

FROM AWARENESS TO ACTION: UNVEILING CONSUMER PERCEPTIONS AND INFLUENCING FACTORS IN ECO-FRIENDLY PRODUCT CLAIMS

Suruchi Saini*
Dr. Nisha**

ABSTRACT

As the demand for eco-friendly products continues to rise, consumers face an increasingly complex marketplace inundated with various green labels and environmental claims. This research paper explores the critical issue of consumer awareness and understanding of eco-friendly product claims, drawing insights from a thorough literature review and secondary data analysis. The study begins by examining existing literature on consumer perceptions of green labels, investigating the factors that influence comprehension and skepticism. Through a comprehensive analysis of secondary data, including market trends and consumer surveys, the research identifies patterns in consumer behavior concerning the interpretation and trustworthiness of eco-friendly claims on product labels. The findings suggest that despite the growing interest in sustainable consumption, consumers exhibit varying degrees of awareness and understanding when it comes to decoding green labels. The literature review highlights gaps in consumer knowledge, emphasizing the need for improved education and communication strategies in the realm of eco-friendly product labeling. Implications of this research extend to both consumers and businesses. For consumers, increased awareness and understanding of green labels can empower more informed and sustainable purchasing decisions. On the business front, a nuanced understanding of consumer perceptions can guide companies in developing clearer and more transparent eco-friendly labeling strategies.

KEYWORDS: Greenwashing, Consumer Awareness, Eco-Friendly Products, Transparent Labeling.

Introduction

In the contemporary landscape of consumerism, a notable paradigm shift is observable as individuals increasingly acknowledge and prioritize the effects of their usage on the environment. This evolving mindset has fueled a discernible demand for eco-friendly products, indicative of a collective commitment to sustainable living. The impetus behind this shift is rooted in an intrinsic consumer need — a desire to align personal values with purchasing decisions, contributing to a more ecologically balanced and responsible world.

However, amidst this commendable surge towards sustainable consumerism, a formidable obstacle emerges in the form of greenwashing. Greenwashing, a deceptive marketing tactic employed by certain entities, introduces an element of skepticism into the consumer's journey. This practice involves the exaggeration or manipulation of environmental claims to present products as more eco-friendly than they truly are. Consequently, consumer trust becomes vulnerable, necessitating a heightened level of awareness to discern the authenticity of purported eco-friendly product claims. This research undertakes a comprehensive exploration of consumer awareness and understanding of eco-friendly product claims, centering on the intricate scrutiny of green labels. Our journey commences by unraveling the intrinsic consumer need for green products, unveiling the motivations propelling individuals to prioritize sustainability in their purchasing decisions. Subsequently, we navigate through the labyrinth of consumer

* Ph.D Scholar, Baba Mastnath University, Rohtak, Haryana, India.

** Assistant Professor, Baba Mastnath University, Rohtak, Haryana, India.

awareness, exposing the challenges posed by prevalent greenwashing tactics in the dynamic marketplace. At the heart of this study lies a meticulous examination of the factors shaping consumer perceptions of green labels, coupled with a critical evaluation of the effectiveness of prevailing green advertising practices. Through an in-depth analysis of consumer behaviors and attitudes, our research endeavors to offer valuable insights into communication strategies for eco-friendly product claims. Ultimately, our goal is to empower consumers, enabling them to make informed choices that resonate with their environmental ethos, and fostering a marketplace driven by authenticity, transparency, and sustainable principles. In the ensuing sections, we delve into the complexities of consumer awareness, unravel the intricacies of greenwashing, and illuminate the paramount importance of comprehending and validating eco-friendly product claims in a marketplace saturated with environmental messaging.

Literature Review

Chung, S.-Y., & et.al (2012) In this paper, a micro-level study has been conducted to study the awareness level of consumers towards the green product and the green buying behavior of consumers, the results of the study reveal that the consumers have significant awareness about the green products and most effective methods that influence green products purchases are attractive as well as informative advertisements.

Alamsyah, D. P., & et.al (2019) In this paper, according to the authors, green advertising is the variable that most strongly supports the development of green awareness among consumers, followed by the perceived value of green initiatives, green brand image, and green brand attributes. This is because customers who purchase eco-friendly products are more likely to be aware of environmental issues when they shop. The factor that propels the growth of environmental consciousness the most is green advertising. The second most significant factor influencing the development of green awareness is the perceived value of green activities.

Rathnayaka, R. M. U. M. K., & et.al (2020) Consumer choices regarding green goods purchases are significantly influenced by environmental concerns. And, Eco-labeling and green advertising also have a significant impact on buying decisions.

Lavuri, R., & et.al (2020) The authors of this study discovered that respondents had a favorable opinion of buying environmentally friendly products and that they demonstrate greater environmental consciousness by doing so. They also concluded that consumers are well-informed about environmental issues and have a high level of familiarity with green products.

Urbański, M., & et.al (2020) People make the mistake of assuming that things that have been given a greenwash are sustainable. Additionally, customers' green purchasing behavior is negatively impacted by greenwashing.

Mohd Sam, & et.al (2021) The authors examine how consumer perception and purchase intention relate to green eco-lighting products. They discovered that eco-labels, green prices, green advertising, perceived environmental responsibility, and environmental knowledge all significantly positively related to consumers' intentions to make green purchases for green eco-lighting products.

Barbu, A. & et.al (2022) The natural environment, social norms, a company's perceived green image, green product characteristics, perceived risks and inconveniences of purchasing green products, perceived benefits of purchasing green, institutional trust, sociodemographic, and consumer confidence are the eight factors that collectively influence a consumer's green purchase behavior.

Jóźwik-Pruska, & et. al(2022) demonstrated a substantial relationship between consumer perceptions and container labeling. Customers mistakenly associate product attributes and packaging with labeling.

Pichierri, M.. (2023) This article looked into the direct and indirect effects of low saturation colors on consumers' perceptions of how eco-friendly products are. The findings show that these colors positively affect customers' behavioral intentions (i.e., their desire to buy and their intention to pay a premium price for the product) by cultivating notions of eco-friendliness and green trust. Low color saturation is correlated with the eco-friendliness of a product. - Customers' trust and behavioral intentions toward the goods are increased by low-saturation colors.

Lee, W., & et.al (2023) Customer happiness and trust are positively impacted by an eco-friendly image. Additionally, repurchase intention is significantly impacted by customer happiness and consumer trust.

Objectives

- To gauge the current levels of awareness among consumers regarding eco-friendly product claims
- To focus on uncovering the factors that influence consumer comprehension and skepticism when it comes to eco-friendly product claims

Scope

This research extends to both consumers and businesses. For consumers, increased awareness and understanding of green labels can empower more informed and sustainable purchasing decisions. On the business front, a nuanced understanding of consumer perceptions can guide companies in developing clearer and more transparent eco-friendly labeling strategies

Awareness among Consumers Regarding Eco-Friendly Product Claims

- **Growing Interest:** Consumer interest in environmentally friendly items is rising. More than 60% of respondents stated they would pay more for a product with sustainable packaging in a 2020 McKinsey US consumer sentiment study.
- **Sustainability Importance:** According to a recent NielsenIQ survey, 78% of US consumers said they value living sustainably.
- **Gap Between Interest and Purchase:** Customers' favorable sentiments about eco-friendly items and their purchasing behavior diverge, notwithstanding the interest. According to a poll, 65% of consumers want to purchase companies with a purpose that supports sustainability, but only roughly 26% do so.
- **Increased Awareness During Pandemic:** Customers are now more aware of how their shopping choices affect the environment as a result of the COVID-19 pandemic. According to a poll conducted globally, half of all consumers claim they have gotten even greener.
- **Millennial Consumers:** Customers in the millennial generation exhibit greater awareness. 75% of millennial respondents to a survey stated that they take sustainability into account when making a purchase.
- **Regional Differences:** Asia-Pacific consumers are more environmentally conscious than the world average; 86% of Indonesians and 74% of Vietnamese and Filipino consumers describe being more environmentally conscious.
- **Demand for Company Responsibility:** 81% of those surveyed said they want businesses to use environmentally friendly messaging and advertising.

These points indicate growing awareness and interest in eco-friendly products among consumers, although there is still a gap between interest and actual purchasing behavior

Impact of Eco-Friendly Product Claims on Consumer Behavior

Eco-friendly product claims have a significant impact on consumer behavior. This impact can be analyzed under the following points:

- **Awareness and Perception:** Claims made by eco-friendly products raise consumer awareness of environmental problems. They draw attention to a product's environmental advantages, changing how customers view the brand. Customers are more inclined to select eco-friendly products if they are informed of how their purchases affect the environment.
- **Purchase Decisions:** Eco-friendly product claims can influence purchase decisions. Consumers may prefer products with eco-friendly claims over conventional products, even if the eco-friendly products are more expensive. This is because these consumers value the environmental benefits that these products offer.
- **Brand Loyalty:** Claims made by eco-friendly products might increase brand loyalty. Customers who appreciate sustainability are probably going to stick with companies that show that they care about the environment. These customers esteem companies who share their beliefs and are prepared to support them by buying their goods.
- **Consumer Skepticism:** Claims about eco-friendly products can have a good impact on consumer behavior, but they can also cause distrust. This is especially true if customers think

these statements are being greenwashed. The practice of making exaggerated or false claims regarding a product's environmental benefits is known as "greenwashing." Customers may be discouraged from buying a brand's products and its reputation may suffer if they believe it to be greenwashing.

- **Need for Regulation:** The impact of eco-friendly product claims on consumer behavior underscores the need for regulation. Regulatory bodies play a crucial role in ensuring that eco-friendly product claims are accurate and verifiable. This helps maintain consumer trust and ensures that consumers can make informed purchase decisions.

In conclusion, eco-friendly product claims have a profound impact on consumer behavior. They influence awareness, perception, purchase decisions, and brand loyalty. However, they can also lead to consumer skepticism, particularly in cases of greenwashing. Therefore, these claims need to be regulated to ensure their accuracy and verifiability.

Some factors that influence consumer comprehension and skepticism when it comes to eco-friendly product claims:

Factors Influencing Consumer Comprehension:

- **Social Norms:** The societal pressure to conform to environmentally friendly behaviors can influence consumer comprehension.
- **Natural Environmental Orientation:** A consumer's orientation towards the environment can impact their understanding of eco-friendly product claims.
- **Company's Perceived Green Image:** If a company has a strong reputation for being environmentally friendly, consumers may be more likely to understand and trust their eco-friendly product.
- **Green Product Characteristics:** The specific features and benefits of the green product can influence consumer comprehension.
- **Perceived Risks and Inconvenience:** If consumers perceive that buying green products is risky or inconvenient, it can hinder their understanding and acceptance of eco-friendly product claims.
- **Perceived Benefits:** Perceived advantages of purchasing eco-friendly products can improve consumer understanding.
- **Institutional Trust:** Trust in the institutions that certify green products can influence consumer comprehension.
- **Sociodemographic Characteristics:** Factors such as age, gender, income, and education can influence consumer comprehension.
- **Consumer Confidence:** Confidence in their ability to make eco-friendly choices can influence consumer comprehension.

Factors Influencing Consumer Skepticism:

- **Greenwashing:** If customers believe that a company's claims about the environmental functionality of its products are unfounded, they may start to doubt them..
- **Attribution Theory and Cognitive Dissonance Theory:** These theories suggest that consumers may become skeptical if there is a discrepancy between a company's green marketing practices and their actual environmental impact.
- **Gap Between Intentions and Behavior:** Skepticism may result from the frequent discrepancy between customers' intentions and their actual conduct when it comes to going green.
- **Perceived Risk:** The perceived risk about the greenness and attributes of green products can raise consumer skepticism.
- **Green Skepticism Phenomenon:** This issue reduces consumer willingness to purchase environmentally friendly and energy-efficient items.

These factors can help companies better understand how to effectively communicate their eco-friendly product claims and address consumer skepticism. Companies must be transparent and authentic in their green marketing practices to build consumer trust.

Businesses can ensure the accuracy of their eco-friendly product claims by following these guidelines

- **Be Honest and Accurate:** Companies have to fulfill the environmental promises they make on their goods, services, identities, and endeavors. They ought to back up their assertions with competent and trustworthy scientific data.
- **Be Specific and Unambiguous:** Claims should be understood by customers in a way that aligns with the environmental effect and credentials of the product, service, process, brand, or business. Claims must be supported by evidence and should not be ambiguous or broad.
- **Employ Appropriate Accounting Techniques:** To guarantee accurate measurement of emission reductions and avoid selling carbon offsets more than once, companies offering carbon offsets should employ suitable accounting techniques.
- **Avoid Greenwashing:** False environmental claims, or "greenwashing," are becoming more and more dangerous. Regulators are determined to combat it, and consumers are becoming increasingly conscious of it and doubtful of it.
- **Review and Update Claims Often:** To make sure that environmental claims made by businesses are accurate and truthful, they should be reviewed and updated as the company grows and new information becomes available.

By adhering to these guidelines, businesses can ensure that their eco-friendly product claims are accurate, thereby building trust with consumers and avoiding potential regulatory issues.

Consumers can identify eco-friendly products by following these Steps

- **Look for Eco-Friendly Certifications:** Authentic environmentally friendly products frequently bear certificates from independent agencies. These certifications guarantee that the goods adhere to a set of environmental requirements. Among the noteworthy certificates are
 - Forest Stewardship Council (FSC) for wood and paper products
 - Energy Star for energy-efficient products
 - USDA Organic for organic food and other products
 - Fair Trade Certified for products made in fair working conditions
 - Leaping Bunny for cruelty-free products
 - EPA Safer Choice for Safer Cleaning Products
 - BCorp for companies meeting high social and environmental standards
- **Check the Packaging:** Eco-friendly products often come in environmentally friendly packaging. This could mean the packaging is made from recycled materials, is recyclable, or is biodegradable.
- **Research the Brand:** Consumers can do their research on a brand to see if it is committed to sustainability. This could involve checking the brand's website or looking for news articles about the brand's environmental practices.
- **Be Aware of Greenwashing:** When businesses exaggerate or misrepresent the advantages of their products for the environment, it's known as "greenwashing." Customers should be wary of environmental claims that are too general or ambiguous.

By following these steps, consumers can make more informed decisions and choose truly eco-friendly products. Remember, every little bit helps when it comes to protecting our planet!

Conclusion

This study has endeavored to shed light on the intricate relationship between eco-friendly product claims and consumer behavior. Through a thorough exploration of consumer awareness, purchasing decisions, perceived value, and influencing factors, we have uncovered nuanced insights that contribute to the evolving discourse of sustainable consumption. The findings underscore the significance of consumer awareness in shaping attitudes towards eco-friendly product claims. While there is a growing interest in sustainability, the study reveals variations in the comprehension and recognition of eco-friendly labels among consumers. This highlights the need for targeted educational initiatives to bridge the awareness gap and empower consumers to make more informed choices. The impact of eco-

friendly claims on purchasing decisions is evident, with consumers demonstrating a willingness to choose products aligned with their environmental values. However, the study also exposes consumer skepticism, emphasizing the importance of transparent communication and ethical business practices to build and maintain trust. Psychological factors, including environmental consciousness and personal values, play a pivotal role in influencing consumer behavior. Businesses can leverage these insights to tailor communication strategies that resonate with the values and lifestyles of their target audience. The study acknowledges the prevalence of greenwashing and the need for vigilant consumer scrutiny. As consumers become more discerning, businesses must prioritize authenticity in their sustainability initiatives to maintain credibility and meet the expectations of an increasingly eco-conscious market. Looking ahead, the evolving landscape of sustainable consumption calls for continued research and adaptation. Policy implications, industry best practices, and evolving consumer preferences will all play crucial roles in shaping the trajectory of eco-friendly product claims and their impact on consumer behavior.

In conclusion, this study not only deepens our understanding of the dynamics between eco-friendly claims and consumer behavior but also underscores the importance of fostering transparency, authenticity, and consumer education. As consumers continue to wield their purchasing power in favor of sustainability, businesses that authentically align with eco-friendly principles stand poised to not only meet market demands but also contribute positively to environmental stewardship.

References

1. Alamsyah, D. P., & Mohammed, H. A. A.. (2019). Antecedents of Green Awareness for Eco-Friendly Products. <https://doi.org/10.21002/AMJ.V10I2.8425>
2. Barbu, A., Catana, S.-A., Deselnicu, D. C., Cioca, L.-I., & Ioanid, A.. (2022). Factors Influencing Consumer Behavior toward Green Products: A Systematic Literature Review. 19(24). <https://doi.org/10.3390/ijerph192416568>
3. Bursan, R., Wiryawan, D., Jimad, H., Listiana, I., Riantini, M., Yanfika, H., Widyastuti, R., Mutolib, A., & Adipathy, D. A.. (2022). Effect of Consumer Skepticism on Consumer Intention in Purchasing Green Product. 1027(1). <https://doi.org/10.1088/1755-1315/1027/1/012037>
4. Chung, S.-Y., Kim, G.-H., Yang, S.-B., Oh, S.-H., Hwang, D.-Y., Kim, Y.-C., & Lee, S.-W.. (2012). A Study of Consumer Attitude and Purchasing Behavior toward Agricultural Products using Social Network Service. 25(3). <https://doi.org/10.9799/KSFAN.2012.25.3.650>
5. Consumer Perception towards Eco-Friendly Products: A Quantitative Study. (2023). Consumer Perception towards Eco-Friendly Products: A Quantitative Study. <https://doi.org/10.52783/ijer.v3i2.79>
6. Customer Green Awareness and Eco-Label for Organic Products. (2019, July 19). Customer Green Awareness and Eco-Label for Organic Products.
7. Jóźwik-Pruska, J., Bobowicz, P., Hernández, C., & Szalczyńska, M.. (2022). Consumer Awareness of the Eco-Labeling of Packaging. 30(5). <https://doi.org/10.2478/ftce-2022-0042>
8. Lavuri, R., & Sreeramulu, D.. (2020). Green Marketing: Consumer Perception and Knowledge Level Towards Purchasing Eco Friendly Products. 6(1). <https://doi.org/10.21694/2379-1047.20005>
9. Leckie, C., Rayne, D., & Johnson, L. W.. (2021). Promoting customer engagement behavior for green brands. 13(15). <https://doi.org/10.3390/SU13158404>
10. Lee, W., & Quan, L.. (2023). Consumer behavior toward eco-friendly coffee shops: moderating effect of demographic characteristics. <https://doi.org/10.1080/15378020.2023.2214059>
11. Mohd Sam, M. F., Ismail, A. F., & U. H.. (2021). Consumer Perception Influence Towards Purchase Intention for Green Eco Lighting Products. 27.
12. Pichierri, M.. (2023). Less saturated, more eco-friendly: Color saturation and consumer perception of product sustainability. <https://doi.org/10.1002/mar.21858>
13. Rathnayaka, R. M. U. M. K., & Wijethunga, W. M. N. M.. (2020). Consumer's Green Product Buying Decision: Impact of Selected Factors. 11(2). <https://doi.org/10.4038/WJM.V11I2.7472>

14. Urbański, M., & ul Haque, A.. (2020). Are You Environmentally Conscious Enough to Differentiate between Greenwashed and Sustainable Items? A Global Consumers Perspective. 12(5). <https://doi.org/10.3390/SU12051786>
15. Upadhyay, N., & Jain, V.. (2022). Green Marketing and Consumer Scepticism in Emerging Economies. https://doi.org/10.1007/978-3-030-82572-0_4
16. <https://www.reedsmith.com/en/perspectives/2021/06/greenwashing-when-making-green-claims-can-get-businesses-into-trouble> Accessed on 10.10.2023
17. <https://www.burges-salmon.com/news-and-insight/legal-updates/commercial/how-green-are-you-greenwashing-claims-scrutinised-by-regulators> Accessed on 10.10.2023
18. <https://www.taylorwessing.com/en/insights-and-events/insights/2021/06/cma-draft-guidance-on-environmental-claims> Accessed on 12.10.2023
19. https://www.ftc.gov/system/files/documents/public_events/975753/ftc_-_environmental_claims_summary_of_the_green_guides.pdf Accessed on 12.10.2023
20. <https://fastercapital.com/content/The-Dark-Side-of-Eco-Friendly-Branding--Unmasking-Greenwashing-Strategies.html> Accessed on 13.10.23
21. <https://www.mdpi.com/2071-1050/11/24/7197> Accessed on 13.10.23
22. <https://hbr.org/2019/07/the-elusive-green-consumer> Accessed on 13.10.23
23. <https://www.mdpi.com/1996-1073/15/6/2077> Accessed on 15.10.23
24. <https://www.realsimple.com/home-organizing/green-living/how-to-make-eco-friendly-purchases-when-shopping> Accessed on 13.10.23
25. <https://www.strategy-business.com/article/The-rise-of-the-eco-friendly-consumer> Accessed on 14.10.23
26. <https://www.weforum.org/agenda/2021/05/eco-wakening-consumers-driving-sustainability/> Accessed on 14.10.23
27. <https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/consumers-care-about-sustainability-and-back-it-up-with-their-wallets> Accessed on 14.10.23
28. <https://hbr.org/2019/07/the-elusive-green-consumer> Accessed on 14.10.23.

