



## An Analysis Of Consumers' Purchase Intention Of Green Fmcg Products

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### ARTICLE INFO

### ABSTRACT

Purpose many studies conducted on green consumer behaviour are related to environmental concerns, the motives behind green consumer behaviour and the impact of attitudes, perceptions & living standards on purchase intent is not studied at a city level. Hence, this study aims to analyse the green product purchase intent and factors influencing the decision of consumers of Hyderabad city along with attitudes, perceptions and living standards. Present study utilises survey-based research method. Primary data were collected from 766 consumers from Hyderabad city using a convenience sampling method. A Stepwise Hierarchical regression method with forward selection approach has been utilise to test hypothesized relationships in the study. The results confirms that perception, attitude and living standards does influence the consumer intent to buy Green Product or Eco-friendly products. However, interestingly out of three layers second model prove to be are better model predicting Consumer Intention to buy green products and his established as an optimised model. Whereas the third layer model prove to be having less predict model among all three models. Results discussed in this paper will help policy makers to formulate their policies in lieu of variables affecting the purchase decision.

**Keywords:** Green product, Perception, Attitude, Living standard, Stepwise Hierarchical Regression model, Consumer intention.

### 1.0 INTRODUCTION:

The growth in environmental concern continues to permeate contemporary consumer buyer behaviour (Mourad and Amed,2012). This concern steers the adoption of a new consumption

Epoch known as sustainable consumption (Lee,2014). The use of green marketing tools has emerged as the key driver of sustainable consumption (Rabbar and Wahid,2011). Sustainable consumption, which is heralded as a potential solution to environmental sustainability (Kotler 2011), involves purchase decisions that are favourably inclined towards environmentally friendly, fair-traded as organically produced products (Belz and Peatties,2009)

The significance of sustainability in consumer behaviour is a growing area of interest, with consumers increasingly prioritizing sustainability and ethical practices in their purchasing decisions (Paduraru, 2023). This shift is driven by a desire for balanced consumption and a rejection of the "total consumer" mindset (Rutkowska, 2020). The role of Industry 4.0 in promoting sustainable consumer behaviours is also being explored, with a focus on environmentally friendly and eco-friendly consumption (Korkmaz, 2023). However, there is a need for further research to understand the psychological and social factors that influence sustainable consumption (Jackson, 2005).

The main objective of this study is to identify the impact of three key parameters, viz., attitudes, perceptions and living standards on the purchase intent of a consumer. For finding out the primary data a questionnaire comprising of 38 questions have been set. Then, using the convenience sampling method, the data has been gathered from 768 respondents across the city of Hyderabad, Telangana. Subsequently, the above-mentioned parameters are studied and analysed using Stepwise Hierarchical regression analysis.

The FMCG sector, a significant contributor to the global economy, has seen remarkable growth in recent years (Patil, 2016). This growth has been accompanied by an increasing focus on green products, driven by consumer attitudes and perceptions (Singh, 2015; Vernekar, 2011). The implementation of green supply chain management has been identified as a key factor in enhancing the performance and competitive advantage of FMCG companies (Ogunlela, 2018). These findings underscore the relevance of green products in the FMCG sector, both in meeting consumer demand and in driving sustainable business practices.

### 1.1. RATIONALE OF THE STUDY:

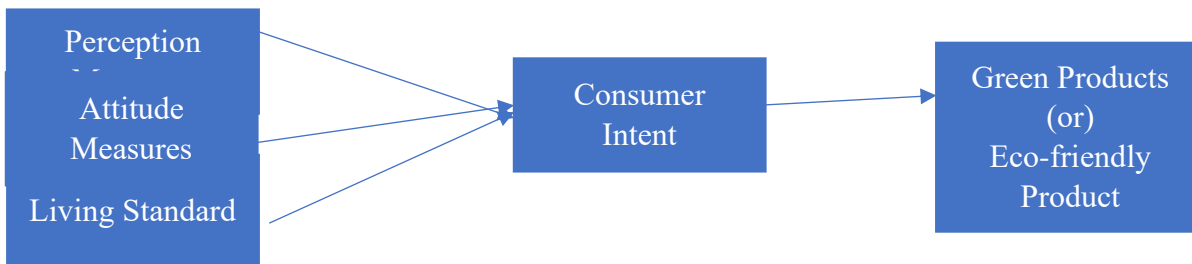
The study is an attempt to investigate the purchase intent of consumer behaviour towards green FMCG products in the backdrop of organic and health-conscious choices available with the consumers in the growing market trend towards organic products.

The growing emphasis on sustainability among consumers is driving a rapid expansion of the market for environmentally friendly products with less carbon foot prints. By identifying the primary factors influencing consumers' intent to buy environmentally friendly fast-moving consumer goods (FMCG), businesses may create focused marketing campaigns that effectively sway customer choices. This study analyses how Perception, Attitude and Living Standard may influence Customer Intention to buy Green FMCG products and may help stakeholders in designing, revamping their strategy aligned and cantered around the core concepts of environment-sustainability-perception-attitude-living standard and its synchronized effect on customer intentions to buy green FMCG products.

### 1.2. OBJECTIVES:

- To study effect of perception, attitude, living standard on consumer intent to purchase green FMCG products.
- To find out the relationship among perception, attitude living standard and customer intent to purchase green FMCG product.
- To find out the impact of perception, attitude and living standard on consumer intention to buy green FMCG products

### 1.3. CONCEPTUAL MODEL:



## 2.0 LITERATURE REVIEW:

A series of studies have explored the relationship between consumer behaviour, purchase intent, and green products in the FMCG sector.

**Kremmydas, C. & Kostis, P. C. (2024)** study found that the positive attitudes towards green products and access to information significantly enhance consumer satisfaction, a trend consistent across different cultures. However, a lack of sustainability knowledge among youth presents an educational opportunity.

**Mishra, Vinayak, Kulshreshtha, Kushagra(2023)**, study found the motives behind green product purchases and a control variable: demographic characteristics of Indian consumers.

**Morel, M., & Kwakye, F.O. (2012)**, study found that Consumers' attitude and purchase intention of eco-friendly products are global concern for the purpose of the preservation. eco-friendly purchases and satisfaction drive repeat purchase intention.

**Muposhi, A., & Dhurup, M. (2017)**., study to examine the potential role of green marketing tools in fostering green eating behaviour, and consumers are significantly influenced by eco-labels and eco-brands when buying green products.

**Rustagi (2021)** noted a discrepancy between consumer recognition of the benefits of green food products and their actual purchase behaviour. These findings collectively suggest that while consumers are generally inclined towards green products, there are still barriers to their widespread adoption.

**Singh (2015) and Jayawardena (2018)** both found a strong consumer preference for green products, with packaging being a key factor

### 2.1. HYPOTHESIS:

**H<sub>01</sub>:** Attitude will not be significantly impacting Consumer Intent to buy Green Product.

**H<sub>02</sub>:** Perception will not be significantly impacting Consumer Intent to buy Green Product.

**H<sub>03</sub>:** Living Standard will not be significantly impacting Consumer Intent to buy Green Product.

**H<sub>04</sub>:** Attitude and Perception together will not be significantly impacting Consumer Intent to buy Green Products.

**H<sub>05</sub>:** Perception, Attitude and Living Standards together will not be significantly impacting Consumer Intent to buy Green Products.

### 3.0. RESEACH METHODOLOGY:

**Sample Size** collected the sample of 766 from the Hyderabad city, sampling method-Convenience sampling method which used to select the sample, Stepwise Hierarchical Regression method applied to test the hypothesis of variables.

#### 3.1. Demographic Profile:

Source	Item	Frequency	Percentage (%)
GENDER	Male	421	55
	Female	345	45
AGE	16-23	7	0.9
	24-30	30	3.9
	31-45	100	10.6
	46-55	423	55.2
	Above 56	206	26.9
Education	No Education	15	2.0
	Below SSC	47	6.1
	Intermediate	123	16.1
	Degree/UG	416	54.3
	PG and above	165	21.5
Religion	Hindu	161	21
	Christian	87	11.4
	Muslim	492	64.2
	Jain/Budh	5	7
	Other	21	2.7
Employment Status	Employed	217	28.3
	Unemployed	549	71.7
Income	Yes	452	59
	No.	314	41
Income Level	Low Income	205	13.4
	Middle Income	289	18.9
	High Income	272	17.7
Marital Status	Married	217	28.3
	Unmarried	548	71.7

**Source: Author**

From the above table, **Gender** of the studied population, men make up 55% of the population, significantly more than women do (45%). **Ages:** Most responders are middle-aged or older, with the biggest percentages in the 46–55 age group (55.2%) and the over-56 age group (26.9%) age groups. There is a lower representation of younger age groups (16–23 and 24–30) in the survey. **Education Level:** A sizable percentage of respondents (54.3%) have completed an undergraduate or graduate degree, indicating a comparatively high level of education. Nonetheless, a noteworthy percentage also had Intermediate (16.1%) and Postgraduate and above (21.5%) educational backgrounds. **Religion:** Muslims (64.2%) make up the majority of responders, followed by Hindus (21.0%) and Christians (11.4%). This implies that the examined population has a varied religious makeup. **Employment Status:** The majority of respondents (71.7%) do not have a job, which may have an impact on their purchasing power and financial situation. **Income Status:** Of those surveyed, 59% have some sort of income, while 41% have none at all. This suggests that a sizable section of the populace can be underprivileged financially. **Marital Status:** The majority of respondents (71.7%) do not have a spouse, which may be a reflection of a younger demographic or a cultural preference for singledom.

#### 3.2. INSTRUEMNT AND RELIABILITY:

##### Reliability Test Results:

S.No.	Scale/Source	No. Items	Reliability Coefficient
1	Living Standard (LS).	05	0.773
2	Perception Measures (PM).	08	0.948
3	Attitude Measures (AM)	10	0.944
4	Consumer Intent (CI).	7	0.925
5	Composite of LS, PM, AM, & CI.	30	0.964

**Source: Author**

The study's scales have strong internal consistency, as seen by their Cronbach's alpha coefficients, which range from .773 to .964. High reliability for the combined scales was shown by the composite measure's highest reliability coefficient (.964). These outcomes bolster the reliability of the study's conclusions.

#### 4.0. DATA ANALYSIS AND DISCUSSIONS:

##### 4.1. Correlations:

Parameters	Living Standards	Consumer Intent
Attitude Measures	0.445**	0.799**
Perception Measures	0.506**	0.685**
Living Standards	--	0.426**

Source: Author. \*\* Significant at .01 level.

There is statistically substantial association between living standards and customer intent, as well as between other measures of attitude and perception. Consumer intent has a larger positive connection (0.799\*\*) with attitude measurements and a somewhat lesser correlation (0.685\*\*) with perception measures, whereas living standards show a positive correlation with attitude measures (0.445\*\*) and perception measures (0.505\*\*). Furthermore, there is a positive correlation (0.426\*\*) between customer intent and living standards. These results imply that customer attitudes and perceptions, which in turn affect purchase intent, may be influenced by living standards.

##### 4.2. Regression Coefficients:

S.No.	Model with Predictor and Predicted Variables	$\beta$ -Value	Adjusted R <sup>2</sup>	R <sup>2</sup> Change	t-Value	Hypothesis
1.	M1: PM $\rightarrow$ CI	0.685	0.468	0.468	25.956**	Rejected
2.	M2: PM $\rightarrow$ CI	0.473	0.652	0.183	5.187**	Rejected
	AM $\rightarrow$ CI	0.667			20.005**	
3.	M3: PM $\rightarrow$ CI	0.150	0.653	0.002	4.322**	Rejected
	AM $\rightarrow$ CI	0.659			19.719**	
	LS $\rightarrow$ CI	0.058			2.318*	

Source: Author. \*\* Significant at .01 level & \* Significant at .05 level.

#### 5.0. RESULTS AND DISCUSSION:

Consumers are more likely to intend to buy green products, if they have more positive sentiments toward them. Model M1's significant positive  $\beta$ -value of 0.685 and the fact that all models' explanatory power is significantly increased when perception measurements are included attest to this.

Another important factor impacting consumer intent is attitude. The adjusted R<sup>2</sup> of Model M2 is significantly higher than that of Model M1, suggesting that perception and attitude measurements account for a sizable percentage of the variance in consumer intent in addition to perception alone. This conclusion is further supported by the significant  $\beta$ -value (0.667) for attitude measurements. Based on the Adjusted R<sup>2</sup> Values and t-Values Model-II is the Optimal for two sets of variables introduces in the Regression Equation towards explaining variance in Customer Intention buy Green Products or Eco-friendly products.

In this particular environment, living conditions may have less of an impact on consumers' propensity to purchase green items. The  $\beta$ -value for living standards in Model M3 is substantially lower than that for attitude and perception, although being statistically significant. Moreover, its inclusion has little effect on the model's overall explanatory capacity.

On testing of hypotheses, it is summarized that, all the 05 hypotheses are subject to test and it is found that the hypotheses are rejected and thus establishes a clear linkage and impact of independent variables on dependent variable.

#### 6.0. SCOPE FOR FUTURE RESEARCH:

This study is primarily focused on FMCG products where customer are intent to buy eco-friendly products based on their perception, attitude and living standards as the drivers, therefore it opens up future agenda for research to explore more such drivers in explaining the models conceived by the researcher in this study and see the results towards positive shift in customer intentions. It was done in Hyderabad city only; it can extend further to the semi-urban and rural regions. The study is quite open to be explored by researchers in terms of manipulating different Independent and Dependent variables in various settings.

#### 7. CONCLUSION:

To sum up, the results of the regression analysis showed a significant relationship between the factors under study—, perception, attitude and living standards—and consumers' desire to purchase green FMCG products. Perception towards green products have a substantial impact on customer intention, and incorporating consumer Attitude into the model improves its explanatory power.

Additional investigation may be conducted into certain factors influencing consumer views, which would facilitate the creation of customized marketing strategies that are in line with a variety of demographic needs and cultural nuances. Efforts aimed at enhancing customer perception and attitudes about green FMCG products may be more successful in influencing buying behaviour, even though the impact of living standards on purchase intention is less significant.

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**APPENDIX:**

**Model Summary<sup>d</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.685 <sup>a</sup>	.469	.468	5.15848	.469	673.713	1	764	.000
2	.807 <sup>b</sup>	.651	.651	4.18060	.183	400.214	1	763	.000
3	.809 <sup>c</sup>	.654	.653	4.16867	.002	5.374	1	762	.021

a. Predictors: (Constant), COMPUTE Perception=P1 + P2 + P3 + P4 + P5 + P6 + P7 + P8  
 b. Predictors: (Constant), COMPUTE Perception=P1 + P2 + P3 + P4 + P5 + P6 + P7 + P8, COMPUTE Attitude=A1 + A2 + A3 + A4 + A5 + A6 + A7 + A8 + A9 + A10

c. Predictors: (Constant),  
 COMPUTE Perception=P1 + P2  
 + P3 + P4 + P5 + P6 + P7 + P8,  
 COMPUTE Attitude=A1 + A2 +  
 A3 + A4 + A5 + A6 + A7 + A8 +  
 A9 + A10, COMPUTE LS=LS1  
 + LS2 + LS3 + LS4 + LS5.

d. Dependent Variable: COMPUTE CI=CI1 + CI2 + CI3 + CI4 + CI5 + CI6 + CI7.NOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17927.440	1	17927.440	673.713	.000 <sup>b</sup>
	Residual	20329.971	764	26.610		
	Total	38257.411	765			
2	Regression	24922.144	2	12461.072	712.981	.000 <sup>c</sup>
	Residual	13335.267	763	17.477		
	Total	38257.411	765			
3	Regression	25015.525	3	8338.508	479.837	.000 <sup>d</sup>
	Residual	13241.887	762	17.378		
	Total	38257.411	765			

a. Dependent Variable: COMPUTE CI=CI1 + CI2 + CI3 + CI4 + CI5 + CI6 + CI7

b. Predictors: (Constant), COMPUTE Perception=P1 + P2 + P3 + P4 + P5 + P6 + P7 + P8

c. Predictors: (Constant), COMPUTE Perception=P1 + P2 + P3 + P4 + P5 + P6 + P7 + P8,  
 COMPUTE Attitude=A1 + A2 + A3 + A4 + A5 + A6 + A7 + A8 + A9 + A10

d. Predictors: (Constant), COMPUTE Perception=P1 + P2 + P3 + P4 + P5 + P6 + P7 + P8,  
 COMPUTE Attitude=A1 + A2 + A3 + A4 + A5 + A6 + A7 + A8 + A9 + A10, COMPUTE LS=LS1 +  
 LS2 + LS3 + LS4 + LS5

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	6.722	.671		10.022	.000					
	COMPUTE Perception=P1 + P2 + P3 + P4 + P5 + P6 + P7 + P8	-.586	.023	.685	25.956	.000	.685	.685	.685	1.000	1.000
2	(Constant)	1.652	.600		2.754	.006					
	COMPUTE Perception=P1 + P2 + P3 + P4 + P5 + P6 + P7 + P8	.148	.029	.173	5.187	.000	.685	.185	.111	.411	2.432
	COMPUTE Attitude=A1 + A2 + A3 + A4 + A5 + A6 + A7 + A8 + A9 + A10	.499	.025	.667	20.005	.000	.799	.587	.428	.411	2.432
3	(Constant)	1.271	.620		2.050	.041					
	COMPUTE Perception=P1 + P2 + P3 + P4 + P5 + P6 + P7 + P8	.128	.030	.150	4.322	.000	.685	.155	.092	.378	2.649
	COMPUTE Attitude=A1 + A2 + A3 + A4 + A5 + A6 + A7 + A8 + A9 + A10	.493	.025	.659	19.719	.000	.799	.581	.420	.407	2.458
	COMPUTE LS=LS1 + LS2 + LS3 + LS4 + LS5	.087	.037	.058	2.318	.021	.426	.084	.049	.737	1.358

a. Dependent Variable: COMPUTE CI=CI1 + CI2 + CI3 + CI4 + CI5 + CI6 + CI7