

Going Green Matters: The Impact of Green Marketing Communication Practices and Customer Responses among SMEs

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Introduction

In response to environmental degradation, environmentally responsible marketing also known as green marketing has emerged as a differentiating factor for businesses (Papadas et al., 2017). Green marketing “consists of actions directed to all consumers and incorporates a broad range of marketing activities [...] designed to demonstrate the firm’s goal of minimizing the environmental impact of its products and services” (Groening et al., 2018, p. 1851). Recently, Forbes (2024) published a list of the top 100 companies labeled as “net zero leaders”, who excel in sustainability combined with high revenues. The report shows that “the number of companies working on significant environmental pledges with the *Science Based Targets Initiative* (a global project of nonprofits including the United Nations Global Compact) rose from 2,079 in 2022 to 4,204 by the end of 2023” (Forbes, 2024, n. d.). Several scholars point to the significance of understanding consumer responses to green marketing and to identify influencing factors of green consumption (Correia et al., 2023; Sharma, 2021). Hence, to raise customer awareness and enhance favorable perceptions and purchasing behaviors, an effective communication of green initiatives is of utmost importance (Correia et al., 2023). Although previous work has investigated the effect of green marketing on the performance of large enterprises, including the “greenwashing dilemma” (Oduro & Matarazzo, 2024), there exists scarce research with respect to small and medium-sized enterprises (hereafter SME) and startup companies, for which different channels are used for green marketing communication (Correia et al., 2023) in contrast to large firms, where green marketing initiatives are communicated convention-

ally by means of advertising using eco-friendly, green messages (Oduro & Matarazzo, 2024). Recently, Oduro & Matarazzo (2024) note that empirical results on the impact of green marketing of SME performance are contradictory. They further emphasize that the question of whether an engagement in green marketing pays off for SMEs is still inconclusive, remaining a “theoretical black box”. More specifically, little is known about green marketing communication practices and its consequences for SMEs reflected through reactions of specific stakeholders. Thus, further research is urged to empirically investigate the relation between green marketing and consumer responses such as customers’ willingness to pay more, word of mouth, and purchase intention (Oduro & Matarazzo, 2024), as consumers have become one of the most important stakeholders for SMEs (Hammann et al., 2009). Besides, some papers point to a gap between attitudes and actual purchase intentions (e.g. Sharma, 2021), which leaves several open questions for further research. Consequently, the following research questions guide the remainder of this paper:

- ▶ *What is the impact of green marketing communication practices and customer responses in an SME context?*
- ▶ *To what extent is the gap between attitudes and actual purchase intentions relevant to SMEs?*

Built on these findings, this paper responds to this call by investigating the linkage between green marketing communication practices and customer responses in an SME context. In theoretical conformity with the resource-based view (RBV) (Barney, 2001), which posits that sustainable advantage arises from resources and capabilities that are valuable, rare, hard to replicate, and well-coordinated (Oduro & Matarazzo, 2024), it is hypothesized that green marketing communication practices of SMEs will have a favorable effect on customer responses. This investigation operationalizes customer responses via their attitude towards the presenter, attitude towards the product/service, perceived quality, intention to recommend and purchase intention. A research project aims to evaluate the hypothesized relationship.

Method

In order to empirically test the relationship between green marketing communication practices and customer responses, founders of SMEs and startup companies were videotaped (in a strictly standardized setting to control for other potential effects) while presenting their products/services. In an online study, a quota sample of over 900 respondents from a central European country was randomly exposed to the presentations. Subsequently, each presenter and the respective products/services were evaluated by more than 40 participants using well-established scales (attitude towards the presenter: MacKenzie & Lutz, 1989; attitude towards the product/service: Holbrook &

Batra, 1987; perceived quality: Grewal et al., 1998; intention to recommend: Maxham & Netemeyer, 2002; purchase intention: Grewal et al., 1998). Two independent coders classify the SMEs based on their green marketing communication practices into two different clusters (engagement or non-engagement in green marketing communication practices referring to cluster 1 and 2 respectively).

Results

A comparison between mean evaluations (Kruskal-Wallis-Test) confirms that, on average, presenters from cluster 1 are perceived more favorable than those from cluster 2. Specifically, SMEs who engage in green marketing communication practices were evaluated more favorable than those who do not. They yield more favorable customer responses including attitude towards the presenter, attitude towards the product/service, perceived quality, intention to recommend and purchase intention ($p < .05$).¹ Another encouraging finding relates to the gap between attitudes and actual purchase intentions that does not seem to persist in the SME context. Furthermore, the results of the current preliminary study corroborate earlier studies by Correia et al. (2023), who identified a strong correlation between consumers' attention to green marketing communication and customers' purchasing behaviors.

Discussion

Initial findings show that the presentation of green marketing practices contributes positively to various customer responses and suggest that SMEs can benefit by enhancing such activities. Reducing ecological footprints or engaging in circular economies – such as the Austrian SME Hut & Stiel which turns used coffee grounds from Viennese gastronomy and retirement homes into a raw material to produce oyster mushrooms (Pauser, 2018) – could benefit SMEs by actively employing green marketing, while at the same time contributing to environmental goals. Most importantly, an organization has to retain green marketing on a strategic, tactical and internal level in contrast to businesses who take isolated actions to merely improve their corporate image, which is referred to as greenwashing (Papadas et al., 2017). This preliminary study (i) shows that the engagement and communication of green marketing practices are essential for SMEs and startup companies, (ii) demonstrates their favorable impact on a broad range of customer responses, (iii) shows that the gap between attitudes and actual purchase intentions does not seem to persist in the SME context, and (iv) may encourage further businesses (especially SMEs and startups) to contribute to

1 All scales yield satisfactory psychometric properties. Limitations in space restrict further results and statistical details to be reported.

broader environmental goals. In conclusion, these findings indicate that involvement in green marketing communication practices is worthwhile for SMEs and provides valuable avenues for further research relating to green orientation.

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