



# Green Marketing in FMCG: Assessing Its Impact on Consumer Purchasing Decisions in India's Food and Beverage Sector

Nitin Karoulia (1), Dr Rishi Sharma (2), Dr Amrita Tiwari(3)

**Assistant Professor(1), Professor & Head-MBA(2),Assistant Professor(3)**

Sagar Institute of Research & Technology -Excellence, Bhopal(1), Sagar Institute of Research & Technology -Excellence, Bhopal(2), Sagar Institute of Research & Technology,Bhopal(3)

## Abstract

With increasing awareness of environmental degradation and the rising carbon footprint of the Fast-Moving Consumer Goods (FMCG) industry, green marketing has emerged as a strategic approach for promoting sustainable consumption. This study examines the effectiveness of green marketing initiatives such as eco-labelling, sustainable sourcing, eco-packaging, and reduced carbon footprint practices in influencing consumer purchasing decisions in India's food and beverage sector. The research adopts a descriptive and analytical approach based on secondary data collected from industry reports, academic journals, government publications, and FMCG annual reports. The findings indicate that eco-conscious consumers increasingly prefer environmentally responsible brands; however, price sensitivity, greenwashing concerns, and limited regulatory frameworks remain significant challenges. The study provides insights for FMCG firms to align their marketing strategies with evolving consumer sustainability expectations.

**Keywords:** Green Marketing; Consumer Purchasing Decisions; Environmental Sustainability; Eco-Conscious Consumers; FMCG Sector; Indian Market

## 1. Introduction

Green marketing refers to the promotion of products and services based on their environmental benefits and sustainable production practices (Polonsky, 1994). It is a strategic marketing approach wherein brands emphasize environmental responsibility to positively influence consumer behaviour. With growing concerns over climate change, pollution, and resource depletion, sustainable consumption has become a global priority.

The global green marketing market is projected to reach USD 1.2 trillion by 2030, reflecting the increasing adoption of environmentally responsible business practices (Allied Market Research, 2023). According to PwC's (2024) Voice of the Consumer Survey, nearly 80% of consumers are willing to pay a premium for sustainable products. In the Indian FMCG sector, particularly in food and beverages, green marketing has gained prominence as consumers become more health- and environment-conscious.

India, being one of the fastest-growing FMCG markets, faces significant environmental challenges due to plastic waste, carbon emissions, and unsustainable sourcing practices. As a result, FMCG companies are increasingly adopting green marketing strategies to improve brand image, attract eco-conscious consumers, and achieve long-term sustainability.

## 2. Review of Literature

Several studies have examined the relationship between green marketing and consumer behaviour.

Peattie and Crane (2005) observed that green marketing enhances brand credibility and consumer trust when supported by genuine sustainability practices.

Dorsamy (2023) found that eco-labelling positively influences consumer perception by signaling environmental responsibility.

Ashoush (2022) reported that green advertising significantly enhances brand image and increases purchase intention among environmentally aware consumers. Similarly, Kumar and

Ghodeswar (2015) highlighted that Indian consumers demonstrate a positive attitude towards green products but remain highly price-sensitive.

Ginsberg and Bloom (2004) emphasized that although consumers express concern for the environment, cost remains a major determinant in final purchase decisions.

Nyilasy et al. (2014) warned against greenwashing practices, which erode consumer trust and damage brand reputation.

## 3. Research Methodology

### 3.1 Type of Research

Descriptive and analytical research based on secondary data.

### 3.2 Data Sources

- Academic journals (Scopus-indexed, UGC-approved)
- Industry reports (PwC, McKinsey, Deloitte)
- FMCG sustainability and annual reports
- Government publications

### 3.3 Databases Used

Google Scholar, ResearchGate, Scopus, JSTOR

### 3.4 Scope of Study

The study focuses on evaluating the impact of green marketing strategies on consumer purchasing decisions in India's FMCG food and beverage sector.

## 4. Research Objectives

1. To examine the impact of green marketing initiatives such as eco-labelling, eco-packaging, and green advertising on consumer purchasing decisions.
2. To identify barriers that hinder the conversion of environmental awareness into actual purchase behaviour.
3. To analyse the difference between Indian consumer perspectives and global consumer behaviour towards sustainable products.

4. To provide strategic recommendations to FMCG companies for aligning their marketing practices with consumer sustainability expectations.

## 5. Impact of Green Marketing Initiatives in the FMCG Sector

### 5.1 Green Advertising

Green advertising communicates a brand's commitment to environmental sustainability and enhances brand trust. Ashoush (2022) found that effective green advertising increases consumer trust and purchase intentions. Indian FMCG brands such as Dabur and Patanjali highlight natural ingredients and eco-friendly sourcing in their advertising campaigns.

### 5.2 Eco-Labelling

Eco-labels provide information about a product's environmental impact and production process. Dorsamy (2023) reported that eco-labels significantly influence consumer attitudes by signaling environmental responsibility. Brands such as Tata Tea Organic use certified organic labels to convey sustainability credentials.

### 5.3 Eco-Packaging

Eco-packaging involves the use of recyclable, biodegradable, or minimal packaging to reduce environmental impact. Research indicates that consumers perceive eco-packaged products as more responsible and trustworthy (Magnier & Schoormans, 2015).

### 5.4 Green Product Innovation

Sustainable product innovation focuses on reducing environmental harm throughout the product life cycle. Nestlé's paper-based packaging initiative is an example of innovation aimed at reducing plastic waste.

## 6. Challenges in Green Marketing Adoption

1. **Cost Barriers:** Sustainable raw materials are more expensive, leading to higher product prices (Ginsberg & Bloom, 2004).
2. **Greenwashing Risks:** Misleading environmental claims reduce consumer trust (Nyilasy et al., 2014).
3. **Consumer Engagement Gaps:** Diverse income levels make it difficult to design a unified green marketing strategy (Kumar & Ghodeswar, 2015).
4. **Limited Government Incentives:** Insufficient regulatory support discourages investment in green innovation (Kumar, 2016).
5. **Lack of Standard Certification:** Absence of a unified eco-certification system creates consumer scepticism.

## 7. Comparative Analysis: Indian vs Global Consumer Perspective

Globally, consumers demonstrate a higher willingness to pay a premium for sustainable products compared to Indian consumers. European markets show stronger regulatory frameworks and consumer activism. In contrast, Indian consumers exhibit positive attitudes towards sustainability but remain price-sensitive and value-driven.

## 8. Recommendations

1. Investment in Research and Development for affordable sustainable products (Saxena & Khandelwal, 2010).
2. Transparency in supply chain practices to build consumer trust (Nyilasy et al., 2014).
3. Adoption of circular economy models with government and NGO collaboration.
4. Consumer education and awareness programs.

## 9. Conclusion

Sustainability is no longer merely a marketing strategy but a fundamental necessity for long-term business survival and environmental preservation. The Indian FMCG food and beverage sector is witnessing a gradual shift towards sustainable consumption, driven by rising environmental awareness and health consciousness among consumers. Although challenges such as price sensitivity, greenwashing risks, and limited regulatory incentives persist, the growing demand for eco-friendly products reflects a positive transformation in consumer behaviour. With strategic investments in innovation, transparency, and circular economy practices, green marketing can serve as a powerful catalyst for sustainable growth in India's FMCG industry.

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