2 Emerging Trends in Green Marketing: Pathways to Sustainable Business Models

Dr. Mahesh Chand Meena[1*] & Dr. Saroj Kumar[2]
[1]Associate Professor, Department of Economics Administration and Financial Management, S.P.C. Government College, Ajmer.
[2]Assistant Professor, Department of Accountancy and Business Statistics, S.P.C. Govt. College, Ajmer.
*Corresponding Author: maheshjpr21@gmail.com

Abstract

Green marketing has evolved from a narrow focus on eco-friendly promotion into a strategic mechanism for reshaping value creation, delivery, and capture in firms. Contemporary scholarship shows that effective green marketing is increasingly tied to product design, supply-chain transparency, circularity, stakeholder engagement, and business model innovation rather than to communication alone(Bhat et al., 1993; Stubbs et al., 2008). This review synthesizes literature on the rise of green branding, eco-labelling, digital traceability, circular economy practices, and greenwashing risk, while also examining how these trends contribute to sustainable business models (Rahman & Nguyen, 2022). The analysis suggests that sustainable outcomes are most likely when green marketing is embedded in organizational routines, supported by environmental ethics, and aligned with broader business model transformation(Han et al., 2019; Cosenz et al., 2019). The paper concludes that emerging green marketing trends are creating both competitive opportunities and governance challenges, especially around consumer trust, regulatory consistency, and credible sustainability disclosure(Persakis et al., 2025).

Keywords: Green Branding, Eco-labelling, Digital Tracebility, Sustainable Business, Consumer Trust, Regulatory Consistency.

Introduction

Green marketing refers to the planning and execution of marketing activities in ways that reduce environmental harm and support sustainability objectives. In its earliest form, green marketing was largely associated with promotional claims and environmentally positioned products. Over time, however, the literature has shown that it must begin much earlier in the value chain, especially at the design stage, because production inputs, processes, distribution, use, and disposal are all shaped upstream(Bhat et al., 1993). This insight aligns with the broader sustainability-business-model literature, which argues that environmental and social concerns must be integrated into the firm's core architecture rather than appended as afterthoughts (Stubbs et al., 2008; Roome & Louche, 2016).

The relevance of green marketing has intensified because firms now face converging pressures from consumers, regulators, investors, and communities. Consumers increasingly reward credible environmental commitment, but they also respond skeptically when environmental claims appear vague or deceptive(Rahman & Nguyen, 2022; Persakis et al., 2025). At the same time, firms are being pushed to move beyond symbolic sustainability toward operational and organizational transformation. Research on sustainable business models shows that this transformation often involves stakeholder participation, repair and maintenance, service-based offerings, collaborative value networks, and closed-loop systems(Comin et al., 2019; Gauthier & Gilomen, 2016).

This review paper examines the emerging trends in green marketing and explains how they create pathways to sustainable business models. It argues that green marketing is no longer merely a communication function; it is increasingly a strategic capability that supports business model innovation, legitimacy, resilience, and long-term value creation(Han et al., 2019; Ademi et al., 2024).

Literature Review

Classic green marketing scholarship established the basic premise that environmental concerns can shape product strategy, pricing, promotion, and distribution(Bhat et al., 1993; Polonsky, 1994). Later work expanded the field by showing that sustainability marketing must be understood in relation to consumer values, trust, and purchasing behaviour rather than only firm messaging(Baily et al., 2016). This shift is important because consumers often express pro-environmental attitudes without always translating them into behaviour, especially when price, convenience, and perceived quality are unfavorable(Baily et al., 2016).

Research has also stressed that green marketing works best when it is substantive. Firms with stronger environmental ethics are more likely to implement green marketing programs across production, pricing, distribution, and promotion, and these programs can improve performance when they are supported by internal trust and cooperation(Han et al., 2019). In other words, green marketing is most effective when aligned with operational change rather than symbolic branding.

The business-model literature provides the conceptual foundation for linking green marketing to sustainability. A sustainability business model is one in which sustainability shapes the driving force of the firm and its decision-making logic(Stubbs et al., 2008). Studies of sustainable business models emphasize that value creation, delivery, and capture must be reorganized around environmental and social objectives, often through stakeholder collaboration and networked systems(Comin et al., 2019).

Reviews of the literature identify recurring themes: sustainable business models tend to prioritize clean energy, material efficiency, repair and maintenance, reuse of waste, and product-service configurations(Comin et al., 2019). More recent work points to six major research streams in the field, including transition processes and circularity, showing that the literature has moved from static descriptions of "green" firms to dynamic analyses of transformation pathways.

A central issue in green marketing is credibility. Consumers increasingly expect evidence, not slogans. Research on green advertising receptivity, non-deception, green brand image, and transparency shows that trust mediates the relationship between sustainability communication and purchase intention(Rahman & Nguyen, 2022). Related work on greenwashing confirms that deceptive or exaggerated claims damage consumer trust, brand perception, and the legitimacy of environmental communication (Persakis et al., 2025). The growing scrutiny of environmental claims on social media further reinforces the need for transparency and accountability in marketing.

The literature increasingly situates green marketing within circular economy logics. Studies of circular business models show that firms can generate sustainability opportunities through reuse, remanufacturing, closed-loop supply chains, and product recovery systems. Digital technologies strengthen these pathways by improving traceability and transparency. For example, blockchain-enabled green supply chain management can improve environmental performance and green marketing outcomes by enhancing information integrity and innovation. This indicates that green marketing is becoming more data-driven and verification-oriented.

Analysis of Emerging Trends in Green Marketing

- **Circular Economy Marketing**

One of the clearest trends is the move from linear consumption toward circular consumption. Firms increasingly promote products designed for reuse, repair, refurbishment, remanufacturing, and recycling(Michaud & Llerena, 2010). Green marketing plays a crucial role here because it educates consumers about lifecycle benefits and normalizes participation in take-back schemes, return logistics, and second-life markets. The literature also suggests that circular strategies are not merely operational adjustments; they require a different value proposition in which durability and recoverability become part of the brand promise(Comin et al., 2019).

- **Digital Transparency and Traceability**

Consumers and regulators increasingly demand proof of sustainability claims. Digital tools such as blockchain, QR codes, and digital product passports are emerging as mechanisms for verifying sourcing, emissions, and material composition. Transparency supports trust by reducing information asymmetry, a key problem in green markets(Rahman & Nguyen, 2022). However, transparency must be meaningful rather than purely performative; simply exposing more data does not automatically build trust unless the information is understandable and credible.

- **Green branding and purpose-driven positioning**

Green branding has become a central competitive strategy. Studies show that green positioning, green packaging, and brand commitment can influence consumer attitudes and purchase decisions. Green brand image can also strengthen trust when supported by non-deceptive communication(Rahman & Nguyen, 2022). Yet critical studies warn that sustainability narratives may sometimes reinforce linear consumption while appearing environmentally responsible, especially when brands frame consumption itself as the solution. This means that green branding must be evaluated carefully for both content and consequences.

- **Sustainable packaging innovation**

Packaging is a visible and emotionally salient sustainability cue. Consumers often interpret packaging as a proxy for a company's environmental seriousness. Firms are therefore investing in recycled content, refill systems, minimalist packaging, and compostable materials. Because packaging sits at the point of purchase, it has high signalling power and can shape consumer expectations before any deeper product evaluation occurs. Packaging innovation is also strongly connected to circular business models because it affects collection, reuse, and material recovery.

- **ESG alignment and corporate disclosure**

Marketing is increasingly influenced by ESG reporting and investor expectations. Firms now face pressure to ensure that external sustainability messaging aligns with internal performance and disclosure practices. This trend reflects the broader movement toward integrated sustainability management, where communications, governance, and operations are linked(Ademi et al., 2024). It also reduces the likelihood that firms will make claims that cannot be substantiated, thereby mitigating reputational risk(Persakis et al., 2025).

- **Social media scrutiny and participatory accountability**

Social media has changed the public dynamics of sustainability communication. Environmental claims can be amplified, questioned, and contested rapidly. Research on greenwashing discourse shows that online audiences actively seek accountability and corrective action, making digital platforms sites of both reputational risk and public learning. This means green marketing must now be designed with interactive scrutiny in mind, not just mass persuasion.

- **Sustainability marketing in service industries**

A growing body of work in hospitality and tourism shows that sustainable marketing can influence environmentally responsible behaviour through green consumption values, intrinsic motivation, and environmental knowledge. These findings matter because they indicate that sustainability communication can shape behaviour when it is linked to identity, education, and felt obligation rather than to shallow persuasion alone. This also broadens green marketing beyond manufacturing into service ecosystems.

Pathways to Sustainable Business Models

- **Product stewardship and lifecycle responsibility**

A sustainable business model begins with responsibility for the entire product lifecycle. Green marketing supports product stewardship by informing consumers about responsible use, maintenance, repair, and disposal(Bhat et al., 1993). The literature suggests that sustainable business models increasingly depend on design choices that minimize waste and enable recovery(Stubbs et al., 2008). In this way, marketing is not only a channel for persuasion but also a means of lifecycle governance.

- **Servitization and product-as-a-service models**

A major pathway to sustainability is moving from product ownership to access-based models such as leasing, subscriptions, and pay-per-use. Research on product-service systems shows that these models can improve resource efficiency by encouraging firms to retain control over assets and design them for longevity and upgradeability(Comin et al., 2019). Green marketing helps legitimize these models by reframing value around access, performance, and reduced environmental burden rather than ownership.

- **Closed-loop supply chains**

Closed-loop systems are central to sustainable business model innovation. Collaborative recovery systems and take-back programs depend on consumer participation, supplier coordination, and reverse logistics. Green marketing supports these systems by explaining why returns matter, how recovered goods are reused, and what benefits customers receive through participation. In this sense, marketing is an enabling mechanism for circularity.

- **Responsible value chains and stakeholder engagement**

Sustainability is not limited to the firm’s own operations. It extends to suppliers, distributors, communities, and regulators. Studies of sustainable business models emphasize stakeholder participation as a core feature, especially in value creation and delivery(Stubbs et al., 2008). Green marketing can translate complex sustainability goals into shared value propositions that motivate stakeholder alignment. This is particularly important when environmental performance depends on the behaviour of actors across the value network.

- **Dynamic capabilities and business model innovation**

Sustainable transformation requires more than static efficiency improvements. It requires dynamic capabilities that allow firms to sense opportunities, seize them, and reconfigure resources over time. Research on dynamic business modelling shows that sustainability can be approached as a causal feedback structure involving environmental, social, and economic drivers(Cosenz et al., 2019). Similarly, studies of scaling pathways in sustainability-oriented innovation business models demonstrate that scaling up, scaling out, and scaling deep are interconnected processes supported by dynamic capabilities. Green marketing contributes to these pathways by helping firms communicate new value propositions and stabilize market acceptance.

- **Strategic alignment between ethics, operations, and communication**

One of the strongest messages in the literature is that green marketing cannot compensate for weak sustainability performance. Firms with higher corporate environmental ethics are more likely to implement meaningful green marketing programs, and those programs improve performance when supported by strategy and organizational cooperation(Han et al., 2019). This shows that the pathway to a sustainable business model is not purely communicative; it requires congruence between values, operations, and market-facing claims.

Challenges and Opportunities

Challenges

- **Greenwashing:** Greenwashing remains the most serious threat to legitimacy in green marketing. Deceptive or inflated claims erode trust and create scepticism that can spill over to genuine sustainability efforts(Persakis et al., 2025; Rahman & Nguyen, 2022).
- **Behavioural inconsistency :** Consumers may express positive attitudes toward green products but fail to purchase them when faced with higher prices or convenience trade-offs(Baily et al., 2016). This attitude-behaviour gap limits market impact.
- **Cost and implementation barriers:**Sustainable materials, traceability technologies, and circular systems often require upfront investment. Startups and established firms alike face institutional, organizational, and market barriers when implementing sustainability-oriented business models(Ademi et al., 2024).

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- **Measurement and comparability problems:** Environmental claims are difficult to compare across firms and sectors. Lack of standardized metrics weakens consumer interpretation and regulatory oversight.
- **Regulatory fragmentation:** Sustainability standards vary across countries and industries, which complicates global green marketing strategies. This is especially problematic for multinational firms.

Opportunities

- **Competitive differentiation:** When credible, sustainability can strengthen brand identity and distinguish firms in saturated markets.
- **Trust and loyalty:** Transparent communication and authentic sustainability practices can enhance green brand trust and purchase intention (Rahman & Nguyen, 2022).
- **Innovation and new market creation:** Environmental constraints often stimulate product redesign, circular innovation, and service-based models(Cosenz et al., 2019).
- **Risk reduction:** Sustainable supply chains, improved disclosure, and ethical marketing reduce reputational and regulatory risks (Persakis et al., 2025).
- **Long-term resilience:** Efficient resource use, stakeholder collaboration, and ecosystem alignment support resilience in volatile markets (Gauthier & Gilomen, 2016; Roome & Louche, 2016).

Conclusion

Emerging trends in green marketing demonstrate that sustainability is no longer a peripheral marketing theme; it is increasingly a core business model issue. The literature shows a clear movement from promotional greenness toward systemic transformation involving circularity, transparency, stakeholder engagement, digital verification, and business model innovation. At the same time, the rise of greenwashing, consumer scepticism, and regulatory inconsistency means that green marketing must be grounded in verifiable operational change(Persakis et al., 2025; Rahman & Nguyen, 2022).

The most promising pathway to sustainable business models is one in which green marketing supports, rather than substitutes for, substantive transformation. Firms that redesign products at the outset, adopt closed-loop systems, engage stakeholders, and align messaging with environmental ethics are better positioned to generate long-term value(Bhat et al., 1993; Stubbs et al., 2008;Han et al., 2019). Future research should continue to explore how digital technologies, circular platforms, and service-based models interact with consumer behaviour and organizational capabilities across different industries and regions.

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