



# GREEN TRADING: ENVIRONMENT FRIENDLY ENTREPRENEURIAL PRACTICES

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**ABSTRACT:** Green trading is becoming an important strategy for entrepreneurs seeking to grow their businesses while also protecting the environment. Instead of focusing only on profits, green trading encourages businesses to think about how their decisions affect natural resources, communities, and future generations. This paper explores how entrepreneurs can adopt environmentally responsible practices in their operations. It looks at key areas such as sustainable sourcing of raw materials, eco-friendly production methods, green logistics that reduce carbon emissions, and circular economy models that minimize waste by reusing and recycling resources. The study shows that green trading protects the environment more. Businesses that adopt these practices often become more competitive in the market. They can reduce costs through energy efficiency, improve their brand image, attract environmentally conscious customers, and create new growth opportunities. Overall, the findings suggest that environmentally responsible entrepreneurship is not just a moral choice; it is also a smart business strategy that supports long-term sustainability and success.

**Keywords:** Green Trading, Sustainable Entrepreneurship, Environmental Responsibility, Circular Economy model, Green Supply Chain, Sustainable Development.

## I. INTRODUCTION:

Today, environmental issues like climate change, the depletion of natural resources, and rising pollution levels are becoming impossible to ignore. These challenges have placed growing pressure on businesses to rethink how they operate and to adopt more sustainable practices. Green trading is one response to this shift. It refers to business activities that aim to protect the environment while remaining profitable. Instead of seeing sustainability as a burden, many entrepreneurs now view it as an opportunity to innovate and create long-term value. More and more business owners are building sustainability directly into their business models. They are doing this not only to meet increasing consumer demand for eco-friendly products, but also to comply with environmental regulations and strengthen their competitiveness in the global market. In this way, sustainability is becoming a core part of modern entrepreneurship rather than just an optional add-on.

## II. OBJECTIVES OF THE STUDY

1. To study the concept of green trading in entrepreneurial activities.
2. To identify environmentally friendly practices adopted by entrepreneurs.
3. To analyze the benefits and challenges of implementing green trading strategies.
4. To evaluate the impact of green trading on business sustainability and competitiveness.

## III. NEED FOR THE STUDY:

Today, environmental problems like pollution, climate change, and resource depletion are affecting not only society but also businesses. Many traditional trading practices focus mainly on profit, often ignoring their impact on the environment. However, customers are now more environmentally conscious, and governments are introducing stricter environmental regulations. This situation makes it necessary for entrepreneurs to rethink the way they conduct business.

Green trading has emerged as an important approach that combines profitability with environmental responsibility. Even though the concept is gaining attention, many entrepreneurs, especially small and medium-sized business owners, are still unaware of how to implement environmentally responsible practices effectively. Some face financial constraints, lack of technical knowledge, or uncertainty about the long-term benefits of going green.

Therefore, this study is needed to understand how entrepreneurs perceive green trading and what kind of environmentally responsible practices they are adopting. It also aims to identify the challenges they face and the benefits they experience. By doing so, the study can provide practical insights that help entrepreneurs improve their business sustainability while protecting the environment. Ultimately, this research is important because sustainable business is no longer just an option; it is becoming a necessity for long-term success and global competitiveness.

#### IV. REVIEW OF LITERATURE:

**Tsikada, C., Chasaya, W., & Ayandibu, A. (2025).** The adoption of green supply chain management in entrepreneurship and its impact on business sustainability: lessons for South African SMEs. This systematic literature review explores the drivers, barriers, and sustainability impacts of green supply chain management (GSCM) practices in entrepreneurial settings, particularly among SMEs. It highlights how GSCM contributes to environmental, social, and economic sustainability but also reveals significant challenges related to finance, awareness, and technology. The study offers a theoretical framework for understanding the integration of green practices in entrepreneurial supply chains.

**Al-Mamary, Y.H. (2025),** Factors shaping green entrepreneurial intentions towards green innovation: an integrated model. This paper develops an integrated model to explain green entrepreneurial intentions and innovation. It emphasizes that entrepreneurs increasingly prioritize eco-friendly processes and technologies and are committed to enhancing environmental performance through green innovation. The findings underline the importance of intentions and attitudes as precursors to the adoption of sustainable business practices.

**Nadhifa, S.R., Prabarini, A.M., & Wati, I.R. (2024).** Green Entrepreneurial Behavior: A Review and Research Agenda. This review synthesizes literature from 2020 to 2024 on green entrepreneurial behavior, linking intentions to actual behavior. The study highlights the role of social support (especially from family) in encouraging environmentally responsible business activities and identifies research gaps for future work on green entrepreneurship models.

**Tekala, K., Baradarani, S., Alzubi, A., & Berberoğlu, A. (2024).** Green Entrepreneurship for Business Sustainability: Do Environmental Dynamism and Green Structural Capital Matter? Focusing on SMEs in Turkey. This empirical study shows that green entrepreneurship significantly enhances business sustainability, mediated by green structural capital. It also examines how environmental dynamism affects this relationship, providing insight into how external environmental pressures influence sustainability outcomes.

**Ahmed, T., Yousaf, A., Chavez Clavijo, R., & Sanders, K. (2024)** Entrepreneurial Pathways to Sustainability: A Theoretical Paper on Green HRM, Green SCM, and Entrepreneurial Orientation, This theoretical review proposes a framework linking green human resource management (GHRM), green supply chain management (GSCM), and entrepreneurial orientation to achieve sustainable performance. It highlights how synergy among these elements can boost triple bottom line outcomes and calls for empirical validation of the proposed model.

**Odeyemi, O., Usman, F.O., Mhlongo, N.Z., Elufioye, O.A., & Ike, C.U. (2024).** Sustainable entrepreneurship: A review of green business practices and environmental impact. This review focuses on green business practices adopted by sustainable entrepreneurs and discusses technological drivers (like renewable energy and data analytics) that facilitate eco-friendly strategies. It also examines barriers such as regulatory constraints and market acceptance, providing a broad perspective on the environmental impacts of sustainable entrepreneurship.

**Nandhini, S., & Sowmya, G. (2025).** Advancing green entrepreneurship: bibliometric insights into sustainable innovation and global collaboration. A recent bibliometric review that maps global research trends on green entrepreneurship, sustainable innovation, and cross-disciplinary collaboration. It identifies key research themes, influential contributors, and conceptual trends in sustainable business strategies, offering a valuable overview of the evolving field.

**OECD (2018),** Eco-Innovation and Green Growth. The OECD report explains how eco-innovation supports sustainable economic growth. It emphasizes that green technologies and environmentally responsible trade practices improve resource efficiency and reduce environmental risks.

**Bocken, N. M. P. et al. (2014)** A Literature and Practice Review to Develop Sustainable Business Model Archetypes, *Journal of Cleaner Production*. This study identifies sustainable business model archetypes such as circular economy, product-service systems, and resource efficiency models. These models are directly relevant to green trading and environmentally responsible entrepreneurship.

**Schaltegger, S. & Wagner, M. (2011)**, Sustainable Entrepreneurship and Sustainability Innovation, Business Strategy and the Environment. The study discusses how entrepreneurial innovation can solve environmental challenges while creating business opportunities. It highlights the importance of integrating sustainability into core business strategies.

**Porter, M. E. & Kramer, M. R. (2011)**, Creating Shared Value, Harvard Business Review

The authors introduced the concept of “shared value,” emphasizing that businesses can generate economic value by addressing social and environmental problems. The study highlights how sustainable business strategies, including green practices, enhance competitiveness and long-term profitability.

## V. HYPOTHESIS

**H0:** There is no significant relationship between green trading awareness and environmentally responsible practices.

**H1:** There is a significant relationship between green trading awareness and environmentally responsible practices.

**H2:** Environmentally responsible practices significantly influence competitive advantage.

**H3:** Government support significantly influences the adoption of green trading practices.

**H4:** High initial investment significantly affects the adoption of green trading practices.

## VI. RESEARCH METHODOLOGY

### 6.1 Research Design

The study uses a descriptive research design approach to environmentally responsible entrepreneurial practices.

### 6.2 Area of the study

Madurai district was selected for this study because it is an important commercial and entrepreneurial hub in Tamil Nadu. The district has a large number of small and medium-sized businesses engaged in trading, retail, and service activities. These businesses contribute significantly to the local economy and provide a suitable environment to study entrepreneurial practices. In recent years, there has been growing awareness about environmental protection and sustainable business practices among entrepreneurs. However, the extent to which traders in Madurai adopt green trading practices and environmentally responsible methods remains unclear. Studying this region helps to explore how entrepreneurs perceive green trading and the challenges they face in adopting eco-friendly practices. Therefore, selecting Madurai district allows the researcher to gather practical insights from local entrepreneurs about their awareness, adoption, and attitudes towards environmentally responsible trading practices. The findings of this study may also help encourage sustainable business practices and support the promotion of green trading in the region.

Madurai's total population: 33 lakhs.

Total entrepreneur population in Madurai's district: 32500 units

The Madurai district is divided into 3 zones/ revenue divisions and 11 taluks.

#### 1. Madurai Revenue Division

| Taluks             | Respondents |
|--------------------|-------------|
| Madurai north      | 9           |
| Madurai south      | 9           |
| Madurai east       | 9           |
| Madurai west       | 9           |
| Thirupparankundram | 9           |
| Total              | 45          |

#### 2. Melur Revenue Division

| Taluks    | Respondents |
|-----------|-------------|
| Melur     | 12          |
| Vadipatti | 12          |
| Total     | 24          |

**3. Usilampatti Revenue Division**

| Taluks        | Respondents |
|---------------|-------------|
| Usilampatti   | 6           |
| Thirumangalam | 6           |
| Peraiyur      | 6           |
| Kalligudi     | 6           |
| Total         | 24          |

**FINAL SAMPLE DISTRIBUTION**

| Division         | Respondents |
|------------------|-------------|
| Madurai division | 45          |
| Melur division   | 24          |
| Usilampatti      | 24          |
| Total            | 93          |

A total of 93 respondents were selected using convenience sampling from the three revenue divisions of Madurai district, namely Madurai division (45 respondents), Melur division (24 respondents), and Usilampatti division (24 respondents), ensuring representation from all major taluks in the district.

**6.3 Data sources**

Primary data was collected from green trading entrepreneurs through a structured questionnaire and an interview schedule.

Secondary data was collected from various journals of entrepreneurship, magazines, Ph.D. theses, articles, and reports.

Sampling method: Convenience sampling was applied.

Sample Size: 93 respondents who responded to the Google Form questionnaire.

Tools Used: Percentage analysis, Chi-square test, Correlation analysis.

**VII. DATA ANALYSIS AND INTERPRETATION:**

Sample: 93 Respondents

Data collection method: Questionnaires

**TABLE 1****Age of the Respondents**

| AGE            | NO.OF. RESPONDENTS | PERCENTAGE |
|----------------|--------------------|------------|
| Below 25 years | 33                 | 35.5       |
| 26-35 years    | 16                 | 17.2       |
| 36-45 years    | 28                 | 30.1       |
| Above 45 years | 16                 | 17.2       |
|                | 93                 | 100        |

**7.1 Interpretation:** The table shows the age distribution of 93 respondents. The majority of respondents are below 25 years (35.5%), followed by 36–45 years (30.1%). The 26–35 years and the 45 years age groups each represent 17.2% of the respondents. This indicates that most participants in the study are young individuals.

**TABLE 2**  
**Experience of the respondents**

| EXPERIENCE     | NO.OF. RESPONDENTS | PERCENTAGE |
|----------------|--------------------|------------|
| Below 5 years  | 25                 | 26.9       |
| 5-10 years     | 19                 | 20.4       |
| 11-15 years    | 29                 | 31.2       |
| Above 15 years | 20                 | 21.5       |
| Total          | 93                 | 100        |

**7.2 Interpretation:** The table shows the experience level of 93 respondents. The majority of respondents have 11–15 years of experience (31.2%), followed by those with below 5 years of experience (26.9%). Respondents with above 15 years of experience account for 21.5%, while those with 5–10 years of experience represents 20.4%. This indicates that most respondents possess moderate to high levels of work experience.

**TABLE 3**  
**Correlations**

**Relationship between green practices and competitive advantage**

|                                                               | a. Our business uses eco-friendly raw materials. | b. We adopt recyclable or biodegradable packaging. | c. Digital documentation has reduced paper usage in our firm. | d. We implement energy-efficient technologies in operations. |
|---------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------|
| a. Our business uses eco-friendly raw materials.              | 1<br>93                                          | .373**<br>.000<br>93                               | .296**<br>.004<br>92                                          | .315**<br>.002<br>92                                         |
| b. We adopt recyclable or biodegradable packaging.            | .373**<br>.000<br>93                             | 1<br>93                                            | .294**<br>.005<br>92                                          | .304**<br>.003<br>92                                         |
| c. Digital documentation has reduced paper usage in our firm. | .296**<br>.004<br>92                             | .294**<br>.005<br>92                               | 1<br>92                                                       | .379**<br>.000<br>91                                         |
| d. We implement energy-efficient technologies in operations.  | .315**<br>.002<br>92                             | .304**<br>.003<br>92                               | .379**<br>.000<br>91                                          | 1<br>92                                                      |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**7.3 Interpretation:** The correlation analysis was conducted to examine the relationship between different environmentally responsible practices followed by businesses, such as the use of eco-friendly raw materials, recyclable packaging, digital documentation, and energy-efficient technologies.

The results show that there is a positive and statistically significant relationship among all the variables at the 0.01 significance level (2-tailed).

The correlation between the use of eco-friendly raw materials and recyclable/biodegradable packaging is 0.373, indicating a moderate positive relationship. This means businesses that use eco-friendly raw materials are also likely to adopt sustainable packaging methods.

The relationship between eco-friendly raw materials and digital documentation is 0.296, showing a positive association, suggesting that firms adopting environmentally friendly materials also tend to reduce paper usage through digital documentation.

The correlation between eco-friendly raw materials and energy-efficient technologies is 0.315, which indicates that firms using eco-friendly materials are also inclined to implement energy-saving technologies in their operations.

A positive relationship (0.294) exists between recyclable packaging and digital documentation, suggesting that firms practicing sustainable packaging are also inclined toward reducing paper usage.

The correlation between recyclable packaging and energy-efficient technologies is 0.304, indicating that organizations focusing on sustainable packaging also adopt energy-efficient operational practices.

The highest correlation (0.379) is found between digital documentation and energy-efficient technologies, which indicates that firms reducing paper usage through digital methods are also more likely to implement energy-efficient technologies.

**TABLE 4**  
**chi-square test**

|                              | Value               | Df | Asymptotic Significance (2-sided) |
|------------------------------|---------------------|----|-----------------------------------|
| Pearson Chi-Square           | 28.841 <sup>a</sup> | 12 | .004                              |
| Likelihood Ratio             | 32.571              | 12 | .001                              |
| Linear-by-Linear Association | 10.631              | 1  | .001                              |
| N of Valid Cases             | 93                  |    |                                   |

13 cells (65.0%) have expected count less than 5. The minimum expected count is 1.72.

Interpretation: The Chi-square test result ( $\chi^2 = 28.841$ ,  $p = 0.004$ ) indicates a statistically significant association between the variables at the 0.05 significance level. This means that the variables are related, and the relationship is not due to chance.

**Table-5**  
**Chi square**

|                              | Value               | df | Asymptotic Significance (2-sided) |
|------------------------------|---------------------|----|-----------------------------------|
| Pearson Chi-Square           | 16.961 <sup>a</sup> | 12 | .151                              |
| Likelihood Ratio             | 21.664              | 12 | .041                              |
| Linear-by-Linear Association | .085                | 1  | .771                              |
| N of Valid Cases             | 92                  |    |                                   |

a. 11 cells (55.0%) have expected count less than 5. The minimum expected count is 1.45.

**7.4 Interpretation:** The Pearson Chi-square value ( $\chi^2 = 16.961$ ,  $p = 0.151$ ) indicates that there is no statistically significant association between the variables at the 0.05 significance level. This means that the variables are independent and the relationship is not statistically significant.

**VIII. FINDINGS OF THE STUDY:**

- The majority of respondents (35.5%) are below 25 years, indicating that most participants in the study are young individuals.
- The analysis shows a positive and significant relationship between all green business practices, such as eco-friendly raw materials, recyclable packaging, digital documentation, and energy-efficient technologies.
- The first Chi-square test ( $\chi^2 = 28.841$ ,  $p = 0.004$ ) shows a significant relationship between the variables, indicating that the association is statistically meaningful.
- The Likelihood Ratio ( $p = 0.001$ ) and Linear-by-Linear Association ( $p = 0.001$ ) also support the presence of a significant relationship in this analysis.
- In the second Chi-square test, the Pearson value ( $\chi^2 = 16.961$ ,  $p = 0.151$ ) indicates no significant association between the variables.
- However, the Likelihood Ratio ( $p = 0.041$ ) shows a slight significant relationship, while the Linear-by-Linear Association ( $p = 0.771$ ) indicates no linear relationship between the variables.
- Overall, the results show that some variables are significantly related, while others do not show a strong statistical association.

**IX. SUGGESTION**

Based on the findings of the study, several practical suggestions can be made to promote green trading practices among entrepreneurs.

Firstly, the government should provide greater financial support in the form of subsidies, low-interest loans, and tax benefits to encourage the adoption of green technologies. Since high initial investment is a major barrier, financial assistance can significantly reduce the burden on small and medium enterprises.

Secondly, awareness programs and training workshops on sustainable entrepreneurship should be actively promoted. Many entrepreneurs may lack adequate knowledge about the long-term benefits of green practices. Educational initiatives can help them understand the economic, environmental, and social advantages of adopting sustainable business models.

In addition, greater emphasis should be placed on research and innovation in eco-friendly production methods. Encouraging collaboration between academic institutions, research centers, and industries can lead to the development of cost-effective and efficient green technologies. Finally, environmental regulations and compliance systems should be strengthened to ensure responsible business practices. Proper monitoring and clear policy frameworks can motivate firms to adhere to sustainability standards while maintaining fair competition in the market.

**X. Conclusion**

In today's competitive business environment, green trading is no longer just an ethical responsibility; it has become a strategic necessity for modern entrepreneurs. Businesses that integrate environmentally responsible practices into their operations are better equipped to achieve long-term sustainability and steady growth.

The study concludes that adopting green practices not only supports environmental protection but also improves profitability and strengthens market credibility. Firms that focus on sustainability tend to build stronger brand value, gain customer trust, and enhance their overall competitive position.

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