

The Impact of Sustainability on Consumer Purchasing Power

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Abstract

Sustainability used to be more of a fringe issue, but it has recently risen to the forefront as a driving factor in both consumer habits and corporate strategies. Environmental and social responsibility are becoming more important considerations for customers when making purchases in response to rising concerns about climate change, resource depletion, and social inequity. This paper delves into the various ways in which sustainability has changed consumer behaviour, pinpointing the factors that have prompted this change and discussing what it means for companies in today's value-driven and competitive market. The fundamental goal of this research is to analyse the impact of sustainability on consumer spending habits and to offer advice to companies that want to meet their changing demands.

1. Introduction

To be sustainable, a system must be able to provide for current needs without jeopardising those of future generations. Ecological preservation, social justice, and sustainable economic development are all part of it. Over the past few years, sustainability has gone from being an obscure issue to a major factor impacting how companies operate and what consumers buy. Growing concerns about global warming, resource loss, and social inequality are major factors propelling this transition.

The main goal of this study is to investigate the factors that impact consumer purchasing decisions in relation to sustainability. The purpose of the research is to determine what factors are driving this change and to offer companies advice on how to adapt their strategies to meet the demands of their customers. If companies want to improve their long-term profitability, customer loyalty, and brand reputation, they must understand how sustainability affects consumer behaviour.

Literature Review

Theoretical Foundations

Attitudes, subjective standards, and perceived behavioural control are the three main determinants of behaviour, according to the Theory of Planned Behaviour (TPB). Within the framework of sustainability, customer sentiments on the preservation of the environment play a substantial role in their purchase intentions. Recent research has shown that emotional and ethical considerations also contribute to behaviour, contrary to the claims made by Ajzen and Fishbein in their Reasoned Action Theory.

Increasing Knowledge Among Buyers

Many consumers, especially members of Generation Z and Millennials who place a premium on ethical principles when making purchases, are prepared to pay a premium for sustainable companies (66%). Johnstone and Tan (2015) found that consumers are more likely to buy eco-certified products when they express a desire to do their part to protect the environment.

The Disconnect Between Intention and Action

Many customers have good intentions of buying sustainably, but they don't actually do so because of things like high prices, limited selection, and distrust of company promises (greenwashing). Sustainable consumer behaviour is complicated, as beliefs and aspirations frequently clash with actual reality, as the intention-behavior gap shows.

The Importance of Being Honest and Open

For sustainable products to get consumer approval, trust is crucial. Companies run the danger of losing credibility and customers' faith when they partake in greenwashing. Consumer trust can be enhanced through open supply chains and third-party certifications, according to research by Delmas and Burbano (2011).

3. Research Methodology

Research Design

This study employs an exploratory research design to investigate the impact of sustainability on consumer purchasing decisions.

Data Collection

Data came from 50 people in Gorakhpur and Noida who filled out surveys; these people were considered primary sources. Questions on demographics, shopping habits, and sustainability beliefs were also included of the survey. To back up its claims, the study drew on secondary sources such as previously published works, industry reports, and university papers.

Sample Size and Area

The sample size of 50 respondents was chosen to provide a preliminary understanding of consumer attitudes towards sustainability in the specified geographic areas.

Data Interpretation

Survey Results

Sustainable products are highly preferred by consumers, according to the poll results. Important results consist of:

The breakdown of the respondents' ages shows that the largest age group was between 26 and 30 (36%), followed by 21 to 25 (34%).

Main Justifications for Making Sustainability a Priority: The primary motivations for placing an emphasis on sustainability were concerns for the environment (20%), health advantages (26%), social benefits (30%), and economic benefits (24%). **Willingness to Pay a Premium:** 34% of respondents indicated that their willingness to pay more for sustainable products depends on the brand.

Analysis of Results

Despite customers' stated preference for sustainable items, these results imply that obstacles like price and restricted availability frequently prevent them from making a purchase. Brand reputation is a key factor in determining customer loyalty, according to the study.

Suggestions and Recommendations

Improving Openness

When discussing their sustainable initiatives, businesses should be transparent, honest, and provide evidence when asked. To decrease cases of greenwashing and increase consumer trust, third-party certifications and eco-labels can be useful.

Consumer Awareness

In order to educate buyers about the social and environmental consequences of their purchases, public awareness campaigns and educational programs are crucial. Sustainable decisions are more likely to be made by consumers who are well-informed.

The Availability of Eco-Friendly Goods

Policymakers and businesses alike should prioritise expanding access to affordable, environmentally friendly products, particularly in underserved areas and emerging nations. Subsidies and tax rebates are two examples of financial incentives that might assist close the affordability gap.

Utilising Online and Social Platforms

Brands can reach the younger demographic, who is frequently the vanguard of sustainable fashion trends, and encourage them to connect with sustainability themes through digital platforms.

Limitations of the Study

Data Limitations

Because of its heavy reliance on secondary data and literature reviews, the study might miss some real-time consumer trends.

Sustainability as Defined Differently

The difficulty in drawing general results stems from the fact that consumer perceptions of sustainability can vary greatly between geographical areas and cultures.

The Disconnect Between Intention and Action

Although the intention-behavior gap is addressed in the study, the main empirical evidence needed to adequately evaluate this divergence is lacking.

Conclusion

The report emphasises that consumers' concerns about the environment play a significant role in their purchase decisions across different sectors. Even if people say they want to buy eco-friendly things, they don't always do so because of factors

like price and availability. Meeting changing customer expectations and ensuring long-term viability requires businesses to adjust their strategy to emphasise sustainability, openness, and responsibility.

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