

CONSUMER PERCEPTION TOWARDS GREEN PACKAGING FOR ENVIRONMENTAL SUSTAINABILITY: A STUDY ON FMCG SECTOR

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ABSTRACT

Purpose: Environment friendly products and services are the source of sustainable businesses. Business units are focussing its efforts towards Green packaging as consumers are becoming conscious about the environment. The purpose of this paper is to understand Consumers perception towards green packaging for environment sustainability.

Methodology: A descriptive and analytical study was conducted through online questionnaires to understand the consumer perception towards sustainable packaging.

Findings: The study highlights that consumers are aware of the environmental benefit of going Green. Consumers responded positively towards green packaging and environmental sustainability but are price sensitive.

Practical/Social Implications: The study reveals information about consumer evaluation useful for marketers and researchers. Marketers and policy makers need to reconsider promotional aspects for green packaging.

Originality/ Value: The study provides insight for consumer buying behaviour as far as green packaging is concerned.

Keywords: Environmental Friendly, Green Packaging, Sustainable Practices, Promotional Activities.

Introduction

Global climate change in recent times has forced us to look towards environmental change which has happened in the era of globalisation. For years, humans consumed renewable and nonrenewable resources without thinking about the negative impact on the environment. The alteration in environment is evident by rise in sea levels, increased risk of drought/ flood, threat to biodiversity and increasing trash in the landfills is the effect of climate change. We are facing these challenges and dealing with them has become essential for the organisations and government as it impacts the lives of animals and humankind. It is inevitable to address environmental concerns like waste management, water conservation, using renewable energy for production, considering green products and packaging. The efforts are taken up by organisations and governments to make the changes whatever we can to save the environment. Individual choice of opting eco-friendly products and packaging can reduce the pollution to great extent as plastic bags, bottles and wrappers take over 1000 years to decompose.

Consumers are turning out to be more conscious about environment, health and hygiene especially after the fatal disease of covid-19. The consumption rate of Fast-moving consumer goods had increased due to its presence in household personal care, food and beverages and Healthcare segments. The consumers became more concerned about the single use plastic waste they were contributing to the landfills on a daily basis. No doubt many green products and sustainable brands are available in the market but customers' choice of sustainable solutions is forcing organisations to search for new alternatives.

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- **Green Packaging**

Sustainable environment needs green products and packaging. Green packaging can solve the problem of trash and can reduce the carbon footprint. The use of reusable and biodegradable material in packaging can minimise the pollution and can contribute towards achieving a sustainable environment. Recycle plastics are being used by companies like Procter & Gamble and Unilever as the packaging solution to deal with environmental problems. Hindustan Unilever has switched from commodity polymers to performance-based polymer and is targeting to be 100% recyclable plastic user by 2025. In order to keep the pace with the green agenda, green packaging and green techniques should be targeted.

Review of Literature

The numerous researches indicate that environmental issues addressed by companies in the form of green products and marketing influences consumers in different ways. In **2008, William et al** (1) indicated through the study in the food sector that reducing environmental impact helps in increasing the level of customer satisfaction. The customer values their contribution being associated with the brand and being a responsible consumer. On the other hand, Organizations are taking up green initiatives and green packaging to reduce plastic wastage as company policy to deal with global concerns of waste management. Green packaging can save cost for the companies, satisfy customers and reduce impact on the environment simultaneously as stated by **Zailani et al (2012)**.

In 2013 **Sukhmani et al** conducted a study in 100 FMCG companies to understand the sustainable packaging in the sector and concluded that to safeguard the environment from single use plastic is to follow sustainable ways of dealing with raw material as the first step. One of the essential aspect of buying green products or packaging is the cost associated with it as consumers are concerned by the extra price they have to bear. In 2013 **Manjunath, G** indicated that the higher cost of the green products forces the consumers to ignore the item.

Ghodeswar & Kumar in 2014 identified various dimensions of green marketing in 220 Indian companies and green packaging was considered an essential parameter for maintaining ecological balance. Further **Garg (2015)** stated that customers' purchasing behaviour is influenced by companies' green marketing activities. Customers consider environmental aspects important as packaging ensures product quality. **Magnier et al (2015)** highlighted that consumer considered the visual look of packaging and they believed in verbal claims of environmental concerns. The study clearly indicates it is brands ethical practices that affect the environmental issues and purchase intention of customers. **Yadav et al** (2016) indicated that social norms, attitude and environment knowledge are underlying factors which affect the consumer buying behaviour especially in young generation. These millennium Consumers are ready to pay extra for eco-designed packaging as they are concerned for the environment **Prakash et al** (2017). A study was conducted by **Sujith T, S.** (2017) in Kerala to understand awareness level and its influence on buying behaviour. The study revealed that price is a major factor which affects the buying decision of green products followed by accessibility of such products. Customers showed a positive response towards eco-friendly products. **Hao et al** in 2019 conducted a study in China to understand the consumer's willingness to pay for green packaging. Though consumers were ready to bear the extra cost for sustainable packaging, quality of the product and price were the major concerns. The companies also get a competitive edge by dealing with environment issues which help in building the trust of customers for being a responsible company. The purpose of this paper is to understand Consumers perception towards green packaging for environment sustainability in FMCG sector.

Objectives and Hypothesis

- To understand consumer awareness towards green packaging.
- To analyse consumer preference towards green packaging of the FMCG sector.
- To find the consumer consciousness for environmental sustainability with respect of green packaging.

Hypothesis

- H₁:** There is a positive relationship between the quality of the green packaging and the consumer perception.
- H₂:** There is a positive relationship between the price of the green packaging and consumer perception.

Research Methodology

A descriptive and analytical study was conducted through online questionnaires to understand the consumer perception towards sustainable packaging. Six FMCG companies ITC, Hindustan Unilever, Nestle, Parle, Coca- Cola and Pepsi were considered for the study and respondents were selected by convenience sampling. Data from Sample size of 100 was collected and Chi square test is used for hypothesis testing. The statistical analysis is done through SPSS 26 which indicated the information specified below.

Data Analysis & Interpretation

- **Gender:** The table below indicates that the majority of respondents who answered the questionnaire are Male. (61%)

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	61	61.0	61.0	61.0
	Female	39	39.0	39.0	100.0
	Total	100	100.0	100.0	

- **Age Group:** The respondents were divided into four categories - less than 25, 23-35, 35-50 and 50 & above. It is clear from the table that 44% belong to the age group less than 25 years followed by 33% belong to the age group of 35-50. We can say majority of the respondents were the youngsters.

Age group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 25	44	44.0	44.0	44.0
	25-35	11	11.0	11.0	55.0
	35-50	33	33.0	33.0	88.0
	50 & above	12	12.0	12.0	100.0
	Total	100	100.0	100.0	

- **Educational Level:** It is clear from the table below that the majority of the respondents are well educated as 51% have completed a Master's degree followed by 22% of graduates.

Educational level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Intermeditae	8	8.0	8.0	8.0
	Diploma / Bachelor degree	22	22.0	22.0	30.0
	Masters	51	51.0	51.0	81.0
	Professional Degree	19	19.0	19.0	100.0
	Total	100	100.0	100.0	

- **Occupation:** From the table given below it is evident that the majority of the respondents are the students (37%) followed by housewives (23%).

Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Government /Private Job	22	22.0	22.0	22.0
	Business	18	18.0	18.0	40.0
	Housewife	23	23.0	23.0	63.0
	Student	37	37.0	37.0	100.0
	Total	100	100.0	100.0	

- **Fast Consumer Goods Companies:** Among the six companies' respondents preferred Nestle (33%) which is followed by ITC (24%), Hindustan Unilever (14%) and Parle (14%).

FMCG Companies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	ITC	24	24.0	24.0	24.0
	Hindustan Unilever	14	14.0	14.0	38.0
	Nestle	33	33.0	33.0	71.0
	Parle	14	14.0	14.0	85.0
	Coco -cola	12	12.0	12.0	97.0
	Pepsi	3	3.0	3.0	100.0
	Total	100	100.0	100.0	

- **Level of Awareness:** The level of awareness of the respondents were analyzed by few questions like - awareness about the term Green packaging which is indicated by 86% positive response. (Table below)

I am aware about the term Green packaging

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	86	86.0	86.0	86.0
	No	14	14.0	14.0	100.0
	Total	100	100.0	100.0	

Table below indicates that 70% consumers consider buying green packed FMCG products.

Do you consider green packaging for FMCG products.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	70	70.0	70.0	70.0
	No	30	30.0	30.0	100.0
	Total	100	100.0	100.0	

The table below indicates that 87% believes green packaging is essential for environment.

Green packaging is necessary for environment.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	87	87.0	87.0	87.0
	No	13	13.0	13.0	100.0
	Total	100	100.0	100.0	

The 47% respondents have a view that green packaging is not easily available in the market.

Green packaging products/services are easily available in the market.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	47	47.0	47.0	47.0
	No	53	53.0	53.0	100.0
	Total	100	100.0	100.0	

Nearly 66% disagree with the statement that green packaging labels are available on the wrappers of the products.

I usually find eco-friendly labels on packaging

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	34	34.0	34.0	34.0
	No	66	66.0	66.0	100.0
	Total	100	100.0	100.0	

- **Perception:** The table given below depicts the frequency of the responses given by the respondent regarding the perception towards the green packaging for the environment.

Frequency Table for the Perception

Perception towards Green packaging for Environmental Concern.	Yes	No
Green packaging has minimal Impact on the environment	82	18
I care about environment	92	8
I consider green packed products because of the environment.	60	40
Green packaging can solve the problem of pollution.	71	29
Green packaging provides better quality.	86	14
Green packaging is costly.	63	37

Testing of Hypothesis

- **Hypothesis 1:** There is a positive relationship between the quality of the green packaging and the consumer perception.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	14.175 ^a	1	.000		
Continuity Correction ^b	12.047	1	.001		
Likelihood Ratio	14.586	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	14.033	1	.000		
N of Valid Cases	100				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.60.

b. Computed only for a 2x2 table

Result

Chi square test with 5% level of significance was conducted to reveal the value of 14.175. As the asymptotic value is 0.000 (smaller than 5% of significance), we accept the alternate hypothesis.

- **Hypothesis 2:** There is a positive relationship between the price of the green packaging and consumer perception.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2- sided)	Exact Sig. (1- sided)
Pearson Chi-Square	.865 ^a	1	.352		
Continuity Correction ^b	.517	1	.472		
Likelihood Ratio	.861	1	.353		
Fisher's Exact Test				.401	.236
Linear-by-Linear Association	.856	1	.355		
N of Valid Cases	100				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 14.80.

b. Computed only for a 2x2 table

Result

Chi square test with 5% level of significance was conducted to reveal the value of 0.865. As the asymptotic value is 0.352 (greater than 5% of significance), we reject the alternate hypothesis. It means there is no significant relationship between price of the green packaging and consumer perception.

Findings

Awareness level of consumers is really high as depicted by the study that 86% of people were aware about the green packaging. As far as Fast-moving consumer goods is considered 70% consumer's opt for green packaging which is an indication for environmental consciousness. Nearly 87% of respondents believed that the environment is the main factor for choosing eco- friendly packaging. 53% Consumers were not able to find eco- friendly labels on the packaging and should be considered as it provides basic information. The green packaging ensures quality of the product and clearly indicated by 86% response but consumers are price sensitive as shown by 63% responses.

Practical Implications

The study reveals information about consumer evaluation and eco -label requirements which can be useful for marketers and researchers. Company involvement is required for making the consumers aware about the eco-friendly labels on the packaging and relevant information. Marketers and policy makers need to reconsider promotional aspects for green packaging.

Conclusion

The study is in accordance with previous studies that green packaging has a relationship with the environment and plays a major role in making it sustainable. Young consumers are willing to deal with the issues of the environment and are showing their preference towards sensible purchasing. Modifying the packaging according to green norms can create a balance between the consumption and environment. Green packaging can attract consumers and can help in aligning supply chains to greater extent. Designing eco-friendly packaging and communicating relevant information with consumers can solve the issue of gap in the environmental knowledge at country level. It is important to use the local resources which can reduce the plastics and packaging material which finally goes into the landfills. A successful partnership is essential between companies and consumers to make environmental sustainability a reality by adopting green packaging.

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