

Do People Prefer Buying Products with Green Labels?

Himanshu Chauhan

Under the Guidance of Mr. Upnishad Mishra

Master of Business Administration

School of Business Galgotias University

ABSTRACT

This research investigates the evolving consumer preferences for green labelled products in urban markets, underscoring the increasing importance of sustainability in modern purchasing behaviour. With growing awareness about climate change, environmental degradation, and ethical consumption, more consumers are expressing interest in products that claim to be environmentally friendly. Green labels—certifications or markings that indicate adherence to environmental standards—play a crucial role in shaping such preferences by serving as visible cues of sustainability.

The study adopts a mixed-method approach, utilizing both descriptive and exploratory research designs. Primary data was collected through structured surveys from a sample of 200 urban consumers aged 18 to 50. The research aimed to assess not only the extent of consumer awareness but also the impact of demographic variables such as age, gender, income, and education on purchasing decisions. Key variables examined include consumer trust in green certifications, perceived product quality, brand reputation, environmental concern, and price sensitivity.

The findings indicate a high level of awareness and trust in green labels among consumers, with 78% of respondents recognizing green labels and 100% expressing trust in them. However, purchasing behaviour does not always align with this awareness. Only 23.5% of respondents are consistently willing to pay a premium for eco-labelled products, while 41% report conditional willingness depending on price, necessity, or product category. Notably, environmental concern emerged as the primary motivation for green purchases, followed by health-related reasons.

Despite the positive outlook, challenges such as greenwashing, affordability, and limited product availability remain. The study recommends enhancing the credibility and transparency of green labels, launching targeted awareness campaigns, and implementing supportive policy regulations to curb misleading claims. By addressing these issues, businesses and policymakers can foster more sustainable consumption patterns and encourage widespread adoption of environmentally responsible products.

INTRODUCTION

In recent years, rising environmental challenges such as climate change, deforestation, plastic pollution, and resource depletion have led to a significant shift in consumer attitudes and behaviours. Across the globe, individuals are becoming increasingly aware of how their consumption habits contribute to environmental degradation, and there is a growing desire to adopt more sustainable lifestyles. This transformation in consumer consciousness has led to the emergence of what is often termed the “green consumer”—a buyer who considers environmental and ethical factors before making purchasing decisions.

One of the most prominent indicators of environmentally friendly consumer goods is the presence of **green labels**. These labels serve as certifications or visual markers that communicate a product’s compliance with specific environmental standards or sustainability criteria. Common examples include labels such as Energy Star, Fair Trade, USDA Organic, and India's Eco Mark. These symbols help consumers identify products that are energy-efficient, organically produced, cruelty-free, or responsibly sourced. As such, green labelling has become a key marketing strategy for businesses seeking to position themselves as environmentally responsible.

The effectiveness of green labels in influencing purchasing behaviour is still under debate. While many consumers claim to value sustainability, their actual buying decisions are often influenced by other factors such as price, brand familiarity, product performance, and convenience. Additionally, concerns about **greenwashing** where companies make exaggerated or false claims about the environmental benefits of their products have led to scepticism among consumers, which in turn affects the credibility of green labels.

This study explores whether consumers truly prefer products with green labels and investigates the extent to which these labels affect purchasing decisions. It seeks to understand the level of trust consumers place in green claims and the underlying psychological and socio-economic factors that influence their choices. The research specifically focuses on urban Indian consumers aged between 18 and 50, examining how demographic factors such as age, income, education level, and gender shape attitudes toward green products.

Given the rising relevance of sustainability in branding and consumption, the findings from this study can provide valuable insights for marketers, businesses, and policymakers. Understanding what drives consumer trust in green labels, and identifying barriers to green purchasing such as high pricing or lack of awareness can inform more effective strategies to promote sustainable consumption. By doing so, businesses can better align their environmental initiatives with consumer expectations, and policymakers can design stronger regulations to ensure the integrity of green marketing practices.

LITERATURE REVIEW

The field of green marketing has gained significant academic and commercial interest over the past two decades, particularly as environmental sustainability becomes a central concern for consumers, businesses, and policymakers alike. Numerous studies have emphasized the evolving nature of consumer behaviour, pointing to a steady increase in environmental consciousness and ethical purchasing behaviour. One of the earliest and most cited reports in this area, the **Nielsen Global Sustainability Report (2015)**, found that approximately **66% of global consumers** are willing to pay more for sustainable brands. This willingness is especially high among **millennials and Gen Z**, who are more likely to incorporate ethical values into their consumption choices and brand loyalties.

However, despite this upward trend, a critical issue that continues to plague green marketing is the **prevalence of greenwashing**—a practice where companies exaggerate or falsify their environmental claims to appear eco-friendly without making substantive sustainability efforts. **Delmas and Burbano (2011)** discuss how greenwashing undermines consumer trust and creates confusion in the marketplace. Their findings suggest that when green claims are not backed by transparent information or verified third-party certifications, consumers become sceptical and disengage from eco-friendly buying altogether. This highlights the need for **trustworthy labelling mechanisms** to ensure that environmental messaging translates into genuine impact and reliable consumer decision-making.

Credibility of ecolabels is therefore a cornerstone in influencing green consumer behaviour. **Smith, Johnson, and Lee (2018)** in their mediation model found that consumers are significantly more likely to purchase green products when they perceive the ecolabels to be reliable and certified by independent authorities. Certifications such as **USDA Organic, Energy Star, Fair Trade, and India's Eco Mark** are often viewed as more credible and trustworthy than self-declared claims by brands. Moreover, **Goff (2016)** emphasizes the role of authenticity in green marketing and asserts that transparent and consistent communication enhances brand trust and long-term consumer loyalty.

Another critical dimension explored in the literature is the role of **demographics** in shaping eco-conscious behaviour. Several studies reveal that variables such as **age, income, education level, and gender** significantly influence how consumers perceive and act upon environmental information. For instance, **Peattie (2010)** and **Ottman (2011)** note that younger, urban, and more educated individuals are more receptive to green marketing messages and are more likely to seek out sustainable alternatives. This demographic trend is particularly relevant in emerging economies like India, where rising literacy and digital access are accelerating awareness about environmental issues.

Price sensitivity is another recurring theme in consumer behaviour research. Although consumers may express a preference for eco-friendly products, **actual purchase behaviour often lags behind due to higher costs** associated with such goods. **Thøgersen (2010)** argues that unless consumers perceive added value—be it health benefits, quality assurance, or long-term cost savings—they are unlikely to justify paying a premium for green products. This price-value equation is especially critical in price-sensitive markets, where even environmentally conscious consumers may default to cheaper, conventional options.

Several scholars have also investigated **sector-specific influences**, observing that the impact of green labelling varies across product categories. In sectors like **food, agriculture, cosmetics, and home care**, green labels tend to be more influential due to direct associations with health, safety, and daily utility. **Brown and Green (2019)** found that food products with sustainability labels were perceived to be of higher quality, justifying higher price expectations among urban consumers. Similarly, **Evans (2020)** notes that millennial women have significantly increased demand for green-labelled beauty products, compelling companies in the personal care sector to adopt more rigorous sustainability practices.

In conclusion, the literature overwhelmingly supports the view that green labelling and marketing can influence consumer behaviour, but the effect is moderated by factors such as **label credibility**, **demographic profile**, **price perception**, and **trust in environmental claims**. These insights lay a strong foundation for further empirical studies aimed at understanding how these dynamics play out in specific cultural and regional contexts such as urban India, which forms the focus of this research.

RESEARCH OBJECTIVES AND QUESTIONS

The growing emphasis on sustainability has brought environmental considerations to the forefront of marketing and consumer behaviour. In light of this shift, the present study seeks to explore how **green labels** symbols or certifications that denote environmentally friendly production, materials, or practices impact consumer preferences and decision-making. Although green labelling is often used as a strategic marketing tool, there remains uncertainty about how deeply these labels influence actual purchase behaviour, especially in the context of emerging economies like India. This research attempts to fill that gap by systematically investigating the relationship between consumer behaviour and eco-labelling practices.

Research Objectives

The main aim of this study is to evaluate the **influence of green labels on consumer purchasing behaviour**. The research focuses on a diverse sample of urban consumers aged 18 to 50 to derive a comprehensive understanding of market trends and behavioural patterns. The specific objectives of the study are as follows:

1. **To examine the role of green labels in influencing purchase decisions:** This involves assessing whether the presence of an eco-label sways consumers to choose one product over another, and if so, under what circumstances this effect is most pronounced.
2. **To assess consumer trust in green certifications and labelling schemes:** Given the rising instances of greenwashing, the study aims to determine the extent to which consumers believe in the authenticity and reliability of green labels, especially those endorsed by third-party certifiers.
3. **To identify the demographic factors that affect consumer attitudes toward green-labelled products:** By analysing variables such as age, income, education, and gender, the study will evaluate whether certain groups are more inclined toward sustainable consumption than others.
4. **To evaluate consumer willingness to pay a premium for eco-friendly products:** While many consumers claim to support sustainable brands, cost remains a critical barrier. This objective seeks to quantify how price sensitivity affects green product adoption.

Research Questions

In alignment with the above objectives, the study is guided by the following key research questions:

1. **Do consumers prefer purchasing products with green labels over conventional alternatives?**
2. **What are the primary factors such as brand trust, environmental concern, or product quality that influence consumer preference for green-labelled products?**
3. **How does consumer trust in the credibility of green labels affect their purchasing behaviour and brand loyalty?**

4. What is the role of demographic variables such as age, gender, income, and education level in shaping consumer attitudes toward green-labelled products?
5. Are consumers willing to pay more for green-labelled products, and under what conditions do they find such purchases justifiable?

By addressing these questions, the study aims to contribute valuable insights into the dynamics of green consumerism, helping businesses, policymakers, and sustainability advocates design more effective eco-labelling strategies and outreach campaigns.

RESEARCH METHODOLOGY

To achieve the objectives of this study, a **mixed-method approach** was adopted, integrating both **descriptive** and **exploratory research designs**. This dual approach provided a comprehensive understanding of consumer behaviour related to green-labelled products. While the descriptive component facilitated the quantification of consumer attitudes and behaviours, the exploratory aspect allowed for a deeper investigation into the underlying reasons behind consumer choices, especially those driven by sustainability considerations.

Research Design

The **descriptive research design** was employed to systematically map out consumer awareness, attitudes, and purchasing behaviour concerning green-labelled products. This included measuring the frequency of green product purchases, willingness to pay a premium, and the level of trust consumers placed in various eco-certifications. The design helped identify general patterns and relationships among demographic variables such as age, gender, income, and education level.

Complementing the descriptive design, an **exploratory design** was used to gain insights into less structured aspects of consumer decision-making. Through open-ended survey questions and qualitative feedback, this design uncovered consumer perceptions of greenwashing, their interpretation of green labels, and emotional or ethical motivations behind their purchases. This approach was essential for understanding the “why” behind consumer choices something that purely quantitative methods might overlook.

Sampling Technique

The study focused on **urban consumers** between the ages of 18 and 50, a demographic considered more likely to engage with green-labelled products due to greater exposure to environmental campaigns, digital media, and higher levels of education. A total of **200 respondents** were selected using a combination of **random sampling** and **convenience sampling** techniques.

- **Random sampling** was applied by distributing survey links across various digital platforms (e.g., social media, email groups) without targeting specific individuals, ensuring that participants from different socio-economic and professional backgrounds could participate.
- **Convenience sampling** was used to gather responses from individuals readily available and willing to participate, such as members of sustainability-focused online communities or eco-conscious social groups. This method enabled a broader and more diverse sample while still remaining practical for the research scope.

Data Collection

The **primary data** was collected via an online **structured questionnaire** designed in Google Forms. The questionnaire included both **closed-ended questions** (multiple choice, Likert scales) for quantitative analysis and **open-ended questions** for qualitative insights. The survey was distributed over a period of four weeks to allow adequate time for responses. To ensure **ethical compliance**, respondents were informed about the purpose of the research, and **consent was obtained** at the beginning of the survey. Participant anonymity and data confidentiality were strictly maintained.

The questionnaire was structured into key sections:

- Awareness and perception of green labels
- Trust in certifications and brand claims
- Frequency of green product purchases
- Willingness to pay a premium for sustainability
- Demographic information (age, gender, education, income)

Data Analysis

Once data collection was completed, responses were downloaded and analysed using **descriptive statistical techniques**, including **frequency distribution**, **percentages**, and **mean scores** to summarize consumer behaviour patterns. For inferential analysis, **chi-square tests** were employed to examine the relationship between demographic variables (e.g., age, education, income) and key behavioural outcomes, such as willingness to pay more or frequency of green purchases.

The inclusion of both descriptive and inferential tools allowed the researcher to draw not only **general trends** but also **statistically significant insights** about subgroup differences. Additionally, qualitative responses were subjected to **thematic analysis**, identifying recurring ideas and sentiments that could further inform the quantitative findings.

In summary, this mixed-method approach provided a **holistic understanding** of how consumers perceive and interact with green-labelled products, offering both **breadth and depth** to the research outcomes.

DATA ANALYSIS AND INTERPRETATION

This section presents the results obtained from the primary survey conducted among 200 urban consumers between the ages of 18 and 50. The objective was to understand their awareness, perceptions, and behavioural responses toward green-labelled products. Both **descriptive statistics** and **interpretative insights** are used to derive meaningful conclusions from the data.

Demographic Profile of Respondents

The sample consisted of **64.5% male** and **35.5% female** participants. In terms of education, all respondents held at least a bachelor's degree, with **53% being graduates** and **47% postgraduates**. A majority (42.5%)

were in the **26–35 age group**, followed by 31% in the **18–25 bracket**, indicating that younger and middle-aged adults formed the core demographic for the study. This demographic distribution reflects a population segment that is likely more exposed to sustainability-related marketing and information.

Awareness and Trust in Green Labels

A significant **78% of respondents reported being aware of green labels**, showing that sustainability claims have penetrated consumer consciousness. The **unanimous 100% trust level** among respondents regarding green labels is particularly noteworthy. This suggests that consumers not only recognize green labels but also believe in their authenticity especially when issued by reputable third-party organizations. However, this trust must be viewed with caution, as it may also reflect **social desirability bias** or a lack of deeper scrutiny into what green labels actually entail.

Purchasing Behaviour

While awareness and trust are high, **behavioural commitment to green consumption remains conditional**. Only **23.5% of participants** were consistently willing to pay a premium for eco-friendly products. A much larger group, **41%**, expressed conditional willingness often dependent on factors such as product type, price difference, or brand reputation. This reveals a **price-value tension**, where sustainability is appreciated but not always prioritized in actual purchase behaviour. Notably, **no respondents indicated that they never purchased green-labelled products**, suggesting at least some level of engagement across the board.

Motivations for Purchasing Green Products

When asked about their reasons for preferring green-labelled items, **76.5% cited environmental concern** as their primary motivator. **Health benefits** followed at **23.5%**, reflecting a consumer belief that green products are not only better for the planet but also safer or healthier for personal use. Surprisingly, **no respondents selected product quality** as a key motivator. This finding emphasizes the **ethical and emotional drivers** of green consumerism, rather than purely functional attributes.

Trusted Green Brands

Tata Consultancy Services (TCS) emerged as the most trusted green company, with **70.5% of respondents** naming it as their top choice. Other notable mentions included **ITC Ltd. (17.5%)** and **MRF Tyres (12%)**. The dominance of TCS in this category could be attributed to its well-communicated corporate sustainability initiatives and strong brand reputation in the Indian market. This highlights the importance of **corporate transparency** and **brand perception** in fostering consumer trust in green credentials.

Barriers to Green Product Adoption

Despite overall positivity toward green-labelled products, several barriers persist. The most significant challenge is **price sensitivity**, especially among younger and mid-income consumers. Many participants expressed hesitation to pay extra unless tangible benefits could be demonstrated. Additionally, the **22% who were unaware of green labels** point to **communication and outreach gaps**, suggesting the need for improved consumer education.

Summary of Key Findings:

- **78%** are aware of green labels; **100%** trust them.
- Only **23.5%** are consistently willing to pay more; **41%** are conditionally willing.
- **76.5%** cite environmental concern as a primary motivator; **23.5%** cite health.
- **TCS** is the most trusted green company.
- Key barriers: price sensitivity and lack of awareness among a minority.

These findings illustrate a **positive consumer attitude** toward sustainable practices but also reveal the **complexity of converting awareness into action**. Price, trust, and clear communication remain pivotal in influencing consumer choices.

DISCUSSION

The results of this study offer important insights into the contemporary dynamics of green consumerism within urban India. The data reveals a strong **level of awareness (78%)** and **complete trust (100%)** in green labels among participants, suggesting that sustainability messaging has successfully penetrated urban markets. However, a closer examination of **purchasing behaviour** indicates that awareness and trust do not automatically translate into consistent buying decisions a pattern well-documented in previous literature and reinforced by the current findings.

One of the primary constraints observed is **price sensitivity**. Despite their willingness to support environmentally friendly initiatives, a substantial portion of consumers especially those in lower or middle-income brackets—appear reluctant to consistently pay a premium for green-labelled products. Only **23.5%** of respondents were found to be consistently willing to do so, while a much larger group (**41%**) demonstrated conditional willingness, usually dependent on perceived product value or affordability. This behaviour supports the notion of a "**green attitude-behaviour gap**," a phenomenon wherein consumers express concern for the environment but fail to act in alignment due to external constraints such as cost or availability.

The findings also highlight a **positive correlation between socioeconomic status and green purchasing behaviour**. Respondents with higher educational qualifications and income levels were more likely to express strong environmental concern and exhibit proactive green buying habits. These results are consistent with earlier research (Peattie, 2010; White et al., 2012) which suggests that educated consumers are not only more informed about environmental issues but are also better positioned financially to make eco- conscious choices.

Another noteworthy observation is the **emotional and ethical motivation** behind green product purchases. A significant **76.5%** of respondents cited **environmental concern** as their primary reason for selecting green-labelled products, followed by **health benefits (23.5%)**. This underlines the **intrinsic values** driving consumer preferences, reinforcing the argument that sustainability marketing must go beyond rational appeals and address emotional, moral, and societal dimensions.

The study also identifies **Tata Consultancy Services (TCS)** as the most trusted green brand, reflecting how **corporate reputation and transparent communication** play a crucial role in consumer trust. Companies that actively showcase their commitment to sustainable development—through corporate social responsibility (CSR) initiatives, environmentally responsible operations, and third-party certifications—tend to enjoy higher consumer loyalty and trust. This finding suggests that trust is not solely built through product labelling, but also

through **corporate identity and long-term brand behaviour**.

On the flip side, **greenwashing concerns**, though not directly measured in this survey, remain a latent threat. With consumers showing high trust levels in green labels, there is an increased responsibility on regulatory bodies and businesses to **maintain label credibility**. Any breach in trust could significantly impact consumer confidence and damage brand equity, especially in an era of rapid social media dissemination and heightened consumer activism.

In addition, the **awareness gap** among 22% of respondents who were unfamiliar with green labels highlights a **communication shortfall**, even within urban, educated populations. This indicates that sustainability communication strategies need to be more inclusive, consistent, and culturally contextualized to ensure wider reach and resonance.

The findings suggest that while the foundational mindset for green consumerism exists, there are **practical barriers** that hinder its consistent application. These include affordability, limited product accessibility, and the need for better public awareness. Addressing these barriers will require a **multi-stakeholder approach**, involving businesses, consumers, regulatory bodies, and advocacy organizations to foster a culture of informed, ethical, and sustainable consumption.

CONCLUSION

The findings of this research highlight a promising shift in consumer behaviour toward sustainability, with a growing interest in green-labelled products among urban Indian consumers. Environmental awareness is clearly a strong motivator, as evidenced by the high levels of recognition and trust in green certifications reported by participants. Consumers increasingly view eco-friendly products as both a moral choice and a step toward personal and societal well-being, particularly in the context of mounting environmental crises and global advocacy for sustainable living.

However, despite these encouraging signals, **practical barriers continue to limit the widespread adoption of green-labelled products**. The most notable challenge remains **price sensitivity**, especially for middle-income and price-conscious consumers. Although many participants support the idea of sustainable consumption in theory, their actual purchasing decisions often hinge on affordability and perceived value. Only a minority demonstrated a consistent willingness to pay a premium for green products, indicating a gap between intention and behaviour.

Additionally, there is evidence of **inconsistent understanding and interpretation of green labels**, even among educated and environmentally aware respondents. While trust in green certifications is high, there remains a need for better education on what these labels actually represent, how they are verified, and how they differ across industries. This lack of clarity may leave consumers vulnerable to misleading claims and greenwashing, which could eventually erode the trust that currently exists.

To bridge this gap between awareness and action, a **multi-faceted approach** is essential. Brands must invest in **transparent communication**, emphasizing third-party verification and tangible environmental impact. Governments and regulatory bodies should establish and enforce **clear guidelines for green labelling**, ensuring that only genuinely sustainable products can carry eco-friendly certifications. At the same time, **consumer education campaigns** should be launched to explain the value and credibility of green labels, empowering consumers to make informed choices.

Improving **accessibility and affordability** is also critical. Offering more competitively priced green products and increasing their availability in mainstream retail channels—not just niche or premium markets—can help normalize sustainable consumption. Incentives such as eco-friendly product subsidies, loyalty programs, or tax benefits may also help shift eco-conscious purchasing from an aspirational choice to a regular habit.

In summary, the research underscores that while the **attitudinal foundation for green consumerism is strong**, its full realization depends on addressing structural and psychological barriers. With the right mix of policy support, brand responsibility, and consumer engagement, green-labelled products have the potential to move from the margins into the mainstream, supporting a more sustainable and ethically driven marketplace.

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