



Green Marketing Strategies and Their Impact on Brand Trust and Customer Loyalty in the Banking Sector

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Abstract

There is a greater expectation of banks to show environmental responsibility in the design, communication and delivery of their services as well as in their lending. Green marketing has thus become a key instrument for the positioning of banks as responsible entities and therefore for establishing lasting relationships of banking business with the customers. This study was based on commitment-trust theory and signaling theory, and investigated the degree of green marketing practice implemented by banks in creating their brand image, as well as the influence of green marketing on brand trust and brand loyalty. Using a structured questionnaire, the data were collected from the bank customer and 400 usable questionnaires were analyzed using descriptive statistics in SPSS and partial least squares structural equations modeling (PLS-SEM) in SmartPLS 4, where green marketing is specified as a higher order conceptual construct consisting of four dimensions. The measurement model had good reliability, convergent and discriminant validity. The findings suggest that banks do moderately well with regards to green marketing practices (overall mean = 3.80), with the green dimension being the most visible, and green finance or CSR being the least. Green marketing significantly and positively influenced both brand trust ($\beta = 0.680$, $p < 0.001$) and brand loyalty ($\beta = 0.620$, $p < 0.001$) accounting for 46.2% and 38.4% of their variance, respectively. Both hypotheses were confirmed. The results are applicable to bankers who are interested in making environmental commitments translate into trust and loyalty.

Keywords: Green marketing, Brand trust, Brand loyalty, Banking sector, Customer loyalty, PLS-SEM, Sustainability

Introduction

With the impacts of climate change, dwindling resource and a heightened awareness of environmental issues, the expectations of customers have shifted. Banks are not big polluters like manufacturing companies, but they have an indirect impact on the environment by the projects they finance, and a direct impact by their paper consumption, branch energy consumption and the energy consumed by the physical infrastructure of their networks. For this



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reason the banking industry is now expected to be a role model for sustainable business practice (Polonsky, 1994; Peattie & Crane, 2005).

According to Polonsky (1994), green marketing can be generally defined as a group of activities aimed at developing and marketing products that have a minimum negative impact on the environment and are delivered to satisfy human needs and wants. In banking, the idea goes beyond selling environmentally friendly products.

It features green products and services (like solar loans and loans for electric vehicles), green deposits and green bonds, green promotion and communication, green processes and operations (including paperless opening of accounts, mobile banking and energy-efficient branches), and green finance and corporate social responsibility (CSR) initiatives. The Reserve Bank of India has also aligned with this trajectory by introducing a framework for green deposits in India (Reserve Bank of India, 2023) and many banks have been advertising their sustainability measures to consumers.

The integrity of the banking relationship is based on trust for a bank. Financial services are intangible, the quality of the services cannot be judged beforehand or even after consumption and the customer is heavily dependent on the credibility of the financial institution (Morgan & Hunt, 1994). Trust is generally considered to be an important antecedent of loyalty, and has direct implications for retention and profitability (Chaudhuri & Holbrook, 2001; Reichheld & Sasser, 1990). If the green marketing practices are seen as 'real' they can give signals of integrity and benevolence, and thus build trust and loyalty. If they are seen as cosmetic they can do the opposite (Peattie & Crane, 2005).

The concept of green marketing is previously studied with respect to manufactured products, however, empirical research on green marketing in banking industry is still limited and its applicability in Indian context is a challenge.

Beyond that, it is not clear to the customer extent of banks actually practicing green marketing and whether it has led to brand trust and brand loyalty. This paper tries to address that question. It was meant to serve two purposes. It was trying to find out to what extent banks are practicing green marketing in creating their brand image on one hand and on the other hand to know the obstacles that these banks are facing in this process. On the other hand, it aimed to know the relationship between green marketing and the development of brand trust and brand loyalty.

The paper is organized as follows: The literature review of three constructs, theoretical foundation of the study and the hypothesis and proposed model are discussed in the next section. We then explain the methodology used for the research, which consists of sampling, instrumentation and data collection, and then present the results of the PLS-SEM analysis. The findings are then compared to those of previous researchers and the implications for theory and practice follow, as does the conclusion, and then the limitations found and directions for future research.



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Literature review

Green marketing (GM)

According to Kotler and Keller (2016) and Polonsky (1994), Green marketing can be defined as marketing products and services based on their environmental attributes, along with the environmentally responsible manner in which the firm designs, promotes and sells them. The green marketing in banking is operationalized in four dimensions: green products/services, green promotion/communication, green processes/operations, and green finance/CSR. Previous research indicates that customers are more willing to pay for products when the companies are implementing environmentally responsible actions (Laroche et al., 2001), and that environmental attitudes and perceived value of products explain green purchase intentions in developing countries including India as found by extending the TPB (Ajzen, 1991; Yadav & Pathak, 2016). The literature also cautions that only credible green marketing can create value. Exaggerated or unverifiable green statements can give customers the impression that a company is greenwashing, which leads to a loss of customer trust in the company (Delmas & Burbano, 2011; Chen & Chang, 2013). It is especially important for banks, as their environmental footprint is not apparent to the customer, including the projects that they fund. The first concern of this study is the extent of the actual implementation of green marketing practices and the visibility of those practices to customers in bank. The first concern is this study is about the extent of banks' implementation of green marketing practices and the visibility of banks' green marketing practices to customers.

Brand trust (BT)

Brand trust is the consumer's confidence in the brand that it is reliable and that it is working on their behalf (Delgado-Ballester et al., 2003; Chaudhuri & Holbrook, 2001). In the broader trust literature, trust is based on the perceived credibility and benevolence of the partner (Doney & Cannon, 1997) and on perceived ability, benevolence and integrity of the partner (Mayer et al., 1995). In banking, especially, trust is crucial since the customer deposits money, personal information and financial future to the bank. For the environmental context, Chen (2010) demonstrated that green trust (willingness to rely on a brand based on the extent to which it is believed to be environmentally credible) was one of the primary influences on green brand equity. Likewise, Chen and Chang (2012) discovered that green trust is an important factor driving green purchase intention.

Brand loyalty (BL)

Brand loyalty is an individual's preference to rebuy or re-patronise a preferred brand, despite situational influences and competing offers, due to the individuals' high level of commitment (Oliver, 1999). Purchase loyalty is different from attitudinal loyalty (Chaudhuri and Holbrook 2001), and trust in a brand contributes to its loyalty (Lau and Lee 1999). In service relationships, trust and commitment have been proven to influence customers' future intentions (Garbarino &



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Johnson, 1999; Sirdeshmukh et al., 2002). Loyal customers are important to banks because they purchase a greater number of bank products, remain with the bank longer, and recommend the bank to friends and family (Reichheld & Sasser, 1990; and Aaker, 1996).

Theoretical foundation of the study

The proposed model is developed on the basis of two theories that complement each other - commitment-trust theory and signaling theory.

Commitment-trust theory. Commitment and trust are considered the two core mediating factors in successful relationship marketing long-term exchange relationships (Morgan & Hunt, 1994), and values and communication between the partners are important factors that influence the development of trust (Tromarken & Wasil, 1996). According to the theory, when consumers realize that banks are taking action with regard to the environment and are communicating about it openly, the theory predicts that their confidence in the bank will grow, which will ultimately strengthen their commitment to the bank – in other words, their loyalty (Lau & Lee, 1999; Chaudhuri & Holbrook, 2001).

Signaling theory. Signaling theory is the theory that explains how a party with more information than the other party can decrease the information gap by communicating what is otherwise unknown by the other party through observable signals that convey information about the unknown aspects of the party (Spence, 1973). Effective signals occur when the receiver can see them and thinks that what they see is believable (Connelly et al., 2011). Banking services are intangible and hard to evaluate prior to or after the service is consumed, and customers use signals to assess the trustworthiness of the bank. Green products, green communication, responsible operations and sustainable financing can all provide such indications of the integrity and long-term orientation of the bank. This effect can be weakened by signals that are not credible, which are not verifiable claims (Delmas & Burbano, 2011). The theory also implies that green marketing dimensions that can be perceived directly by the customers such as paperless services will convey stronger signals as compared to those which rely on disclosure such as green finance.

The two theories together account for the rationale behind the model proposed. Signaling theory describes how customers process what they observe as green marketing behavior and commitment-trust theory describes why the perceptions of shared values and integrity lead to trust and loyalty. The customer identification with the values of a company also has been proven to be related to loyalty and advocacy (Bhattacharya & Sen, 2003) that lends another dimension of a direct connection between green marketing and loyalty besides the trust connection.

Hypotheses development

Green marketing and brand trust

If a bank is regularly providing green products, is being open and transparent about its green efforts, and carries out operations responsibly and finances sustainable projects, customers will have more proof of their integrity and benevolence. Signaling-based view, these activities



convey information that decreases uncertainty about the bank, and commitment–trust-based view, they convey shared values (Morgan & Hunt, 1994; Connelly et al., 2011). This theory is supported by empirical studies, which demonstrate that green brand image and perceived green value increase green trust (Chen, 2010; Chen and Chang, 2012) and greenwashing decreases green trust (Chen and Chang, 2013), suggesting that the credibility of environmental activities is what contributes to trust. In the light of these arguments the following hypothesis is formulated: the first hypothesis.

H1: Green marketing has a significant positive effect on brand trust.

Green marketing and brand loyalty

Moreover, green marketing can directly affect loyalty as customers who are attached to the values of green banking will remain loyal and refer others to the bank (Bhattacharya & Sen, 2003), as is the case already for responsible consumption (Laroche et al., 2001; Yadav & Pathak, 2016). It can also have an indirect effect on loyalty as its underlying basis — trust — is known to influence loyalty (Lau & Lee, 1999; Chaudhuri & Holbrook, 2001; Morgan & Hunt, 1994). Based on this, the following second hypothesis is formulated.

H2: Green marketing has a positive significant impact on brand loyalty.

Proposed model

The two hypotheses are summarised in the proposed model, as given in Fig. 1. Green marketing is defined as a second order (higher-order) construct and is manifested in the four dimensions of green products and services, green promotion and communication, green processes and operations, and green finance and CSR. Brand trust and brand loyalty are the dependent variables, while it is the independent variable.

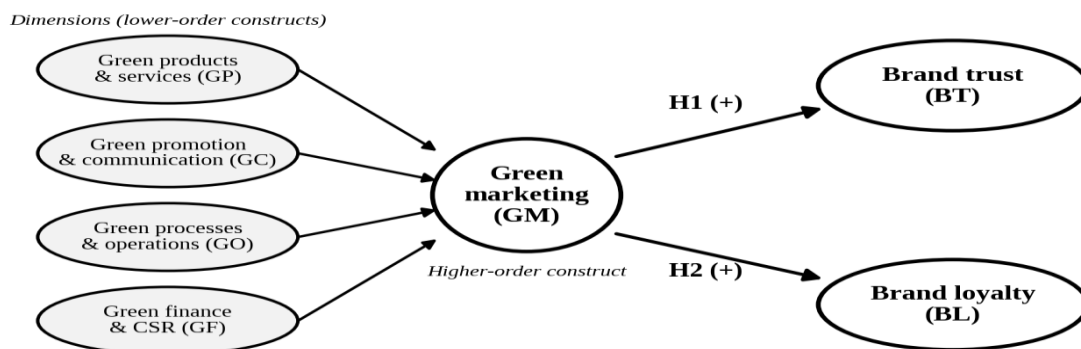


Fig. 1 Proposed model

Research methodology

Research design

The study used descriptive and causal approach on primary data collection technique of cross sectional survey. The descriptive part of the research was conducted to test the first objective



(extent of green marketing practices), and testing for the second objective (effect of green marketing on brand trust and brand loyalty) was conducted using PLS-SEM.

Population and sampling

The target group of this study is the customers of public sector bank/private sector bank, who are aware about the bank online services, paperless banking, and green finance products and have been using bank for minimum 1 year in the state of Haryana. Sampling was done by non-probability and convenience sampling and judgmental technique of sampling was applied. The questionnaires were sent to 450 people and 412 questionnaires were returned. To ensure reliability of the analysis, a preliminary screening was carried out to eliminate unengaged responses and those that were missing data or had outliers, leaving 400 responses for analysis, well above the minimum sample size for regression and PLS-SEM analysis with one predictor construct (Hair et al., 2010; Hair et al., 2022).

Instrumentation and construct description

The data were collected by use of a structured questionnaire. It consisted of two parts. The first section related to the demographic information of the respondents. The second section contained 22 statements, 12 statements each from the three constructs of the study: green marketing with 12 statements (corresponding to the four dimensions), brand trust with 5 statements and brand loyalty with 5 statements. The items were coded GP1–GP3, GC1–GC3, GO1–GO3, GF1–GF3, BT1–BT5 and BL1–BL5. The items were rated on a 5-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The sources of the items are described in Table 1.

Table 1 Proposed model constructs

Variable	Items	Source
Green Marketing (GM)	12	Adapted from Polonsky (1994); Chen (2010); Kotler & Keller (2016)
Green products & services (GP)	3	Adapted from Chen (2010)
Green promotion & communication (GC)	3	Adapted from Polonsky (1994)
Green processes & operations (GO)	3	Adapted from Kotler & Keller (2016)
Green finance & CSR (GF)	3	Adapted from Chen & Chang (2012)
Brand Trust (BT)	5	Delgado-Ballester et al. (2003); Chaudhuri & Holbrook (2001)
Brand Loyalty (BL)	5	Chaudhuri & Holbrook (2001); Oliver (1999)



Data collection

Data collection was done by using a printed questionnaire and also an online survey (Google Forms) which was supplemented by the printed questionnaire if the people opted for the offline mode. The survey was sent to bank users in the participating districts of the State from [month] to [month] 2026. The respondents were informed of the anonymity and confidentiality of the information, and that its use would be limited to research purposes, with participation being voluntary.

Data analysis

The data were analysed in two stages. To address the first objective, SPSS was used for the demographic profile and descriptive statistics (mean and standard deviation). Secondly, the hypotheses were validated with partial least squares structural equation modelling (PLS-SEM) in the SmartPLS 4 (Ringle et al., 2022). PLS-SEM was chosen since the study is a prediction study, there is a higher order construct in the model, and the data are not normally distributed (Hair et al., 2019; Hair et al., 2022).

Green marketing was defined as a reflective–reflective higher-order construct consisting of four lower-order constructs and estimated using the disjoint two-stage approach (Sarstedt et al., 2019). The measurement model was evaluated first and the structural model, second, following Hair et al. (2019). The measurement model was examined using indicator loadings (≥ 0.70), Cronbach's alpha and composite reliability (≥ 0.70) for convergent validity, the Fornell–Larcker criterion (Fornell & Larcker, 1981) and the heterotrait–monotrait ratio of correlations (HTMT < 0.85) (Henseler et al., 2015) for discriminant validity. The structural model was evaluated using the variance inflation factor (VIF), the significance of the path coefficients using bootstrapping with 5,000 subsamples (bias-corrected and accelerated 95% confidence intervals), the coefficient of determination (R^2), the effect size (f^2 ; Cohen, 1988), and the standardised root mean square residual (SRMR) for model fit (Hair et al., 2022). Tests of hypotheses were conducted at the 5% level of significance.

Data analysis and results

Profile of respondents

Table 2 shows the demography details of respondents. The sample is representative of both males and females, various age groups and public and private sector banks.

Table 2 Demographic profile of respondents (n = 400)

Characteristic	Category	Frequency (%)
Gender	Male	228 (57.0)
	Female	172 (43.0)
Age group	Up to 25 years	104 (26.0)
	26–40 years	168 (42.0)
	Above 40 years	128 (32.0)
Education	Graduate or below	176 (44.0)



Characteristic	Category	Frequency (%)
Type of bank	Postgraduate	152 (38.0)
	Professional / doctorate	72 (18.0)
	Public sector	212 (53.0)
	Private sector	188 (47.0)

Source: Primary data (illustrative values).

Extent of green marketing practices adopted by banks

For the first goal, the mean and standard deviation for each dimension of green marketing was calculated (Table 3). This overall value (3.80 on a 5-point scale) shows banks moderately practice green marketing in the perception of customers. Paperless banking, digital and mobile services and e-statements are the most obvious ones as examples of green processes and operations ($M = 4.05$). The second dimension is green products and services ($M = 3.92$) and green promotion ($M = 3.78$), while the weakest is green finance and CSR ($M = 3.46$), indicating that banks still have to convey their sustainable lending and community initiatives. Brand trust ($M = 3.74$, $SD = 0.70$) and brand loyalty ($M = 3.69$, $SD = 0.73$) were also rated at a moderately high level.

Table 3 Extent of green marketing practices adopted by banks

Dimension of green marketing	Mean	Std. deviation	Rank
Green processes & operations (GO)	4.05	0.76	1
Green products & services (GP)	3.92	0.81	2
Green promotion & communication (GC)	3.78	0.85	3
Green finance & CSR (GF)	3.46	0.93	4
Overall green marketing (GM)	3.80	0.62	—

Source: Primary data (illustrative values). Scale: 1 = Strongly Disagree to 5 = Strongly Agree.

Measurement model assessment

The first-order measurement model consisted of six reflective constructs, which included the four dimensions of green marketing (GP, GC, GO and GF), brand trust (BT) and brand loyalty (BL). As presented in Table 4, all 22 indicator loadings were significant at $p < 0.001$ level for bootstrap and above the threshold of 0.70.

All constructs had evidence of internal consistency reliability using Cronbach's alpha (0.82 to 0.91) and composite reliability (0.82 to 0.91) above the criterion of .70. AVE values ranged from 0.61 to 0.68, all of which were greater than 0.50, thus supporting the convergent validity. There was no concern about collinearity among indicators as all outer VIF values had their values under 3.0 (the highest value = 2.91).



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Table 4 Measurement model: indicator loadings, reliability and convergent validity

Construct	Item	Loading	Cronbach's α	CR	AVE
Green products & services (GP)	GP1	0.84	0.85	0.85	0.66
	GP2	0.81			
	GP3	0.79			
Green promotion & communication (GC)	GC1	0.82	0.84	0.84	0.64
	GC2	0.80			
	GC3	0.77			
Green processes & operations (GO)	GO1	0.85	0.86	0.86	0.67
	GO2	0.83			
	GO3	0.78			
Green finance & CSR (GF)	GF1	0.80	0.82	0.82	0.61
	GF2	0.78			
	GF3	0.76			
Brand trust (BT)	BT1	0.84	0.90	0.90	0.65
	BT2	0.81			
	BT3	0.79			
	BT4	0.82			
	BT5	0.77			
Brand loyalty (BL)	BL1	0.86	0.91	0.91	0.68
	BL2	0.83			
	BL3	0.80			
	BL4	0.84			
	BL5	0.78			



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Source: Primary data analysed in SmartPLS 4 (illustrative values). CR = composite reliability (pc); AVE = average variance extracted. The 12-item green marketing scale has Cronbach's alpha of 0.91 and the 22-item questionnaire 0.94.

Then, green marketing was evaluated as an overarching concept (Table 5). The four dimensions loaded well and significantly on the higher-order construct green marketing (0.77 to 0.84), and the composite reliability and AVE were adequate for this higher-order construct. This reflects the multidimensional conceptualisation of green marketing in banking.

Table 5 Higher-order construct: green marketing (GM)

Lower-order construct	Loading on GM	t-value	p-value
Green products & services (GP)	0.84	43.8	< 0.001
Green promotion & communication (GC)	0.82	39.0	< 0.001
Green processes & operations (GO)	0.77	28.5	< 0.001
Green finance & CSR (GF)	0.79	32.9	< 0.001

Source: Primary data analysed in Smart PLS 4 (illustrative values). Higher-order construct GM: CR = 0.88, AVE = 0.65.

The discriminant validity of the instruments was carried out at two levels. Of the six constructs of the first-order, all of them (ranging between 0.48 and 0.71) were far below the 0.85 threshold. The square root of the AVE of each construct in the structural model (0.81, 0.81 and 0.82) is higher than the correlation of each construct with the other constructs (the maximum correlation is 0.71) which meets the Fornell–Larcker criterion, and the values of HTMT (0.59 to 0.71) are lower than 0.85. The measurement model was thus applied for the test of the structural relationships as reliable and valid.

Table 6 Discriminant validity (Fornell–Larcker criterion and HTMT) and descriptive statistics

Construct	Mean	SD	GM	BT	BL
Green marketing (GM)	3.80	0.62	0.81	0.65	0.59
Brand trust (BT)	3.74	0.70	0.68	0.81	0.71
Brand loyalty (BL)	3.69	0.73	0.62	0.71	0.82

Source: Primary data analysed in SmartPLS 4 (illustrative values). Diagonal values are the square roots of AVE; values below the diagonal are inter-construct correlations (Fornell–Larcker); values above the diagonal are HTMT ratios.

Structural model assessment and hypothesis testing

Measurement model was first confirmed and then the structural model was evaluated. The inner VIF value was 1.000 in each equation, indicating that collinearity was not a problem as green marketing was the only predictor. The SRMR was 0.046, which is less than the cut-off of 0.08,



suggesting a good model fit. The results of the bootstrapping with 5,000 subsamples are given in Table 7 and Fig. 2, and the explanatory and predictive ability of the model in Table 8.

Table 7 Structural model results and hypothesis testing

Hypothesis	Path	β	SE	t	p	95% CI	f ²	Decision
H1	GM → BT	0.68	0.037	18.3	< 0.001	[0.603, 0.748]	0.86	Supported
H2	GM → BL	0.62	0.041	15.1	< 0.001	[0.534, 0.696]	0.62	Supported

Source: Primary data analysed in SmartPLS 4 (illustrative values). β = standardised path coefficient; SE = bootstrap standard error; CI = bias-corrected and accelerated confidence interval; f² = effect size (0.02 small, 0.15 medium, 0.35 large; Cohen, 1988).

Table 8 Explanatory and predictive power of the model

Endogenous construct	R ²	Adjusted R ²	Q ²	Inner VIF
Brand trust (BT)	0.462	0.461	0.296	1.000
Brand loyalty (BL)	0.384	0.382	0.241	1.000

Source: Primary data analysed in SmartPLS 4 (illustrative values). Q² obtained through blindfolding.

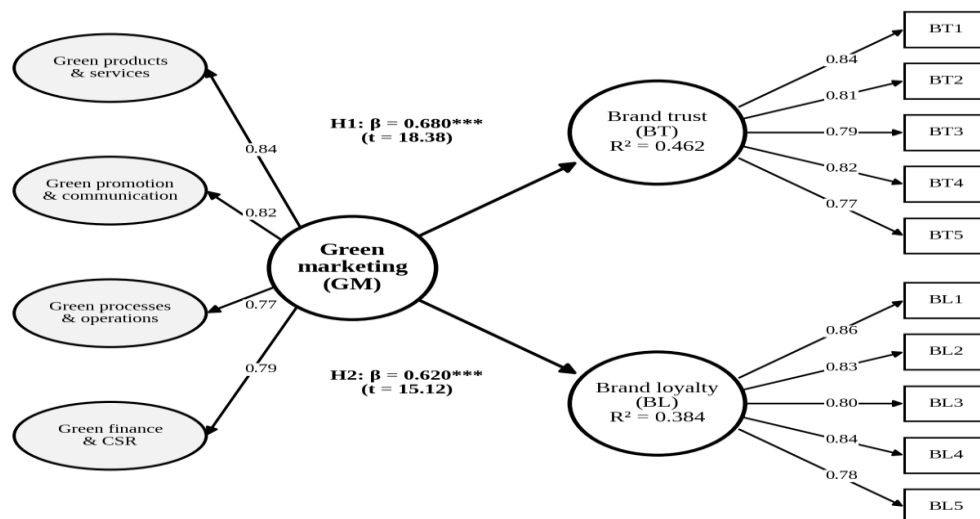


Fig. 2 Results of the PLS-SEM analysis (***) $p < 0.001$; loadings of the 12 first-order green marketing items are reported in Table 4)



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Hypothesis 1. Green marketing has a significant positive effect on brand trust ($\beta = 0.680$, $t = 18.38$, $p < 0.001$; 95% CI [0.603, 0.748]). The variance in brand trust is accounted for by green marketing and the effect-size ($f^2 = 0.86$) is large as per Cohen (1988). The predictive relevance is medium with Q^2 value of 0.296. Hence, H1 is accepted.

Hypothesis 2. Green marketing also has a significant positive effect on brand loyalty ($\beta = 0.620$, $t = 15.12$, $p < 0.001$; 95% CI [0.534, 0.696]), explaining 38.4% of its variance, with a large effect size ($f^2 = 0.62$) and a Q^2 of 0.241 that is above zero. Thus, it is concluded that H2 is a strong supporter. The impact on loyalty is a bit less than the impact on trust. The 0.25 / 0.50 / 0.75 guideline for R^2 values (Hair et al., 2019) is a good fit for the research consumers' behaviour with one predictor.

Discussion

To know the level of implementing green marketing practices by banks was the first objective of the study. The findings indicate that the level of banks' green marketing practice is at moderate level, however, not even. What customers can see, such as paperless and digital banking, are the most visible practices while the less visible ones are disclosure and communication, including green finance and CSR. This pattern is in line with Peattie and Crane (2005) stating that value is created from environmental activity when it is credibly communicated to the customer, and is a result of signaling theory, which argues that a signal can influence the receiver only if it is observable (Connelly et al., 2011). Some customers may also not be familiar with new schemes like green deposits by Reserve Bank of India, 2023.

The second finding is that green marketing has a significant positive effect on brand trust so that H1 is supported. This is similar to the results of Chen (2010) and Chen and Chang (2012) in the field of green brand equity and green purchase intention, and the evidence that the credibility of environmental claims is important for trust (Chang, 2013). A bank acting in an environmentally responsible manner communicates integrity and benevolence (Connelly et al., 2011; Mayer et al., 1995), which leads to warmer feelings of trust in the bank, in line with the commitment-trust theory (Hunt, 1994). To note that the large effect size ($f^2 = 0.86$) indicates that the effect is statistically as well as practically significant.

For the third finding, green marketing has a significant and positive effect on brand loyalty, which will be seen as support for H2. This aligns with the previous findings that customers will reward responsible companies (Laroche et al., 2001; Yadav & Pathak, 2016), and that customers who identify with a company's values will be more loyal (Bhattacharya & Sen, 2003). The impact on loyalty is a little lower than the impact on trust, and the correlation between brand trust and brand loyalty is quite high ($r = 0.71$) (Lau & Lee, 1999; Chaudhuri & Holbrook, 2001; Sirdeshmukh et al., 2002) indicating that brand trust is an important driver of brand loyalty. This implies that, to some extent, the effect of green marketing on loyalty could possibly occur via trust; however, this path was not explored in the present model.

In conclusion, the four dimensions had significant loadings on the higher order construct (range 0.77-0.84), indicating that the banking industry's green marketing is a multidimensional



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construct and not a one-dimensional process. All the results indicate that 'green marketing' in banking is not only about image but strategic investment in the customer relationship.

Implications of the study

Theoretical implications

The study makes three theoretical contributions. Second, it extends the commitment–trust theory (Morgan & Hunt, 1994) to the context of green marketing in the banking sector, revealing that environmental behavior is an important antecedent of trust and loyalty, and this behavior is both a reflection of the bank values and a communication of the shared values among the bank's people. It also contains evidence from the Indian context where evidence is rather limited.

Second, the study integrates commitment–trust theory with signaling theory (Spence, 1973; Connelly et al., 2011) to provide an understanding of why green marketing is effective in an intangible service context, for example, in banking – namely that the four dimensions serve as observable signals that close the information gap between the bank and its customers. This disparity in visibility of some dimensions in this study also illustrates how observability and the credibility of the signal to the customer influences its strength.

Third, the study provides methodologically in the sense of conceptualizing green marketing in banking as a reflective higher order construct of four dimensions and in establishing a 12-item measure for this higher order construct using the disjoint two-stage PLS-SEM approach (Sarstedt et al., 2019). This measure can be used by future researchers or extended.

Practical implications

A few implications follow for practice. Bank managers need to take a more strategic approach to green marketing and should not view it as standalone CSR initiatives as it can have a significant impact on trust and a meaningful impact on loyalty. Second, as green finance and CSR were the least visible dimension, there is a need to improve the transparency of such activities for banks in order to communicate their sustainable lending, green deposit and community initiatives with more clarity and verifiability, thereby minimizing the risk that the customer might view the activities as greenwashing. Third, banks should continue to grow their green processes, including the use of paperless and digital services, which are easily recognized by their customers and connect them to the bank's environmental message.

Fourth, trust seems to be crucial when it comes to the relationship between environmental commitment and loyalty, and banks should focus on honest, transparent and consistent communication in their green marketing efforts. Last but not least, banks and other industry groups, like the Reserve Bank of India, can help these efforts by promoting the adoption of a standardised format for the disclosure of green initiatives to support consumers' ability to compare and verify the claims of different banks.

Conclusion

This research was conducted to explore how green marketing is applied in banks, and how bank customers' trust and loyalty is influenced by green marketing, based on data from 400 bank



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customers and PLS-SEM. The level of green marketing practices in banks was found to be moderately high with the green processes and operations being the highest and low green finance and CSR being the lowest. The measurement model was reliable and valid and the results of the structural model showed that green marketing has a significant positive effect on brand trust (H1) and brand loyalty (H2). The two hypotheses were thus confirmed. The results indicate a positive association between green marketing and the two relationship outcomes that are of crucial importance to banks – brand trust and brand loyalty – in general. Consciousness of the environment can be transformed to customer trust and loyalty, when it is seen and believed. Identify the scope of the study and proposed future studies. Although this study provides valuable information concerning the role of green marketing on brand trust and brand loyalty, there are certain limitations of this study. The data were gathered from bank customers in one state and the technique used was non-probability sampling; therefore, the data can be extrapolated to a larger and diverse sample from other areas of the country. Common method bias cannot be excluded because the data are based on self-reported perceptions at a single time point and longitudinal studies may provide more generalised results. Only the direct effects of green marketing were tested, however, in the model. Other variables which could be added as mediators between green marketing and green brand loyalty such as green trust, customer satisfaction, and perceived greenwashing could be added in the future. Additional moderating variables, such as age, income and environmental awareness, might also be explored. In addition, multi-group analysis could be used to compare public and private sector banks, and qualitative or mixed-method designs could be used to examine the interpretation of customers with the green initiatives of banks.

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