



Exploring the Impact of Green Supply Chain Practices on Consumer Behavior: A Case Study of Nestlé

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Abstract

As environmental consciousness rises, companies are expected to adopt sustainable operations. This study explores how Nestlé's Green Supply Chain Management (GSCM) practices influence consumer behavior—specifically their awareness, trust, and buying decisions. Drawing from both primary data gathered from 116 consumers and secondary sources including industry reports and academic literature, the research reveals a strong connection between sustainable practices and brand loyalty. Findings suggest that consumers are increasingly aligning their purchases with companies that demonstrate environmental responsibility.

Keywords: Green Supply Chain, Sustainability, Consumer Behavior, Nestlé, Eco-Friendly Branding, Brand Trust

1. Introduction

Issues like climate change, pollution, and the overuse of resources have prompted companies worldwide to rethink how they operate. Green Supply Chain Management (GSCM) has emerged as a strategy that weaves environmental responsibility into every part of the supply chain—from product design to delivery and disposal. Nestlé, as a global leader in the food and beverage industry, has taken significant steps toward sustainable practices.

This research explores how such efforts by Nestlé influence consumers. Specifically, it looks at whether Nestlé's green initiatives raise consumer awareness, affect purchase behavior, and build stronger brand trust.

2. Objectives of the Study

- To understand the principles and importance of GSCM
- To examine Nestlé's sustainability-focused supply chain initiatives
- To assess how aware consumers are of these efforts
- To analyze the effect of GSCM on buying decisions and brand loyalty
- To propose strategies for better communication around sustainability

3. Research Methodology

This descriptive study combines both quantitative and qualitative data.

Primary Data: Structured questionnaires were used to collect responses from 116 Nestlé customers through convenience sampling.

Secondary Data: Data was sourced from academic journals, government reports, and Nestlé's official sustainability documents.

4. Literature Review

Research by Handfield et al. and Srivastava (2007) underlines that GSCM can improve not just environmental outcomes but also business performance. Scholars like Zhu & Sarkis (2004) and Chen et al. (2016) found a positive link between green initiatives and consumer trust. Still, challenges such as cost and lack of coordination remain barriers to full implementation (Jabbour & de Sousa Jabbour, 2016).

5. Nestlé's Green Supply Chain Practices

- Ethical sourcing programs (e.g., Nescafé and Cocoa Plans)

- Zero-waste-to-landfill initiatives in manufacturing plants
- Aiming for 100% recyclable or reusable packaging by 2025
- Route optimization and use of electric vehicles for logistics
- Committing to net-zero carbon emissions by 2050

6. Data Analysis and Findings

6.1 Demographics

Age:

- 18–25 years: 66.4%
- Above 40 years: 20.7%
- 26–40 years: 7.8%
- Below 18 years: 5.2%

Gender:

- Female: 75%
- Male: 25%

6.2 Product Use & Preferences

Frequency:

- Weekly: 46.6%
- Daily: 34.5%

Top Products:

- Nescafé: 37.1%
- Maggi: 26.7%
- Kit Kat: 24.1%

6.3 Awareness of Green Initiatives

Awareness:

- 76.6% were aware of Nestlé's sustainability efforts

Sources:

- Social media: 33.6%
- Advertisements: 31.9%

6.4 Influence on Buying Behavior

Impacts:

- 85.3% said Nestlé's eco-friendly practices affect their purchase decisions
- 73.3% feel sustainability strongly contributes to brand image
- 79.2% trust Nestlé's claims on green initiatives

6.5 Most Valued Actions

Preferences:

- Sustainable farming: 33.6%
- Recyclable packaging: 31.9%

7. SWOT Analysis of Nestlé's GSCM

Strengths:

- Strong global brand presence
- Advanced research and development capabilities
- High consumer trust

Weaknesses:

- Complex supply and distribution network
- Vulnerability to brand reputation issues

Opportunities:

- Rising demand for health and sustainable products
- Growing interest in digital traceability and transparency

Threats:

- Increasing environmental regulations
- Potential climate-related disruptions

8. Recommendations

- Use engaging digital content to highlight sustainability stories
- Add QR codes and eco-labels on packaging to improve transparency
- Organize green awareness events in schools and colleges
- Publish easy-to-understand annual 'Green Impact Reports'
- Create sub-brands focused entirely on eco-conscious products

9. Conclusion

The findings clearly indicate that Nestlé's green supply chain practices are positively shaping consumer perceptions. Consumers today are more aware and responsive to a brand's environmental stance. Sustainable practices not only build trust but also foster long-term loyalty. For companies like Nestlé, staying transparent and continuing to innovate in green strategies will be key to sustaining this consumer trust.

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