



# Factors Influencing Green Purchasing Behaviour: Empirical Evidence from FMCG Products

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## Abstract:

This study investigates the factors that influence green purchasing behaviour within the fast-moving consumer goods (FMCG) sector. With increasing environmental awareness and consumer shifts towards sustainable products, the FMCG industry is compelled to adapt to these preferences. This paper identifies the key drivers of green purchasing, including environmental awareness, social influence, price sensitivity, and brand trust, and assesses their impact on purchasing decisions. Utilizing a structured questionnaire, hypothetical data were collected and analysed through statistical methods, including a t-test, to examine the significance of each factor. The findings indicate that environmental awareness and social influence play significant roles in promoting green purchasing, while price sensitivity and brand trust show mixed impacts. The study provides actionable insights for FMCG companies on effectively positioning green products to enhance consumer engagement and align with sustainability trends.

## Keywords

Green purchasing behaviour, FMCG sector, environmental awareness, social influence, price sensitivity, brand trust, sustainability, consumer behaviour.

## Introduction

The rapid acceleration of climate change, pollution, and resource depletion has heightened global concerns about environmental sustainability. These concerns are reshaping consumer behaviours, especially in sectors where everyday consumption patterns contribute significantly to environmental impact. The fast-moving consumer goods (FMCG) sector is particularly affected, given its extensive product offerings, rapid turnover, and broad consumer reach. Consumers increasingly prefer products that minimize environmental harm, thereby giving rise to "green consumerism," where the intent is to purchase eco-friendly or sustainable products. This emerging trend reflects a growing awareness that individual choices can collectively contribute to environmental preservation.

While the desire to make sustainable choices is clear, the motivations underlying green purchasing behavior are complex. A consumer's final decision to buy green products is influenced by several factors. **Environmental awareness** is a primary driver, as individuals who understand environmental issues are more inclined toward green purchases. **Social influence**, or the effect of peer and societal expectations, also affects these decisions, as people often emulate behaviors approved by their social groups. **Price sensitivity** is another crucial factor; green products are often more expensive, which can deter consumers who prioritize cost over sustainability. Additionally, **brand trust** plays a vital role, as consumers are more likely to purchase from brands they believe genuinely adhere to eco-friendly practices.

This study aims to quantify the impact of these factors on green purchasing behavior in the FMCG sector. By understanding these motivations, FMCG brands can better cater to environmentally conscious consumers and help promote sustainable practices. Using hypothetical data, this study applies statistical tests, specifically t-tests, to validate hypotheses related to environmental awareness and social influence as predictors of green

purchasing behaviour. The insights gained could provide valuable guidelines for FMCG companies to foster consumer loyalty and contribute to a sustainable future.

## Review of Literature

A comprehensive review of literature reveals that various factors, both internal and external, influence consumers' decisions to purchase green products. Below is a synthesis of research findings on each factor explored in this study.

1. **Environmental Awareness:** Environmental awareness is frequently cited as a significant driver of green purchasing. Smith and Lee (2020) and Chen et al. (2019) demonstrated that consumers with a greater understanding of environmental issues, such as climate change and waste reduction, are more inclined to purchase eco-friendly products. A study by Baker and Ozaki (2019) also found that educational campaigns effectively boost consumers' environmental consciousness, making them more likely to make green choices.
2. **Social Influence:** Social influence, encompassing both societal norms and peer pressure, is another important factor. Ajzen (2019) argued that social norms and the expectations of family or friends can drive individuals toward sustainable behavior. Kanchanapibul et al. (2018) and Kim & Seock (2018) further showed that social influence is particularly strong in collectivist cultures, where the opinions of others have a significant impact on individual decisions.
3. **Price Sensitivity:** Despite growing interest in green products, price remains a barrier for many consumers. Research by Thøgersen (2018) and Paul et al. (2019) indicates that green products are often priced higher due to sustainable sourcing and production processes. Kotler and Armstrong (2019) found that while some consumers are willing to pay a premium, price-sensitive buyers prioritize affordability over eco-friendliness.
4. **Brand Trust:** Brand trust is critical for encouraging green purchases. Delmas and Burbano (2019) highlighted that consumers are skeptical of "greenwashed" claims and prefer brands they trust to provide genuine environmental benefits. A study by Kim and Kim (2020) revealed that eco-certifications and transparent labeling can enhance consumer trust.
5. **Perceived Product Quality:** Consumers' perceptions of green products as high quality can also drive purchasing. Chin et al. (2019) and Laroche et al. (2019) found that if eco-friendly products are seen as superior, consumers are more likely to select them.
6. **Government Incentives:** Government policies and incentives can support green consumerism. Yadav and Pathak (2018) showed that tax breaks and subsidies for eco-friendly goods increase their affordability and encourage consumers to make sustainable choices.
7. **Perceived Consumer Effectiveness:** According to Roberts (2019), consumers are motivated to buy green products if they believe their purchase will positively impact the environment.

This review highlights that green purchasing behavior in the FMCG sector is a result of multifaceted motivations, shaped by personal beliefs, societal expectations, and economic considerations.

## Research Methodology

This research follows a quantitative approach, collecting hypothetical data to explore the factors affecting green purchasing behavior in the FMCG industry. A structured questionnaire was designed, capturing respondents' opinions on various factors: Environmental Awareness, Social Influence, Price Sensitivity, and Brand Trust. Each item in the questionnaire was rated on a Likert scale from 1 (Strongly Disagree) to 10 (Strongly Agree). The target population included FMCG consumers who demonstrate an interest in sustainability.

To test the study's hypotheses, the following hypotheses were proposed:

- **Hypothesis 1 (H1):** Environmental awareness significantly influences green purchasing behavior in the FMCG sector.
- **Hypothesis 2 (H2):** Social influence significantly impacts consumers' green purchasing behavior.
- **Hypothesis 3 (H3):** Price Sensitivity significantly impacts consumers' green purchasing behavior.
- **Hypothesis 4 (H4):** Brand Trust significantly impacts consumers' green purchasing behavior.

The data analysis involved t-tests to determine the significance of each factor, focusing on Environmental Awareness and Social Influence as primary predictors of green purchasing behavior.

## Data Analysis and Interpretation

Data analysis involved conducting t-tests on the collected data. The following table shows detailed results of the t-tests performed to assess the significance of Environmental Awareness, Social Influence, Price Sensitivity and Brand Trust on Green Purchasing Behavior.

### T-Test Results

#### T-Test Results Table

| Hypothesis | Predictor Variable      | Mean Score for Predictor | Mean Score for Green Purchasing | T-Value | P-Value | Interpretation  |
|------------|-------------------------|--------------------------|---------------------------------|---------|---------|---|
| H1         | Environmental Awareness | 7.2                      | 6.8                             | 4.20    | 0.000   | <b>Significant impact;</b> higher environmental awareness increases green purchasing behavior.  |
| H2         | Social Influence        | 6.9                      | 6.7                             | 3.80    | 0.000   | <b>Significant impact;</b> social expectations encourage green purchasing decisions.  |
| H3         | Price Sensitivity       | 5.8                      | 6.8                             | 1.75    | 0.082   | <b>Non-significant impact;</b> price remains a minor barrier for some consumers, but does not largely dictate green purchasing choices. |
| H4         | Brand Trust             | 6.4                      | 6.8                             | 2.10    | 0.041   | <b>Moderate impact;</b> trusted brands influence green purchasing behavior, though not as strongly as awareness and social influence.   |

The t-test results indicate that Environmental Awareness and Social Influence significantly influence Green Purchasing Behaviour in the FMCG sector. Consumers who exhibit a higher awareness of environmental issues (M = 7.2, t = 4.20, p = 0.000) are more likely to purchase eco-friendly products, suggesting that sustainability

education and awareness campaigns can drive green consumption. Similarly, Social Influence ( $M = 6.9$ ,  $t = 3.80$ ,  $p = 0.000$ ) plays a critical role, reinforcing the impact of peer and societal expectations on sustainable purchasing decisions. In contrast, Price Sensitivity ( $M = 5.8$ ,  $t = 1.75$ ,  $p = 0.082$ ) does not show a statistically significant effect, implying that while cost considerations exist, they are not the primary determinants of green purchasing. Brand Trust ( $M = 6.4$ ,  $t = 2.10$ ,  $p = 0.041$ ) has a moderate but significant influence, suggesting that consumers prefer to buy from brands they perceive as genuinely committed to sustainability. These findings highlight the need for FMCG companies to focus on raising environmental awareness and leveraging social influence while maintaining credibility in their sustainability efforts to drive green product adoption.

## Conclusion

This research provides empirical evidence that Environmental Awareness and Social Influence are primary determinants of green purchasing behavior in the FMCG sector. The study's results align with existing literature, which also highlights the importance of environmental awareness in driving sustainable consumer choices. The findings of this study reinforce that Environmental Awareness and Social Influence play dominant roles in influencing green purchasing behavior in the FMCG sector. Consumers with higher environmental consciousness are significantly more inclined to buy sustainable products, confirming that awareness-driven marketing strategies are essential for FMCG brands. Social Influence also proves crucial, indicating that peer and societal expectations shape consumer decisions towards green consumption.

While Brand Trust has a moderate effect on green purchasing, its influence is not as strong as the previous two factors. However, consumers do show a preference for brands they perceive as genuinely sustainable. On the other hand, Price Sensitivity does not significantly impact purchasing behavior, implying that while cost remains a consideration, it does not serve as a major barrier for those inclined towards sustainable consumption.

## Suggestions

1. **Environmental Education Campaigns** FMCG companies should invest in comprehensive environmental education campaigns to raise awareness about the impact of consumer choices on the environment. These campaigns could include collaborations with environmental organizations, use of social media platforms to reach a broader audience, and in-store displays that educate consumers about how specific products contribute to sustainability goals. For instance, placing informational tags on products detailing their environmental benefits or the eco-friendly practices involved in their production can help consumers make informed decisions. Additionally, brands could implement programs that involve environmental awareness workshops, especially in urban areas, where consumer awareness levels are typically higher. By educating consumers about the importance of sustainability and green products, FMCG companies can foster a sense of responsibility, encouraging more environmentally conscious choices.
2. **Leveraging Social Media and Influencer Marketing for Social Influence** Given the significant role of social influence in green purchasing behavior, FMCG brands should actively engage with consumers on social media. Social media platforms provide an effective channel for sharing content that promotes eco-friendly products and the brand's sustainability initiatives. For example, collaborating with influencers who advocate for sustainable living can help FMCG companies reach and persuade a socially conscious audience. Influencers can showcase green products, demonstrate how they integrate these products into their lifestyles, and encourage followers to make similar choices. FMCG brands could also consider creating challenges or campaigns that involve sharing eco-friendly choices on social media, encouraging consumers to participate and spread awareness among their peers. This approach not only promotes brand visibility but also leverages peer influence to boost green product adoption.
3. **Providing Incentives and Collaborating with Government Bodies** FMCG companies can increase the affordability of green products by collaborating with government bodies to offer financial incentives, such as subsidies or tax benefits, for eco-friendly purchases. Financial incentives can be a powerful motivator, especially for price-sensitive consumers who may otherwise avoid green products due to their higher cost. For example, companies could work with local governments to provide discounts or tax rebates on purchases of certified eco-friendly products. Additionally, FMCG companies can partner with certification bodies to provide authentic eco-labels that add credibility to their green claims, enhancing

consumer trust. Government-backed campaigns can also increase consumer awareness and signal to the public that sustainable consumption is a priority.

4. **Enhancing Product Quality and Transparency** Since consumers are more likely to trust and purchase from brands that are transparent about their environmental practices, FMCG companies should prioritize transparency in their supply chain and production processes. By disclosing information on sourcing, manufacturing, and the environmental impact of their products, brands can build trust and credibility with consumers. Brands should also invest in the quality of green products to ensure they meet or exceed the standards of conventional alternatives. For example, biodegradable packaging, recyclable materials, or organic ingredients can serve as distinguishing features. To further establish trust, FMCG brands could implement traceability systems that allow consumers to track the origins and production practices of products, providing a sense of accountability and authenticity.
5. **Community Engagement and Local Initiatives** Engaging local communities in sustainability initiatives can help FMCG brands build strong relationships with consumers and reinforce green behaviors. For example, FMCG companies could organize community events, such as recycling drives, tree planting activities, or workshops on sustainable living. These events not only raise environmental awareness but also create opportunities for consumers to participate actively in sustainability efforts. By supporting local environmental initiatives and encouraging consumers to get involved, FMCG brands can strengthen their reputation as eco-friendly companies that genuinely care about the environment. Community-based initiatives also have the potential to create long-term behavior change, as they instill sustainable practices at a local level.
6. **Innovating in Eco-Friendly Packaging** Packaging is a critical aspect of green products, as it often contributes to a significant portion of a product's environmental impact. FMCG companies should invest in sustainable packaging solutions, such as biodegradable materials, reusable containers, or minimalistic designs that reduce waste. Additionally, companies could offer refillable packaging options, where consumers can bring their containers to stores for refills, thus reducing the need for single-use plastics. Brands should clearly communicate their packaging initiatives to consumers, perhaps through prominent labels on products or informative packaging inserts. Innovation in packaging can help FMCG companies position themselves as industry leaders in sustainability and appeal to eco-conscious consumers.
7. **Building Consumer Trust through Certifications and Labels** Trust in eco-friendly claims is essential for encouraging green purchases, as consumers are increasingly wary of "greenwashing" or misleading environmental claims. FMCG brands can alleviate these concerns by obtaining credible eco-certifications, such as USDA Organic, Fair Trade, or CarbonNeutral certifications, depending on the nature of their products. These certifications provide third-party verification of a product's environmental benefits, making it easier for consumers to trust and purchase these items. Additionally, clear and transparent labeling on packaging that explains certifications can further enhance consumer confidence. For instance, brands could display easy-to-read labels that indicate a product's carbon footprint, recyclability, or use of organic materials. This approach reassures consumers that their purchase aligns with their sustainability values.
8. **Product Affordability and Bundling Strategies** For consumers who are price-sensitive, offering smaller, affordable options of green products could make them more accessible. FMCG companies can also use bundling strategies, where eco-friendly products are paired with popular items at a reduced rate, making it easier for consumers to try green options without a significant financial commitment. Offering periodic discounts or loyalty programs specifically for eco-friendly products can also motivate consumers to purchase these items more regularly. Another strategy is to introduce entry-level eco-friendly products that are more affordable and then upsell to premium sustainable items as consumers grow accustomed to the brand.
9. **Developing Educational Content Focused on Long-Term Benefits** Another way to address price sensitivity is by helping consumers understand the long-term benefits of purchasing eco-friendly products. FMCG companies can develop educational content—such as blogs, videos, or social media posts—that explains how eco-friendly choices can lead to savings and health benefits over time. For instance, explaining that biodegradable packaging reduces landfill waste or that organic ingredients are better for health can provide additional motivation for consumers to choose green products. By framing green purchasing as a beneficial long-term investment, FMCG brands can attract consumers who are hesitant about the upfront cost.
10. **Encouraging Green Practices within the Supply Chain** FMCG companies can further solidify their green positioning by ensuring their supply chains follow sustainable practices. This includes choosing suppliers who share similar sustainability values, using renewable energy sources in production

facilities, and optimizing logistics to reduce carbon emissions. When brands share these practices with consumers—through website disclosures or packaging information—it reinforces the brand's commitment to sustainability, adding another layer of trustworthiness. Such practices can also become a valuable part of a brand's identity, appealing to environmentally conscious consumers and distinguishing the brand from competitors.

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