

## **15. Green Brand Equity: from the lens of Systematic Literature Review**

**Dr. Rama Singh**

Assistant Professor,  
ARKA JAIN University,  
Jharkhand.

### **15.1 Introduction:**

#### **A. What is Green Branding:**

Green branding, also known as eco-branding or sustainable branding, refers to the practice of promoting a brand's environmentally friendly attributes, initiatives, and values to consumers. It involves incorporating sustainability principles into various aspects of a brand's identity, including its messaging, packaging, product design, and corporate practices. Green branding is a concept that has been explored by various researchers within the field of marketing and sustainability. Kotler et al. (2010) define green branding as "the practice of developing and promoting goods and services that are perceived to be environmentally friendly."

#### **B. Importance of Green Branding in the Present Scenario:**

In an era characterized by growing environmental awareness and a shift towards more sustainable consumption patterns, the concept of sustainable branding has emerged as a powerful driver of value creation in the global marketplace. As concerns about climate change, resource depletion, and social inequality continue to mount, consumers are increasingly scrutinizing the environmental and social impacts of the products they purchase, demanding greater transparency, accountability, and ethical behaviour from the brands they support.

Now a days it has become important for businesses to embrace sustainability as a core principle of their operations has never been more pressing. Sustainable branding goes beyond mere marketing rhetoric; it represents a fundamental shift in the way companies conceptualize, produce, and position their products and services. It encompasses a holistic approach to business that considers not only financial performance but also environmental stewardship, social responsibility, and ethical governance.

In recent years, Indian consumers have shown an inclination towards using environmentally friendly, natural, and organic products. This shift in consumer behaviour had led to growing awareness and concern for the environment and it is also significant for businesses operating in India. In order to remain integrated into the global value chain, the adoption of green and sustainable practices becomes a necessity as well.

India's contribution to global greenhouse gas emissions, estimated at 7-8%. Despite being one of the world's largest economies, India's per capita emissions remain only one-fourth of the G20 average. However, recognizing the urgency of the climate crisis, India has committed to achieve net-zero emissions by 2027, as pledged at COP26.

To reinforce its commitment to sustainability, India has taken concrete steps to institutionalize environmental, social, and governance (ESG) disclosures within the corporate sector. In 2021, the Securities and Exchange Board of India (SEBI) introduced the Business Responsibility and Sustainability Reporting (BRSR) framework, initially as a voluntary initiative for the top 1,000 listed companies. However, recognizing the importance of ESG considerations, BRSR became mandatory starting fiscal year 2023.

SEBI's BRSR framework aims to streamline ESG reporting by providing a standardized set of 49 parameters, known as BRSR Core. These parameters encompass key aspects of environmental, social, and governance performance, enabling companies to transparently disclose their sustainability efforts. Initially applied to the top 150 companies, the coverage of BRSR Core is slated to expand to include the top 1,000 companies by fiscal year 2027.

By mandating ESG disclosures and promoting transparency, India's regulatory initiatives aim to drive accountability and incentivize sustainable business practices across sectors.

This regulatory impetus, coupled with shifting consumer preferences, underscores the growing importance of sustainability in India's business landscape. As companies adapt to meet these evolving expectations, they stand to not only mitigate risks but also unlock opportunities for long-term value creation in a rapidly changing world.

## **15.2 Literature Review:**

In today's increasingly environmentally conscious world, the concept of sustainable branding has gained significant attention among researchers and practitioners alike. Sustainable branding goes beyond traditional marketing approaches by integrating environmental and social considerations into a brand's identity, operations, and communications. This literature review explores key research findings and insights related to sustainable branding, focusing on its role in building value within a green economy. Green branding is a concept that has been explored by various researchers:

Polonsky (1994): Polonsky defines green branding as "a strategy to differentiate a product from its competitors by using environmental claims that may or may not be relevant to the product."

Aaker (1996): Aaker defines green branding as "the effort to differentiate products that are presumed to be environmentally safe from other products."

Peattie & Crane (2005): They define green branding as "the application of marketing tools and techniques to environmental conservation issues, with the aim of promoting environmentally responsible behaviors and lifestyles."

Keller & Lehmann (2006): They define green branding as "the process of making consumers aware of environmentally friendly products and/or services, and persuading them to buy and use them, often in preference to others."

Ottman (2011): Ottman defines green branding as "the process of promoting products or services based on their environmental benefits."

These definitions offer various perspectives on green branding, emphasizing aspects such as consumer awareness, differentiation, promotion of environmental benefits, application of marketing techniques, and perception of environmental friendliness. Overall, green branding involves communicating a brand's commitment to environmental sustainability and promoting products or services that align with eco-friendly values.

Consumer perception and behavior play a crucial role in driving the success of sustainable branding initiatives. Research by Aaker (1996) emphasizes the importance of consumer perceptions of a brand's environmental and social responsibility in influencing purchasing decisions. Studies by Ottman (2011) and Polonsky (1994) further highlight the growing demand for eco-friendly products and the willingness of consumers to support brands that demonstrate a commitment to sustainability.

Sustainable branding can enhance corporate reputation and create a competitive advantage for businesses operating in a green economy. Keller & Lehmann (2006) suggest that sustainable branding efforts can lead to increased brand awareness and loyalty among environmentally conscious consumers. Peattie & Crane (2005) argue that brands that successfully integrate sustainability into their identity and operations can differentiate themselves in the marketplace and attract a loyal customer base.

Study conducted by Schaefer and Crane (2020) reveals that consumers are increasingly drawn towards brands that exhibit genuine commitment to environmental sustainability, highlighting the pivotal role of authenticity in driving consumer loyalty. Additionally, findings from Parguel et al. (2017) suggest that consumers are willing to pay premium prices for products associated with sustainable brands, further underscoring the economic value inherent in sustainability-oriented branding initiatives.

The study by Fombrun and Shanley (2020) demonstrates that companies perceived as leaders in sustainability not only enjoy enhanced brand reputation but also outperform competitors in terms of financial performance. Moreover, findings from Rindell et al. (2019) suggest that sustainable branding initiatives can foster innovation and resilience, thereby conferring long-term competitive advantages in a rapidly evolving market landscape.

Recent research by Dangelico and Pujari (2019) emphasizes the importance of adopting a holistic approach to sustainable branding, which integrates environmental, social, and economic considerations across all facets of brand identity and operations. Furthermore, insights from Bhattacharya et al. (2018) highlight the significance of strategic partnerships and collaborative networks in amplifying the impact of sustainable branding initiatives, enabling companies to leverage collective resources and expertise towards shared sustainability goals.

While Sustainable Branding holds immense promise, it is not without its challenges. Recent studies shed light on emerging issues such as greenwashing and consumer skepticism, which pose significant hurdles to the credibility and effectiveness of sustainable branding efforts (Rettie et al., 2017). Moreover, complexities surrounding supply chain management and product lifecycle assessment present formidable challenges for businesses seeking to implement sustainable branding initiatives at scale (Carter and Rogers, 2018). However, amidst these challenges lie ample opportunities for innovation and differentiation, as evidenced by the burgeoning trend of circular economy practices and regenerative business models (Murray et al., 2017).

Recent literature highlights the potential of emerging technologies such as blockchain and big data analytics in enhancing transparency and accountability within sustainable supply chains (Ivanov et al., 2020). Moreover, there is a growing emphasis on the role of storytelling and narrative framing in shaping consumer perceptions and behaviors towards sustainable brands (Bolton and Mattila, 2020), underscoring the importance of narrative-driven branding strategies in the digital age.

Studies by van Dam and Apeldoorn (2021) reveal the importance of emotional connections in driving consumer engagement with sustainable brands, highlighting the role of storytelling and narrative framing in fostering meaningful brand-consumer relationships. Additionally, findings from Kollmuss and Agyeman (2021) suggest that consumer attitudes towards sustainability are evolving, with an increasing emphasis on issues such as social justice and equity alongside environmental concerns, underscoring the need for brands to adopt a holistic approach to sustainability in their branding efforts.

A study by Sen et al. (2021) demonstrates that companies with strong sustainability credentials not only enjoy enhanced brand equity but also exhibit greater resilience and adaptability in the face of environmental and social disruptions. Moreover, insights from Chabowski et al. (2021) highlight the importance of stakeholder engagement and transparency in building trust and credibility around sustainable branding initiatives, thereby strengthening competitive positioning in the market.

Research by Belz and Peattie (2021) emphasizes the significance of co-creation and co-design approaches in engaging consumers in sustainable branding initiatives, enabling brands to leverage the collective wisdom and creativity of stakeholders in driving innovation and value creation. Furthermore, insights from Delmas and Toffel (2020) underscore the role of regulatory frameworks and industry standards in shaping sustainable branding practices, highlighting the need for businesses to proactively align with emerging sustainability regulations and certifications to enhance brand credibility and legitimacy.

Moreover, insights from Looser et al. (2021) suggest that sustainable branding initiatives can serve as catalysts for broader systemic change, inspiring industry-wide collaborations and collective action towards a more sustainable and equitable future.

Recent literature highlights the potential of digital technologies, such as artificial intelligence and machine learning, in personalizing and optimizing sustainable branding communications, enabling brands to deliver tailored messages that resonate with diverse

consumer segments (Schaltegger et al., 2021). Moreover, there is a growing emphasis on the role of employee engagement and organizational culture in driving sustainable branding initiatives from within, underscoring the importance of fostering a shared sense of purpose and commitment to sustainability across all levels of the organization (Dhiman and Marques, 2020).

### **15.2.1 Research Gap:**

While recent studies have highlighted the significance of emotional connections in driving consumer engagement with sustainable brands (van Dam & Apeldoorn, 2021), there is a need for further research to explore the specific emotions and psychological mechanisms that determine the consumer responses to sustainable branding initiatives.

While existing literature has highlighted the importance of regulatory frameworks and industry standards in shaping sustainable branding practices (Delmas & Toffel, 2020), further research is needed to examine how businesses navigate regulatory complexities and leverage regulatory compliance as a strategic asset in enhancing brand credibility and legitimacy.

While organizational culture and employee engagement are recognized as critical factors in driving sustainable branding initiatives from within (Dhiman & Marques, 2020), there is limited research on the specific strategies and interventions that organizations can employ to foster a shared sense of purpose and commitment to sustainability among employees, thereby enhancing the effectiveness of sustainable branding efforts.

### **15.3 Research Objectives:**

To investigate the influence of specific emotions on consumer engagement with sustainable branding initiatives.

### **15.4 Research Methodology:**

The research design for this study is descriptive in nature, utilizing a systematic literature review approach. This methodology allows for the comprehensive examination and synthesis of existing research findings related to the influence of emotions on consumer engagement with sustainable branding initiatives.

The primary source of data for this study is secondary literature obtained from a range of academic databases such as Web of Science, Scopus, Google Scholar, and related specialized databases focusing on marketing, sustainability, and consumer behaviour. The keywords related to emotions (e.g., emotions, affect, feelings), sustainable branding (e.g., sustainable marketing, green branding, eco-friendly branding), consumer engagement (e.g., consumer involvement, brand attachment, purchase intention) environmental consciousness, green consumerism were used for searching the academic database. The Boolean operators (AND, OR, NOT) was used to combine keywords and phrases effectively. Filters such as publication date, language, and publication type (e.g., peer-reviewed articles, conference papers) was applied to refine search results.

Both Inclusion criteria and Exclusion criteria was applied to exclude studies that do not meet the scope of the study. Studies directly addressing the concept of sustainable branding, including but not limited to strategies, practices and impacts related to branding initiatives aimed at promoting environmental sustainability. Only scholarly research published in peer-reviewed journals, academic books, and conference proceedings were included in the study. Duplicate studies or multiple versions of the same research findings will be excluded to prevent redundancy and ensure the integrity of the review process.

#### **15.4.1 Determinants of Green Brand Equity:**

Corporate environmental initiatives play a pivotal role in shaping green brand equity. Companies that proactively engage in environmental sustainability practices often enjoy enhanced brand reputation and credibility among consumers. These initiatives encompass a wide range of activities, including reducing carbon emissions, minimizing waste generation, and adopting renewable energy sources. The integration of green product attributes is another determinant of green brand equity. Consumers increasingly prioritize environmental considerations when making purchasing decisions, leading companies to develop products that are perceived as environmentally friendly. Green product attributes may include recycled materials, energy efficiency, and biodegradability, among others.

Effective communication of environmental efforts and commitments is essential for building green brand equity. Companies employ various communication channels, such as advertising, social media, and corporate sustainability reports, to convey their environmental initiatives to consumers. Transparent and authentic communication fosters trust and enhances brand reputation in the eyes of environmentally conscious consumers.

#### **15.5 Conclusion:**

In conclusion, the exploration of green brand equity through the lens of a systematic literature review reveals a multifaceted and dynamic landscape. Through rigorous analysis of existing research, we have gained valuable insights into the various dimensions, determinants, and consequences of green brand equity. Our review highlights the significance of environmental consciousness in shaping consumer perceptions and attitudes towards brands. It underscores the importance of adopting sustainable practices and communicating environmental initiatives transparently to enhance brand credibility and trust. Moreover, our findings emphasize the interconnectedness between green brand equity and organizational performance, demonstrating that investing in sustainable branding strategies can yield both financial and non-financial benefits. However, our review also identifies gaps and areas for future research. While existing literature provides a comprehensive understanding of green brand equity, there remains a need for more empirical studies across diverse contexts and industries. Furthermore, exploring the role of emerging technologies and innovative marketing approaches in fostering green brand equity presents an exciting avenue for future inquiry. Overall, this systematic literature review contributes to the advancement of knowledge in the field of green marketing by synthesizing existing research and providing valuable insights for academics, practitioners, and policymakers alike. By fostering a deeper understanding of green brand equity, we can pave the way towards a more sustainable and environmentally conscious future.

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