

A Study on Consumer Attitudes Towards Eco-Friendly FMCG Products

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Abstract: This research delves at customer sentiment towards environmentally conscious goods in the Fast-Moving consumer Goods (FMCG) industry, tackling the increasing need for sustainable choices in a dynamic market. As environmental consciousness rises, FMCG companies face the challenge of balancing profitability with sustainability. The study employs a descriptive analysis approach, utilizing both primary and secondary data sources. A survey of 80 participants aged 18 and above will be conducted in Vijayanagara District, covering various FMCG product categories. This research is crucial for FMCG companies seeking to align their product offerings and marketing strategies with evolving consumer expectations in an increasingly environmentally conscious market. With the outcomes, more sustainable and profitable business models that meet consumer values and environmental challenges may be built.

INTRODUCTION

With more and more people throughout the world concerned about environmental concerns, the fast-moving consumer goods (FMCG) industry is undergoing a major shift. Due to customers' rising awareness of their environmental effect, demand for eco-friendly products in all categories has increased. As they try to strike a balance between being environmentally responsible, profitable, and competitive, FMCG firms face both possibilities and problems from this change in customer behaviour.

Key areas such as consumer knowledge, buying habits, premium price sensitivity, and the efficacy of green marketing tactics are the focus of this research, which seeks to understand customers' views towards environmentally friendly products in the fast-moving consumer goods (FMCG) industry. Companies in the fast-moving consumer goods (FMCG) industry would do well to study consumer sentiment in order to better coordinate product creation, marketing, and sustainability activities in response to changing customer demands.

Investigated in this study are the environmental effect, brand reputation, and product quality as they pertain to fast-moving consumer goods (FMCG) that are considered environmentally friendly. Also explored are consumers' appraisals and willingness to pay more for eco-friendly choices. The study will also assess which eco-friendly marketing methods influence consumers' choices and build brand loyalty.

This research will help FMCG companies navigate the complicated eco-friendly product market. Sustainability is quickly becoming an issue of paramount importance to both consumers and enterprises. The results will help fill gaps in our knowledge of sustainability trends in the fast-moving consumer goods industry and provide actionable advice for businesses that want to do their part for the environment without sacrificing profits.

By bridging the gap between consumer expectations and industry practices, this study aims to facilitate the development of more sustainable and successful business models in the FMCG sector, ultimately contributing to a more environmentally conscious marketplace.

CONCEPTUAL BACKGROUND AND LITERATURE REVIEW

CONSUMER ATTITUDE: AN OVERVIEW

Consumer attitude refers to an individual's overall evaluation, feelings, and behavioural tendencies towards a product, brand, or service. Consumer behaviour and decision-making are profoundly impacted by this intricate psychological construct.

Consumer attitudes are typically composed of three key components: cognitive (beliefs and knowledge), affective (emotions and feelings), and conative (behavioural intentions). Numerous elements, such as one's own life experiences, one's social contacts, marketing campaigns, and cultural norms, contribute to the formation of these views.

Understanding consumer attitudes is vital for businesses as it helps predict purchasing behaviour, inform marketing strategies, and guide product development. Attitudes can range from strongly positive to strongly negative and may vary in strength and stability over time. Through communication, product quality, and brand positioning, marketers want to improve customer perception. However, changing established attitudes can be challenging, often requiring sustained efforts and strategic approaches.

CONSUMER ATTITUDES TOWARDS ECO-FRIENDLY PRODUCTS

Positive Attitudes vs. Purchasing Behaviour

The majority of customers have a favourable impression of environmentally friendly items, according to studies. The majority of customers (65%) are looking for businesses with a mission that promote sustainability when making purchases. Having said that, there is often a large chasm between these optimistic views and real spending habits. Only about 26% of consumers actually follow through with buying sustainable products. This discrepancy,

known as the "attitude-behaviour gap," is a key challenge in promoting eco-friendly consumption.

Factors Influencing Attitudes

Several factors influence consumer attitudes towards eco-friendly FMCG products:

- **Environmental Awareness:** Environmentally conscious customers are more likely to like eco-friendly products.
- **Health Consciousness:** Many people purchase eco-friendly items for health reasons, believing they are safer and better for them.
- **Social Influence:** When it comes to how people feel about eco-friendly goods, societal standards and the actions of one's peers are major factors.
- **Product Attributes:** Many consumers equate ecologically friendly products with worse quality, ugly design, or greater pricing.

Barriers to Eco-Friendly Product Adoption

Despite positive attitudes, several barriers hinder the widespread adoption of eco-friendly FMCG products:

Lack of Awareness: Many clients are unaware of eco-friendly products' benefits and identification. Product labels and outdoor advertisements are major sources of awareness, but their effectiveness varies.

Price Sensitivity: The perceived higher cost of eco-friendly products is a significant barrier for many consumers, especially in price-sensitive FMCG categories.

Quality Perceptions: Some consumers associate eco-friendly products with lower quality or effectiveness, particularly in categories where performance is crucial.

Availability and Convenience: Limited availability of eco-friendly alternatives and the convenience of traditional products can discourage consumers from making sustainable choices.

LITERATURE REVIEW WITH RESEARCH GAP

Verru, S., Babu, S. P., & Vijaya Kumar, P., 2024 in their study evaluates Hyderabad customers' green FMCG purchasing intentions based on attitudes, perceptions, and living standards. The stepwise hierarchical regression research of 766 consumers found that these factors strongly influence purchase intent. The research finds a more predictive second-layer model, helping governments and companies promote green products.

Vernekar&Wadhwa, 2024 they in their research seeks to understand how environmentally conscious and less concerned customers in Delhi and NCR perceive and approach fast-moving consumer goods (FMCG) that are designed to be environmentally friendly. A 160-

person survey found that individuals are knowledgeable about eco-friendly products and willing to pay more for them, with packaging having a big impact. The research emphasises targeted marketing techniques to meet customer green consumption choices and incentives. Peiris et al., 2024 in their study explores how different consumption values functional, conditional, and epistemic affect green FMCG purchase behavior, specifically regarding household cleaning products in Sri Lanka. The survey of 326 respondents reveals that while functional, conditional, and epistemic values significantly influence purchase decisions, social and emotional values do not. This research fills a knowledge gap with the Theory of Consumption Values to assist marketers create better targeted tactics by considering these crucial elements.

Sharma & Sharma, The authors in their research investigate consumer perceptions and preferences for eco-friendly green products within the FMCG sector. To assess how well green marketing approaches encourage sustainable consumer behavior, the study employed Life Cycle Assessment to assess their environmental impact. While addressing regulatory compliance and consumer health issues, the findings emphasize the significance of green goods in decreasing environmental harm, promoting sustainability, and achieving a competitive edge.

Sharadhi et al., This study examines green marketing from the 1970s to the present and how fast-moving consumer goods customers see it. The study's three phases focused on green marketing, clean technology, and sustainability. The research interviews Bangalore residents aged 18–40 to see how and why their views on environmentally friendly products are changing.

Ogiemwonyi et al., in their study they used structural equation modelling to assess 375 participants' green purchasing behavior (GPB) to determine how environmental variables affect it. The research found that subjective norms, awareness of consequences, and environmental attitude directly affect GPB, whereas environmental responsibility and concern indirectly affect it via environmental attitude. Environmental views influence consumer behaviour towards greener options, according to the research.

Reddy et al., in their research Perceptions of green marketing tactics for environmentally friendly fast-moving consumer goods (FMCG) in India are explored in this research. The research, based on a survey of 702 respondents, highlights that consumers are well-informed about green marketing practices and exhibit strong environmental values. It emphasizes the importance of incorporating eco-friendly practices in product development and marketing. The results help marketers promote green goods and meet customer environmental sustainability requirements.

Jain, P., & Hudnurkar, M., in their research explore the evolving consumer attitudes towards sustainable packaging in the FMCG sector. As environmental awareness rises, consumers

increasingly prioritize eco-friendly packaging, compelling FMCG brands to adapt. To learn how consumers, think and act in relation to sustainability, the study looks over 30 research articles and uses focus groups. One important takeaway is how important it is to match packaging techniques with consumer values in order to close the gap between customer expectations and actual goods.

RESEARCH GAP

Existing research often overlooks the complex interplay between environmental consciousness, purchasing behavior, and brand loyalty within FMCG contexts (Peiris, Jasingha, & Rathnasiri, 2024; Sharma & Sharma, 2023). In addition, few studies have examined how green marketing campaigns affect consumers' perceptions and choices of environmentally friendly fast-moving consumer goods (FMCG) (Vyas et al., 2023; Jain & Hudnurkar, 2022). This study aims to address these gaps by providing a holistic understanding of consumer attitudes toward eco-friendly FMCG products and examining the implications for industry practices, thus offering valuable insights for enhancing green marketing strategies.

RESEARCH DESIGN

STATEMENT OF THE PROBLEM

The FMCG business is straining to accommodate the growing demand for eco-friendly products without compromising profitability or market dominance. Many firms struggle to identify their eco-friendly goods and services and communicate their sustainability activities in a crowded market. The variables impacting consumers' purchase choices and their willingness to pay a premium for eco-friendly fast-moving consumer goods (FMCG) are important to understand.

By delving into customer sentiments towards environmentally conscious FMCG items, this research hopes to close the gap between what consumers want and what businesses really do. Businesses may better satisfy customer requests, increase brand loyalty, and fuel sustainable development in a market that is becoming more ecologically sensitive if they have a firm grasp of these views.

NEED FOR THE STUDY

- As a result of your research, businesses will be better equipped to understand customer sentiment towards environmentally friendly fast-moving consumer goods (FMCG) and adjust their product lines and advertising campaigns accordingly.
- Show how eco-friendly product buyers make choices to help firms improve their pricing and value offers.
- Identify potential barriers to the adoption of eco-friendly products, allowing companies to address these challenges proactively.
- Contribute to the broader understanding of sustainability trends in the FMCG sector, providing a foundation for future studies and industry initiatives.

- Help fast-moving consumer goods (FMCG) firms create more ethical and environmentally conscious business models that may be lucrative in the long run.

OBJECTIVES

- To assess awareness of eco-friendly FMCG products
- To investigate the impact of attitudes in people choose environmentally friendly fast-moving consumer goods,
- To Examine consumer willingness to pay premium prices for eco-friendly alternatives
- To Evaluate the efficacy of environmentally conscious advertising campaigns in the fast-moving consumer goods industry

SCOPE OF THE STUDY

This research delves at customer sentiments on environmentally conscious fast-moving consumer goods (FMCG), including areas such as food and drink, personal care, and home cleaning supplies. Conducted in Vijayanagara District, it targets consumers aged 18 and above from diverse socio-economic backgrounds. The survey examines consumer awareness, purchasing behaviours, brand perceptions, and willingness to pay extra on eco-friendly products. It explores how green marketing affects consumer attitude and decision. The findings will help FMCG companies, marketers, and lawmakers promote sustainable consumption and manufacture.

RESEARCH METHODOLOGY

Research Design

Descriptive analysis This descriptive analytic study examines customer attitudes about eco-friendly FMCG. Using this approach, we may probe the FMCG market for sustainable product offers from every angle: customer perceptions, preferences, and actions. An in-depth understanding of what goes into consumer decision-making and how successful eco-friendly advertising campaigns are may be gleaned from the descriptive study.

Sources of Data

Primary data: The researcher will personally gather primary data from study participants. This data will be gathered specifically for the purpose of understanding consumer attitudes towards eco-friendly FMCG products through surveys and questionnaires.

Secondary data: Secondary data will come from industry papers, academic journals, market research publications, and trusted web sources. This data will contextualize and enhance primary research.

Sampling Plan

Sampling unit: Individual consumers aged 18 and above

Sample size: 80 responses

Sampling technique: Convenience sampling

Convenience sampling will be used to select participants for this study. This non-probability sampling method allows for the selection of easily accessible respondents, making it suitable for gathering data on consumer attitudes towards eco-friendly FMCG products within the given time and resource constraints.

Data Collection and analysis

Survey: A questionnaire using Likert scale options will be employed to collect data on consumer attitudes towards eco-friendly FMCG products.

Plan of Analysis

The data will be organized, sorted, and tabulated for analysis. Percentage analysis and hypothesis testing using Chi-square analysis for two variables will be used to assess the data and make conclusions regarding customer attitudes toward eco-friendly FMCG items.

Hypotheses

Hypothesis (H0): Environmentally conscious consumers are more inclined to purchase eco-friendly FMCG.

Null Hypothesis (H1): Environmental awareness does not predict the purchase of eco-friendly FMCG.

Limitations

- Eighty people participated in the survey; therefore, the results may not be generalizable to the community at large.
- The research is confined to Vijayanagara District, and findings may not be generalizable to other regions or countries.
- Time constraints may limit the depth of analysis and exploration of long-term trends in consumer attitudes towards eco-friendly FMCG products.

FINDINGS, CONCLUSION AND SUGGESTIONS

SUMMARY OF FINDINGS

- **Age Distribution:** The majority of respondents (67.5%) were under 35 years old, with the 25-34 age group being the largest at 38.75%.
- **Gender Balance:** With 51.25% women and 46.25% males, the research was gender balanced.
- **Education Level:** Most respondents (67.5%) held at least a bachelor's degree, indicating a well-educated sample.
- **Income Distribution:** Various income ranges were represented in the biggest income group, which included 36.25 percent of the total, with monthly earnings below 1,50,000.
- **Familiarity with Eco-Friendly Products:** 70% of respondents were either somewhat or very familiar with eco-friendly FMCG products.

- **Purchase Frequency:** 83.75% of respondents purchased eco-friendly FMCG products at least sometimes, with 33.75% doing so often.
- **Popular Eco-Friendly Categories:** Food and beverages (38.75%) and personal care products (28.75%) were the most frequently purchased eco-friendly FMCG categories.
- **Information Sources:** Product labels (36.25%) and social media (26.25%) were the primary sources of information about eco-friendly FMCG products.
- **Environmental Impact Consideration:** 65% of respondents agreed or strongly agreed that environmental impact is crucial in their FMCG purchasing decisions.
- **Brand Preference:** 71.25% of respondents preferred FMCG brands with a strong commitment to sustainability.
- **Active Seeking of Eco-Friendly Alternatives:** 60% of respondents actively sought eco-friendly alternatives when shopping for FMCG products.
- **Important Eco-Friendly Features:** Biodegradable packaging (33.75%) and organic ingredients (26.25%) were the most important eco-friendly features for consumers.
- **Research Time:** Most respondents (65%) spent less than 15 minutes researching eco-friendly FMCG products before purchase.
- **Willingness to Pay Premium:** Eco-friendly fast-moving consumer goods (FMCG) commanded a premium price from 57.5% of respondents.
- **Perceived Quality Justification:** The increased price tag of environmentally friendly fast-moving consumer goods is justified, according to 62.5% of respondents.
- **Long-Term Value Perception:** 67.5% said eco-friendly FMCG items are more cost-effective over time.
- **Premium Price Acceptance:** The poll found that 65% would pay up to 25% more for eco-friendly fast-moving consumer items.
- **Convincing Factors for Premium Pricing:** Proven environmental benefits (38.75%) and health benefits (28.75%) were the most convincing factors for paying premium prices.
- **Eco-Labels Effectiveness:** 71.25% found eco-labels and certifications on product packaging effective or very effective.
- **Website Information Effectiveness:** 67.5% considered detailed sustainability information on company websites effective or very effective.
- **Importance of Transparency:** 77.5% viewed transparency in a company's environmental claims as very or extremely important.
- **Effective Marketing Messages:** Rational appeals (33.75%) and emotional appeals (26.25%) were the most resonant eco-friendly marketing messages.
- **Primary Barrier to Purchase:** Higher prices (38.75%) and limited availability (23.75%) were the main barriers to purchasing more eco-friendly FMCG products.
- **Likelihood of Switching Brands:** 67.5% of respondents were likely or very likely to switch to an eco-friendly alternative if their preferred FMCG brand didn't offer one.

SUGGESTIONS

- **Increase Awareness Campaigns:** Develop targeted awareness campaigns to educate consumers about the benefits and features of eco-friendly FMCG products.
- **Promote Eco-Friendly Features:** Highlight key eco-friendly attributes such as biodegradable packaging and organic ingredients in marketing materials to attract more customers.
- **Enhance Product Availability:** Improve the availability of eco-friendly products in various retail channels to overcome the barrier of limited availability.
- **Competitive Pricing Strategies:** Implement pricing strategies that balance premium pricing with affordability to attract more price-sensitive consumers.
- **Strengthen Eco-Labeling:** Ensure that eco-labels and certifications are clear, credible, and prominently displayed on product packaging.
- **Leverage social media:** Utilize social media platforms to disseminate information about eco-friendly products and engage with consumers on sustainability topics.
- **Offer Incentives:** Promoting eco-friendly items via loyalty programs or incentives may increase customer retention and advocacy for the company.
- **Improve Transparency:** Post clear and comprehensive information on your company's website on the environmental effect of your goods and sustainability initiatives.
- **Address Price Sensitivity:** Explore ways to reduce production costs or offer value-added features to justify the higher price of eco-friendly products.
- **Expand Research and Development:** The development, production, and accessibility of environmentally friendly fast-moving consumer goods (FMCG) should be prioritized via increased funding for research and development.
- **Educate Retail Partners:** Work with retailers to teach staff about sustainability and eco-friendly products.
- **Diversify Marketing Messages:** Use a mix of rational and emotional marketing appeals to resonate with different segments of consumers.
- **Focus on Long-Term Value:** Emphasize the long-term benefits of eco-friendly products in marketing messages to justify the premium price.
- **Monitor Consumer Trends:** Continuously monitor consumer preferences and trends related to eco-friendly products to adapt strategies and offerings accordingly.
- **Encourage Brand Switching:** Highlight the advantages of eco-friendly alternatives to persuade consumers who may be considering switching from non-eco-friendly brands.

CONCLUSION

Researchers revealed that buyer perception about FMCG and eco-friendly products has changed significantly. Many people are aware of and often buy environmentally friendly items; this is especially true in the food and drink and personal care industries. Biodegradable packaging, organic ingredients, and the efficacy of eco-labels are key elements impacting their decisions.

Even with a favourable trend, higher prices and limited supply effect customer buying behaviour. Even though many individuals are willing to pay extra for eco-friendly products, higher pricing and limited availability remain impediments. For environmental claims and sustainability information to have an impact on customer choices, there must be transparency.

The findings suggest that fast-moving consumer goods (FMCG) companies should increase their sustainability efforts, provide more eco-friendly products, and solve pricing concerns to fulfill rising demand for environmentally friendly solutions. Brand loyalty and market position will be strengthened, and customer expectations will be met, via this method.

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