

The Impact Of Ecofriendly Businesses And Their Advertisements On Consumers

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ABSTRACT

Introduction: Eco-friendly products have gained increasing prominence due to the pressing need to conserve limited resources, reduce carbon footprints, and minimize environmental degradation. Such products are typically manufactured using energy-efficient processes, sustainably sourced raw materials, and eco-friendly packaging. Although businesses are increasingly offering eco-friendly alternatives, consumers often face confusion in purchase decisions due to factors such as availability, advertising, and premium pricing. This study aims to examine the impact of these variables on consumer awareness, decision-making, and willingness to pay for eco-friendly products.

Method: The study employed a primary data collection approach using a structured questionnaire, distributed through convenience sampling. A total of 113 valid responses were obtained. The questionnaire included close-ended items related to awareness, advertising influence, and willingness to pay premium prices for eco-friendly products. Data were analysed using descriptive statistics, correlation, and regression techniques to assess relationships among the variables.

Results: Findings reveal that consumers possess considerable awareness of sustainable practices such as reduce, reuse, and recycle. However, advertising credibility significantly influences trust, as concerns about “greenwashing” discourage purchase intentions. Premium pricing emerged as a critical factor, with many respondents willing to pay higher prices when products were perceived as genuinely beneficial to the environment. Results also indicate that awareness, advertising, and pricing collectively exert a significant impact on consumer purchase behaviour.

Discussion: The study underscores the importance of authenticity, transparency, and fair pricing in promoting eco-friendly products. Businesses must prioritize credible communication to overcome consumer scepticism and build trust. Furthermore, strategic pricing that reflects both sustainability value and consumer willingness to pay can enhance adoption rates. Overall, the research highlights that effective marketing of eco-friendly products requires integrating awareness-building, genuine advertising, and responsible pricing to encourage sustainable consumption behavior.

Keywords: Eco-friendly Products, Green Marketing, Premium Pricing, Carbon Footprint, Environmental Impact

INTRODUCTION

The word Ecofriendly has been a buzz in recent years. People are becoming more environmentally conscious and are looking for ways to reduce their carbon footprint and exploitation of the planet. The fact that the resources are limited and there is no other planet to move to is making people more serious towards practicing environmental methods in their daily lives. One such method is the use of ecofriendly products. Ecofriendly Products are the finished goods that either use energy efficient process during manufacturing, raw materials that are sourced sustainably, or simply products that wouldn't negatively impact the environment.

Consumers are now more aware of these products and are trying to incorporate them in their daily lives. As a result, more businesses are emerging in the ecofriendly domain where the concentration is more on production and promotion of environmentally friendly products. This can be achieved either by using energy efficient manufacturing process, or raw materials which are sourced without exploiting the environment or using ecofriendly packaging material for the regular products. By using these methods businesses are trying to pull more customers while some of them are also charging premiums for such products. Apart from this, some of the companies whose main focus is not on ecofriendly products are still trying to use sustainability and ecofriendly angles to promote their products by advertising them as having positive impact on the environment. They also use a concept called green washing, where even though the products are not ecofriendly, the companies still try to portray them as such. As a result, more customers who are interested in sustainable practices would be willing to buy as well as pay premiums for such products.

In this study, we aim to understand the awareness levels of the consumers towards ecofriendly products as well as their perception towards them and whether they are willing to pay premium prices for such products. The study also analyses the impact of advertisements by different companies regarding ecofriendly products in the consumers' buying behavior.

LITERATURE REVIEW

Monu Bhardwaj et al. (2023) aims to explore consumer perceptions towards eco-friendly products and provide insights into the factors that influence their purchasing decisions. The research aims to shed light on the attitudes and behaviors of consumers towards eco-friendly products, and to provide recommendations for companies looking to promote and market their eco-friendly products effectively. The study is descriptive in nature in which the data was obtained from 183 respondents. The sample includes individuals from different age groups capturing a wide range of perspectives and attitudes, and it is selected based on certain consumer behaviors, such as those who actively seek out eco-friendly products or those who are skeptical about eco-friendly claims. A checklist question was used to analyze and interpret the data. In a checklist question respondents choose Yes or No for all the questions. The study concludes that, although there is a rising demand from eco-friendly products, many other factors like availability of ecofriendly products in retail markets impact the consumers' purchasing decisions and companies should consider these factors properly.

Nikita Yadav (2022), in her study aims to find out the factors which affect awareness of eco- friendly products among consumers, tries to understand that the high price of green products deters consumers to go for them and examines what all factors influence consumers to go for green products. In this study, the data has been collected from two groups of respondents i.e. students at the university and school teachers. The sample size is 150 and the convenience sample type is being used in the study. The dependent variable is awareness (how much people are aware of eco-friendly products). The independent variables are knowledge, brand, expensive, friendly, quality, and accessibility. Automatic Linear Modelling and Linear Regression are used to fulfil the objectives of the study, and SPSS is used to analyze the data. It was evident from the above data analysis that accessibility, brand, and quality play a key role in determining the demand for eco-friendly products.

K Pradeep Reddy et al. (2022), investigates how consumers' awareness of environmental issues influences their preferences when shopping for eco-friendly goods, how different types of customers, based on their knowledge of environmental issues and preferences for green products, might be differentiated, how extensive consumers' knowledge of green products is before they make a purchase. The data for this study was gathered in two ways: through surveys and through archival research. The majority of the study's necessary secondary data comes from already-published studies, publications, magazines, newspapers, textbooks, and online resources. The consumers' opinions on green products are taken directly from them through the use of a structured questionnaire. Mc Nemar's Test was used to analyze the data. The study concludes that green marketing is widely used by companies to attract more customers and even the consumers are being drawn to such tactics due to which their purchasing decisions are highly impacted.

Elisabete Correia et al. (2023), explores impact of Consumers' attention to companies' green marketing communication and its influences on their green purchasing behavior and how consumers' education level influences their attention to companies' green marketing communication. An online survey was carried out on the population residing in Portugal over 18 years of age, allowing the researchers to collect of a total of 704 responses, of which 690 were considered valid and incorporated in the analysis. Descriptive statistics were used to explore the variable green marketing communication. A simple regression model was obtained to analyze the data. Also, parametric and non-parametric tests were applied. This research focuses on the attention to companies' green marketing communication and the relationship of this variable with consumers' green purchasing behavior. The study concludes that consumers presenting green attitudes, and who are more educated are more attentive to companies' green marketing communication. The findings reinforce the argument that companies benefit from communicating with their stakeholders about their commitment to sustainability.

Mohammed Imran Kazi (2023), focuses on customer's perception and buying behavior in relation to eco-friendly FMCG products specifically including Eco-Friendly home care products, Eco-friendly personal care products and Eco-Friendly electrical goods. Eco-friendly FMCG users in Latur district are the universe of study. From among the universe 200 users were surveyed. Convenient sampling technique was used for collecting data. A structured questionnaire was used for collecting primary data. The answers revealed that green marketing practices increased green consumption and were dependent on consumers' enthusiasm to engage in green practices and green behavioral influences.

METHODOLOGY

This study aims to understand the impact of ecofriendly businesses and their advertising on the consumers buying behaviors. It focuses on factors such as advertising, awareness and consumers' perceptions.

OBJECTIVES

1. To understand the awareness levels of consumers towards ecofriendly products.
2. To understand how consumers are influenced through advertisements on ecofriendly products.
3. To understand whether consumers are willing to spend premium for ecofriendly products.

DATA COLLECTION SOURCE

Primary data collection method was used to obtain the data for the study where a structured questionnaire was prepared in a google form and was distributed among the potential respondents through social media.

SAMPLING TECHNIQUES

A Non-Random Sampling technique called convenience sampling was used to choose the sample.

SAMPLE SIZE

The sample size included 113 respondents

TOOLS AND TECHNIQUES USED

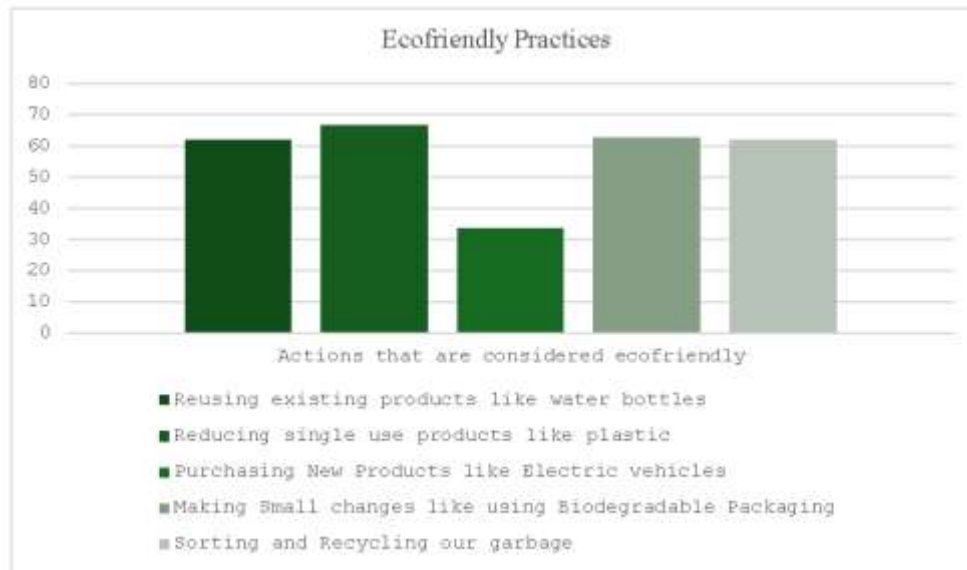
Descriptive statistics, Correlation analysis and Regression analysis were used for data analysis.

RESULTS AND DISCUSSIONS

Table 1 – Demography and Awareness Levels

Parameter	Criteria	Percentage
AGE	18-25	59.5
	26-35	38.8
	36-45	1.70
FAMILIARITY WITH ECOFRIENDLY PRODUCTS	Very Familiar	54.3
	Somewhat Familiar	43.1
	Not Familiar at all	2.60

According to the above frequency table, the sample majorly consists of people aged between 18-25, followed by 26-35 years. Among the respondents, majority of them are either very familiar or familiar to an extent with ecofriendly products.

Fig. 1 – Consumer Awareness Levels about Ecofriendly Actions

The results indicate that respondents largely associate eco-friendly actions with the traditional concepts of Reduce, Reuse, and Recycle, reflecting a good level of awareness about basic sustainability practices. However, a significant gap was observed in recognizing the environmental benefits of electric vehicles, as many did not consider them eco-friendly. This highlights a lack of awareness or possible misconceptions regarding the role of electric vehicles in reducing carbon emissions, pointing to the need for stronger educational and promotional efforts.

Table 2 - Impact of advertisements on the consumers' buying behavior.

Regression Statistics	
Multiple R	0.288148652
R Square	0.083029645
Adjusted R Square	0.060664515
Standard Error	0.490199066
Observations	43

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	0.892085957	0.892085957	3.71245967	0.060958018
Residual	41	9.852100089	0.240295124		
Total	42	10.74418605			

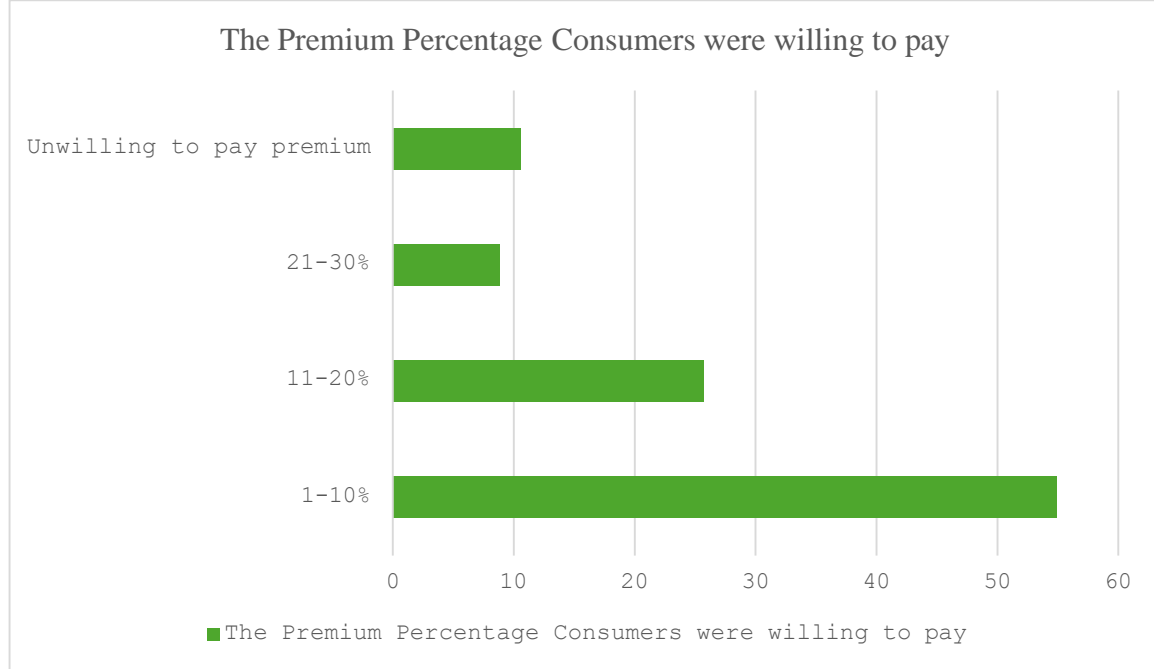
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	1.201072386	0.177670819	6.760099353	3.59823E-08	0.842258889	1.559885884	0.842258889	1.559885884
	2 0.130920465	0.067947998	1.926774421	0.060958018	-0.006303301	0.268144231	-0.006303301	0.268144231

The regression analysis indicates that advertisements have a weak but positive influence on consumer buying behaviour, explaining only 8.3% of the variation ($R^2 = 0.083$) in purchase decisions. The model is marginally significant ($F = 3.71$, $p = 0.061$), suggesting that advertisements do influence consumer behaviour, though not strongly. The coefficient ($\beta = 0.131$, $p = 0.061$) reflects a positive but borderline significant impact, implying that well-designed advertisements may encourage purchases, but their effect is limited. Hence, while advertisements play a role, other factors may hold stronger influence on consumer buying behaviour.

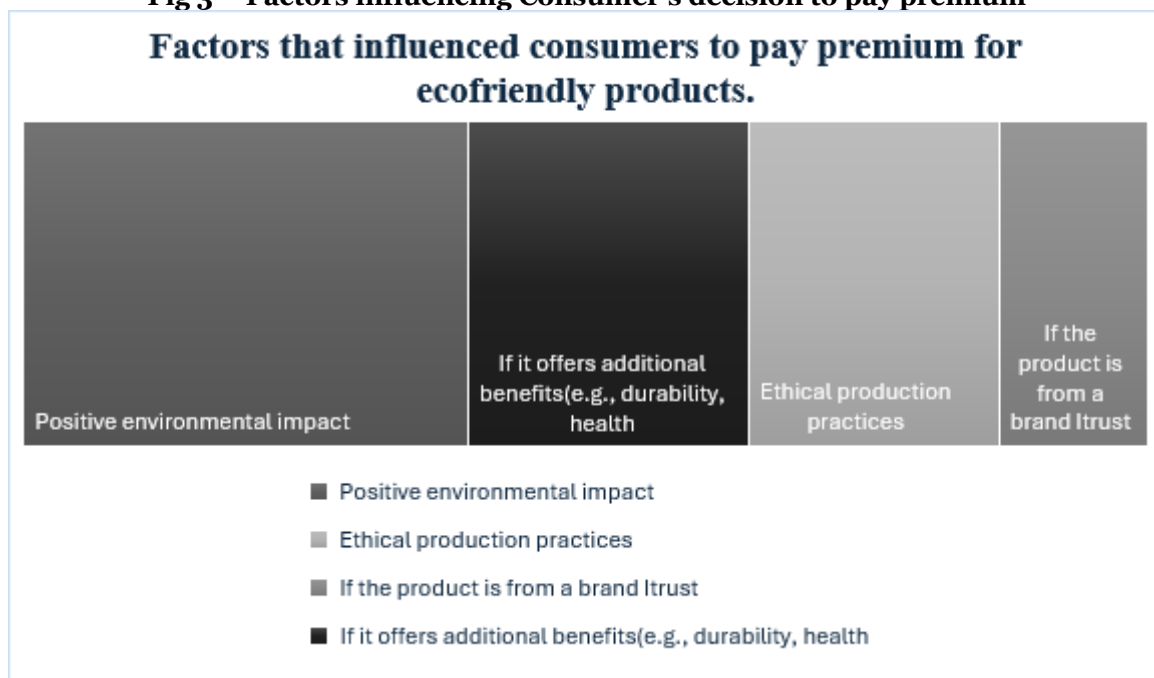
Table 3 – Consumers' Perceptions towards Green Marketing

Perception of consumers towards the Authenticity of Advertisements	Frequency	Mean
Highly Misleading	35	.31
Moderately Misleading	69	.61
Not Misleading	9	.08

Most consumers perceived eco-friendly advertisements as *moderately misleading* (61%), while 31% found them *highly misleading*, and only 8% considered them genuine. This reflects widespread skepticism, likely due to greenwashing. Businesses must enhance transparency, provide credible evidence, and adopt authentic communication strategies to build consumer trust and encourage sustainable purchases.

Fig 2 – Willingness levels of Consumers to Pay a Premium Price for Ecofriendly products

When asked about their willingness to pay a premium for eco-friendly products, 30% of respondents expressed readiness, while 64% indicated conditional willingness depending on price. On further probing, the majority stated they would accept a premium between 1–10%. These insights are valuable for companies in designing pricing strategies, as they highlight consumers' price sensitivity while also signaling the acceptable range of premium that can be incorporated without discouraging purchase decisions.

Fig 3 – Factors influencing Consumer's decision to pay premium

The diagram shows that consumers are most influenced to pay a premium for eco-friendly products when they perceive a **positive environmental impact**. Additional benefits like **durability and health**, along with **ethical production practices** and **brand trust**, also play significant roles, reflecting both environmental concern and practical value expectations.

Ecofriendly businesses can use this information to make the consumers aware if they are following the above practices in order to pull more customers.

Table 4 – The impact of awareness levels about the importance of ecofriendly products on consumers' mindsets.

Parameter	Percentage
High pressure	24.6
No pressure or Responsibility	22.8
No pressure but Responsible	52.6

The table indicates that a majority of respondents (52.6%) feel no pressure but remain responsible, suggesting a balanced and positive outlook towards their tasks. Meanwhile, 24.6% experience high pressure, reflecting stress or workload concerns, and 22.8% report no pressure or responsibility, indicating possible disengagement or lack of accountability.

CONCLUSIONS

In conclusion, the awareness regarding ecofriendly products and their importance is high among the consumers. Many are aware about the actions to be taken to make a positive impact on the environment. Consumers are aware of the actions like reduce, reuse, recycle and sorting that can reduce their carbon footprint. They are also willing to take small actions such as buying ecofriendly products to contribute to the benefit of the planet. They are looking for more and more products that are manufactured using energy efficient methods, whose raw materials are sourced using sustainable methods, which are packed using environment friendly packaging material and which use less water resources to be produced. Such interest to improve their carbon footprint has influenced customers to look for more ecofriendly products. They are more aware of the benefits as well as the impact of such products.

Many are influenced by advertisements when they are able to show the benefits of ecofriendly products as well as the positive impact of them on the environment. With the increase in the levels of Green Marketing, consumers are sceptical regarding the authenticity of the advertisements. While many are willing to trust them, a few individuals feel that advertisements promoting the ecofriendly products are misleading. Due to this they are generally not willing to go for ecofriendly options.

Customers are also willing to pay a premium for ecofriendly options. Many of them are willing to go as far as 10% premium on the price provided, they are assured that the products have a positive impact on the environment, and they also provide extra benefits to the customers like health and durability. Many are also willing to give the ecofriendly products a try if they are being manufactured using energy efficient practices.

Finally, many of the consumers are feeling responsible to make the planet a better place to live with the increase in the exploitation of resources. Although many of them are feeling pressurised to buy ecofriendly products due to the increase in the awareness of environmental impact, a major part of them takes it as personal responsibility rather than peer pressure.

All the above variables like awareness levels, advertisements and premium pricing have a major impact on the decision making of the consumers regarding the purchase of ecofriendly products, hence the factors should always be considered by the business houses while promoting their products and framing strategies.

SUGGESTIONS

The businesses that are emerging with ecofriendly products as their core business activity should consider the following suggestions:

1. Should be honest about the impact their products have on the environment.
2. It should be transparent regarding the manufacturing process and the sources of the raw material while also addressing the packaging issues.
3. Advertisements should be able to connect with the customers while informing them about the positive impact of the products.
4. The advertisements should not be misleading as this can result in loss of customers.
5. The pricing strategies should factor in the consumers' willingness to pay premium but should not overcharge them.

SCOPE FOR FURTHER RESEARCH

The research can be further developed to understand the way consumers react after using ecofriendly products while comparing their perception of the product and the satisfaction thereof. This can also be further extended to understanding how the post purchase behavior of the consumers would impact their future decisions to buy the products.

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