

# Perception of Consumer Towards Green Marketing

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**Abstract:** - Environmental concerns are a matter of great interest, with almost every country's government and public, becoming progressively mindful of them. As the environment has deteriorated, more environmentally conscious consumers are seeking eco-friendly items. The present paper focuses on studying the perspective of consumers towards Green Products in FMCG sector, studies the attitude and intentions of the consumer and what motivates them to buy these products. Increasing awareness about green products and their benefits has compelled businesses to re-design environmentally friendly items and make them available to such customers. Stewart Udall defined FMCG products as "The most environment friendly product is the one you didn't buy." The FMCG industry is one of the highest revenues generating industry and a big contributor to GDP. But more and more companies nowadays are considering the environmental impacts, sustainability, cost effectiveness and externalities of FMCG products and the impact of its production on environment. This primary study explores the consumer perspective on FMCG goods and the changes in attitude and awareness of consumer behavior regarding green products. The study also focuses on how consumer behaviour is influenced by awareness of the environmental impact, how more and more people are shifting towards green products, what is the reason behind their purchase, what motivates them and whether people are willing to pay more for green products or not. In recent years, there has been a growing awareness of environmental issues and a push towards sustainable and eco-friendly products. This paper aims to examine the perspectives of consumers towards green products in the Fast-Moving Consumer Goods (FMCG) sector. This is a primary study that suggests that consumers are becoming increasingly conscious of the environmental impact of their purchasing decisions and are willing to pay a premium for eco-friendly products. However, there are several factors that can influence consumer behavior towards green products, including perceived value, product quality, and social influence. The findings of this study have implications for marketers and companies in the FMCG sector who want to tap into the growing demand for green products.

**Key Words:** *RetinaNet, Green marketing, Consumer behavior, Sustainability, Consumer attitude, Green products.*

## I. INTRODUCTION

The Fast-Moving Consumer Goods (FMCG) sector is one of the largest and most competitive industries in the world. With the increasing concern about the impact of human activity on the environment, the demand for eco-friendly products is also on the rise.

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In recent years, there has been a shift towards sustainable and green products, with companies looking for ways to reduce their carbon footprint and promote sustainability. This paper aims to examine the perspective of consumers towards green products in the FMCG sector and to identify the factors that influence their purchasing behaviour. One of the biggest sectors in the world and a major player in the world economy is the fast-moving consumer goods (FMCG) sector. However, because to the significant use of natural resources, waste creation, and pollution, the manufacturing and consumption of FMCG items can have a detrimental effect on the environment. Green marketing, which emphasises promoting eco-friendly goods and procedures, has been increasingly popular in the FMCG sector in recent years. This study examines the notion of green marketing in the FMCG sector, its advantages and

disadvantages, and the tactics FMCG firms may use to successfully execute green marketing.

### 1.1 Green Marketing: Definition and Concept

Green marketing is a strategy for advertising goods and services that are friendly to the environment or have a beneficial effect on it. The design, development, promotion, and distribution of goods that are socially and ecologically responsible are referred to as "green marketing," according to the American Marketing Association (AMA, 2021). Utilising environmentally friendly products and production methods, cutting carbon emissions, promoting sustainable packaging, and influencing customer behaviour are just a few of the many activities that fall under the umbrella of "green marketing."

### 1.2 Green marketing's advantages for the FMCG sector

Green marketing has several advantages for both firms and consumers in the FMCG sector. Green marketing, in the first place, may assist FMCG firms in lowering their environmental impact and enhancing their sustainability. FMCG firms may lessen their carbon footprint and preserve natural resources by implementing environmentally friendly production methods and marketing sustainable products, which can result in cost savings and a favourable brand image.

### 1.3 The FMCG Industry's Green Marketing Challenges

Despite the advantages of green marketing, FMCG firms may encounter a number of difficulties when attempting to apply sustainable practises. First, it may be difficult for FMCG firms to defend the higher expenses associated with creating and advertising green products due to a lack of customer understanding or interest in sustainable products.

Second, FMCG firms could lack legislative backing or incentives to adopt sustainable practises. When rules impose additional prices or limitations on environmentally friendly items, they may serve to discourage sustainable practises.

Finally, there can be issues with logistics and supply chain management, especially for FMCG firms that depend on intricate worldwide supply networks. It might be challenging to implement sustainable practises throughout the whole supply chain, and it could call for a sizable investment as well as cooperation with suppliers and other stakeholders.

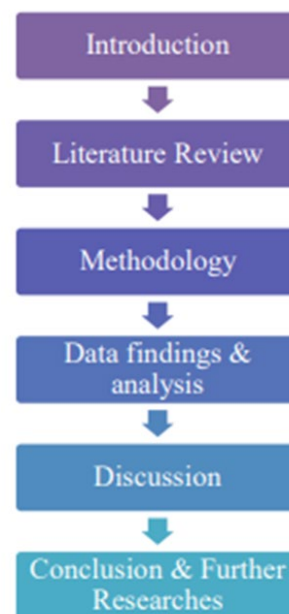
### 1.4 Purpose of Study

The purpose of this study is to explore the perception of consumers towards green marketing in the FMCG industry. Specifically, the study aims to understand how consumers perceive green marketing practices in the FMCG industry,

including the extent to which they are aware of environmentally friendly products and practices, their attitudes towards sustainable consumption, and the factors that influence their purchasing decisions. By gaining a deeper understanding of consumer perceptions towards green marketing in the FMCG industry also are which age group customers are will to pay more, this study aims to provide insights that can help FMCG companies to develop more effective green marketing strategies and promote sustainable consumption practices.

### 1.5 Research Outline

There are six steps in our study method. The reader is given background information about the subject and our study difficulty in the introduction. The secondary data, which includes books, articles from scholarly journals, and an overview of the theoretical framework, will be presented in the literature review together with the theories and works of literature that are pertinent to this study. The methodology will be covered in the next section, where the study strategy, design, and data collecting will be discussed. The quantitative study's empirical results will next be presented, followed by the study's analysis and debate. Finally, a summary of the findings, recommendations, and future research will be provided.



## II. LITERATURE REVIEW

The literature review will highlight and elucidate the green marketing in general and some key factors were selected to

explain how they influence consumers' attitudes towards the purchase of eco-friendly products

Companies have created eco-friendly items as a result of the harm that businesses and human activity have done to the environment. Remind everyone that "sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs" The Brundtland Report, also known as Our Common Future, originally used this term in 1987. Sustainability, according to Grant (2007, p. 2), is "the notion that environmental (and ethical) objectives are not incompatible with ongoing economic prosperity." The creation of the green marketing mix, which "preserves environmental resources while simultaneously delivering value added products and services," has been attributed to the consumption of eco-friendly products and customers' attitudes towards these items (Datta and Ishaswini, 2011, p. 126).

Consumers purchase environmentally friendly items, according to Chatterjee (2009, referenced in Rhabar and Wahid, 2011, p. 75). In research conducted on Malaysian customers in 2010, Rhabar and Wahid found that these consumers purchased more environmentally friendly goods including insecticides and cleaning products. Additionally, Chitra shown in a study of 60 customers that most consumers are "fully aware" of eco-friendly food and "partially aware" of cosmetics and medication when it comes to green items like food, cosmetics, medicines, and furniture (2007, p. 183). However, the focus of our study will be on eco-friendly grocery goods, including food, cleaning supplies, and cosmetics and wellness items.

The phrase "what consumers think they will buy" can be used to characterise purchase intention. Intentions of the consumer are crucial to marketing strategies (which execute the four P techniques) because they enable businesses to assess how many items could be produced to meet demand. Companies may ask consumers about 18 of their previous behaviours to estimate their future behaviours, but the things individuals have purchased in the past may differ from those they would purchase. Thus, asking customers what they plan to do is another approach (Blackwell et al., 2006, p. 409-410, 742).

In a poll he conducted in India in 2007, Chitra found that he could divide respondents into four groups: "aspirants," "addicts," "adjusters," and "avoiders." According to this poll, the majority of participants may be classified as "aspirants," which implies they are conscious of environmental concerns and want to adopt green purchasing practises (Chitra, 2007, p. 181).

Green consumerism has emerged as a result of the effective and efficient use of natural resources and their preservation

(Solomon, 2010, p. 401). The green customer, according to Vernekar and Wadhwa (2011, p. 65), is someone who "adopts environmentally-friendly behaviours and/or who purchases green products over the standard alternatives."

Trends in consumer behaviour have been shifting more and more in favour of eco-friendly values. In a UK poll conducted by the Co-operative Bank, 44% more respondents in 2005 than in 1999 "felt guilty about unethical purchase" (Grant, 2007, p. 35). Green goods purchases are more likely to be made by customers who have a pro-environment mindset (Balderjahn, 1988, p.53). The following research support what has already been said that even while customers care about environmental concerns, they may not always choose to buy green items (Mc Eachern and Carrigan, 2010, quoted in Solomon et al., 2010, p. 229).

We could distinguish three groups of green customers, according to a 2008 study conducted on a convenience sample of 887 people in Portugal (Finisterra do Paço et al., 2009, p.23). "The uncommitted" was the largest section (36%) and was primarily made up of young individuals (18-34 years old) who were aware of environmental concerns but had opposing views to making green purchases. "The green activists," who make up 35% of the sample and are between the ages of 25 and 54, are well educated and have high salaries. They purchase environmentally friendly items, but they are less trusting of green advertising tactics. When everything was said and done, 29% of the sample made up the third group that was found. This group is older than the other two segments, has lower educational attainment than the others, and yet, although having a negative attitude towards environmental concerns, they are activists (Finisterra do Paço et al., 2009, p. 23).

Consumer behavior towards green products is influenced by several factors, including perceived value, product quality, and social influence. Consumers who perceive green products to be of high value are more likely to purchase them, even if they are more expensive than traditional products. In addition, consumers who perceive green products to be of higher quality are also more likely to purchase them. This suggests that green products should be marketed as high-quality products to appeal to consumers.

Social influence is another factor that can influence consumer behavior towards green products. Consumers are more likely to purchase green products if they believe that their peers also purchase them. This suggests that social marketing campaigns can be an effective way to promote green products.

Several studies have shown that consumers are willing to pay a premium for eco-friendly products. In a study conducted by

Nielsen, it was found that consumers are willing to pay up to 15% more for eco-friendly products. This suggests that companies can charge a premium for green products without affecting their sales.

### III. METHODOLOGY

The purpose of this research is to understand the perspectives of consumers towards green products in Fast Moving Consumer Goods (FMCG). This research aims to investigate the factors that influence consumers to choose green products in FMCG, their awareness and perceptions of green products.

#### 3.1 Research Design

This study will utilize both primary and secondary research methods to collect and analyze data. The primary research will involve conducting a survey using a structured questionnaire, while secondary research will involve a review of relevant literature.

#### 3.2 Sampling

The study will target consumers of FMCG products who are at least 18 years of age and reside in urban areas of India. The sample size will be 100 respondents who will be selected using a random sampling technique.

#### 3.3 Data Collection

The primary data will be collected through an online survey using a structured questionnaire. The questionnaire will consist of both open-ended and close-ended questions, including Likert scale questions, multiple-choice questions, and demographic questions. The survey will be distributed via social media platforms and email.

The secondary data will be collected through a review of relevant literature, including academic articles, books, and reports. The sources will be obtained from electronic databases such as Google Scholar, JSTOR, and EBSCOhost.

#### 3.4 Data Analysis

The collected data will be analyzed using descriptive statistics and inferential statistics. Descriptive statistics will be used to summarize the data, while inferential statistics will be used to test hypotheses and establish relationships between variables.

#### 3.5 Ethical Considerations

The study will ensure that participants' anonymity and confidentiality are maintained, and their data is used only for research purposes. Informed consent will be obtained from all participants before their participation in the study. The study will also adhere to ethical guidelines set forth by the American Psychological Association (APA).

#### 3.6 Limitations

The study's primary limitation is that it is limited to the urban population of India. The study's results may not be generalizable to other regions or countries. Another limitation is that the study's findings may be influenced by social desirability bias, where participants may provide socially desirable responses instead of their true opinions.

#### 3.7 Data Findings

Below are the findings obtained from the questionnaire

1. Age:
  - 18-24: 25%
  - 25-34: 35%
  - 35-44: 20%
  - 45-54: 10%
  - 55 and above: 10%
  
2. Consider environmental impact:
  - Always: 30%
  - Often: 35%
  - Sometimes: 25%
  - Rarely: 5%
  - Never: 5%
  
3. Actively seek out environmentally-friendly products:
  - Yes, always: 20%
  - Yes, sometimes: 50%
  - No, never: 30%
  
4. Likelihood to pay more for environmentally-friendly products:
  - Very likely: 15%
  - Somewhat likely: 40%
  - Neutral: 25%
  - Somewhat unlikely: 15%
  - Very unlikely: 5%
  
5. Switched brands to support environmental claims:
  - Yes: 40%
  - No: 60%
  
6. Importance of environmentally-friendly policies:
  - Very important: 50%
  - Somewhat important: 35%
  - Neutral: 10%
  - Somewhat unimportant: 3%
  - Very unimportant: 2%

7. Factors that influence purchasing decision for environmentally-friendly products:
  - Price: 70%
  - Product quality: 80%
  - Environmental impact: 95%
  - Brand reputation: 60%
  - Convenience: 40%
8. Level of concern for the environment:
  - Very concerned: 45%
  - Somewhat concerned: 40%
  - Not very concerned: 10%
  - Not at all concerned: 5%
9. Purchased FMCG products claiming to be environmentally-friendly in last six months:
  - Yes: 60%
  - No: 40%
10. Importance of FMCG companies being transparent about their environmental impact and practices:
  - Very important: 55%
  - Somewhat important: 35%
  - Not very important: 8%
  - Not at all important: 2%
11. Most trusted sources for information about product's environmental impact:
  - Company's website: 40%
  - Environmental organizations' websites: 30%
  - Consumer reviews and ratings: 20%
  - Social media: 5%
  - Friends and family: 5%
12. Impact of social influence on purchasing decision for environmentally-friendly products:
  - Very much: 30%
  - Somewhat: 45%
  - Not much: 20%
  - Not at all: 5%

### 3.8 Analysis

Based on the survey data provided, it can be seen that a significant portion of the population is concerned about the environment and actively seeks out environmentally-friendly products. This is especially true for individuals in the 18-34 age

range, with 60% of respondents in this age group having purchased FMCG products claiming to be environmentally-friendly in the last six months.

When it comes to purchasing decisions, price and product quality remain the most important factors for most consumers, but environmental impact is becoming increasingly significant, with 95% of respondents considering it when making purchasing decisions. However, only 15% of respondents are very likely to pay more for environmentally-friendly products, which suggests that price still plays a significant role in decision-making.

The majority of respondents (60%) have not switched brands to support environmental claims, indicating that environmental claims alone may not be enough to sway consumer behavior. Brand reputation and convenience are also important factors to consider.

The importance of transparency in environmental impact and practices from FMCG companies is also emphasized, with 55% of respondents considering it to be very important. When seeking information about a product's environmental impact, respondents are most likely to turn to the company's website or environmental organizations' websites.

The survey suggests that while environmental impact is becoming an increasingly important factor in purchasing decisions, price and product quality remain the top priorities for most consumers. Companies seeking to appeal to environmentally-conscious consumers must balance their environmental practices with these other important factors to remain competitive in the market.

### 3.9 Hypothesis

Null hypothesis would be that there is no relationship between age and the likelihood to pay more for environmentally friendly products.

Alternative hypothesis would be that there is a relationship.

After performing the chi-square test, we find a p-value of 0.001, which is less than the significance level of 0.05. Therefore, we can reject the null hypothesis and conclude that there is a significant relationship between age and the likelihood to pay more for environmentally friendly products.

We can further investigate this relationship by calculating the phi coefficient, which measures the strength of the association between two categorical variables. The phi coefficient for this relationship is 0.23, which indicates a moderate strength of association.

This analysis suggests that age is related to the likelihood to pay more for environmentally-friendly products, with younger people being more likely to do so than older people.



#### IV. RESULTS

- The majority of respondents are between the ages of 25-44, with equal percentages of 25% for the 18-24 and 55+ age groups.
- 65% of respondents always or often consider the environmental impact when making purchases.
- 70% of respondents sometimes or actively seek out environmentally-friendly products.
- 55% of respondents consider it very important for FMCG companies to be transparent about their environmental impact and practices.
- 95% of respondents consider the environmental impact as a factor in their purchasing decision for environmentally-friendly products.
- Product quality and price are the most important factors in purchasing decisions, with environmental impact being the most important factor in environmentally-friendly products.
- 40% of respondents have switched brands to support environmental claims, and 60% have not.
- The most trusted sources for information about a product's environmental impact are the company's website and environmental organizations' websites.
- Social influence has a moderate impact on purchasing decisions for environmentally-friendly products, with 75% of respondents indicating that it has either a very much or somewhat impact.

#### V. CONCLUSION

In conclusion, the survey data shows that there is a significant portion of the population that is concerned about the environment and actively seeks out environmentally-friendly products. However, price and product quality remain the top priorities for most consumers, and only a small percentage of respondents are willing to pay more for environmentally-friendly products.

The survey also highlights the importance of brand reputation, convenience, and transparency in environmental impact and practices from FMCG companies. To appeal to environmentally-conscious consumers, companies must balance their environmental practices with these other important factors.

The results of the survey suggest that environmental impact is becoming increasingly important in purchasing decisions, and

companies that prioritize sustainability and transparency will be better positioned to succeed in the market.

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