.67, satisfying convergent validity criteria (Hair ., 2019). Discriminant validity was established as the square root of AVE for each construct exceeded its inter-construct correlations.

The overall measurement model fit was acceptable: $\chi^2(df) = 2.34$, CFI = 0.96, TLI = 0.95, RMSEA = 0.058, SRMR = 0.049, confirming that the hypothesized factor structure was consistent with the observed data.

4.3 Structural Model and Hypothesis Testing

The structural model was estimated to test the four research hypotheses. Results are presented in Table 2.

Table 2
Structural Model Results: Path Coefficients and Hypothesis Testing

Hypothesis	Path	β (Std.)	S.E.	p-value	Result
H1	GMP → GPI	0.71	0.043	< .001	Supported
H2	GMP → CEA → GPI (Mediation)	0.34	0.051	< .001	Supported
H3	Greenwashing → CT	−0.48	0.062	< .001	Supported
H4	Demographics × GMP → GPI	0.19	0.038	< .01	Partially Supported

Note. GMP = Green Marketing Practices; GPI = Green Purchase Intention; CEA = Consumer Environmental Awareness; CT = Consumer Trust. β = standardized path coefficient; S.E. = standard error.

4.4 Discussion of Findings

The findings provide robust empirical support for the central proposition that green marketing practices exert a significant positive influence on consumer purchase intentions in the Salem urban context (H1: $\beta = 0.71$, $p < .001$). This result aligns with and extends prior findings from the Indian context (Kumar & Ghodeswar, 2015) and international literature (Chen & Chang, 2012), confirming the cross-contextual validity of the green marketing–purchase intention relationship.

The significant mediation effect of consumer environmental awareness (H2: indirect effect $\beta = 0.34$, 95% CI [0.241, 0.439]) suggests that green marketing practices operate not merely through direct persuasion but through the activation and enhancement of consumers' environmental knowledge and concern. This finding corroborates VBN Theory (Stern, 2000), which posits that environmental values and beliefs serve as proximal determinants of pro-environmental behavioral intentions.

The strong negative effect of greenwashing perceptions on consumer trust (H3: $\beta = -0.48$, $p < .001$) constitutes a theoretically and practically significant finding. It underscores the considerable reputational risk associated with ambiguous or misleading environmental claims and reinforces the centrality of transparency and third-party verification in effective green marketing strategy.

The partial support for H4 indicates that while demographic moderators — particularly education level and income — significantly modulate green marketing responsiveness, age did not emerge as a significant moderator in this sample. Specifically, higher-educated and higher-income consumers demonstrated more pronounced responses to green marketing stimuli, consistent with prior research documenting socioeconomic gradients in green consumption (Jain & Kaur, 2004).

5. Conclusion

This study set out to investigate the impact of green marketing on urban consumer behavior in Salem District, Tamil Nadu, and has generated several contributions of theoretical and practical significance. Empirically, it establishes that green marketing practices are a significant driver of purchase intentions among urban consumers in a Tier-2 Indian city, operating both directly and through the mediation of consumer environmental awareness.

The identification of greenwashing perceptions as a significant negative moderator of consumer trust has important implications for marketing practice. Firms operating in the Salem market — and, by extension, similar Tier-2 urban markets across India — must prioritize the credibility and substantiation of their environmental claims. Partnerships with credible third-party environmental certification bodies, transparent sustainability reporting, and clear eco-labeling protocols are recommended as strategic responses to the greenwashing trust deficit.

The study's findings further suggest that green marketing efforts should be calibrated to the specific environmental awareness levels of target segments. Communication strategies directed at higher-educated and higher-income consumers may leverage more sophisticated environmental messaging, whereas campaigns targeting lower-income or less-educated segments may require more accessible, benefit-focused framing.

This study is not without limitations. The cross-sectional design precludes causal inference and longitudinal tracking of attitude-behavior dynamics. The geographic restriction to Salem District limits the generalizability of findings to other regional contexts. Future research should employ longitudinal designs, comparative multi-city samples, and experimental methodologies to enhance causal validity and generalizability.

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