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THE IMPACT OF GREEN MARKETING ON CONSUMER DECISIONS IN THE FAST-MOVING CONSUMER GOODS (FMCG) SECTOR

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ABSTRACT:

The increased environmental awareness among Indian consumers has led to the adoption of green marketing by Fast-Moving Consumer Goods (FMCG) companies. This research provides an impartial assessment of the actual effect of green marketing on consumer choice, with a focus on the understanding of it among young adults and working professionals. From 103 participants to a structured online survey, this research examined where consumers were in terms of awareness, how they are influenced, and barriers to purchasing green FMCG. The results were positive overall regarding attitude towards eco-friendly products, but the actual behaviour to buy on a consistent basis was hindered by the high costs of green products, limited availability, and general distrust about brands delivering on their sustainability promises. The research shows that trust, transparency, and price were the main factors affecting consumer decisions. This research provided useful suggestions for marketers and policymakers to facilitate the more widespread adoption of sustainable goods in the FMCG sector by addressing the gap between intention and action.

Keywords: Green marketing, FMCG, consumer behaviour, sustainability, India, eco-friendly products

1. INTRODUCTION

1.1 Background of the Study

Green marketing has developed as a response to increasing global concern with sustainability. In India, it is especially relevant to the FMCG sector that involves products that are used on a daily basis, from food, beverages, and personal care to home care. While these items are essential, the mass production and packaging of these products are followed by short product life cycles, and altogether, they present a substantial cost for our environment. In the past few years, many of the FMCG brands have begun to take notice and act on environmental issues, however, many of these brands are marketing green initiatives, including biodegradable packaging, critically sourced raw materials, and carbon-neutral logistics to appeal to customers' values.

While marketing suggests consumers have environmental values, these environmental values do not easily convert into behaviours related to consumer purchasing. This paradox results in questions of the strength and effectiveness of green marketing strategies for use in how consumers make decisions.

1.2 Statement of the Problem

While numerous businesses are embracing sustainability and marketing their sustainability initiatives, it is unclear if this behaviour translates to what the consumer chooses in the FMCG space. The purpose of the study is to explore whether the green marketing strategies are successful in producing a preference over habitual purchase, sensitive to price, and distrustful of environmental concerns.

1.3 Objectives of the Study

- To assess consumer awareness and attitudes toward green marketing in the FMCG sector.
- To investigate the impact of green marketing strategies on buying behaviours.
- To identify key factors influencing consumer preference for green products (e.g., price, brand trust, sustainability claims, convenience).
- To study the influence of green marketing on brand loyalty and trust.
- To explore challenges faced by FMCG companies in implementing green marketing and understanding consumer acceptance.

1.4 Significance of the Study

This research serves as a useful resource for the FMCG businesses, policymakers, consumers, students & marketers:

- From an academic perspective, this research offers businesses the chance to evaluate how interests in transparent, sustainable, and ethical communications influence customer loyalty and purchase behaviour.
- This research will provide support for policymakers to produce regulatory standards focused on issues connected to greenwashing and assist with regulations focused on environmental values.
- From an academic perspective, this study contributes to the marketing ethics and sustainable consumer behaviour literature and provides real-life evidence for investigation and teaching purposes.

1.5 Scope of the Study

The study focuses on understanding how green marketing strategies influence consumer decisions in the FMCG sector, with data collected from 103 participants, primarily working professionals and college students. It explores:

- Awareness and view on green marketing.
- Impact of marketing tactics versus pricing, accessibility, or brand image.
- Type of initiatives involved in green marketing (e.g., eco labelling or ethical advertising).
- Challenges faced by companies in promoting green products effectively.

The study may have a size constraint, but it offers relevant information pertaining to sustainable behaviour and the effects of marketing within the Indian market for FMCGs.

2. LITERATURE REVIEW

2.1 Understanding Green Marketing

Green marketing refers to all initiatives and strategies of marketing (products and services) that highlight the benefits for the environment. Green marketing can range from eco-design of products, eco-friendly packaging, ethical advertising, and sustainable distribution. With increased general awareness of environmental issues, consumers are demanding responsible behaviours of companies. Consumers recognize green marketing as a differentiator among competitors (Ottman, 2011).

2.2 Consumer Behavior in the FMCG Sector

When we think of consumer behaviour linked to the FMCG sector, product decision making is predominantly performed through convenience, price, loyalty, and habits, although consumer interest in the UK consumer market does appear to be shifting on product purchasing decisions toward sustainable consumption. But, of course, this is not taking place equally. Some consumers put eco-friendly delineated features higher as an aspect of their decision making, while some tend to be more concerned with affordability and availability (Peattie & Crane, 2005).

2.3 Effectiveness of Green Marketing Strategies

Key strategies in green marketing include:

- **Eco-Labeling or Certifications:** Can provide some level of trust in the brand performance of a product or signify that the product met or exceeded some standard of environmental requirement.
- **Sustainable Packaging:** Just by the act of using visibly biodegradable or recyclable packaging, provides a claim, or at least communicates a stance of reducing waste.
- **Ethics and branding:** Transparent communication of sustainability action has been linked to increasing brand image and improving consumer loyalty.
- **CSR Campaigns:** Activities such as tree-planting or carbon offsetting can increase public goodwill towards a business and drive engagement.

Regardless, these techniques may have beneficial consequences, but they do so at the crutch of clarity, credibility, conviction, and convenience, and when consumers see a claim that distorts sustainability, called "greenwashing," trust decays, and they stop using the products.

2.4 The Role of Digital Media and Influencers

The digital era, particularly social media, impacts consumers' awareness and behavior significantly. Influencer marketing can disseminate green messages more broadly, with even greater success among the younger audience. The authenticity of influencers is, however, key. Consumers often dislike paid product placements and value an influencer who shares genuine sustainability values.

2.5 Gaps in Existing Literature

Despite an expanding body of research, gaps persist:

- Limited focus on **emerging markets** like India, where affordability and infrastructure differ from Western contexts.
- Sparse data on **young and working professionals**, who form a critical and dynamic consumer segment.
- Inadequate exploration of the **intention-action gap**—the divergence between expressed environmental concern and actual purchasing behavior.

This study contributes to bridging these gaps by focusing on the Indian FMCG market and analyzing real consumer data.

3. METHODOLOGY

3.1 Research Design

This study utilizes a quantitative research design to investigate the effectiveness of green marketing strategies on the impact on consumer decisions within the FMCG sector. A structured, online questionnaire-based survey was chosen as the primary data collection tool, allowing for efficient data gathering and statistical analysis from a sizable and demographically diverse sample.

3.2 Sampling and Participants

To complete the research, a non-probability convenience sampling method was used, specifically targeting two audiences, college students and working professionals located in Mumbai, India. These audiences were examined because they represent a growing generation that uses or promotes sustainability topics and interacts frequently with different FMCG products. A total of 103 respondents participated in the survey.

- **Age Distribution:** The Majority (80.5%) was aged 18-23.
- **Income Source:** Predominantly students (47.6% on pocket money) and early-career professionals.
- **Shopping Preferences:** A Strong preference was noted for online stores like Amazon and Blinkit.

The sample is small but useful for better understanding the attitudes of digitally active, environmentally aware urban consumers.

3.3 Data Collection Procedure

Data collection occurred via a survey implemented on Google Forms and distributed on various social networks (WhatsApp, LinkedIn, Instagram) and academic/professional networks. The survey was brief, easy to follow, and the relevant sections included the following:

- **Demographics**
- **Awareness and perception of green marketing**
- **Purchasing behavior and preferences**
- **Influence of marketing and media**
- **Barriers to adoption**

The mixed-format questionnaire included multiple-choice, Likert scale, and open-ended items, ensuring both quantitative analysis and qualitative insights.

3.4 Data Analysis Techniques

The data collection was analysed descriptively and inferentially:

- **Descriptive Statistics:** Responses were summarized using frequency distributions, means, and percentages.
- **Comparative Analysis:** Differences in perceptions between students and professionals were assessed.
- **Correlation Analysis:** Relationships between trust, price sensitivity, and the likelihood of green product adoption were explored.
- **Visualization:** Graphs and charts were generated using Microsoft Excel and Google Forms.

3.5 Ethical Considerations

Three mechanisms around ethics were established and followed:

- **Informed Consent:** All participants were informed of the purpose of the survey and willingly participated.

- **Anonymity and Confidentiality:** No identifying information was collected.
- **Impartiality:** Questions were neutrally worded to avoid bias.

By following ethical and methodological considerations, this research maintains integrity while also providing useful insight into the topic of green marketing.

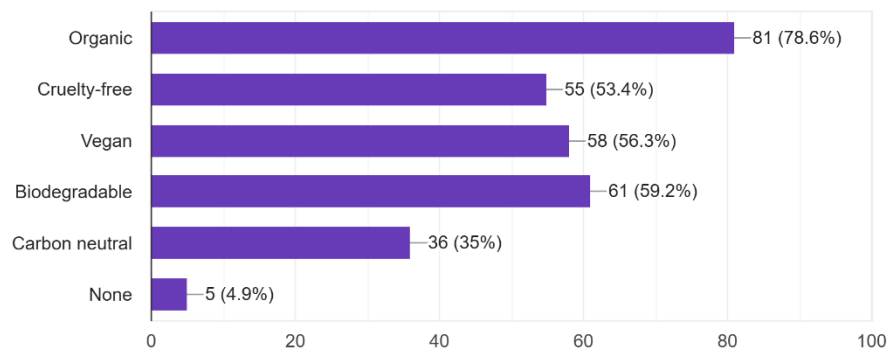
4. RESULTS AND DISCUSSION

This section provides and discusses the key findings of the survey in relation to consumer behavior, green marketing strategy, and the existing literature. Insights are drawn from 103 respondents, primarily aged 18–23, representing digitally active, environmentally aware consumer segments in India's urban FMCG market.

4.1 Awareness and Perception of Green Marketing

6. Which of these eco-friendly terms do you recognize?(Select all that apply)

103 responses



Most participants (85.6%) had heard of the term green marketing, but only 39.4% reported that they understood green marketing clearly.

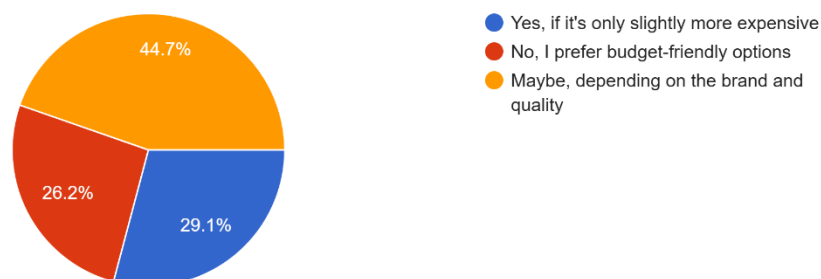
Discussion:

This indicates that terminology associated with green marketing is often observable but poorly internalized. Brands must simplify their messaging and focus on educational content that demystifies environmental claims. Poor comprehension can lead to scepticism, undermining green marketing efficacy.

4.2 Purchase Behavior and Willingness to Pay

10. If an eco-friendly product costs more than a regular one, would you still buy it?

103 responses



Over 57% of respondents said they buy green products occasionally, primarily when they are affordable and easy to find. Only 16.5% are regular buyers. While 29.1% were willing to pay a small premium for sustainable products, 26.2% avoided them due to cost.

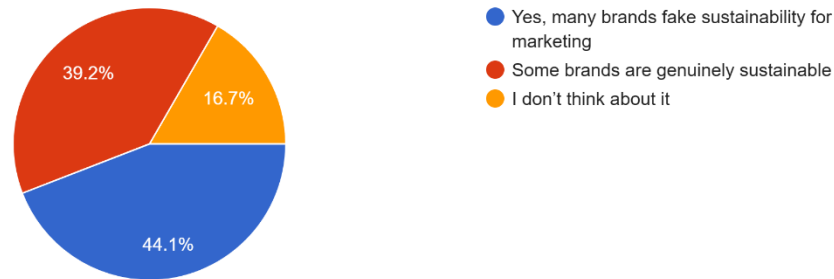
Discussion:

Price remains a major barrier, especially among younger, financially dependent consumers. However, openness to paying more under the right conditions shows potential. Brands can attract this segment by offering value-driven green products, budget packs, or loyalty schemes.

4.3 Trust and Greenwashing Concerns

15. Do you believe brands exaggerate their eco-friendly claims? (Greenwashing)

102 responses



Nearly 45% of respondents believe many brands fake sustainability for marketing purposes. Only 17.6% always check for eco-certifications, while most do so passively or not at all.

Discussion:

This trust gap is a critical hurdle. ISO standards for consumer scepticism around "greenwashing" and presentation of broad statements with no verifiable claims generate suspicion between consumers and brands. In such cases, brands create more trust equity through improved transparency, compatible, registered certifications, and meaningful storytelling that reflects impact.

4.4 Factors Influencing Green Purchases

The top motivators were:

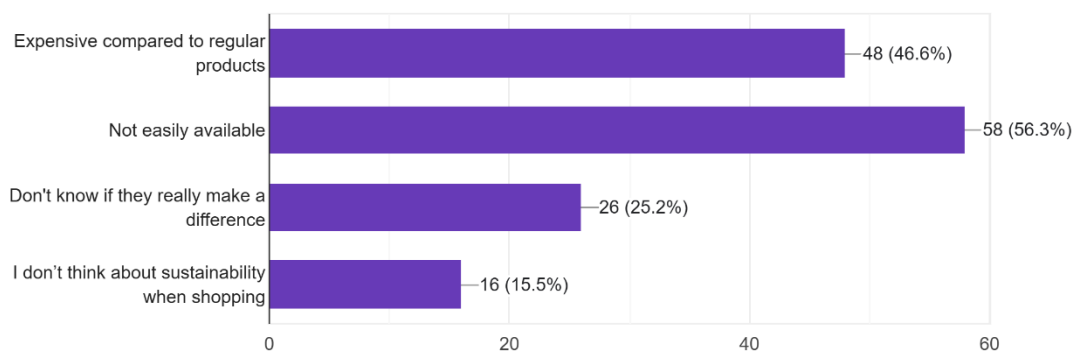
- Clear and honest sustainability claims (46.1%)
- Competitive pricing (31.4%)
- Improved availability (19.6%)

Barriers included:

- Product unavailability (56.3%)
- High prices (46.6%)
- Doubt about impact (25.2%)

12. What stops you from buying eco-friendly products? (Select all that apply)

103 responses



Discussion:

This aligns with prior studies emphasizing the "intention-action gap." Even well-meaning consumers default to convenience and affordability. By improving distribution channels (especially online) and offering affordability without sacrificing quality, FMCG brands can close this gap.

4.5 Product Category Preferences

Most preferred eco-friendly categories:

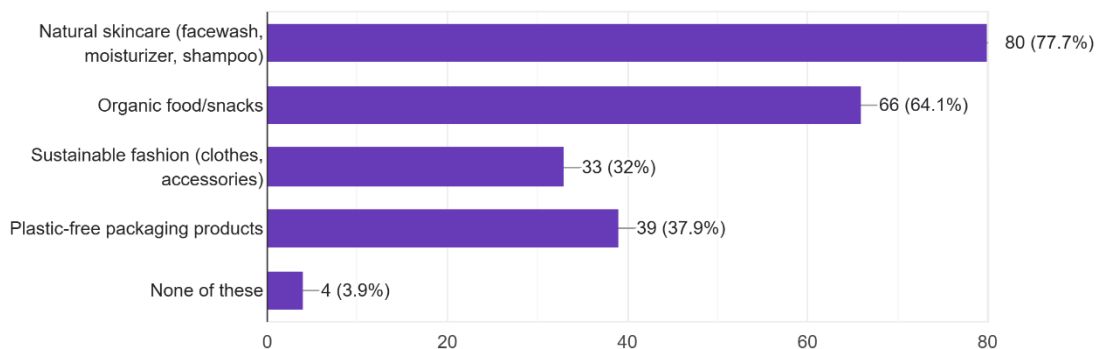
Natural skincare (77.7%)

Organic food/snacks (64.1%)

Plastic-free packaging (37.9%)

11. What eco-friendly FMCG products do you buy or would like to buy? (Select all that apply)

103 responses

**Discussion:**

Categories with a direct impact on health and daily usage are more readily adopted. These brands should grow in these areas and should also be promoting areas that are not as popular, such as sustainable fashion, through education and social influence.

5. CONCLUSION

The research in this study examined the effects of green marketing on consumer behavior, specifically in the Indian Fast Moving Consumer Goods (FMCG) market, with young adults and working professionals. While sustainability is widely recognized, it remains difficult to translate eco-conscious thoughts into habitual and reliable eco-friendly purchase behaviour. Consumers repeatedly profess care for the environment, but barriers to commitment to sustainable behaviours also arose, which included high prices for "green" products, limited familiarity and access with "green" products, and scepticism towards brands.

Some of the key findings demonstrate that many consumers will pay a small price premium to buy green products, but this depends on the consumer trusting the brand, understanding the brand's degree of transparency, and being able to access the eco-friendly product. Although influencer marketing as an advertising format is becoming commonplace, it becomes ineffective if the consumer does not perceive the endorsement as authentic. Online channels were the preferred channel to search for green products, signalling a need to apply best practices of online strategic practices.

Overall, green marketing does influence consumer decisions, so long as it is used with honest communication, fair pricing, and guaranteed value. For FMCG brands, this is a significant opportunity to harness sustainability with accessibility and honesty.

6. RECOMMENDATIONS

Using the results, the following recommendations are suggested for the businesses, marketers, and policymakers:

6.1 Simplify Sustainability Communication

- Use plain language and visual labels to explain terms like "carbon neutral" and "biodegradable."
- Provide brief but clear explanations of certifications and environmental claims on packaging and websites.

6.2 Bridge the Trust Gap

- Avoid greenwashing; it is better to highlight actual data, reputable third-party certifications, and transparent impact-funding reports.
- Use customer testimonials and behind-the-scenes material to substantiate credible, sustainable practices.

6.3 Make Green Products More Affordable and Available

- Consider value-packs or student discounts/bundles for eco-products.
- Expand distribution to major online platforms and local stores for better visibility.

6.4 Focus on High-Interest Categories

- Prioritize natural skincare and organic food in marketing campaigns.
- Gradually introduce green practices in other segments (e.g., fashion, packaging) with targeted storytelling.

6.5 Rethink Influencer Strategies

- Collaborate with micro-influencers and sustainability advocates who align with brand values.
- Emphasize honest reviews and everyday use over polished promotions.

6.6 Engage Young Consumers Creatively

- Use gamification (e.g., eco-reward points) and interactive content on Instagram and YouTube.
- Run campus ambassador programs to build grassroots credibility and brand awareness.

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