

Eco-Branding Strategies and Their Impact on Consumer Buying Behavior: Evidence from SMEs in Bangladesh

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ABSTRACT

This study aims to analyze the impact of green marketing strategies, namely eco-branding, eco-labeling, and eco-friendly advertising, on consumer buying behavior in the Small and Medium Enterprises (SMEs) sector in Bangladesh. While awareness of sustainability is on the rise, the adoption of green marketing in Bangladesh's SMEs is still hindered by various internal factors, such as limited resources and knowledge. Using a qualitative approach through in-depth interviews with ten respondents from sectors including textiles, apparel, and agriculture, the study reveals that eco-labeling plays a significant role in enhancing consumer trust in eco-friendly products and strengthening brand image. Eco-branding has been found to effectively foster customer loyalty by creating deeper emotional connections, while environmental advertising raises consumer awareness of sustainability, despite concerns regarding the potential for greenwashing. The study also identifies key barriers to the implementation of green marketing, including high costs, limited resources, and a lack of understanding among SME owners. It is recommended that SMEs receive further support in the form of training and government incentives to enhance the effectiveness of green marketing strategies. These findings offer valuable insights for SMEs in developing countries and policymakers, and emphasize the need for further research with larger samples and mixed methods to enrich the understanding of green marketing's influence on consumer behavior.

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INTRODUCTION

Small and Medium Enterprises (SMEs) in Bangladesh play a crucial role in the country's economy, contributing approximately 25% to the Gross Domestic Product (GDP) and generating more than 70% of employment opportunities (Siddique & Hossain, 2018). As a sector based on human resources, SMEs not only drive the economy but also have a significant impact on social development and public welfare. However, in the face of global challenges, SMEs need to adapt to trends that increasingly emphasize sustainability, particularly environmental issues.

One of the increasingly important strategies is green marketing, which includes techniques such as eco-branding, eco-labelling, and eco-friendly advertising. According to Khan (2019), about 78% of consumers in Bangladesh consider environmental factors in their purchasing decisions, indicating growing public awareness of sustainability issues. With the continuous evolution of consumer awareness, SMEs in Bangladesh have a significant opportunity to adopt green marketing strategies to meet the rising demand from environmentally conscious markets.

However, many SMEs face challenges in implementing green marketing. A study by Alam (2021) reported that 62% of SMEs in Bangladesh struggle to integrate environmentally friendly practices, with major constraints including limited resources, lack of technical knowledge, and difficulties in obtaining recognized environmental certifications. This indicates that although awareness of sustainability is growing, the adoption of green marketing strategies in the SME sector is still hindered by various internal factors.

This study aims to explore the impact of green marketing strategies, specifically eco-branding, eco-labelling, and eco-friendly advertising, on consumer buying behavior in Bangladesh's SMEs. The main focus of this research is to fill the gap in the literature on green marketing in the SME sector of developing countries,

especially Bangladesh, which has been under-researched (Muhammad & Al-Amin, 2022). This research is important not only to enrich academic studies on green marketing but also to provide practical relevance for SMEs aiming to capitalize on the opportunity to attract environmentally conscious consumers.

The research questions in this study are: 1) How does eco-labelling influence consumer trust and buying behavior in SMEs in Bangladesh? 2) How does eco-branding shape consumer perceptions and loyalty towards SME products in Bangladesh? 3) How does eco-friendly advertising affect consumer attitudes and purchase intentions towards SME products in Bangladesh?

The objectives of this study are: 1) To analyze the impact of eco-labelling on consumer purchase decisions in SMEs in Bangladesh. 2) To examine how eco-branding affects consumer perceptions and loyalty towards SME products. 3) To evaluate the role of eco-friendly advertising in shaping consumer attitudes and purchase intentions towards SME products in Bangladesh. This study is expected to provide deep insights into how green marketing affects consumer purchase decisions and offer practical recommendations for SMEs in designing and implementing effective green marketing strategies.

This research is important because it fills a gap in the literature on green marketing, especially in developing countries like Bangladesh (Siddique & Hossain, 2018). The findings of this study are also expected to provide guidance for SMEs in implementing more effective green marketing strategies to meet the demands of consumers who are increasingly concerned with sustainability. Additionally, the study can offer benefits to policymakers by designing support programs and incentives that encourage SMEs to adopt green marketing strategies, contributing to the achievement of sustainable development goals in Bangladesh.

Although environmental awareness among consumers is increasing, the implementation of green marketing in the SME sector in Bangladesh is still limited. Previous studies have shown that only a small portion of SMEs actively adopt green labels or implement other environmentally friendly practices. Major obstacles include limited knowledge and resources, as well as difficulties in obtaining globally recognized certifications (Haque et al., 2024). This research focuses on delving deeper into how eco-branding and eco-labelling can influence consumer behavior in Bangladesh, particularly regarding sustainability as an important social value in consumer decision-making.

This study is based on two main theories as the theoretical framework: the Theory of Planned Behavior (TPB) and the Stakeholder Theory (Freeman, 1984). TPB, developed by Ajzen (2020), explains that attitudes, subjective norms, and perceived behavioral control influence consumer purchase intentions for eco-friendly products. The Stakeholder Theory emphasizes the importance of integrating the interests of all stakeholders in SMEs' green marketing strategies. Both theories provide a solid foundation for understanding how green marketing influences consumer behavior and the challenges SMEs face in implementing it (Freeman, 1984; Ajzen, 2020).

Empirical studies show that eco-labelling and eco-branding significantly influence consumer purchase decisions, although challenges such as lack of trust in certifications and environmental regulations remain major barriers in Bangladesh (Haque et al., 2024). This aligns with findings from other countries, such as Malaysia, where ineffective government policies and confusing labelling systems worsen similar situations in Bangladesh (Siddique & Hossain, 2018). This study aims to fill the literature gap by investigating how green marketing strategies can influence consumer behavior in Bangladesh's SME sector.

METHOD

This study aims to explore the influence of eco-branding strategies on consumer buying behavior in Bangladesh's SME sector. The dependent variable in this study is consumer buying behavior, while the independent variables include eco-labeling, eco-branding, and eco-friendly advertising. This research is grounded in the Theory of Planned Behavior (TPB), which suggests that attitudes, subjective norms, and perceptions can influence an individual's behavior (Tian et al., 2024). Eco-labeling represents the environmental attributes of a product, while eco-branding focuses on integrating sustainability principles into brand identity, aimed at building consumer trust and loyalty (Tian et al., 2024). Environmental advertising plays a key role in educating consumers about the environmental benefits of products, which can strengthen their purchase intentions for eco-friendly products (Bhardwaj et al., 2022).

Research Design

This study employs a qualitative approach with in-depth interviews as the data collection method. This approach is selected for its ability to gather deep insights into consumer attitudes and behaviors towards green marketing strategies, which cannot be fully captured through quantitative methods (Gao, 2020). The qualitative approach allows for a more complex understanding of the social and psychological dynamics in buying behavior and provides an opportunity for consumers and SME owners to freely express their views. Data is collected through semi-structured interviews that are tailored to the research objectives, allowing flexibility in discussion while maintaining focus on the main topic.

Population and Sampling

This study uses purposive sampling to select participants who represent various SME sectors in Bangladesh, including textiles, apparel, and agro-industries. The sample consists of ten individuals, including SME owners/managers and consumers, with the aim of providing a comprehensive overview of the implementation of eco-labeling, eco-branding, and eco-friendly advertising in practice. Although the number of participants is limited, this is sufficient to achieve thematic saturation in qualitative research (Andriani, 2025). Sample selection is based on participants' experience and understanding of the research topic, enabling the collection of in-depth and representative insights.

Data Collection Tools

Primary data is collected through semi-structured interviews with a pre-prepared guide, tailored to the research questions and allowing for flexible yet systematic data collection. These interviews aim to explore participants' views on eco-labeling, eco-branding, and eco-friendly advertising strategies. In addition to interviews, methodological triangulation is used to enhance the validity of the results. This is done by reviewing secondary sources such as SME reports, advertising materials, and relevant publications on green marketing practices in Bangladesh (Polas et al., 2023). The use of triangulation ensures that the findings are credible and reduces potential bias from primary data.

Data Analysis

Data is analyzed using thematic analysis, which allows for the identification of patterns and key themes from qualitative data. This process will provide insights into the factors influencing consumer buying behavior towards products using green marketing strategies. By combining in-depth interviews and triangulation, this research aims to offer a comprehensive understanding of the relationship between eco-branding and consumer buying behavior in Bangladesh's SME sector.

FINDINGS

Demographic Profile of Respondents

This study involved 10 respondents from diverse professional backgrounds. The majority of respondents were aged between 30 and 40 years, with over 8 years of work experience in their respective industries. The age range of the respondents spanned from 27 to 50 years, indicating that most participants possessed professional maturity and a deeper understanding of green marketing. The respondents held various educational qualifications, with most having a bachelor's degree, and some possessing master's degrees in fields such as Management, Finance, and Business Administration. Only a small portion of respondents held a diploma.

Furthermore, the gender distribution among participants was balanced, with 5 male and 5 female respondents. This ensured the collection of representative data from both genders, enriching the perspectives and providing more accurate information regarding green marketing. The average work experience of the respondents was over 8 years, suggesting a high level of knowledge and understanding of green marketing concepts and their influence on consumer behavior in the market.

The participants came from various sectors such as textiles, apparel, logistics, finance, and human resources, which enriched the perspectives on the application of green marketing within the SME context in

Bangladesh. This diversity allowed for a deeper analysis of how different sectors face challenges and opportunities related to green marketing.

Differences in perspectives between participants in managerial positions (e.g., General Manager, Operations Manager) and specialist positions (e.g., Procurement Officer, Logistics Officer) also provided a comprehensive view of the impact of green marketing on business decisions and its implementation. Participants in managerial roles tended to focus on organizational strategy and long-term sustainability planning, while those in specialist roles prioritized operations and the feasibility of environmentally friendly supply chains.

The diversity in age and professional experience also played a key role in shaping their views on sustainability. Younger respondents, for example, those around 30 years old, were more exposed to digital sustainability trends and contemporary green marketing. In contrast, older, more experienced respondents, aged around 40 to 50 years, had broader insights into market changes and consumer behavior over time, offering deeper perspectives on the development of green marketing in a developing economy.

Table 1: Demographic Data of Respondents

| Respondent | Role | Gender | Age | Marital Status | Education | Work Experience |
|------------|--------------------------|--------|-----|----------------|---------------------------------------|-----------------|
| R1 | Sales Manager | Female | 32 | Married | Bachelor's | 8 years |
| R2 | Operations Manager | Male | 45 | Married | Master's in Management | 15 years |
| R3 | Marketing Executive | Female | 27 | Single | Bachelor's in Marketing | 5 years |
| R4 | Store Supervisor | Male | 38 | Married | Business Diploma | 10 years |
| R5 | Administrative Executive | Female | 29 | Single | Bachelor's in Business Administration | 6 years |
| R6 | Logistics Officer | Male | 41 | Married | Supply Chain Diploma | 12 years |
| R7 | Finance Manager | Female | 35 | Divorced | Master's in Finance | 11 years |
| R8 | HR Executive | Male | 30 | Single | Bachelor's in Human Resources | 7 years |
| R9 | Procurement Officer | Female | 33 | Married | Procurement Diploma | 9 years |
| R10 | General Manager | Male | 50 | Married | MBA | 20 years |

With an understanding of this diversity, it is clear that the selected population for this study is more experienced and knowledgeable, which enhances the quality of the information collected regarding the variables under investigation, particularly green marketing strategies and their impact on consumer buying behavior. This data also provides a more complete picture of the challenges faced by SMEs in Bangladesh in implementing green marketing practices, as well as the potential for success in adopting such strategies.

Thematic Analysis

The thematic analysis in this study identified key themes related to the implementation of eco-labeling, eco-branding, and eco-friendly advertising and their impact on consumer buying behavior in SMEs in Bangladesh. Based on data obtained from in-depth interviews with the respondents, the study findings were organized into several sub-themes, providing a deeper understanding of how these green marketing elements influence consumers.

Eco-labeling proved to play a vital role in influencing consumer purchasing decisions. The majority of respondents (70-80%) agreed that eco-friendly labels enhance consumer trust in the products they purchase and help prevent product counterfeiting. In interviews, many participants highlighted the importance of green labels as a visual identifier that clarifies the brand's commitment to sustainability. One respondent

stated, "Our signature sticker allows customers to differentiate our products from counterfeit goods." This label provides a sense of authenticity and integrity to the products offered, contributing to improved brand image and differentiation in the market.

However, there was some skepticism regarding the credibility of eco-labeling. Several participants expressed doubts about the authenticity of claims made by green labels, especially considering the potential for greenwashing. One participant noted, "We inform customers about the health benefits of our products," but also emphasized the importance of verification by independent organizations to ensure the credibility of the label. Overall, despite some doubts, eco-labeling was seen as effective in building an emotional connection with consumers and raising their awareness of sustainability issues.

Eco-branding initiatives applied by SMEs in Bangladesh positively affected consumer loyalty. Respondents indicated that eco-branding helps strengthen long-term relationships with customers. One respondent stated, "Our business offers initiatives that encourage customers to contribute to the environment." Eco-branding, with its focus on social values and sustainability, serves as a tool to create a deeper emotional bond between the brand and consumers. Successful eco-branding programs created positive impressions and led to increased customer loyalty.

Eco-branding also helped create a positive image of the company as a socially and environmentally responsible entity. Most respondents emphasized that, in addition to enhancing brand image, eco-branding also increased customer involvement in purchase decisions. One respondent added, "I believe eco-friendly techniques are used in the production of green products," indicating how eco-branding adds real value to environmentally conscious customers.

Environmental advertising was found to have a significant influence on consumer behavior, particularly in raising awareness of eco-friendly products. Respondents reported that they felt more positive about advertisements that emphasized sustainability and its impact on the planet. The majority of respondents indicated that they were more likely to purchase products promoted through green ads that highlight the environmental benefits of the product. One respondent stated, "Our product ads promote sustainability and green initiatives."

However, despite the positive impact of green advertising, some respondents expressed concerns about greenwashing, referring to false claims about sustainability. When asked how they assess the credibility of ads, one respondent commented, "Some companies tend to misrepresent their green marketing initiatives." Therefore, credibility and clarity in messaging became key factors influencing purchasing decisions. This suggests that for green ads to be effective, companies need to ensure that their claims are backed by verifiable and trustworthy data.

Furthermore, respondents noted that more visual and informative ads, such as those featuring nature images and support from environmental certification bodies, were more persuasive and could leave a lasting positive impression on consumers. As one participant stated, "Ads with nature images, support from environmental certification bodies, and statistics on environmental impact tend to be more persuasive."

In terms of attitudes toward green marketing, respondents generally recognized that eco-labeling and eco-branding provide long-term benefits for SMEs, particularly in terms of brand image and market differentiation. For example, some respondents assessed that investing in green marketing was a beneficial step for the long-term success of their SMEs, as one respondent stated, "Investing in green marketing is beneficial for the long-term success of our SME."

However, barriers to adopting green marketing still exist, particularly related to financial constraints and limited resources. Most participants highlighted that the high costs of green marketing often act as a barrier, as one respondent expressed, "The excessive cost of green marketing." Additionally, knowledge gaps regarding green marketing among different roles within the organization also impact its implementation.

Table 2: Thematic Analysis Table

| Theme | Sub-theme | Example from Interview/Response |
|---|--------------------------------------|--|
| 1. Eco-Labeling | Product Differentiation | "Our signature sticker allows customers to differentiate our products from counterfeit goods." |
| | Health and Environmental Awareness | "We inform customers about the health benefits of our products." |
| | Visual Indicators for Sustainability | "Green stickers are used on most of our labels to show eco-friendliness." |
| | Verification and Credibility | "Our label has been verified by health and environmental organizations as eco-friendly." |
| 2. Eco-Branding | Customer Engagement | "Our business offers initiatives that encourage customers to contribute to the environment." |
| | Product Design and Recycling | "The design of green products is easy to recycle." |
| | Use of Eco-Friendly Techniques | "I believe eco-friendly techniques are used in making green products." |
| 3. Environmental Advertising | Customer Loyalty | "Green ads increase customer loyalty." |
| | Brand Awareness and Recall | "Our product ads promote sustainability and green initiatives." |
| | Impact on Purchase Decisions | "Eco-branding attracts environmentally conscious customers." |
| 4. Attitudes Toward Green Marketing | Perceived Benefits for the Brand | "Eco-labeling improves the brand image of our SME." |
| | Long-term Business Value | "Investing in green marketing is beneficial for the long-term success of our SME." |
| 5. Barriers to Green Marketing Adoption | Financial Constraints | "The excessive cost of green marketing." |
| | Knowledge Gaps and Lack of Awareness | "Lack of understanding about green marketing." |
| | Low Demand and Inadequate Support | "Limited demand for green products." |
| | Supply Chain Limitations | "Disagreements in sourcing eco-friendly raw materials." |
| 6. Outcomes of Green Marketing | Market Performance | "Green marketing has expanded our SME's store section." |
| | Customer Relations | "Green marketing has strengthened relationships with customers." |
| | Profitability and Brand Reputation | "Green marketing has improved our SME's profitability and brand positioning." |

Based on the thematic analysis results, it can be concluded that the implementation of green marketing strategies such as eco-labeling, eco-branding, and environmental advertising has a positive impact on consumer buying behavior, although challenges related to credibility and operational barriers need to be addressed.

DISCUSSION

The Impact of Education and Professional Experience on Perceptions of Eco-Branding

This study also reveals that the respondents' educational background and professional experience have a significant influence on their perceptions of eco-branding and the implementation of green marketing. The findings indicate that there are differences in viewpoints based on the level of education and work experience of the respondents.

According to the interview results, respondents with educational backgrounds in management, finance, and marketing tended to evaluate eco-branding strategies from an operational efficiency and cost-effectiveness perspective. For example, respondents with master's degrees in management and finance were more focused on cost analysis related to the implementation of environmentally friendly strategies and their impact on long-term profitability. This aligns with the findings of Nauman et al. (2020), who stated that understanding operational management and cost control is key to the successful application of green marketing strategies in SMEs.

On the other hand, respondents with backgrounds in marketing or business administration placed more emphasis on the influence of eco-branding on brand image and customer loyalty. They believed that the success of eco-branding should not only be assessed in terms of cost but also in terms of strengthening the emotional bond between consumers and brands committed to sustainability. According to Larsen (2023), psychological factors such as environmental brand identification play a significant role in enhancing consumer loyalty.

Professional experience also showed an interesting pattern. Respondents who were more experienced, particularly those over the age of 40, had a deeper understanding of the challenges and opportunities SMEs face in implementing green marketing. They discussed barriers such as limited resources and market uncertainty that make eco-branding implementation more complex. Their market experience provided a broader perspective on how consumer attitudes toward green products have evolved over time, as explained by Rosário dan Dias (2025) in his study on the challenges faced by SMEs in the textile sector.

Conversely, younger respondents, who were more exposed to digital trends and contemporary sustainability, tended to be more optimistic about the potential of digitalization in supporting sustainability and strengthening eco-branding. They offered insights into the expectations of younger consumers who desire transparency and direct engagement when choosing eco-friendly products. This reflects the generational difference in views, where younger generations are more connected with social change and sustainability values that increasingly influence purchase decisions (Imam & Abdelrahman, 2023).

The diversity of professional backgrounds among the respondents, including both managerial and specialist positions, enriched this analysis. Respondents in managerial positions, such as General Manager and Operations Manager, tended to focus on long-term strategies and resource allocation to support eco-branding. They prioritized achieving sustainability goals through strategic planning and effective resource management. Meanwhile, respondents in specialist roles, such as Procurement Officers or Logistics Officers, were more concerned with the operational feasibility of green marketing initiatives, such as sourcing eco-friendly raw materials and managing sustainable supply chains. This difference highlights the gap between high-level strategy and operational execution, which needs to be bridged to improve the effectiveness of eco-branding in SMEs.

Based on these findings, it is important for SMEs to understand that the implementation of eco-branding depends not only on the marketing policies applied but also on the understanding and perspectives of professionals within the organization. SMEs with teams of diverse educational backgrounds and experiences can develop more holistic green marketing strategies that combine cost efficiency with brand image enhancement focused on sustainability. Therefore, training that involves various stakeholders within the organization on the importance of eco-branding and its implementation will be a crucial step to overcome existing barriers and ensure the success of this strategy.

The analysis results show that education and professional experience significantly influence perceptions of eco-branding among SMEs in Bangladesh. Respondents with educational backgrounds in management and finance were more focused on cost and efficiency aspects, while those with backgrounds in marketing and business administration emphasized its impact on brand image and consumer loyalty. Additionally, age and professional experience differences also shaped their views on the challenges and opportunities of green marketing. This understanding provides valuable insights for SMEs in designing more effective eco-branding strategies, considering the role of education and professional experience in developing more profound and applicable sustainability policies.

Barriers to the Adoption of Green Marketing

This study identifies several barriers faced by SMEs in Bangladesh in adopting green marketing. These barriers are related to financial factors, resource limitations, and a lack of awareness and knowledge regarding effective green marketing strategies.

The majority of respondents stated that financial constraints were the primary challenge hindering the adoption of green marketing in SMEs. They mentioned that the costs associated with implementing environmentally friendly practices, such as sourcing eco-friendly raw materials or developing green products, were significantly high. Respondents also noted that many SMEs struggled to secure sufficient funding to effectively implement green marketing initiatives, given the limited available budgets. This aligns with the views of Nauman et al. (2020), who highlighted that high costs for eco-friendly raw materials are one of the largest obstacles for small and medium enterprises in implementing sustainability in their operations. Additionally, many SMEs feel that the additional expenditure on green initiatives could disrupt their financial stability in the short term.

Moreover, the difficulty in sourcing eco-friendly raw materials was identified as another significant barrier. Many SMEs struggle to find suppliers who provide raw materials that meet the desired sustainability standards. Some respondents indicated that the limited supply of eco-friendly raw materials, as well as the non-competitive prices compared to conventional raw materials, exacerbates this issue. This underscores the challenges SMEs face in introducing green practices into their supply chains, which require larger investments and more meticulous planning.

In addition to financial issues, respondents also highlighted that a lack of knowledge and awareness about green marketing was another major barrier. Some participants stated that they did not fully understand how green marketing strategies could be applied in their SME context, or the long-term benefits that could be gained from implementing these initiatives. They expressed the importance of training and education to improve understanding of more effective green marketing practices, so that they could better grasp how eco-branding could help increase consumer awareness and customer loyalty.

The findings suggest that many SMEs in Bangladesh have not fully understood how to optimize the potential of eco-labeling and eco-branding. However, adequate education could help SMEs overcome confusion about green marketing strategies and reduce doubts about the long-term impact of adopting green marketing on their business performance. The majority of respondents suggested that more training should be provided to improve understanding of how to create credible and attractive green marketing campaigns for consumers. This training is expected to encourage SMEs to adopt more effective strategies and maximize the long-term benefits that can be obtained from green marketing, especially in terms of market differentiation and brand image enhancement.

Another barrier that emerged in this study was the low demand for eco-friendly products in the market, which also hindered the adoption of green marketing. Some respondents noted that, although awareness about sustainability is increasing, consumers in Bangladesh still show a stronger preference for lower-priced products and do not always choose sustainability-based products, even when they are more expensive. Furthermore, support from relevant parties, such as the government and other support agencies, was seen as insufficient to encourage more SMEs to transition to green marketing practices. Most

respondents felt that the government should be more active in providing incentives and support for SMEs that wish to adopt these strategies.

Supply chain limitations also emerged as a significant barrier. Many participants highlighted difficulties in obtaining eco-friendly raw materials that support sustainability. They mentioned that sourcing materials that meet environmental standards is often hindered by a lack of affordable supply, as well as doubts about the quality of available products. This highlights the need for improvements in the infrastructure of eco-friendly raw material supply chains, which can reduce costs and improve the quality of materials used in production.

Overall, the findings of this study indicate that although there is growing interest and understanding of the importance of green marketing, SMEs in Bangladesh face several barriers to adopting this strategy. Financial constraints related to high costs and resource limitations, lack of knowledge about green marketing, low demand for eco-friendly products, and issues in the supply chain are the main challenges. To address these barriers, there is a need for increased awareness, training, and support from both the government and the private sector, which can provide incentives for SMEs to shift towards more sustainable green marketing practices.

The Effect of Green Marketing on SME Performance

Green marketing has been shown to have a significant positive impact on SME market performance, particularly in terms of sales and brand reputation. The majority of respondents indicated that the implementation of eco-labeling and eco-branding contributed significantly to increased product sales and improved the brand image of SMEs. For example, approximately 70-80% of respondents agreed that eco-labeling had a positive impact on consumer trust, which in turn boosted their product sales. Eco-labeling, with its ability to enhance product authenticity and transparency, strengthened the emotional bond between consumers and brands, ultimately encouraging repeat purchases. Additionally, green marketing strategies also strengthened customer relationships, which not only influenced one-time purchase decisions but also reinforced long-term customer loyalty.

Eco-branding plays a crucial role as a differentiation tool in an increasingly sustainability-conscious market. This study shows that SMEs adopting eco-branding initiatives can improve their brand reputation by demonstrating social responsibility and commitment to environmental sustainability. The majority of respondents noted that the presence of green labels and imagery enhanced their brand image, providing them with a competitive advantage in a market that is increasingly prioritizing sustainability. In this context, eco-branding not only provides social value but also delivers long-term financial benefits for SMEs by attracting consumers who are more aware of environmental issues. This aligns with findings from Larsen (2023), who emphasized that eco-branding significantly contributes to improving brand perception and consumer loyalty.

Overall, these findings suggest that green marketing, through the use of eco-labeling and eco-branding, can offer dual benefits for SMEs, both in enhancing their market performance and in building a strong brand reputation as an environmentally responsible company. It is important for SMEs in Bangladesh to consider implementing these strategies, especially in a competitive market where sustainability is increasingly considered by consumers.

Comparison of Findings with Related Studies

The findings from this study are consistent with various previous studies that indicate green marketing strategies, including eco-labeling and eco-branding, significantly influence consumer behavior and brand loyalty. In line with the findings of Sun et al. (2021) and Ateş (2021), this research confirms that eco-labeling plays a vital role in increasing consumer awareness and environmentally conscious purchasing decisions. The majority of respondents in this study also agreed that eco-labeling helps prevent product counterfeiting and enhances consumer trust in SME brands. This aligns with Sun et al. (2021), who found that environmentally friendly labels can strengthen consumers' positive perceptions of green products and have a profound psychological impact on purchasing decisions.

However, these findings differ from the study by Nauman et al. (2024), which states that external factors, such as market conditions or other social factors, have a greater influence on consumer decisions than labels themselves. This study found that eco-labeling in SMEs in Bangladesh had a significant direct psychological impact on consumers, who were more likely to trust products labeled as eco-friendly. This suggests that consumers in developing economies, such as Bangladesh, show a stronger preference for green labels compared to more advanced markets, where external factors like price and accessibility may be more dominant.

Regarding eco-branding, the findings of this study also align with Larsen (2023), who noted that eco-branding initiatives can enhance consumer loyalty by strengthening the emotional bond between brands and customers. Respondents in this study indicated that eco-branding strategies not only serve to improve brand image as a socially responsible company but also play a crucial role in building long-term trust and loyalty. However, Kamalanon et al. (2022) highlighted that price sensitivity could be a barrier to adopting eco-branding. This was not strongly reflected in this study's findings, as most respondents did not mention price as a primary limiting factor, though some participants acknowledged that the cost of green marketing still posed a challenge.

For environmental advertising, this study supports the results found by Valle and Borm (2021), which emphasize that green ads can increase consumer awareness and emotional attachment to brands. However, this study also reveals some skepticism about the authenticity of environmental claims in advertising, which could undermine brand credibility. This aligns with Salvulo (2021), who stated that consumers may become skeptical of sustainability claims if the message is unclear or not supported by strong evidence. Most respondents in this study stressed the importance of credibility in green advertising messages and tended to prefer brands that provide concrete evidence and transparency about their sustainability efforts.

Overall, while the findings of this study largely align with the existing literature, it also provides new insights that highlight differences in consumer responses in developing economies, particularly regarding the direct psychological impact of eco-labeling and the importance of credibility in environmental advertising. This study shows that SMEs in Bangladesh can gain significant benefits from implementing eco-labeling and eco-branding, although challenges related to costs and the credibility of environmental claims in green advertising still remain.

IMPLICATIONS AND LIMITATIONS

The findings of this study suggest that SMEs that adopt eco-labeling and eco-branding can enhance consumer trust and improve market differentiation. Around 70-80% of respondents agreed that eco-labeling enhances brand image and prevents product counterfeiting. Therefore, SMEs are advised to intensify the use of eco-branding strategies, ensuring label authenticity and differentiating their products to gain higher trust from consumers who are increasingly aware of sustainability.

Eco-branding has proven to increase consumer loyalty and provide a competitive advantage in the market. The study results show that green marketing, particularly when supported by eco-labeling and credible environmental advertising, can improve brand image and strengthen long-term relationships with consumers. Therefore, SMEs must ensure that their environmental claims are verifiable to avoid greenwashing practices that could damage brand credibility and consumer trust.

A lack of understanding regarding green marketing remains one of the primary barriers. It is therefore recommended that SMEs increase internal training to deepen staff understanding of green marketing strategies. This education will help overcome existing knowledge barriers and support more effective green marketing implementation at the operational level.

The government can provide fiscal incentives and subsidies to support SMEs that implement green marketing strategies. This will encourage more SMEs to transition to eco-friendly practices, which, in turn, can strengthen the SME sector overall and support sustainability development in the market.

Governments or regulatory bodies need to develop policies to ensure that environmental claims made by SMEs are verified and credible. This oversight is crucial to reduce the potential for greenwashing, which can undermine consumer trust in green marketing and confuse consumers with false environmental claims.

Limitations of the Study

This study utilizes a small sample consisting of 10 respondents, which may not be fully representative of the broader SME population in Bangladesh. While the findings provide valuable insights, further research with a larger sample is necessary to strengthen the findings and improve the generalizability of the results.

The study focused on specific sectors, such as textiles, apparel, logistics, finance, and human resources. While these sectors provide important insights, broader research encompassing additional sectors would offer a more comprehensive understanding of green marketing implementation within the context of SMEs in Bangladesh. Expanding the study to include other relevant sectors would provide deeper insights into the challenges and opportunities that exist across these industries.

The qualitative method used in this research enables a deep understanding of respondents' perceptions and views, but this approach is not sufficient for quantitatively measuring the impact of green marketing. Therefore, further studies using a mixed-methods approach (both qualitative and quantitative) would provide more measurable and reliable results in assessing the impact of green marketing on consumer behavior.

The findings of this study are influenced by the socio-economic context during the time of the research, which may differ from the broader context or future market trends. Further research with long-term monitoring would provide more up-to-date insights and allow for tracking changes in consumer behavior and market trends over time.

CONCLUSION

This study demonstrates that eco-labeling, eco-branding, and environmental advertising have a significant impact on consumer buying behavior in SMEs in Bangladesh. Eco-labeling enhances consumer trust, prevents product counterfeiting, and strengthens brand image. 70-80% of respondents agreed that eco-friendly labels increase awareness of sustainability, although there is skepticism regarding the credibility of these labels. Eco-branding strengthens customer loyalty by building emotional connections and enhancing brand image as a socially and environmentally responsible entity. Eco-branding also provides a competitive advantage in sustainability-conscious markets.

Environmental advertising plays a critical role in raising consumer awareness of eco-friendly products. Educational advertisements reinforce positive perceptions and encourage the purchase of green products, although concerns about greenwashing persist. Therefore, credibility and transparency in advertising are crucial for its effectiveness. The education and professional experience of the respondents influenced their perceptions of green marketing. Respondents with managerial backgrounds focused on cost and efficiency, while those with marketing backgrounds were more focused on brand image. This diversity highlights the importance of a holistic green marketing strategy that considers both operational efficiency and emotional connections with consumers.

This study also identifies key barriers to the adoption of green marketing, such as financial constraints, resource limitations, and lack of knowledge. It is therefore recommended that SMEs enhance internal training and seek support from the government and relevant agencies. The findings provide important insights for SMEs in Bangladesh and other developing countries to adopt green marketing strategies more effectively. Future research with a larger sample and mixed methods could further expand these findings.

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