



EFFECT OF ENVIRONMENTAL MARKETING ON CHANGE IN MARKET SHARE: MODERATED MEDIATION OF INTERNAL GREEN MARKETING ORIENTATION AND STRATEGIC GREEN MARKETING ORIENTATION

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ABSTRACT

The study is conducted to examine the influence of environmental marketing on changes in market share. Specifically, it aims to explore the intricate functions of internal green marketing orientation and strategic green marketing orientation as possible moderated mediators. Based on the expanding domain of green marketing and sustainable business practices, this study suggests that the impact of environmental marketing on market share is contingent upon a firm's internal green marketing orientation. Furthermore, the efficacy of this mediation is dependent on the firm's strategic stance towards green marketing. The study applies regression modelling to examine the claimed links, using a sample of 150 enterprises across various industries. The findings suggest that organisations that possess a strong internal green marketing orientation see an upward trend in terms of market share. The aforementioned findings highlight the significance of incorporating internal and strategic green marketing strategies with environmental marketing endeavours. In order to optimise market share growth through environmental marketing, it is crucial for organisations to establish a comprehensive alignment between their internal operations and strategic green initiatives. This research provides significant insights for managers and marketers who seek to utilise environmental activities as a means to gain a competitive edge in the market. It emphasises the need of adopting a unified and internally coherent strategy to green marketing.

KEYWORDS: *Environmental marketing, Internal green marketing orientation, Strategic green marketing orientation, Market share, Sustainable business practices, Competitive advantage*

1. INTRODUCTION

1.1 Environmental Marketing

The impact of environmental factors by the potential roles played by the organizations, consumers and governments through the marketing process is known as Environmental Marketing. There is satisfaction of customer requirements, achievement of organisational objectives, and compatibility of the process with ecosystems. The study delivers insights on the increasing significance of green consumerism and its capacity to catalyse beneficial social and environmental transformations. This highlights the significance of marketing and consumer behaviour in advancing sustainability and mitigating the adverse environmental and social effects of consumption (Peattie and Peattie, 2003). The study presents a comprehensive investigation into the methods and strategies that organisations can employ to interact with environmentally aware customers. This study centres on the prospects and obstacles linked to the promotion of environmentally friendly, or "green," products and services in order to satisfy the increasing consumer demand for sustainable alternatives (William Coddington, 1993). The work examines various approaches, resources, and motivational instances that can assist organisations in efficiently conveying their dedication to sustainability and establishing a connection between their brand and environmentally aware clientele (O'Jacquelyn A. Ottman, 2011). Consumers are willing to pay a premium for environmentally friendly packaging and are perceived by consumers as having superior quality and social responsibility. Packaging that is recyclable, compostable, or manufactured from recycled materials has the most influence on consumers (D'Souza et al. 2019). The tension arises when profiteering clashes with environmental sustainability (Magrath, A. J. 1986). The study reveals important insights into the influence that environmental marketing has on the purchasing decisions of consumers. It shows the possible benefits of incorporating environmental claims into marketing plans while also recognising the importance of

consumer scepticism and the necessity for clear, trustworthy, and relevant messaging. Specifically, it stresses the potential benefits of incorporating environmental claims into marketing strategies (Minton and Rose, 1997)

1.2 Internal Green Marketing Orientation

The study highlights the importance of green marketing as a means of meeting the objectives of corporate social responsibility. It offers insights into the incorporation of environmentally friendly marketing tactics into CSR plans, the development of environmentally friendly products, and the significance of maintaining ethical and open lines of communication with customers. The study sheds light on the potential benefits, constraints, and competitive advantages that are connected with environmentally conscious marketing (Dangelico and Polonetti, 2010). This study analyses how the impact of an organization's internal green marketing can affect the environmental performance of that organisation. It investigates the ways in which enhancing an organization's environmental performance can be accomplished by promoting a culture of sustainability inside that organisation. The findings of this study highlight how important to have a connection between internal green marketing and environmental performance. It places an emphasis on the role of employee involvement, organisational culture, and the implementation of environmentally friendly practices in business (De Medeiros et al., 2014).

1.3 Strategic Green Marketing orientation

The study emphasises the need to ensure that all organisations should be aware of and able to manage environmental challenges in their economic endeavours. In addition, to this the government should practice the effective implementation considerations connected to environmentally friendly practices, which are sustainable and long-lasting while the registration of the firms. Therefore, green practises that are beneficial to the environment could be promoted by governments through the appropriate authorities (Ismail et al., 2023). The adoption of a strategic green marketing approach and the implementation of a green supply chain have been found to have a substantial and favourable impact on the intention of customers to make green purchases. The presence of a green image plays a partial mediating role in the relationship between the constructs. Small and medium-sized enterprises (SMEs) encounter challenges in adopting a strategic marketing orientation due to a lack of sufficient incentives to allocate funds towards research and development (R&D) aimed at developing environmentally friendly products or investing in low carbon technology for production processes. Moreover, it may be seen that entrepreneurs and managers operating inside small and medium-sized enterprises (SMEs) may not possess the same level of visionary thinking as their counterparts in larger corporations when it comes to aligning their strategic orientation with environmental performance.

2. OBJECTIVES OF THE STUDY

- To investigate how environmental marketing affects internal and strategic orientations towards green marketing.
- Researching how strategic green marketing orientation is impacted by environmental marketing.
- To analyze how changes in market share are affected by internal green marketing approach.
- To evaluate the effect of strategic marketing orientation on changes in market share.

3. CONCEPTUAL FRAMEWORK

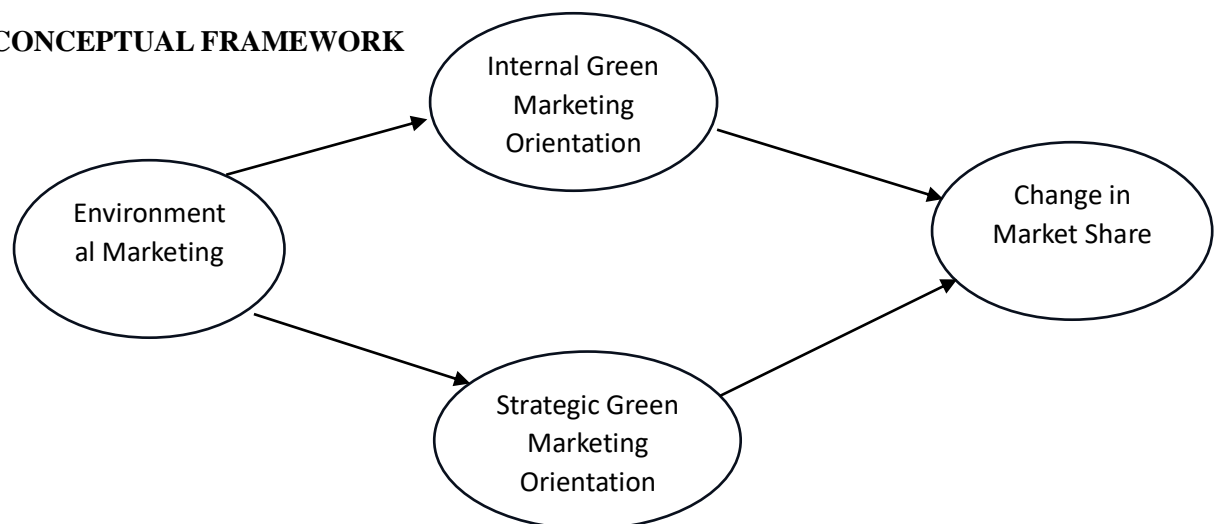


Figure-1 Conceptual Framework



4. LITERATURE REVIEW

4.1 Environmental Marketing

The utilisation of environmental marketing strategies holds considerable potential in fostering sustainable consumption patterns and stimulating consumer interest in environmentally friendly goods and services. Nevertheless, the efficacy of these efforts relies heavily on their credibility, as consumers are more likely to react favourably to communication that is straightforward and precise (Kulikova, 2023). Both the perception of green customer value and the attitudes towards green products exhibit a favourable influence on the desire to make green purchases. The linkages between customer value, attitude towards the green product, and green purchase intention are influenced by green marketing strategies such as environmental advertising and green word-of-mouth as well as the psychological benefits associated with green consumption (such as warm glow, self-expressive benefits, and nature experience (Liao et al., 2020).

Several researchers explored the relationship between environmental or green strategy and competitive advantage. However, these studies have not adequately considered the significance of strategic green marketing or the inclusion of internal green marketing initiatives aimed at employees (Sharma & Vredenburg, 1998). The impact of environmental marketing on enterprises' capacities, such as the success of new product development, should be direct. However, it should not immediately affect their competitive advantage, such as the change in market share. This perspective is substantiated by a comprehensive study conducted on marketing managers at the national level. The use of green Innovation practices found to have a disruptive impact on both environmental performance and organisational performance. The concept of Green Innovation should not solely be viewed as a reactive measure to fulfil managerial obligations, but rather as a proactive endeavour aimed at gaining a competitive edge by adopting green measures and enhancing the overall performance of the organisation (Wang et al.2021)

4.2 Internal and Strategic Green marketing orientation

Companies that demonstrate a strong dedication to corporate environmentalism are more inclined to engage in the development of products that are ecologically beneficial. This is due to their acknowledgement to the Mother Nature and also to fulfil the growing customer demand for environmentally-friendly products to ensure a competitive edge. Firms have the ability to utilise pricing strategies as a means to encourage and advance environmental consciousness. Organisations have the option to provide discounts on eco-friendly products or impose surcharges on products that lack environmental sustainability. Companies can also utilise communication strategies to inform consumers about their dedication to environmental sustainability. This can be achieved by employing advertising, public relations, and social media strategies (Benarjee, 2017).

Strategic green marketing, in a broad sense, pertains to the enduring, high-level initiatives undertaken by the company leadership with a specific emphasis on environmental strategy (Polonsky and Rosenberger ,2001). Strategic green marketing, in general, refers to the long-term, top-level management actions and policies that are especially focused on company environmental strategy (Banerjee, 2002). Enviropreneurial marketing is defined as "the process of formulating and implementing entrepreneurial and environmentally beneficial activities with the goal of creating revenue by providing exchanges that satisfy the firm's economic and social performance objectives." Strategic environmental initiatives demonstrate social responsibility as well as a desire to connect marketing actions with the expectations of present and prospective stakeholders. Furthermore, environmental marketing decisions generate long-term, corporate-wide environmental sustainability efforts (Menon and Menon, 1997). The endeavour involves the integration of environmental objectives and interests with the strategic imperative of attaining a competitive edge within existing corporate operations and markets. (Shrivastava,1995).Partnerships and collaborations with groups that seek relevant environmental policies, would be considered as strategic green marketing action (Papadas et al., 2017).

Firms are compelled to expand their marketing scope to encompass the safeguarding of social stakeholders and the natural environment as integral components of their strategic marketing objectives. This approach is commonly known as the triple bottom line, which emphasises the significance of economic, social, and environmental performance (Stoeckl & Luedicke, 2015). Environmental proactivity is aligned with that perspective, as it involves the implementation of environmental protection techniques that surpass mere legal compliance, thereby representing a substantial advancement (Sharma & Vredenburg, 1998).

H1 Environmental marketing and internal green marketing approach are positively and directly related.

H2 A positive correlation has been observed between strategic green marketing orientation and environmental marketing.



4.3 Change in Market Share

Companies that embrace an internal green orientation are better positioned to adapt to dynamic market trends, potentially expanding their market share. The level of environmental commitment of an organisation and its market position were found to have a favourable association (Menguc and Ozanne, 2005). Consumers generally consider companies that invest resources to sustainable practises or demonstrate a strong commitment to environmental consciousness as being more socially responsible. The concept of corporate responsibility has the potential to boost consumer happiness. According to research, clients who are satisfied with a product or service are more likely to be loyal to the brand or company. Customer loyalty has a substantial influence on the likelihood of repeat purchase behaviour. Over time, the manifestation of loyalty can result in an increase in market share because loyal customers not only make repeat purchases but also actively advocate the brand, drawing a bigger consumer base (Luo and Bhattacharya, 2006).

Customers are showing signs of increased understanding and concern for environmental issues, especially those in more developed economies. Businesses with a positive environmental image can leverage this positive perception to demand higher prices for their products, which can have an effect on their position in the market. When competitors lag behind in their environmental efforts, it is possible that the preference to devote more capital over time will result in shifts in the market dominance distribution (Flammer, 2013).

In recent years, the field of market orientation has drawn a lot of interest and analysis. Considerable strides have been made in the academic and practical domains to solidify the concept of marketing orientation as a cornerstone of organisational culture, corporate operations, and marketing decision-making. However, there is a knowledge vacuum about the relationship between competitive strategy and market orientation. There is a claim that market-oriented behaviours and actions are exhibited through strategic approaches that give the business direction in its product-market. Market orientation is said to be manifested through competitive strategy, which is defined as a corporate enterprise's strategic direction. (Robert and Carolyn, 1998).

Market orientation and attitudes towards education, entrepreneurship, and employee conduct are significantly positively correlated. Furthermore, there is a somewhat favourable correlation between market orientation and innovation orientation (Amir Grinstein, 2008).

Customers' intentions to engage in green consumption have been found to be significantly and favourably impacted by the adoption of a strategic green marketing approach and the implementation of green supply chain management. Further, the relationship between strategic green marketing orientation, green supply chain management, and green consumer behaviour is partially mediated by the existence of environmental concern, particularly with regard to a green image. The study's conclusions also showed that brand social responsibility had no moderating effect on the association between green consumption habits and green image (Mair Khan et al., 2021)

H3 There is a direct and positive relationship between internal green marketing orientation & change in market share.

H4 There is a direct and positive relationship between strategic green marketing orientation & change in market share.

5. RESEARCH METHODOLOGY

In line with the current research, a multi-part questionnaire was developed to investigate the impact of environmental marketing on change in market share. Information on environmental marketing, internal green marketing orientation, strategic marketing orientation, and shift in market share are included in sections of the questionnaire.

5.1 Sampling Plan

The study's target group consists of medium-sized to large-sized businesses from a variety of industries that engage in environmental marketing campaigns. Stratified random sampling technique is adopted for the study. A sample was collected from 175 organisations, out of which 25 questionnaires were with incomplete data. In light of response rate and perhaps incomplete data, a sample of 150 enterprises are considered appropriate to achieve statistical significance.



5.2 Data Collection

A 5-point Likert scale, ranging from 1 for strongly disagree to 5 for strongly agree, was used in this study to assess the impact of environmental marketing on changes in market share. An online survey was conducted with participants from Hyderabad, Telangana state, India, to guarantee geographic representation.

6. RESULTS AND DISCUSSION

6.1 Cronbach Alpha

Variables	No. of Items	Cronbach Alpha
Environmental Marketing	9	.928
Internal Green Marketing Orientation	7	.977
Strategic Green Marketing Orientation	9	.871
Market Share	3	.752

Table -1: Reliability Analysis of Variables

Interpretation

Cronbach's alpha is a metric used to evaluate a test or scale's dependability or internal consistency. When alpha = 0.7, internal consistency is perfect; when alpha = 0, internal consistency is absent. The study's alpha score of 0.928 indicates that the items used to evaluate environmental marketing had a very high level of dependability. This suggests that the nine items that make up this variable consistently measure the same underlying construct. This variable's 0.977 alpha value, which is unusually high, suggests that its seven items are almost totally dependable. It suggests that there is a surprising consistency in the way these items reflect internal green marketing orientation. It is suggested that the nine components that make up this variable appropriately measure strategic green marketing orientation by the alpha value of 0.871, which is still significant. The Cronbach Alpha value for the three market share-related components is 0.752. Though this value is lower than the other constructs, it is still adequate and suggests a commendable level of internal consistency. This implies that the questions on market share are somewhat more frequent, but the answers can be a little bit more varied than for the other categories.

6.2 Hypothesis Testing Using Regression Analysis

Hypothesis	Regression Weights	Beta Coefficient	R ²	P- Value
H1	Environmental Marketing – Internal Green Marketing Orientation	0.879	0.773	0.00
H2	Environmental Marketing – Strategic Green Marketing Orientation	0.774	0.599	0.00
H3	Internal Green Marketing Orientation – Market Share	0.608	0.396	0.00
H4	Strategic Green Marketing Orientation – Market Share	0.828	0.686	0.00

Table -2: Regression Analysis

Interpretation

H1: The beta coefficient (β) value of 0.879 indicates a strong positive linear correlation between environmental marketing and internal green marketing orientation. Environmental marketing campaigns and increased internal green marketing focus are strongly related. According to the R-squared coefficient of determination (0.773), 77.3% of the variability in internal green marketing orientation can be explained by environmental marketing. This large proportion indicates that environmental marketing promotes internal adoption of green marketing. Based on 0.05, a P-value of 0.00 indicates that the observed correlation is statistically significant.

H2: A strong positive correlation between environmental marketing and strategic green marketing orientation is indicated by a beta value of 0.774. The R-squared value of 0.599 indicates that environmental marketing explains approximately 59.9% of the variance in strategic green marketing orientation. The statistical significance of this relationship is indicated by a P-value of 0.00.

H3: A statistically significant positive correlation between the degree of internal green marketing orientation and market share is indicated by the computed beta coefficient of 0.608. This suggests that companies are more likely to see an increase in their market share if they integrate green marketing into their internal processes. With a coefficient of determination (R-squared) of 0.396, the internal green marketing strategy can be held responsible for about 39.6% of the variation in market share. Strong evidence supporting the conclusion that this association is statistically significant is provided by a p-value of 0.00.

H4: Market share and a strategic focus on green marketing are positively correlated, as evidenced by the beta coefficient of 0.828. The presence of a strategic green marketing orientation can explain for around 68.6% of the variability in market share, according to the R-squared coefficient, which has a value of 0.686. A P-value of 0.00 indicates that the association is statistically significant.

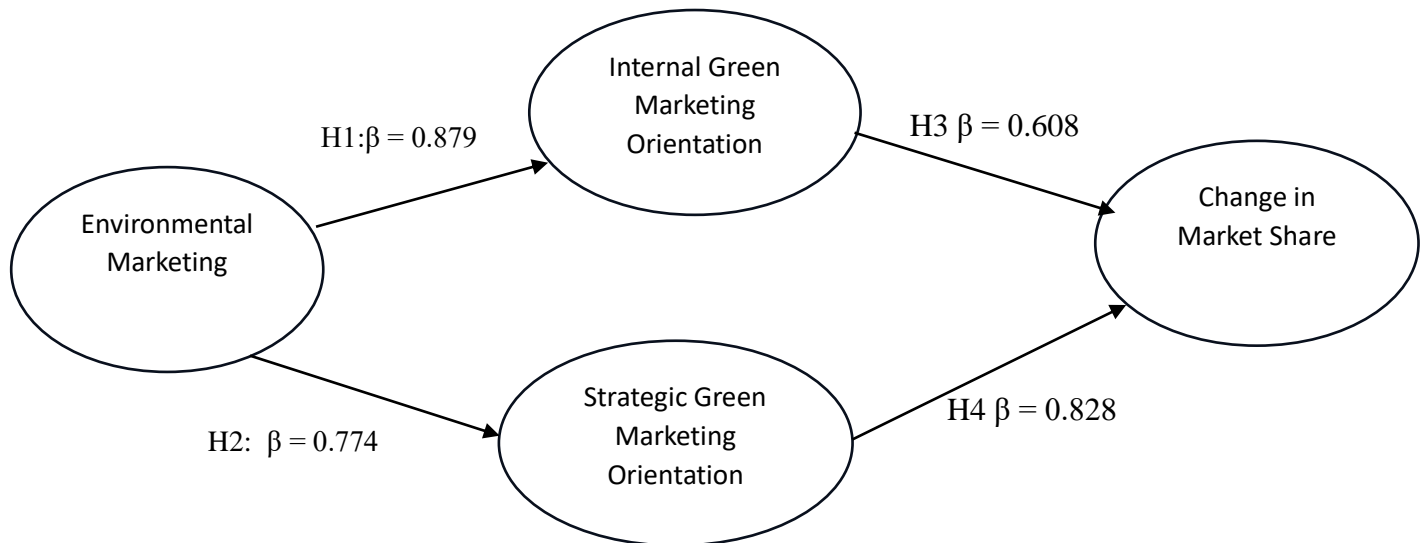


Figure-2 Beta Coefficient

7. DISCUSSION

H1: -Beyond only giving customers the impression that you care about the environment, environmental marketing has additional uses. Our study's results offer compelling proof of its substantial influence on the internal values and principles of green marketing within an organisation. The notable degree of influence seen suggests that companies with genuine environmental marketing commitments often implement green practises and incorporate sustainability into their core principles. This viewpoint is positive since it offers a refutation of the general suspicion over greenwashing and the flimsy strategies used in environmental marketing.

H2: - Larger environmental viewpoints and strategic market decisions are intertwined, as seen by the correlation between environmental marketing and strategic green marketing orientation, which explains approximately 59.9% of the variance. Businesses are becoming more aware of the long-term strategic advantages that come with adopting eco-friendly marketing strategies. These advantages include improved market positioning and substantial financial returns. This highlights even more how crucial it is to integrate sustainable practises into company operations.

H3: - Adopting internal green practises has practical commercial implications in addition to intellectual ones. Our findings suggest that in a cutthroat market, an organization's internal dedication to green practises can make a big difference. This could be because consumers are becoming more apathetic towards sustainable products, which is helping businesses with genuine internal green marketing strategies capture a bigger portion of the market.

H4: - The strength of a strategically integrated green marketing approach is highlighted by the high R-square value. It is not enough to just have green initiatives; you also need to use and position them in the market effectively.

8. CONCLUSION

The study highlights a paradigm shift in favour of incorporating sustainability into operations and business plans. Beyond only external branding, environmental marketing also affects an organization's internal and strategic orientations. Environmental marketing is more than just talking the talk; an organisation that practises green practises both internally and externally gains a competitive edge in the marketplace. The strong correlation between strategic green marketing approach and environmental marketing demonstrates the advantages of sustainable practises for businesses. In a market with discerning customers and fierce competition, strategic green marketing is an effective tool for carving out a niche and gaining market



dominance. Businesses that put an emphasis on environmental initiatives from within can benefit from consumer demand for sustainable brands, which will improve their standing in the marketplace. In the contemporary business ecosystem, sincere green practises gain market share and repute. This shift encourages organisations to include sustainability into their strategy and operations as it portends a bright future where corporate success and sustainable practises are entwined.

9. LIMITATION OF THE STUDY

Environmental marketing impact on internal and strategic green marketing orientations may vary by industry, geographic location and firm size. The study is confined to a particular location with a sample of 150 organisations. The results of the study differ based on the sample. The study examines how environmental marketing affects internal and strategic green marketing. The study may fail to account for the lag effect or the long-term implications on market share. The impact of internal and strategic green marketing orientation on market share can be influenced by several other external factors, including competitor actions, legislative changes, and fluctuations in consumer preferences might have an effect on the relationship between green marketing orientation and market share which have not been considered in the study.

Scope for Future Research

The limitations in the study provide scope for future research. Further studies can be done on consumer preferences, buying behaviours and their attitude towards green practices. A longitudinal assessment of the long-term consequences of internal and strategic green marketing orientations on market share can provide insights into the long-term viability of these practises.

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