

AN ANALYSIS OF ECO - FRIENDLY PRODUCTS DEMAND AND ENVIRONMENTAL CONCERN BEHAVIOUR OF CONSUMERS

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ABSTRACT

There has been a rise in environmental activism over the past few decades in response to growing public awareness of environmental degradation, the devastating effects of major industrial disasters, and the efforts of environmental activist groups. The depletion of natural resources, the warming of the planet, the thinning of the ozone layer, the degradation of land, acid rain, and other phenomena have prompted consumers to worry about the state of the environment in recent decades, as their very survival may be at stake if the planet is not protected. We reviewed the literature on green consumerism and presented the results of a small number of studies in order to better grasp the factors that influence consumers' decisions to buy eco-friendly goods. The goal of this article was to investigate the mediating role that customers' awareness of and comfort with eco-products play between environmental concerns and their propensity to make purchases of these goods. The results of this survey reveal that environmental awareness has grown steadily over the past few decades as environmental issues have gone from being a niche concern to a widespread one amongst consumers. Despite optimistic predictions, demand for eco-friendly items did not develop as predicted, and gaps between attitudes and actions, as well as intentions and actions, appeared. Thus, the purpose of this research is to investigate the reasons why consumers do not choose eco-friendly items by identifying the most significant barriers they face in making their green aspirations into reality. It goes without saying that eco-friendly items will be given top priority as they become the spotlight stealers in the near future. In tandem, there will be a gradual but discernible shift in consumer opinion over the next few years. However, environmental concern can be most effectively channeled into purchase intention of eco-products through consumers' awareness of eco-products.

Keywords: literature review; environmental concern; eco-products; environmental responsibility; purchase intention; green consumerism.

INTRODUCTION

There has been a rise in environmental activism over the past few decades in response to growing public awareness of environmental degradation, the devastating effects of major industrial disasters, and the efforts of environmental activist groups. The depletion of natural resources, the warming of the planet, the thinning of the ozone layer, the degradation of land, acid rain, and other similar events have prompted consumers to worry about the state of the environment in recent years, according to researchers (**Mintel, 1991**). These days, everyone from manufacturers to shoppers knows that their actions have a direct bearing on the planet's natural resources and takes precautions accordingly (**Laroche, Bergeron, and Barbaro- Forleo, 2001**). As a result, many businesses and individuals are giving environmental safeguards a second look as an element to include in their processes and

choices. They have also come to understand that protecting the environment is everyone's responsibility, not only that of the government and nonprofits.

Eco-friendly advertising messages need to be both informed and convincing for their intended purpose of changing consumers' pro-environment purchasing habits. Even though "eco-friendly" and "biodegradable" are common buzzwords in the advertising industry, they don't do much to sway consumers to make environmentally conscious purchases (**Peattie, 2001**). In order to deliver valuable products to different sectors of consumers, businesses have begun to investigate the variables influencing their customers' purchasing decisions with regards to environmentally friendly options. Consumers that are environmentally conscious are sensitive to the impact their purchases have on the planet and are eager to do their part in promoting energy efficiency and green living.

Since people are becoming increasingly worried about the state of the environment, corporations have begun making changes to their practices to accommodate these "new" concerns. Some companies have jumped on environmental management system and waste reduction bandwagons, addressing environmental concerns in every facet of their operations. This is a highly contemporary issue in India as people are increasingly concerned about their personal well-being and thus avoid using products that are harmful to the environment. The purpose of this article is to investigate how consumers feel about green products and how much they are willing to spend on them.

ECO-FRIENDLY PRODUCTS: MEANING AND DEFINITION

The word "eco-friendly" is commonly used to describe products and practices that are good for the environment. Eco-friendly or ecologically-friendly actions include the preparation and implementation of environmentally-friendly alterations to one's own behaviour and way of life, as well as the creation of environmentally-friendly products (**Jha et al, 2017**).

When compared to conventional products, the impact of eco-friendly options is far smaller. The advantage of eco-friendly items is conditional on the company's business practices and the consumer's behaviour after purchase.

In addition to making environmentally sound purchases, eco-conscious customers should also take initiative. Modifications to their way of life, such as the consumption of resources with an eye toward future sustainability, are crucial in ensuring the continued availability of natural resources for both present and future uses.

SIGNIFICANCE OF ECO- FRIENDLY PRODUCTS

This generation requires the use of eco-friendly items due to the obvious and felt effects of environmental degradation in the form of sudden and severe natural disasters. To prevent this disaster from happening, it is necessary to examine the extent of our carbon impact. Therefore, it is critical to conserve as much as possible while using as little natural resources as possible. The latest catchphrase that prioritises itself over environmentally friendly items is "sustainability." To protect these limited resources for future generations while also providing for today's ever-increasing needs, sustainable development is essential. Greenhouse gas emissions are reduced, which helps keep the level of pollution under control. Using a wide range of eco-friendly products is also crucial,

as these products are typically biodegradable and won't need a long time to break down for the benefit of Earth.

Sustainable businesses that care about the environment are more likely to succeed and get new clients. The company will benefit from the increased product distinctiveness that this product provides. Benefiting from the user's longer life span and reduced need for expensive medical care is a big perk of eco-friendly products. The enhanced quality of life enjoyed by the clientele is an added bonus.

SIGNIFICANT BENEFITS OF ECO-FRIENDLY PRODUCTS

Both personal and community health are protected by the eco-friendly product. It aids in the reduction of contamination and pollution. Using items that are better for the environment and your health can help you save a significant amount of money over time. Happiness and the satisfaction from eco-friendly actions are both enhanced by the use of environmentally friendly products. In addition, it secures a brighter future for the next generation.

Removal of Pollution and Contamination

One of the benefits of adopting ecologically friendly items is that they cause less contamination and pollution. An important step toward a green and sustainable future is the elimination or significant reduction of harmful substances used in material manufacturing and delivery. Since we've been stuck inside due to the COVID-19, air pollution has dropped significantly, and the water in the ocean, rivers, and ponds is getting cleaner and fresher. If we fail to take action to protect our planet and its resources, future generations will pay a heavy price.

Physiological Wellness

Since many products generate toxic waste, the manufacturing process is contributing to a wide range of health issues across a variety of species (Laumbach, 2015). Manufacturing eco-friendly products, on the other hand, lessens these negative outcomes while also providing consumers with cleaner, healthier options. Customers' health and immunity will improve as a result. With the recent COVID-19 outbreak, this is of critical importance.

Investments with a View to the Future

Eco-friendly goods save both money and power, which are two significant benefits. More care must be taken to protect public health from pollution and contamination in light of the current COVID-19 scenario. Lung diseases are the most common consequence of COVID-19 infection in humans. Situations would worsen for the affected person due to their exposure to this pollution. Because of COVID, we no longer go out as much, which has altered our lifestyle and decreased our exposure to the outside environment, resulting in lower energy bills and fewer trips to the hospital.

CONSUMERS BEHAVIOR TOWARDS DEMAND OF ECO-FRIENDLY PRODUCTS

As a result of rising consumption, the economy expanded progressively following the advent of industrialization. This excessive use and pattern of consumption of resources has resulted in severe damage to the natural world.

The pollution of a water source as a result of industrialization and technological progress, as well as the increased use of private households, the depletion of the ozone layer, the spread of desertification, the annual rise in global temperature, and so on, have all contributed significantly to environmental degradation.

Because of the expansion of the economy, pollution has become a serious threat to the environment. Some of the movements actively engaged in the green movement are Friday for the Future, the Climate Justice Alliance, and Extinction Rebellion. As time goes on, more and more people begin to understand the vital role that sustainable production and consumption play in the long-term improvement of the planet and of human life. An integral part of society's impact on the environment is determined by individual consumer behaviour. The choices made by customers, including product and service preferences, that can have both direct and indirect consequences on people's health and the natural world (**Junaedi, 2007**).

Products that are environmentally friendly are made with the goal that their manufacturing and distribution won't harm the natural world in any way. People's interest in purchasing eco-friendly products is not surprising in light of the rising awareness of global warming and the deteriorating state of ecosystems. Today, people all across the world recognise the significance of environmental protection.

Consumers' most important duty is not to reduce their environmental impacts but to rally behind the initiatives of businesses and governments (**Bonini and Oppenheim, 2008**). Customers regularly engage in what is known as "environmentally preferred purchasing," in which they acquire goods that are better for the planet (EPP). Basically, it involves giving some thought to how a purchase might affect the planet before doing it. The ultimate goal is to increase efficiency in resource utilisation and reduce sourcing's negative impact on the environment.

Consumers are showing an increasing intention to eco-friendly shopping, in addition to government measures to practise eco-friendly purchasing. Consumers everywhere have a keen interest in eco-friendly goods, and those who are aware of and concerned about environmental issues are often willing to make the switch to alternatives (**Kim, 2011**).

A consumer's attempts to limit their own potentially damaging actions are an example of environmentally responsible behaviour. One way to accomplish this is to reduce energy and resource use, implement anti-toxic chemical measures, and/or lessen trash output. Consumers who read labels carefully and buy eco-friendly food, personal care items, office supplies, clothing, toiletries, paper cups, biodegradable bags, soaps, and detergents demonstrate ecologically responsive behaviour.

OBJECTIVES OF THE RESEARCH

The research questions that are supposed to be answered are reflected in the study objectives. They emphasize the researcher's intended message from the study. In order to accomplish this paper's goals, I will first describe them:

- To identify and analyze the level of Awareness and Understanding of consumers about Eco-friendly Products.

- To assess the consumers' buying behavior on Environmental Concern with respect to Eco-friendly Products.

SIGNIFICANCE OF THE RESEARCH

The emergence of "Environmentally friendly" or "Green Marketing" is in response to rising concerns about the impact of human activities on the planet, such as population expansion, global warming, and the depletion of natural resources. More and more people are paying attention to the "triple bottom line" or the "three pillars of business - People, Planet, and Profit," and "Eco-friendly" or "Green" has become the new motto of success for all types of business. Green Consumerism and environmentally conscious purchasing habits are also on the rise as a result of rising environmental consciousness among the general public. Products that are better for the environment are what they're after. This means that businesses are also doing their part by developing and enforcing a wide range of measures aimed at preserving the planet.

The buying habits of consumers are crucial to the success or failure of any business, and this is true not just for the manufacturers of the items but also for the middlemen who transport the goods from the manufacturers to the final consumers. As a result, learning about customer habits reveals the marketing department's blind spots. The good points the company has to offer its customers are also highlighted

NEED FOR THE RESEARCH

Both manufacturers and shoppers are currently voicing worries about the products' effects on the planet. They also prioritize and put emphasis on items that are better for the environment, such as energy-efficient and less power-hungry electronics, organic foods, eco-friendly furniture, lead-free paints, recyclable mobile phones, and so on. In an effort to stay ahead of the competition, businesses today monitor customer preferences and adapt their offerings accordingly.

LITERATURE REVIEW

Quality, price, brand name, eco-label, social and environmental qualities all had a role in customers' decisions to buy eco-friendly food goods. As independent variables, we used environmental considerations, eco-labeling, and cost to learn what influences consumers' decisions.

Quality, affordability, brand name, concern, and sustainability of the environment were all factors in the purchasing decisions of female consumers, as reported by **Albloushy and Connell (2019)**. Our research also takes into account the aforementioned aspects in order to determine what factors affect consumer behaviour.

Rahman (2017) found that consumers' happiness with eco-friendly items was highly impacted by four factors: price, availability, quality, and usefulness. According to **Goyal and Bansal (2018)**, consumers only have a moderate understanding of the value of eco-friendly goods, but that understanding is strongly influenced by factors such as the products' perceived healthiness, convenience, and availability. Brand, quality, expectation, value, experience, and utility were found to favourably and significantly influence the purchase of environmentally friendly items among customers by **Kumar and Nandhini (2018)**. We looked at factors

including price, usefulness, healthiness, accessibility, quality, and consumers' expectations to determine their purchasing habits.

Consumers' purchasing decisions for eco-friendly items were shown to be influenced by factors like quality, price, safety, values, and recommendations from friends, as reported by **Musova et al (2018)**.

Nivetha et al. (2018) found that factors like product branding, product quality, health awareness, product availability, packaging, and distribution strategy all had a role in customers' decisions to purchase environmentally friendly fast-moving consumer goods. In our research, we look at the aforementioned elements in order to determine what drives consumers to make purchases.

Concern for the environment, attitude, effectiveness, and intention were all proven to have a favourable effect on consumers' purchasing behaviour of eco-friendly items (**Vidhyakala, 2019**).

Consumers have a mixed level of knowledge about eco-friendly goods, according to research by **Razak et al. (2019)**, who also found a statistically significant correlation between customer profile and knowledge about eco-friendly goods.

According to **Hojnik et al. (2019)**, consumer awareness of eco-friendly items is favourably and significantly influenced by customers' acquaintance with such products, as well as by their sense of responsibility toward the environment.

The magnitude of the social norm or social pressure and the direction of those linkages were beneficial in nature and eco-friendly items, **Shaw (2008)** stated. This was especially true for recycling, which was more likely to be a picture of the society.

Collectivistic arguments, political issues, deontological claims, traditional messaging, and legal statements are all examples that might be highlighted through communication, as determined by **Diamantopoulos et al. (2003)**. Producers who care about the environment must also regularly survey their clients to gauge their level of eco-friendliness so they may adjust their advertising campaigns accordingly. It was also important to monitor client satisfaction on an ongoing basis, both in terms of the quality of the company's products and the quality of its customer service.

As **Jain and Kaur (2004)** pointed out, many researchers have looked into how consumers' beliefs, knowledge, and actions affect the natural world. They looked at the full spectrum of consumer environmental consciousness, from environmental knowledge and understanding to environmental friendliness and consumer effectiveness to the extent to which consumers felt they could make a difference in environmental quality and were willing to pay more for environmentally friendly products.

According to research conducted by **Vermeir and Verbeke (2004)**, consumers' satisfaction with their purchases and consumption was enhanced by their favourable attitudes toward environmentally friendly products.

According to **Pathak (2017)**, young Indian consumers are becoming increasingly interested in buying

environmentally friendly packaged goods. Positive customer attitudes and positive consumer perceptions of green or eco-friendly items were positively and significantly associated, as demonstrated by Yusuf and Fatima (2015).

According to research by **Dubihlela and Ngxukumeshe (2016)**, consumer sentiment toward eco-friendly items is a major determinant of whether or not they plan to buy the product again. South Africans' reactions to the environment and their propensity to repurchase were moderately influenced by the characteristics of eco-friendly products.

According to **Islam and Xiaoying (2016)**, consumers are willing to pay a premium for eco-friendly jute. Yet, they would not allow quality to be sacrificed in any way, shape, or form. Consequently, it benefits both customers and business owners if marketers take their perspective into account when developing and promoting products. Moreover, it was thought that consumers had a rising interest in purchasing eco-jute products; hence, businesses would do well to solve all issues connected to green marketing in order to ensure customer happiness.

According to **Pillai and Junare (2016)**, consumers do not see eco-friendly goods favourably. Consumers were unable to tell the difference between eco-friendly and non-eco-friendly products because of their similar pricing, lack of advertising, and poor labelling. In order to increase consumption, consumers needed to be made more aware of the benefits, labelling, and availability of such items. Responses about how likely people were to buy environmentally friendly products varied widely depending on respondents' annual family income. There was little to no effect of respondents' gender, age, level of education, or line of work on their opinion of environmentally friendly products.

Depending on a person's level of education and income, their opinion of environmentally friendly goods might vary widely, as **Prabusankar (2016)** found. Consumers' purchasing intentions for eco-friendly products were found to be positively and significantly influenced by safety, quality, healthiness, and merit. This demonstrated that people were eager to purchase eco-friendly goods because of their superior quality, safety, and health benefits.

There was no increase in the willingness to pay a premium for environmentally friendly products in low per capita income countries, as demonstrated by research by **David and Jaypee (2004)**. According to research by **Park and Oh (2005)**, "green" consumers are more likely to take steps to reduce their impact on the environment and are more likely to take initiatives to reduce their energy consumption and improve their environmental footprint. This action presented customers with a rationale for taking part in environmental projects, ensuring their own happiness and the health of the environment for future generations.

Nearly three-quarters of Indian online shoppers are willing to pay a premium for socially responsible products, according to research published in **2005 by Greenbiz**. It's fascinating to see that Indian buyers were willing to pay a far bigger premium than Britons. The desire of Indian consumers to take green measures to resolve environmental issues and their belief in the need of environmental consideration were both evident. Also, they were very concerned about environmental issues, and they were willing to buy green products, but they didn't feel like they had many options because of the lack of supply.

Ninety percent of customers, according to research by Saxena and Khandelwal (2008), are conscious of environmental concerns and the importance of taking precautions to prevent potential harm. There was a correlation between consumers' awareness of environmental issues and pro-environmental attitudes and actions.

FINDINGS AND CONCLUSION:

The results of this literature study show that customers' concern for the environment significantly affects their evaluation of green products. Consumers' Environmental Buying Behavior toward Eco-friendly products is greatly influenced by their concern for the environment.

Companies are putting more money into advertisements highlighting their positive effects on the environment because their customers are increasingly aware of and concerned about environmental challenges. If consumers could quickly identify eco-friendly products, more people would buy and utilise them. An increasingly significant consideration for consumers making environmentally conscious purchases is the reputation of the company touting the product's eco-friendliness. The environmental friendliness of a product not only piques the interest of the buyer, but also serves as a differentiating feature amongst similarly priced products. The government is also responding to public concern about the environment by taking the initiative to inform the public about the factors that contribute to environmental deterioration. In order to protect the planet's natural resources, the government and other interested parties should push consumers to buy more environmentally friendly goods and encourage people to volunteer at environmental activities.

SUGGESTIONS AND RECOMMENDATIONS

1. More consumer awareness programmes and campaigns should be organised by producers, marketers, sellers, the government, and policymakers.
2. Promoting eco-friendly products and informing consumers of their benefits and the positive effect they have on environmental conservation are two effective ways to raise public awareness.
3. Eco-friendly product "Trust" needs to be bolstered, and the "Price" of these items needs to be lowered so that they are more accessible to the average consumer.

LIMITATIONS OF THE RESEARCH

- The study might have been done with much more depth if primary data collecting of customers' impression had been used instead of a literature review.
- The ability to extrapolate the findings of this study to situations involving products that aren't environmentally friendly may be compromised as a result of these caveats.
- These evaluations frequently omit information necessary to evaluate their validity, such as the research design, the criteria for inclusion and exclusion of papers, and the depth and precision of the search.
- restriction to a small subset of journals during a short time period, or the exclusion of potentially relevant publications from other disciplines.

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