

Consumer Behavior in Green Marketing and its Influence on the Business Environment

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Abstract

The fast-growing and fast-paced economy in today's world has created tremendous growth for each country, including leading countries worldwide, such as Europe, America, and Asia. If looking at the competition in economic development in the ASEAN region, ASEAN has developed to compare the standards to support different technologies in the future as well. Measuring GDP growth by a country is a key standard that every country should plan for its development. Therefore, businesses must study consumer behavior trends best by using elements and understanding all aspects of the business environment, including economy, politics and law, technology, and environment. Today's world must understand not only to develop and use the world's resources but to consider the environment. That concept is the idea of environmental marketing and social responsibility, which is how entrepreneurs should treat society to maintain and create a better quality of life for people in that society to meet the needs of taking care of everything. The organization is one of the elements closely related to consumer groups. Therefore, it is necessary to begin analyzing consumer behavior in different contexts. The four business environments mentioned above must be understood sequentially and used qualitatively in the future.

Keywords: Green Marketing, Consumer Behavior, Economic Influence, Business Environment

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Introduction

At present, in terms of consumer behavior, many businesses are turning to the concept of environmental marketing and marketing so-called “green marketing” in order to be more socially responsible, which is how entrepreneurs should treat society. To maintain and create a better quality of life for people in that society. The movement and focus on green marketing are rapidly expanding in the world. Consumers are becoming more responsible and doing the right thing as consumer perceptions and motivations drive continuous change in the marketplace, especially with the introduction of greener products. However, consumers will have much less awareness of global warming. Therefore, successful marketing must focus on recognizing global trends and positioning products and services to meet customer satisfaction.

At present, green marketing has shifted from a trend to a way of doing business, and businesses should recognize the value of being a green market. Combining these, marketing communications based on green concepts to consumers have become a symbol of consumer awareness of the environment and increased consumer awareness of the origin of the product and concerns and what impact will cause a global environmental crisis. These provide marketers the opportunity to shape and persuade consumers (Shruti, 2014). In addition to achieving the organization’s goals, beginning to analyze consumer behavior in various contexts requires understanding all aspects of the business environment, such as economic, political, and legal aspects, technology, and the environment.

Modern marketing systems must be related to the environment and part of the environment management system. Therefore, modern marketing has many names, such as modern marketing (New Marketing), ecological marketing (Ecological Marketing, Eco-Marketing), and green marketing. The concept of eco-friendly marketing corresponds to the requirements of the social marketing model (Societal Marketing), which is based on the concept that the work of the organization is Considering the needs, wants, and interests of your target market and creating satisfaction efficiently and effectively over competitors while maintaining the well-being of consumers and society such as not trading for excessive profits, not producing products that are harmful to the public, and not creating toxic environmental problems.

At present, the green market has been divided into levels. Grant has divided green marketing into three levels of green (Grant, 2007). Each level of green marketing has a different level of influence on consumers and the environment, which is defined as follows.

1. Green marketing is a business that has its own products, services, or processes that are more environmentally friendly than other manufacturers. A company’s marketing department will use this as a differentiator and brand highlight, such as energy-saving electrical appliances, cars that use renewable energy, organic vegetable gardens, animal-free cosmetics, supermarkets that use paper bags instead of plastic bags, or shopping malls with energy-saving building structures, and other products. Although the products or services of this brand will help to conserve the environment, the criteria for measuring results are based on a business criterion, which concerns product sales and does not measure how much it causes social change. What you need to be careful about in this form of marketing is that when you declare that your product or service is more environmentally friendly than your competitors, it must also be true, not just using advertising or public relations to create an image. For example, suppose any business advertises that their cars are fuel-efficient but still have a higher fuel consumption rate than some competitors. In that case, there is a high

chance that the marketing will fail because the brand will lose credibility once customers find out the truth.

2. Greener Compared to green marketing, greener marketing aims to go beyond sales and also expects environmental impact by encouraging people to collaborate and change product and resource consumption behavior, including getting involved in more conservation. For example, in addition to selling energy-saving cars, a company also has the campaign to encourage people to use their cars more responsibly. There is an activity day to check the condition of the car and educate drivers that if they regularly inspect the condition of the vehicle, they will save gas and reduce the amount of exhaust gas emitted into the air. Therefore, the metrics here include both sales and the number of people attending the event. Another by-product is that it enhances customer relationship management (CRM).

3. Greenest While green marketing is the sale of products and services in environmentally friendly standards, greener marketing is to promote cooperation or change behavior in the use of products or services. But the greenest marketing is the level that creates innovation and creates sustainable change in society. For example, while green marketing is the sale of fuel-efficient vehicles, greener marketing encourages people to take care of their cars to reduce emissions into the air. Therefore, the greenest marketing may be a service that allows people who own a fuel-efficient car but rarely use it (for example, having to work abroad for a period of time) to lease their car to someone else for a period of time. Or it could be a service that queues for people on the same route to encourage them to use the car together.

Economic Influence Concept

The economic environment has had a significant impact on the marketing operations of business organizations, for example, during the past period of the economic crisis in Thailand and of the world economy as a result of the virus epidemic. COVID-19 has caused a change in the behavior of consumption of goods and or services completely. Marketing executives need to adjust to the current situation. Economic factors are related to the country's economic system influencing consumer behavior in various aspects, both positive and negative outcomes causing changes in consumer spending. It is important for doing business in each country. In the cycle of economic movements, no economy is growing all the time, and no economy is constantly in decline. There must always be regression and adjustment.

Amid the current rapid changes in the economic (Economic), political and legal (Political and Law), environment (Environment) and Technology (Technology), if at any time there is a crisis or an event that affects the economic condition will make Intensifying and become more rapid, for example, at the beginning of the year 2020, the situation of the epidemic of the COVID-19 spread around the world. This, of course, had an impact on the state of the Asian Economies (ASIA) and Southeast Asia (ASEAN) as well. This created economic upheavals, inevitably affecting businesses and consumers (Laohasiri, 2017). Tourism was the first and most affected business group because foreign tourists could not travel to the country. When tourists disappeared from the economy, the impact was quite heavy on entrepreneurs. From this point, it spread to other related businesses, such as restaurant, airline, and hotel businesses. From neighboring countries in the ASEAN region, which are normally able to travel easily and conveniently, there must have been various measures to travel across the country due to the COVID-19 situation. As a result, many employees were laid off or received lower wages than before, resulting in a decline in purchasing power as before,

resulting in consumer consumption shrinking, leading to an economic recession. In addition, the measures to close various establishments to maintain physical distancing resulted in a halt in private investment and a decline in exports of goods and caused Thailand's economic recession to be higher than the average of ASEAN countries. This situation also had a lot of impacts, both directly and indirectly. It can be seen that economic factors are very important to do business. If the economic conditions are good, it will facilitate successful business operations. On the other hand, if the economy tends to deteriorate, it may result in the business organization experiencing losses or going out of business.

The Economic Cycle Influences Consumer Behavior

The economic cycle is the movement of the economic system. That is to say, no economy is growing all the time, and no economy is constantly in decline. There has to be a recession and adaptation. Learning the economic cycle is very important for business people or investors because if they can predict the economic cycle at any stage, they can take the opportunity to adjust their investment methods to suit that time in order to get good returns and reasonable risk. Economists view the economic cycle as divided into four phases: peak, recession, decline, and recovery (Atcharee, 2015).

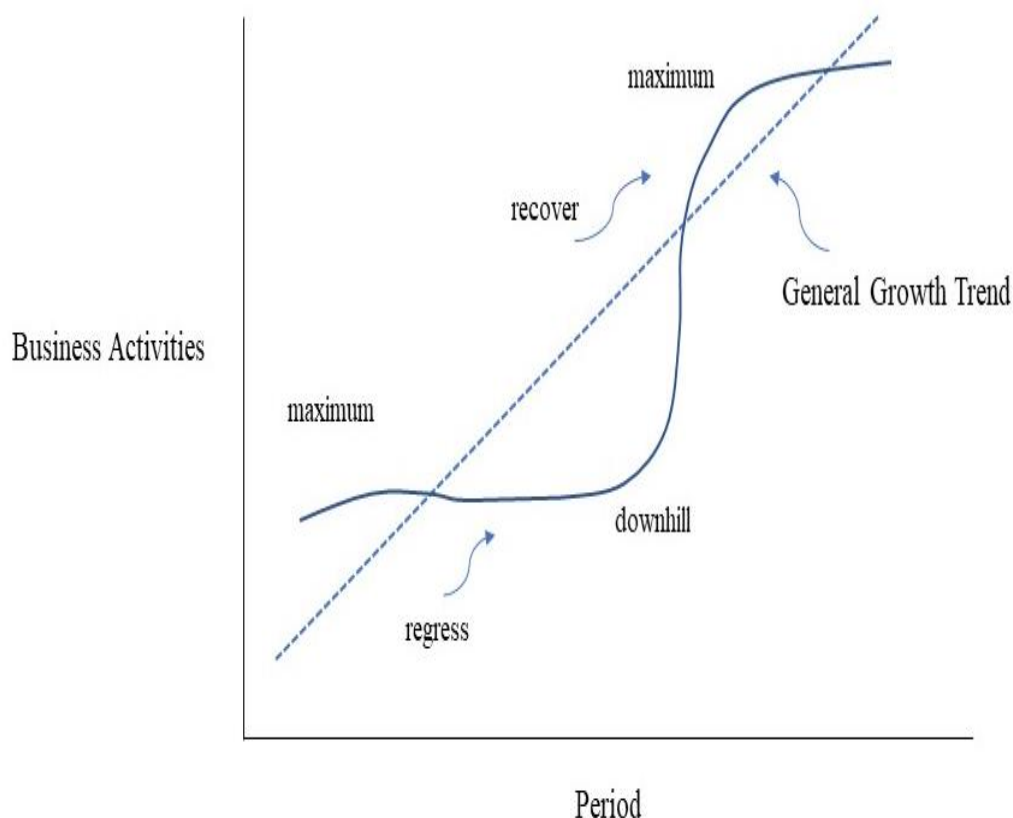


Figure 1 Economic Cycle

Source: doithai.com/article/136/Economic Cycle

Table 1 The Overall Principle of the Economic Cycle and Consumer Spending Affects Consumer Behavior

Consumer Spending	Economic Condition			
	Peak	Recession	Trough	Recovery
Savings rate	Very low	Save	Very high	Decrease
Consumer debt	High	Decrease	Very low	Higher
Prudent spending	High	Slow	Very low	Higher
Reckless spending	Much higher	Slightly decrease	Medium to low	Slightly Increase
Service expenses	Much higher	Slightly decrease	Growing at a low rate	Slightly increase
Consumer confidence	Start to fall	Decrease dramatically and quickly	Getting better	Rapidly increase

In considering the economic cycle and consumer spending, it is also in line with the trend in the direction of consumer behavior in ASEAN after the COVID-19 situation as well. It is also the number one trend for consumer spending to increase exponentially and emerges among the high-spending middle class of each country in the region and is one of the indicators that directly affect consumer behavior in consumption and shopping for various products in the online world. Therefore, according to the figures, in 2020 (Gustav & Alexandra, 2020) the behavior of online shopping through various marketing channels and social media in Thailand during the COVID-19 crisis, where the situation forces new users has led to the phrase quick sales, fast delivery, Thailand stands as one in ASEAN.

**Figure 2** Thailand's Delivery Time in ASEAN

Source: [https://ir.rs.co.th/en/updates/ir-sharing/450/E-commerce growth in Thailand-Fastest delivery in ASEAN](https://ir.rs.co.th/en/updates/ir-sharing/450/E-commerce%20growth%20in%20Thailand-Fastest%20delivery%20in%20ASEAN)

The Concept of Political and Legal Influence

Politics and laws are the rules that individuals and organizations in the country must respect and observe. If the organization neglects or violates, it will affect the image, and its operations may be subject to legal action. Therefore, both domestic and international political activities will, directly and indirectly, affect the status and future of the business. Political factors are inevitably related to business, whether directly or indirectly, especially foreign trade businesses that are highly susceptible to political factors.

Political and legal factors are other factors that influence business operations and is a factor that affects organizational management and resource utilization, such as politics, regulations, government policies, legislation trends, and statutes. From the past, it can be seen that political and legal changes will directly affect a company's strategy, such as antitrust laws, tax laws, Labor Protection Act, trade barriers, the Minimum Wage Act, the Advertising Act, Factory Act, and the Consumer Protection Act. For example, a change in tax laws may increase the cost of goods or a change in government policy could be good for promoting investment and exports, or a change in tax laws could increase production costs or a change in government policy could be a good thing to boost investment and exports.

The political environment is inextricably related to the legal environment as the law is one of the tools of government (Saeng Uthai, 2009), which is used to regulate people in society to behave within the scope that will not violate the rights of others. Law is an important aspect of keeping society under discipline. Legal influences include Laws and Regulations in which the government sector is set up to control business operations. When considering it, politics and law are important to consumers and businesses in 5 areas as follows:

1. The importance of protecting consumers from the actions of producers, which is a company or any person who is dishonest or irresponsible. In most cases, organizations are established to protect consumers by division of responsibility.
2. The importance of protecting consumers from unknowingly risky actions, such as the misuse of pharmaceutical products and other abuses.
3. Importance to Management-In order for business operations to be smooth and orderly, it is necessary to establish a management system based on modern practices that combine human resources and technology. This must not be contrary to labor, accounting, finance, tax laws, civil and commercial laws, etc.
4. Importance of production and services-Nowadays, the production processes of each business are adapted to use technology for speed and competition in trade and service business, machinery, equipment, and accessories for production and services. Therefore, it is the burden of procurement in the form of increased investment. In addition, businesses in Thailand are now in a system of free trade (Free Trade Agreement, FTA). Therefore, entrepreneurs must know and understand law enforcement, such as the Product Liability Law, which the parliament is still considering, or it may be an anti-trade measure, which, if violated or mismanaged, could be legally illegal.
5. Importance of Marketing Management-Businessmen these days will only sit and assess the commercial situation from profit alone, but they must proactively manage marketing to keep up with both domestic and international competitors. And sometimes, they may have to act in a manner that risks deliberately breaking the law. They may be liable for civil liability under the Civil and Commercial Code. law on customs or maybe a suspect or a criminal accused.

The Concept of Technological Influence

Technology is the application of scientific knowledge and brings practical benefits. Create changes and advances in technology impact business operations, especially computers, and the Internet, which are very important to business organizations to gain competitive advantages and help businesses have technical and more modern production systems.

Technological factors cause changes in the organization and play a role in increasing the efficiency of the business organization. Moreover, computers have greatly improved product design, engineering, manufacturing, logistics, and raw materials. But for the emergence of modern technology, there must be scientific knowledge as a base to support it. In addition, technology has an impact on business operations in the field of manufacturing. Product development, employment, finance, marketing, and data processing.

Technology is necessary and accepted in today's era, where agencies see the need and use technology in their operations, administration, and decision-making. The importance of technology is as follows

1. Human living
2. Economic development

The nature of technology can be classified into three types: (Heinich et al., 1993).

1. Technology as the form of a process is the systematic use of scientific methods or knowledge gathered for practical results. It is believed that it is a reliable process and leads to solutions to various problems.

2. Technology as the form of a product means materials and equipment resulting from the use of technological processes.

3. Technology in the mix of process and product (Process and Product) is a view of the product characteristics as an output from this process, such as a computer system that works as an interaction between the machine and the program.

The use of technology in business organizations has many sectors, such as the introduction of modern machines to produce products. And another important part is marketing, which is considered to be the part that uses social networking to be useful in building a brand clearly because it is a highly effective tool to communicate to create reach. Able to build strong relationships and engagement with consumers and measure them immediately, such as online advertising, customer relationship building (CRM) through the Starbucks website created for customers to express their opinions on the Starbucks brand and menu, or to publicize the news of companies that use web blogs to inform promotions or use Twitter, such as @naiin and @WeLoveFuji that invite customers to join activities via Twitter.

Technology plays a role in daily life and influences consumer behavior

1. Technology for Housing: At present, the smart home trend is gaining attention and is being talked about frequently. The Smart home uses technology to control devices in the home to help facilitate and reduce the costs of home energy for consumers. The concept is the application of the Internet of Things (IoT) technology by connecting to various devices in the home.

2. Technology for Health Care: Technology plays a wide variety of roles, such as the use of technology to help collect, store and analyze both health and medical data, including individual specifics, to know the impact of individual behaviors. There is a large selection of technological devices for the care and monitoring of physical activity and health for consumers.

The Concept of Environmental Influence

Natural resource factors are one of the main factors influencing consumer behavior, the shortage of natural resources, the shortage of raw materials, and the global warming problem from industrial pollution. Therefore, when there is a deterioration in the natural environment, marketers should pay attention to these trends in the natural environment for the benefit of direct business operations because they are the main factors affecting consumer behavior.

The concept of environmental marketing has many types of businesses to pay attention to and be socially responsible, which is what entrepreneurs should treat in society in order to maintain and create a better quality of life for people in that society in addition to achieving the goals of the organization, which requires good cooperation from many parties involved and must not cause harm to both consumers and the environment. There is a need to help each other turn to use the limited resources more seriously and also need to promote the creation of social sustainability.

Marketers should pay attention to trends in the natural environment because it directly affects consumer behavior and business operations, consisting of 5 factors:

1. Energy Cost when energy costs rise, such as rising crude oil prices, it affects consumer purchasing patterns. And if marketers lose interest in this issue, it can cause problems.

2. Scarcity of Natural Resources Nowadays, raw materials or minerals such as wood, oil, coal, platinum, and silver are depleting. Large, capital-intensive companies invest large sums of money in research and development for other materials. Access to replace the depleting natural ingredients.

3. Global Warming is one of the biggest issues that marketers should focus on. At present, global warming has caused significant changes in consumption. As consumers become aware of this problem, their purchasing behavior will change and turn to more natural products.

4. Factory Pollution Industrial plants emit chemicals that destroy water resources and the atmosphere. As a result, consumers are more knowledgeable and have access to more sources of information, making them more aware of their choices against the consumption of products that have a negative impact on nature and the environment.

5. Animal Testing It is a scientific test for the results of research, medicine, and testing, to get the results of developing things that meet the quality of life of humans and animals.

Environmental Marketing (Eco Marketing)

Marketing and environmental conservation don't seem to go hand in hand. In other words, the environmental department wants to reduce consumption, but the marketing department wants more spending. The environmental department has resisted consumerism and good marketing should be able to persuade consumers to participate in environmental conservation faster and more by producing environmentally friendly products or services or selling products and services that make environmental conservation simple but not require too much investment. When everyone in society is aware of environmental conservation, green marketing will increase many times. As consumers have more choices and environmental protection becomes part of everyone's daily routine, the market for green goods and services will grow and replace the old market.

Green Products

Green products are defined as environmentally friendly products, products that do not harm the environment, or products or services that imply “green” or reduced energy consumption.

Products are described as anything that is offered to satisfy market needs or common needs. Thus, from this definition, “product” has a broad meaning that covers everything that can meet the needs and wants of the market or consumer. It covers 5 items as follows:

1. Goods are physical products such as shoes, food, medicines, and telephones.
2. Services is an intangible product, such as having a haircut and watching a concert.
3. Persons such as famous athletes, celebrities, singers, and politicians.
4. Places are the locations that can satisfy consumers in one way or another, such as a place to relax or historical places. More examples of this type of product are palaces, historical parks, Phuket Island, Khao Yai, and Khaosan Road.
5. Ideas are the opinions that can be accepted by consumers (people), such as political party policies, and no smoking campaign saving campaigns.

Green Marketing and Green Consumer

Green Marketing refers to the marketing of entrepreneurs for sustainable profits, not environmental pursuits. It is an activity that is done for the benefit of customers and society, and one must have environmental consciousness by paying attention from the beginning of the production process until the end of the product. It is a product that is harmless to consumers and the environment. Therefore, for entrepreneurs to run a green marketing business successfully. This concept of environmental conservation has to be integrated into every aspect of the marketing operation to be carried out in parallel with every segment.

Classical Marketing consists of a marketing mix (Marketing mix: 4 Ps) with controllable marketing factors to meet the needs of the target market. The components of these 4 Ps are related and equally important, consisting of 1) a Product that has value in the eyes of the customer that causes buying behavior and 2) a Price, which must be able to increase value for people to accept. 3) Place refers to distribution channels that must be convenient for customers. 4) Promotion is a way to persuade customers to understand the value and characteristics of the product released in the market.

Conclusions

A group of consumers who are conscious of the environment in terms of consumption and conservation so as not to affect the environment both now and in the future. In recent times, most consumers have started to feel that their purchasing behavior directly impacts the environment in many ways. Therefore, consumers change their buying and consumption behaviors without affecting the environment. In the context of past environmental psychology, it focuses on the role of factors related to the individual, such as knowledge, concern for the environment, attitude, norms, and values with consumption, attitudes, and motivations (Motives) of consumers.

Therefore, Green Product is something that is produced by natural processes and does not contain any chemical additives, and do not contain toxic substances. It is a clean production technology that improves the production process for efficient use of raw materials, energy, and natural resources. This includes raw material replacement, reuse, and recycling, which will help conserve the environment and reduce costs by considering ways to increase

productivity with less waste or emissions. It also includes using clean manufacturing technology, pollution prevention, cleaner production, and waste minimization.

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