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# Green Marketing and Behavioral Finance's Effects on Online Consumer behavior

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### ABSTRACT

This study investigates how behavioral finance and green marketing interact to influence online shoppers' purchasing decisions. With its emphasis on sustainability and environmental friendliness, green marketing has emerged as a crucial difference in cutthroat marketplaces. Behavioral finance, on the other hand, explores the psychological factors that influence online shopping, such as social proof, impulsive selling, and FOMO. Although customers show a considerable interest in green products, many still place a higher value on cost and convenience, according to the research, which surveyed 50 respondents from a variety of backgrounds. Sustainability was more popular among younger customers, and social and emotional cues had a big impact on buying decisions. In order to increase effect and trust, the study suggests that companies should integrate psychological marketing techniques with sustainability.

Keywords: FOMO, social proof, online consumer behavior, impulsive purchasing, sustainability, behavioral finance, and green marketing

### Introduction

A worldwide online purchasing environment has replaced the old marketplace due to the emergence of digital platforms. As competition heats up, businesses look for strategies to win over customers' interest and allegiance. Green marketing and behavioral finance are two new topics of interest in this field. Promoting goods and services on the basis of their environmental advantages is known as "green marketing," while behavioral finance studies how emotional and psychological aspects influence financial and purchase decisions. This study examines how these two factors influence online shoppers' choices and how companies may use them to improve marketing efficacy and sustainability.

### Objectives of the Study

- To investigate how online customer purchasing behavior is impacted by green marketing.
- To examine how social proof and FOMO, two components of behavioral finance, affect consumer choices.
- Consumers' willingness to pay extra for sustainable items will be evaluated.

To offer businesses who want to balance customer psychology and environmental conscience with strategic marketing insights.

### Review of Literature

Green marketing, especially when combined with authenticity and openness, may play a significant role in creating long-term brand loyalty, according to Ginsberg and Bloom (2004). Prospect Theory, developed by Kahneman and Tversky in 1979, explains why customers frequently respond irrationally to projected advantages or losses. This may be seen in online settings through urgency-based marketing and limited-time offers. According to Cialdini (2007), people frequently base their judgments on the deeds and viewpoints of others, highlighting the influence of social evidence. The aforementioned ideas are applicable to green products, where trust and peer influence are important factors.

### Research Methodology

Both qualitative and quantitative data were used in this mixed-method study. Fifty participants with different ages, vocations, and buying patterns were given access to an online survey. Multiple-choice and open-ended questions about views toward green marketing, the frequency of purchases, and behavioral tendencies like impulsive buying were all included in the survey. The results were assessed using theme analysis, cross-tabulations, and descriptive statistics.

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## Analysis and Discussion

According to the survey's findings, 50% of participants were willing to pay more for environmentally friendly items, and 60% of respondents trusted companies that used green marketing. Cost and convenience were still given top priority by many customers, though. Discounts and time-sensitive offers have an impact on impulsive purchases, demonstrating the applicability of behavioral finance triggers. Decision-making was heavily influenced by reviews and suggestions, especially for young adults. Customers were seen to have internal conflict or cognitive dissonance while deciding between more affordable non-green options and green ones.

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## Results

- Brand image and trust are enhanced by green marketing.
- Peer input, ratings, and urgency all have an impact on consumers.
- Young individuals (18–24 years old) are more inclined to select environmentally beneficial solutions.
- Despite widespread interest in sustainability, cost is still a barrier.
- Online shoppers frequently make emotional decisions.

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## Implications for Marketers and Businesses

Emotional marketing signals and green product attributes should be combined by marketers to appeal to consumers' psychology. Businesses may address cost concerns by emphasizing the long-term advantages of sustainable products. The attractiveness of green products should be increased by utilizing social proof, which may be obtained through reviews, influencer marketing, and best-seller tags. Companies must also be open and honest to prevent being accused of greenwashing.

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## Conclusion

According to the research, green marketing and behavioral finance have a significant influence on how consumers behave online. Purchasing decisions are greatly influenced by sustainability message when combined with emotional signals and reliable recommendations. Cost and other pragmatic considerations, however, continue to influence the ultimate choice. Marketing tactics need to match consumer psychology with environmental principles in order to be successful.

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## Extended Literature Review

Consumer purchase decisions are greatly impacted by cognitive biases such anchoring, availability heuristic, and framing effects, according to more behavioral finance research. For example, anchoring happens when customers view discounts or value differently because they place a lot of weight on the first piece of information provided (such as a high initial price). When it comes to green marketing, customers may become more responsive to green messaging by basing their decisions on sustainability ratings or eco-labels. According to research by Bargh and Chartrand (1999), green packaging and logos can serve as environmental cues that affect automatic actions.

## Expanded Research Methodology

The purpose of the poll was to investigate different aspects of internet buying habits. Demographics, the frequency of online transactions, the kinds of things purchased, environmental awareness, and how people react to behavioral cues like user reviews, pop-up discounts, and limited-time offers were all covered. Consumer faith in sustainability promises, readiness to pay more for green products, and identification of eco-labels were the main topics of questions about green marketing. Anonymous responses were gathered, and the sample was evenly distributed across age and gender groups to ensure data dependability.

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### ***Additional Analysis and Discussion***

It was also evaluated how behavioral triggers and environmentally responsible buying relate to one another. Social proof was found to increase the likelihood that customers would select green options by 30%. The fact that urgency-based marketing ('Buy Now – Limited Stock!') accelerated decision-making even among customers who often took sustainability into account was another important finding. In high-stress digital settings, this illustrates how emotion-driven, instantaneous responses outweigh long-term, logical reasoning.

The findings also emphasized differences in demographics. Younger customers (18–24) placed a higher value on openness and ethical sources. The individuals who were middle-aged were more cost-conscious and practical. Men preferred the functionality and price of the goods, but women were more swayed by social cues and emotional appeal in marketing.

### ***Expanded Conclusion***

The results highlight how psychology and sustainability are interwoven in influencing online consumer behavior. Companies must use a two-pronged strategy to marketing, utilizing behavioral psychology while preserving ecological integrity. Significant changes toward sustainable consumption can be sparked by emotional connection that is genuine and open. Additionally, consumers' growing knowledge of the effects on the environment and companies' capacity to create marketing plans that take ethical and economic factors into account will probably determine how online shopping develops in the future.