



A STUDY TO UNDERSTAND CONSUMER PREFERENCES WITH RESPECT TO AWARENESS ABOUT CLIMATE CHANGE.

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Executive Summary

In this research project, our main objective is to delve into the fascinating realm of climate change and its influence on consumer behavior. We aim to explore whether the growing awareness of climate change has sparked any significant shifts in the way consumers make choices and engage in various consumption practices.

To achieve this, we will carefully examine the intricate link between consumerism and environmental issues. This entails understanding how consumers perceive and comprehend these environmental concerns, as their level of awareness and understanding plays a crucial role in shaping their behaviors.

Furthermore, we will delve into the depths of consumer perception, seeking to uncover their attitudes and beliefs surrounding environmental issues. By doing so, we can gain valuable insights into whether heightened sensitivity towards these matters has a discernible impact on consumers' consumption patterns

Introduction :

A long-term shift in the typical weather patterns that have come to characterize local, regional, and global climates on Earth is referred to as climate change. There are numerous observed impacts of these modifications that are equivalent to the word.

Natural occurrences can be partially blamed for climate change. Volcanic eruptions, variations in solar radiation, tectonic movements, and even minute adjustments to our orbit have all been observed to have an impact on the patterns of planetary warming and cooling throughout Earth's history.

However, climate data can demonstrate that the current rate of global warming—specifically, the rate that has been observed since the beginning of the industrial revolution—is significantly quicker than it has ever been. NASA states that although these natural factors are still active today, the recent rapid warming observed cannot be explained by them because of their tiny influence or sluggish rate of occurrence. Furthermore, the data disprove the myth spread by the fossil fuel industry and conservative think groups, which would have us believe that natural forces are the primary drivers of climate change.

Scientists concur that the main cause of the current global phenomena is human activities. (The term "anthropogenic" is occasionally used to describe this kind of climate change, which simply means "caused by human beings.") Over the past 150 years, the unrestrained use of fossil fuels has significantly increased the amount of greenhouse gases, primarily carbon dioxide, in the atmosphere. Forests, wetlands, and other carbon sinks—natural resources that store carbon dioxide and stop it from being released into the atmosphere—are being extensively destroyed as a result of logging and industrialization.

It is undeniable that human consumption patterns have contributed to climate change, and one could argue that since we are a part of the issue, we also need to be involved in finding solutions. The ostensibly good news is that consumers constantly state that they are willing to modify their behavior in order to lessen the effects of climate change and that they have highly positive attitudes towards environmentally friendly items. Numerous studies, however, have not revealed much of a change in consumer behavior.

Cultural inertia will slant solutions in favor of green consumption as a generalized approach to problem-solving in the absence of investigation. Green consumption, by itself, is an inadequate response to climate change since it maintains, if not accelerates, economic growth that is incompatible with a sustainable way of life. Integration of regulatory, energy-efficient, skill-based, and dissemination strategies is necessary to combat climate change. Collaborating with colleagues in ecological economics and other social sciences that acknowledge cultural reinvention as a strategy for attaining sustainability is recommended for behavioral scientists.

Individuals may be inspired to modify their eating patterns for many reasons. Some people may find that understanding the effects on the environment is crucial; this was the case with the backlash that followed the revelation of the environmental effects of rapid fashion. For others, it can be about saving money—being able to find outdoor gear at a fantastic price, for instance.

This study attempts to comprehend people's sensitivity to climate change in light of all these variables. These individuals are consumers; hence the purpose of this study is to determine whether their awareness of and comprehension of climate change influences the resources they choose to purchase or consume.

Review of Literature :

1. **Martin Achtnicht** (July 2013) : Consumer choices relevant to climate change: stated preference evidence from Germany. Martin Achtnicht studied the willingness to pay for carbon alternatives, carbon offsets or climate policy in general. It attempts to explain the persistent low retrofit rate in Germany and makes suggestions on how to stimulate energy retrofits in an effective and cost-efficient way

2. **Patrick Hendrick, Dan Micu (October 2023)**: In Belgium, Romania, Italy, and Sweden, this study investigates how the COVID-19 epidemic has affected consumer behaviour and preferences for household energy use through efforts to combat climate change. Utilising information from two Eurobarometer surveys carried out in 2019 and 2021, the research looks at changes in how people perceive climate change, what they are doing to counteract it, and how socioeconomic and demographic factors affect these things.

3. **Kaledio Egon, Julia Rosinski, Russell Eugene (September 2023)** : The study's backdrop and context are found in the changing dynamics of sustainability and consumerism. Environmental awareness rose sharply in the early 21st century due to worries about pollution, resource depletion, and climate change. As a result, customers are now more conscious of how their decisions affect the environment. The idea of making "green purchases" or environmentally conscious purchases has emerged as a result of this increased awareness.

4. **Yvonne Feucht, Katrin Zander (October 2017)** : The purpose of this study was to evaluate customer preferences for various CO2-labels in relation to other food processing characteristics and to pinpoint barriers to consumer behaviour that is climate-friendly. We created two CO2-labels based on recent research, testing them against one another to see which was best for the European market. Furthermore, the preferences for local and organic production, as well as a claim indicating climate friendliness, were compared with the preferences for the two CO2-labels.

5. **Muhammed Wasif Hanif (April 2022)** : To investigate the theoretically supported hypotheses of the research, a quantitatively planned survey approach was taken into consideration. The 30-item, 5-point Likert scale questionnaire was distributed with an emphasis on convenience sampling. In Abbottabad, Pakistan, 203 targeted respondents provided the data. We used the one-to-one simple regression approach and correlation in SPSS to statistically analyse the data that was gathered. The study's conclusions demonstrated that consumers are aware of green products' qualities, prices, and intentions for environmental preservation.

Hypothesis :

A hypothesis is a suggested solution to the problem; depending on the nature of the research project, it may be tested using one or more of these tests, which will either result in the hypothesis being accepted or rejected. A hypothesis is defined as a supposition or guesses put forward to account for certain facts and used as a basis for further investigation by which it may be proved or disproved. H0 is the null hypothesis while H1 being the alternate hypothesis.

The claim or statement being made, which we are attempting to refute, is known as the null hypothesis. On the other hand, the hypothesis we are attempting to prove, and which is accepted if there is enough evidence to refute the null hypothesis, is known as the alternative hypothesis.

The Hypothesis of this study are:

H0: Awareness about climate change has no effect on the consumer preferences with reference to eco-friendly products

H1: Awareness about climate change has a positive effect on the consumer preferences with reference to eco-friendly products

Data Collection:

In order to evaluate the hypothesis, data was gathered using two different formats: primary data collection and easily accessible secondary data.

Primary Data

Primary Data are the initial data that an investigator gathers for a particular reason. Primary data are original and "pure" in the sense that no statistical operations have been applied to them.

A survey questionnaire was distributed to individuals of different ages who possess a baseline comprehension of climate change in order to gather primary data. A total of 35 responses have been received, and these will be taken into consideration while doing the data analysis. The demographic details of the respondents such as Name, Age and Gender were recorded, along with which questions related to the research objectives were asked. Some of the questions which highlight and support the analysis for testing of the hypothesis are mentioned below:

1. According to you what are the reasons for these issues (Climate change, Global Warming, etc.) ?

Options	Responses
Problems like Global Warming or Climate Change are caused due to excessive use of resources	31 / 35
Problems like Global Warming or Climate Change are natural occurrences	2 / 35
Problems like Global Warming or Climate Change are have no significance and are bound to happen.	1 / 35

All of the above	4 / 35
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2. Do you think consumerism is a cause of these problems and we should buy only what we need?

Options	Responses
Yes	29 / 35
No	1 / 35
Maybe	8 / 35

3. Do you feel that making environmentally friendly choices can help tackle these issues?

Options	Responses
Yes	30 / 35
No	8 / 35
Maybe	0 / 35

4. What do you prefer to buy?

Options	Responses
Ecofriendly products with slightly higher prices	29 / 35
Products harmful to the environment but with cheap prices	5 / 35
Eco-friendly products with reasonable price	1 / 35

5. Will you be ready to switch to environmentally friendly products, provided it is scientifically proven that it will help tackle environmental issues?

Options	Responses
Yes	30 / 35
No	5 / 35
Maybe	0 / 35

Secondary Data

Secondary Data are the data that are derived from an original source; that is, these are the data that have previously been gathered by researchers or investigators and are accessible in published or unpublished form. The data are impure because they may have already undergone statistical operations. Secondary data was collected from various websites providing information about climate change and consumerism. The references of these websites can be found under the bibliography section.

Awareness of climate change and changing consumer preferences:

The concept of consumerism holds that acquiring consumer goods and material belongings is the primary means of achieving satisfaction and that expanding one's consumption of products and services obtained via the market is always a desirable objective.

In terms of economics, consumerism is associated with the mostly Keynesian notion that consumer spending drives the economy and that incentivizing people to spend is a primary objective of public policy. According to this perspective, consumerism is a good thing that promotes economic expansion. To the extent that consumer goods industries and the direct consequences of consumption cause negative environmental externalities, environmental concerns are often linked to consumerism. Urban sprawl, pollution, resource depletion, and issues with disposing of waste from surplus consumer items and packaging are a few of these.

As of right now, it is unclear whether raising knowledge of climate change has resulted in appreciable behavioral changes.

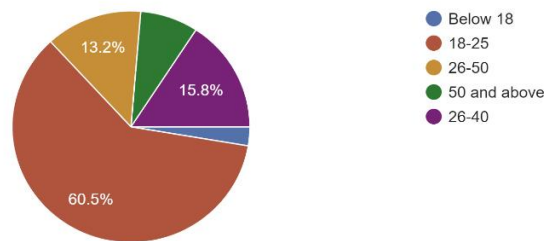
There have been researches conducted in several parts of the world where it was analyzed whether the awareness of climate change impacts behavioral changes. The findings indicate that heightened public and political discourse on climate change has been sparked by the rise in awareness of the issue. A snowball effect has been created by the extensive media coverage of its associated events, creating a window of opportunity for substantial changes towards more stringent and effective climate legislation. The public is now strongly in favor of politicians and decision-makers implementing

sustainable policies, even if doing so will result in greater expenses. Since pertinent data is only now becoming available, it is important to closely watch any changes in lifestyle in the years to come, including whether there will be further moves towards a more sustainable lifestyle.

As a result, consumer industries are facing a huge and expanding opportunity as public knowledge of climate change rises. The Climate Group conducted research in 2005 and discovered that 28% of customers in the US and 19% in the UK are very concerned about climate change. This suggests that the market for climate change products might be much larger than it was for organic or fairtrade goods when they first gained popularity. The group also revealed a latent need for goods, services, and brands that would enable consumers to express their concerns about climate change in their purchasing decisions. Significant obstacles to action were also found, namely in the areas of fairness and convenience.

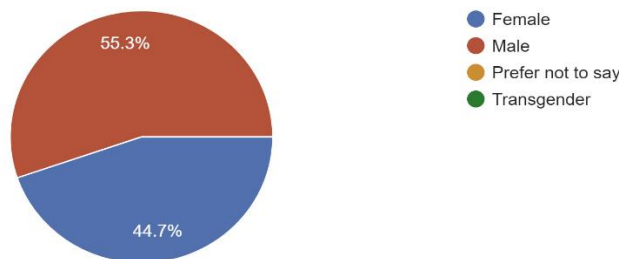
Data Analysis and Interpretation

i. DESCRIPTION OF DEMOGRAPHIC PROFILE OF RESPONDENTS AGE



Out of the total responses received 60.5% of the respondents were of the age group of 18 years to 25 years 15.8 % of the respondents were aged between 26 to 40 years while approximately 20% were aged above 40.

GENDER



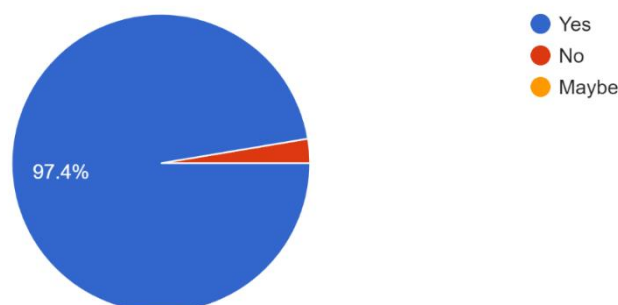
55.3% of the respondents were males while 44.7 % of the respondents were females.

ii. TESTING OF THE HYPOTHESIS

H0: Awareness about climate change has no effect on the consumer preferences with reference to eco-friendly products

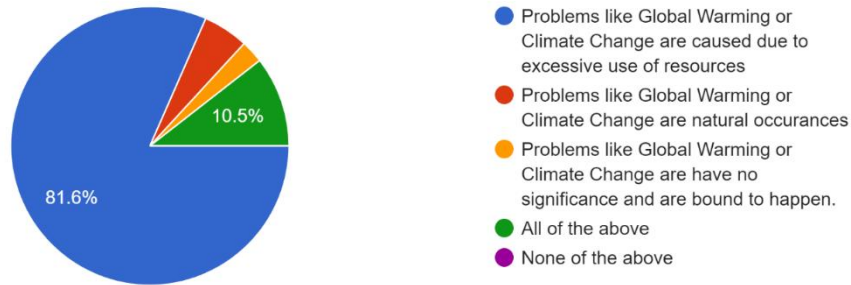
H1: Awareness about climate change has a positive effect on the consumer preferences with reference to eco-friendly products

Question 1 : Do you consider yourself aware about the issues like Global Warming, Climate Change, Pollution and its reasons ?



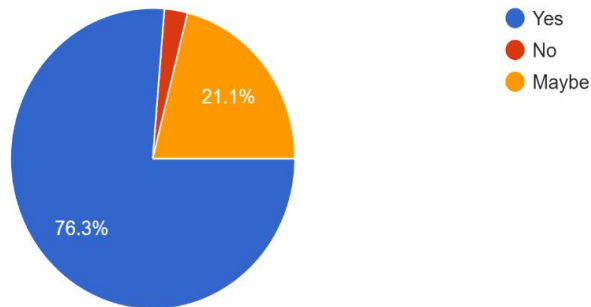
INFERENCE: A huge 97.4 % of the total respondents consider themselves aware about issues like climate change and its reasons.

2: According to you what are the reasons for these issues?



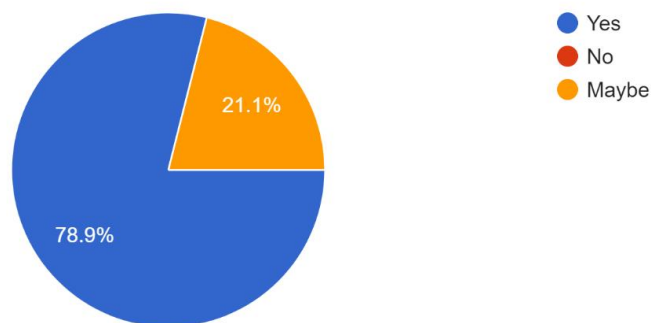
INFERENCE: 81.6% of the total respondent's state that excessive use of resources is the major reason for environmental issues like climate change.

3: Do you think consumerism is a cause of these problems and we should buy only what we need ?



INFERENCE: 76.3% of the respondents feel that consumerism is a cause of environmental issues and we should only buy what we need. Through this it can also be understood that they support buying less in order to tackle these issues.

4: Will you be ready to switch to environmentally friendly practices, provided it is scientifically proven that it will help tackle environmental issues?



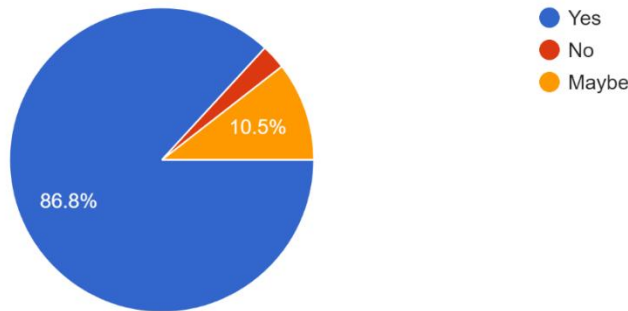
INFERENCE: 78.9% of the total respondents have stated that they are ready to switch to environmentally friendly products if that creates a positive impact for the earth.

5: What do you prefer to buy?



INFERENCE: Majority of the respondents are positive towards eco – friendly products , that is a 76.3% even though they are available at higher prices.

6: Do you think these problems are a threat to the mankind and can lead to mass casualties ?



INFERENCE: 86.8% of the respondents feel that environmental issues are a threat to the mankind.

Interpretations

1. Through the survey conducted it can be seen that the majority of the respondents had basic knowledge about environmental issues and the causes for them.
2. Majority of the respondents believe that the buying / consuming preferences made by them have an impact on the environmental issues.
3. It can be seen that the overall judgement towards the environmental issues is alarming for the consumers and they are positive towards taking corrective steps for it.
4. Majority of respondents also prefer buying environmentally friendly products, even if they are available at higher prices.

Thus, on the basis of the opinions expressed in the questionnaire, it has been an attempt to fulfil the objectives of the project in association with the hypothesis and the socio-demographic information

Hypothesis	Results
H0: Awareness about climate change has no effect on the consumer preferences with reference to eco-friendly products.	Rejected
H1: Awareness about climate change has a positive effect on the consumer preferences with reference to eco-friendly products.	Accepted

Suggestions :

Consumption is the foundation of the global economic system. For corporations to increase their wealth, they need additional consumers. They tell us that this gives the nations opportunity for development and jobs.

But this system is unfair since it destroys and plunders the natural resources and assets of the communities that safeguard them in order to create more. The individuals they employ in their production chain—workers, day labourers, peasants, and small producers—are all made poorer and entire ecosystems are harmed.

The mythical choice between preserving the environment and advancing the economy or creating jobs must be abandoned. Conversely, innovative business models centred on a zero-waste culture are emerging in Mexico, providing plastic-free goods in addition to locally produced goods that are considerate of the environment and your health.

Energy-saving technologies can help fight climate change, however over the past few decades, "consumption (and to a lesser extent, population) expansion has generally outpaced any beneficial benefits of advancements in technology.

We need to change the way we consume, with the idea that we should consume better and less. We can choose to consume locally in order to do this, as well as to avoid purchasing new goods by recycling, mending, replacing, or trading what we currently own.

Conclusion :

In summary, this study has effectively investigated how consumer behaviour and climate change awareness relate to one another. We have learned a great deal about how consumer perceptions, awareness, and sensitivity to environmental issues are influenced by climate change awareness and how that knowledge affects consumer behaviour.

Our research has also demonstrated the significance of communication and education in influencing customer behaviour. We can further promote sustainable consumption practises by raising consumer awareness of and knowledge about climate change and its effects.

Once more, take stock of your surroundings and consider how many items you actually don't need. How many of these could be made into something you or someone else actually needs? How many people are still able to live longer? By reevaluating and reimagining your consumption and making better, less choices, you may envision your house and city becoming greener and more equitable.

BIBLIOGRAPHY AND REFERENCES :**Link for the questionnaire:**

https://docs.google.com/forms/d/1_znrQji2oUCOav-ITlqgiKjlgT9SYAmFsU8mNVtRSU/edit

Other sites:

1. <https://news.climate.columbia.edu/2020/12/16/buying-stuff-drives-climate-change/>
2. <https://www.linkedin.com/pulse/lets-talk-how-does-consumerism-affect-environment-abdul-rehman#:~:text=The%20problem%20is%20when%20we,it%20is%20required%20or%20not.>
3. <https://www.investopedia.com/terms/c/consumerism.asp>
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