

THE CONSUMER BEHAVIOUR FOR ECO-FRIENDLY PRODUCTS

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ABSTRACT

In this world where there is a hype of eco-friendly products, parallelly the doubts are also being hyped, that what factors ascertain the demand for these products. Additionally, a prevailing preconceived notion is that green products are of high prices and so their demand would be lower, same as validated by the law of demand. The aim of this study is to determine the key factors (that are not explored much as of now) which constitutes the demand for the ecological products in addition to whether prices of these products are influencing the demand for the same. In the results, with the help of an automatic linear model, it is found that there are many variables that determine the demand for green products. Therefore, only accessibility, quality, and brand are found to be the most significant ones beside price of the product having minimal effect on the demand for these products.

Keywords: Eco-Friendly Products, Consumer Behaviour, Environment, Government Policies, Market.

JEL classification: Q56, D12, F64, G38, D59

1. INTRODUCTION

Eco-friendly products are trending worldwide, because these are the products which result in the minimal damage to the environment in their production, usage, and disposal. Contemporarily people prefer to go for the products which are not going to hamper the ecology as ecological pressure is increasing at an alarming rate. We all can notice the changes in the weather, global warming, sea levels rising, droughts, floods, and many more. Major factors responsible for deteriorating our nature whether directly or indirectly and these factors are known as ‘drivers’, so we can categorise them as direct drivers and indirect drivers which affects our ecological balance.

1. Direct drivers are habitat change in the terrestrial ecosystem, marine ecosystem, coastal ecosystem, and freshwater ecosystem which rigorously influences the ecosystem balance.
2. Indirect drivers are population change, change in economic activity, socio-political factors, cultural and religious factors, and science & technology.

Eco-friendly products are another thing but for now, people should encounter the pattern of consumption for conventional products, people misuse the product which affects the economy and the ecology in a negative way(Wijekoon & Sabri, 2021), the environmental innovation in eco-design is more preferable to the consumers as compared to ecological products, which means that the innovation the companies adopt to produce a normal product should be eco-

friendly (Aibar-Guzmán & Somohano-Rodríguez, 2021). There are numerous factors that affect consumer behaviour but the behaviour of the consumer is found as an input in making the policies of the firms as a consumer is the kingpin of the market, so the firms can't afford to forgo the preference of the consumers. The factors which affect consumer behaviour could be social, cultural, economic, personal, and psychological. (Amudha et al., 2016). But after assessing all those benefits and the normative approaches it is evident that eco-friendly products are more expensive so after being aware people resist buying eco-friendly products and keep using conventional products because those products can save their money, (Barge et al., 2015) so how could this be problematic?

Our work begins with the analysis of the data collected which includes the variables like awareness, knowledge, expensive, friendly, accessibility, quality, and brand. The association between the variables would be tested, in the various different groupings which track the exact consumer behaviour changes between the variables, in the next section. The literature review is done in three different categories: consumer behaviour, eco-friendly products and economic association with these variables. Then in the final section, we will conclude our findings.

2. Literature Review

The eco-friendly product has its own hurdles to step into the market and make a powerful impact and to keep a hold as well, many products failed to capture the demand. There are many hurdles like high prices, inadequate availability, extra time required, poor labelling which in turn results in the low demand of these products (Pham et al., 2019), being with the higher prices if the demand for the eco-friendly products could be increased their cost of production could be lower down due to the working of economies of scale. The pro environmental concern and the awareness of the eco-friendly products significantly affects the green buying behaviour of the people. There should be a need to pump awareness of the green products knowledge (None & Kumar Datta, 2011).

The youth of any nation should hold the sustainable thoughts as a priority because they will lead the nation's development and to be very specific, they must put their maximum efforts to raise the demand of the eco-friendly products, the study finds out that the social structure factor, marketing and consumer factor have the direct impact on consumer buying behaviour, still the demand for the eco-friendly products are very much low (Farvazova, 2020). It is somehow unclearly perceived definition of the eco-friendly products, as their expectations are very much different from the real concept of being green. Considering the green packaging of the product the consumer wants something to be more visually appealing, the knowledge of the consumer is concise regarding the manufacturing processes and technology, but they carry a diverse perception to get a green packaging from the manufacturers (Nguyen et al., 2020). The study is done to understand what makes the consumer to drive for the purchasing of the green products and restrain to buy those products, so the findings shows that altruistic and the egocentric behaviour drives consumer to purchase the eco-friendly products (Barbarossa & de Pelsmacker, 2016).

Nowadays people are trying to be greener in their lifestyle and habits. The business houses should make their policies and strategize to target the green consumer which should be favourable to both the consumers and the corporations (Rusyani et al., 2021). Besides the business houses, the concerned government are keen to focus on being green. They are building the policies but they must know about what influences consumers to make green purchases. It

was found that the health concern and the environmental awareness has a strong influence on the eco-friendly buying.

Furthermore, the concerns like prices, accessibility, and deterrence to try new brands are also in existence (Kataria et al., 2013), the consumers buying behaviour consists of many factors which affect the stakeholders in their decision-making process. The major factors are: ecological concern, income, safety, gender, values, attitude, knowledge, age, brand labelling, etc. However, talking about the awareness, it was found that the Indian consumers are less aware about the green concept in comparison to other developed nations (Kaur & Bhatia, 2018).

3. Objectives, Significance, and Limitations

Objectives of the study:

- To find out the factors which affect awareness of eco-friendly products among consumers.
- To find out that the high price of green products deters consumers to go for them.
- To find out what all factors influence consumers to go for green products.

Significance of the study:

- The popularity of eco-friendly products is too low, we need to work with the problems and take steps to raise their demand.
- There is a need to track the problems which cause the low demand for these products.
- There is a need to assess consumer behaviour and their preferences regarding these products.
- This study will help the policymakers whether they would be the government or the corporate houses to include these results in their strategies.

Limitations:

The study is conducted in the Jhansi district of Uttar Pradesh state in India, so the results are limited to this geographical area only.

4. Research Methodology and Hypothesis

In this study, the data has been collected from two groups of respondents i.e. students of the university and school teachers. The questionnaire being distributed revolves around questions that judge the behaviour of the people towards green products, not necessarily all the respondents are the users of the green products but specifically in this study, the awareness among the consumer for the eco-friendly is being analysed. The sample size is 150 and the convenience sample type is being used in the study. The dependent variable is awareness (how much people are aware of eco-friendly products). In this study we have also considered awareness as a demand for green products. The independent variables are knowledge, brand, expensive, friendly, quality, and accessibility. In this study eco-friendly products, ecological products, and green products mean the same. On the part of the analysis, Automatic Linear Modelling and Linear Regression are being used to fulfil the objectives of the study, and SPSS is being used to analyse the data.

H1: there is no significant relationship between the dependent variable (awareness) and independent variables (knowledge, brand, expensive, friendly, quality, accessibility).

H2: there is no significant association between awareness and expensive variables.

5. Analysis and Interpretation.

Automatic Linear Modelling is used first to determine which variable affects the dependent variable to a significant level.

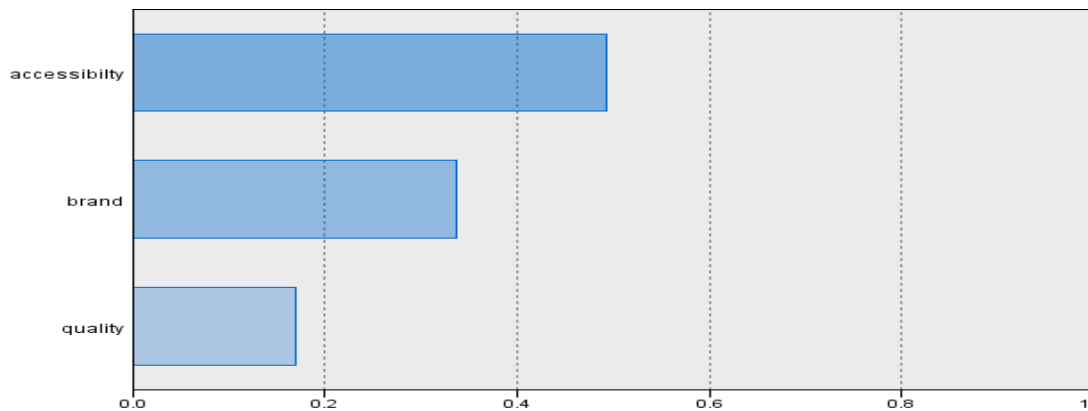


Figure 1



Figure 2

In figure 2, it is found that the accessibility, brand, and quality variables determine the awareness to a larger extent, in which accessibility is the most affected followed by brand and quality respectively. The normal distribution curve is shown in Figure 3.

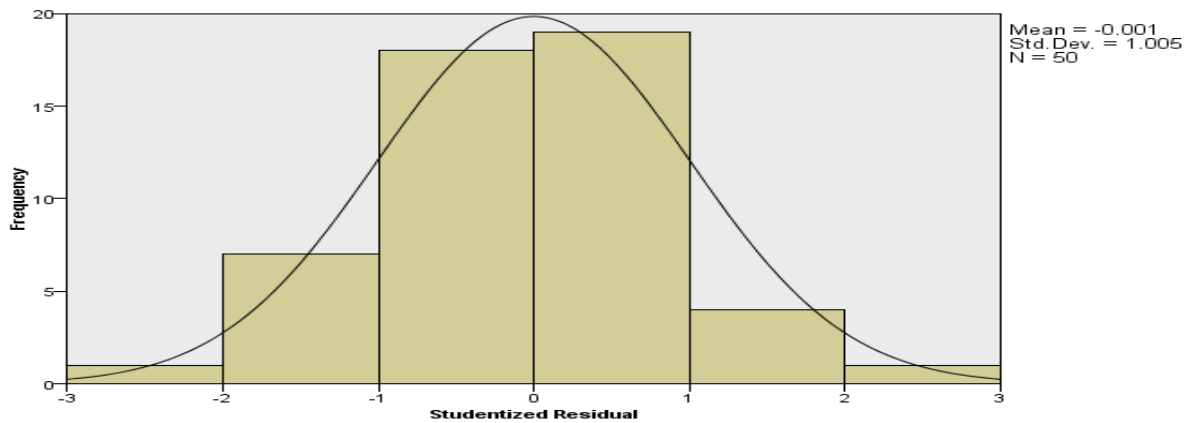


Figure 3

Model summary of the Regression model

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson	
					Sig. Change	F
Regression	0.534	0.286	0.186	0.96864	0.019	1.906
a. Predictors: (Constant), accessibility, quality, brand, expensive, knowledge, friendly.						
b. Dependent Variable: Awareness						

Table 1

On the basis of the linear regression the results of the model given in Table 1.

1. The R-value represents the correlation between the dependent and the independent variable the value should be greater than 0.4 and, in the study, it is found to be .534 so it is a good fit for model
2. The value R-square shows the total variation for the dependent variable that could be explained by the independent variables. In the study it is found to be 0.286.
3. Adjusted R-square shows the generalisation of the results i.e., the variation of the sample results from the population in regression. It is required to have a difference between R-square and Adjusted R-square minimum. The value is found to be 0.186.

ANOVA Table

Model	Sum Of Squares	df	Mean Square	F	Sigmoid
Regression	16.135	6	2.689	2.866	0.00
Residual	40.345	43	0.938		
Total	56.480	49			

Table 2

In Table 2 the value the significant value is important to find the relevant results on the part of the hypothesis testing if the value found to be less than 0.05 that is the tolerable limit for the study (95% confidence level adopted) as we can see every variable carries a significance value more than 0.05 so we reject H1 null hypothesis on this reference.

Correlation between Expensive and Awareness.

		Awareness	Expensive
Awareness	Pearson Correlation	1	0.83
	Sig. (2-tailed)	NA	0.568
	N	150	150
Expensive	Pearson Correlation	0.83	1
	Sig. (2-tailed)	0.568	NA
	N	150	150

Table 3

Table 3 of the correlation shows that the value of r is .083 between the expensive (means the high price) and the awareness (determines the demand) of the eco-friendly product so, there is no significant correlation found between the above two variables. We fail to reject the H2 null hypothesis on this reference, which means other variables are influential to create a demand for eco-friendly products

Correlation between Accessibility and Awareness.

		Awareness	Accessibility
Awareness	Pearson Correlation	1	0.346*
	Sig. (2-tailed)	NA	0.014
	N	150	150
Accessibility	Pearson Correlation	0.346*	1
	Sig. (2-tailed)	0.014	NA
	N	150	150

Table 4

*. Correlation is significant at the 0.05 level (2-tailed).

In Table 4 the correlation between awareness and accessibility was found moderately positive. So, we can say awareness and accessibility influence more to go for green products.

Correlation between Quality and Awareness.

		Awareness	Quality
Awareness	Pearson Correlation	1	0.327*
	Sig. (2-tailed)	NA	0.021
	N	150	150
Quality	Pearson Correlation	0.327*	1
	Sig. (2-tailed)	0.021	NA
	N	150	150

Table 5

*. Correlation is significant at the 0.05 level (2-tailed).

In Table 5 the correlation between awareness and quality was also found moderately positive and more significant. So, we can say awareness and quality influence more to go for green products.

6. Conclusion and Discussion

It is evident from the above data analysis that **accessibility, brand, and quality** play a key role to determine the demand for eco-friendly products. There are few other variables as well which contribute to that such as expensive, friendly and knowledge of the product. Not all the consumers are adequately aware of the purpose for introducing eco-friendly products, as they are quite expensive, questioning the affordability of people but the high-class prefer to go for it with the assumption that it carries a quality as there are many perceptions of the people around us.

Well, people prefer to go for products where accessibility is not an issue and so is the case with eco-friendly products, if any product is not accessible to the customer, then they probably prefer to buy a substitute for that, because in today's world there are no limitations to the substitutes. The brand is the variable which matters to almost every person because no one wants to flush their money in the cheap goods, majority of the people prefer to use brands whether they are from high-income group or a low-income group. Quality is also a factor which is correlated with the brand. Consumers are so rational since they want quality in everything they want to buy because health is something which matters to everyone.

From the above analysis, it is also clear that all the independent variables are significant in determining the dependent variable which means in determining the demand for green products, knowledge, brand, expensive, quality, friendly, and accessibility all are significant. In the H2 we tested the association between the expensive variable of the product and the demand of the product, where there is no significant correlation found between these two variables so we can conclude that having a high price of the product the demand doesn't matter to the consumer but other variables are more important to the consumer like quality, accessibility, brand and many other variables as well which are not being taken in this study. Now the question is what makes consumers to go for eco-friendly products within the variables taken in this study so accordingly only two variables that are found to be more significant in determining the consumer's preference i.e., accessibility and quality. That turns out to be true in the practical world that we prefer to go for a product that is accessible and of great quality.

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