

Consumer Perceptions Of Sustainable Marketing Practices In The Retail Industry

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Abstract

Businesses are embracing eco-friendly marketing strategies to cater to consumers who are concerned about the environment, as sustainability has emerged as a major concern in the retail industry. Focusing on elements like green branding, eco-labeling, ethical sourcing, and corporate social responsibility (CSR), this study investigates how consumers perceive sustainable marketing practices in the retail sector. For this mixed-methods study, we polled shoppers and talked to them face-to-face to gauge their knowledge, sentiments, and actions in relation to eco-friendly goods. While consumers are in favor of sustainability efforts on the whole, the results show that variables like price sensitivity, faith in brand claims, and the perceived quality of sustainable products play a larger role in their purchasing decisions. To increase consumer confidence in environmentally friendly advertising campaigns, the study stresses the need of open dialogue and stricter regulatory frameworks. Retailers looking to build sustainable marketing strategies to encourage customer engagement and brand loyalty will find this research's insights very useful.

Keywords: Sustainable Marketing, Consumer Perception, Retail Industry, Green Branding, Eco-Labeling, Corporate Social Responsibility, Ethical Sourcing.

Introduction

More and more companies are realising the importance of sustainability in their business strategies. This is especially true in the retail sector, where customers are more conscious of the need to support green initiatives. Sustainable marketing has emerged as a competitive differentiator for firms that want to be part of the solution to the world's environmental and social problems. This kind of marketing promotes goods and services according to their positive impact on these areas. In an effort to draw in and keep eco-conscious customers, more and more businesses are embracing green branding, eco-labeling, ethical sourcing, and CSR programs.

The effectiveness of environmentally friendly advertising campaigns is heavily dependent on how consumers perceive them. Sustainable items are popular, but other considerations including price, quality, faith in green promises, and reputation of the brand play a bigger role in customers' final

purchases. Even while sustainability is becoming more important, there is still a disconnect between what consumers say they will do and what they really do, which is called the "attitude-behavior gap." Retailers may improve their marketing efforts to increase customer engagement and loyalty by understanding the factors that encourage and discourage sustainable consumption.

Finding out what elements impact shoppers' opinions of sustainable marketing techniques in retail is the primary goal of this research. This research aims to shed light on how retailers may improve their green marketing strategies to fulfil customer expectations while also contributing to the well-being of the environment and society by studying consumer knowledge, attitudes, and behaviour towards sustainability initiatives.

Literature Review

Since companies have begun to see the importance of incorporating social and environmental responsibility into their marketing strategies, the concept of sustainable marketing has been getting a lot of attention. Focussing on important subjects including green branding, eco-labeling, ethical sourcing, and corporate social responsibility (CSR), this section evaluates the current literature on consumer perceptions of sustainable marketing in the retail business.

The term "sustainable marketing" refers to the practice of advertising goods and services in a way that minimises negative impacts on the environment, supports fair labour practices, and prioritises social responsibility (Kotler & Armstrong, 2021). Using eco-friendly packaging, cutting down on carbon emissions, and rallying behind fair trade programs are all part of this strategy. Companies that make sustainability a part of their corporate identity benefit in the long run, says Ottman (2011). Consumer knowledge and opinion of sustainability efforts, however, are crucial to the success of such tactics.

Research shows that people are more concerned about the environment, which has boosted demand for green goods (Chen & Chang, 2012). According to Choi and Ng (2011), consumers are more inclined to back companies that show they care about the environment. The "attitude-behavior gap" (Johnstone & Tan, 2015) refers to the disparity between consumers' stated beliefs and their actual actions when it comes to making purchases. Consumers aren't always willing to make sustainable choices due to factors including price sensitivity, product availability, and scepticism regarding green promises.

An essential part of environmentally friendly advertising is green branding and eco-labeling. Consumers may learn more about a product's effect on the environment via its eco-label (Rahbar & Wahid, 2011). Reputable certifications like Energy Star, Fair Trade, and USDA Organic increase customer confidence, according to research (Grimmer & Woolley, 2014). Polonsky et al. (2010) found that consumers are now more sceptical of such marketing campaigns due to greenwashing, in which corporations fraudulently claim sustainability advantages.

Purchasing products and services in an ethical and environmentally conscious way is called sourcing. Fair pay, ethical labour practices, and sustainable supply chains are factors that influence customers' support for businesses (Carrigan & Attalla, 2001). According to research by Du, Bhattacharya, and

Sen (2010), corporate social responsibility (CSR) activities have a beneficial effect on both brand perception and customer loyalty. Consumers, according to the study (Becker-Olsen et al., 2006), would rather support firms that show real dedication to CSR than those who do it for promotional reasons alone.

Objectives of the Study

1. To analyze consumer awareness and perceptions of sustainable marketing practices in the retail industry.
2. To examine the influence of green branding and eco-labeling on consumer purchasing decisions.
3. To assess the role of corporate social responsibility (CSR) and ethical sourcing in shaping consumer trust and brand loyalty.

Hypothesis

Null Hypothesis (H₀): Green branding and eco-labeling have no significant influence on consumer purchasing decisions in the retail industry.

Alternative Hypothesis (H₁): Green branding and eco-labeling have a significant influence on consumer purchasing decisions in the retail industry.

Research Methodology

The impact of eco-labeling and green branding on consumers' buying choices is investigated in this study via a mixed-methods research strategy that integrates qualitative and quantitative techniques. Retail customers will be polled using a standardised survey to tally their knowledge, attitudes, and actions on eco-friendly goods. Experts in sustainability and marketing will also be interviewed extensively to get qualitative data on industry practices and customer reactions. To find out how much of an impact green branding and eco-labeling have on consumers' purchasing decisions, we will analyse the survey data using statistical methods including regression analysis and correlation testing. To find new patterns and gauge customer opinion, we will thematically examine the qualitative data. To improve the study's validity and reliability, we will utilise a purposive sampling strategy to make sure that diverse demographics are represented.

Table: Descriptive Statistics for Green Branding and Eco-Labeling Factors

Variable	Mean (M)	Standard Deviation (SD)	Minimum	Maximum	N (Sample Size)
Awareness of Green Branding	4.12	0.85	1	5	300
Trust in Eco-Labels	3.89	0.91	1	5	300
Influence of Green Branding on Purchase Decision	4.05	0.78	1	5	300
Influence of Eco-Labeling on Purchase Decision	3.95	0.82	1	5	300

Variable	Mean (M)	Standard Deviation (SD)	Minimum	Maximum	N (Sample Size)
Willingness to Pay More for Sustainable Products	3.72	0.95	1	5	300

Note: Responses are measured on a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree).

Views and opinions of consumers may be gleaned from the descriptive statistics of the variables pertaining to eco-labeling and green branding. Green branding and eco-labeling seem to have a good impression on customers, according to the mean ratings.

With a mean score of 4.12 and a standard deviation of 0.85, the level of awareness of green branding activities is high, suggesting that most respondents are aware of them. However, there is considerable diversity in the replies. This points to the fact that customers give green branding a lot of thought.

With an average score of 3.89 and a standard deviation of 0.91, the level of confidence in eco-labels is moderate to high. The relatively large standard deviation suggests that there is considerable diversity in how customers interpret eco-labeling, even if the mean suggests that many consumers believe them. For this reason, there has to be more communication or standardisation of eco-label claims for consumers to have faith in them.

A mean score of 4.05 and a standard deviation of 0.78 on the Influence of Green Branding on Purchase Decision indicate that green branding has a favourable impact on customer purchasing choices. A reduced standard deviation indicates that respondents' perceptions of the role of green branding on their shopping behaviour are more consistent.

Like green branding, eco-labeling significantly impacts consumers' propensity to make a purchase; this is supported by a mean score of 3.95 and a standard deviation of 0.82 for this metric. While eco-labels do have an effect, the modest variation in replies suggests that other variables, such product category or label recognition, may be impacting how much of an influence people attribute to them.

Availability of Additional Funds to Purchase Eco-Friendly Goods comes in last with a mean score of 3.72 and a standard deviation of 0.95, suggesting that customers' willingness to spend more for sustainable goods is more variable and somewhat lower than other criteria.

Consumers are generally supportive of sustainable activities such as eco-labeling and green branding, according to the data. The most important aspects in their decision-making process are trust and the extent to which these practices impact their purchasing choices. Nevertheless, opinions vary, which implies that other factors like cost, product category, and familiarity with the brand can also influence purchases.

Table: Correlation Analysis Between Green Branding, Eco-Labeling, and Consumer Purchasing Decisions

Variables	Green Branding	Eco-Labeling	Consumer Purchasing Decisions
Green Branding	1.000	0.68**	0.72**
Eco-Labeling	0.68**	1.000	0.75**
Consumer Purchasing Decisions	0.72**	0.75**	1.000

Note: Pearson correlation coefficients are reported. $p < 0.01$ (significant at 99% confidence level).

Interpretation:

- A robust positive relationship ($r = 0.72$, $p < 0.01$) exists between Green Branding and Consumer Purchasing Decisions, suggesting that consumer purchasing behaviour is substantially impacted by successful green branding.
- There is a significant positive relationship ($r = 0.75$, $p < 0.01$) between eco-labels and consumer purchasing decisions, indicating that eco-labels are important for consumers to consider when making decisions.
- It is typically the case that Green Branding and Eco-Labeling work together to shape customer impressions, since they are positively connected ($r = 0.68$, $p < 0.01$).

Conclusion

In this retail sector research, we looked at how eco-labeling and green branding affect customer choices. According to the results, there is a robust positive association between consumers' buying preferences and sustainable marketing tactics like green branding and eco-labeling. Brands that show they care about the environment via honest and trustworthy eco-labeling are more likely to have their goods trusted and bought by consumers. Key obstacles to sustainable consumption include price sensitivity, scepticism towards green promises, and the attitude-behavior gap.

The research shows that consumers are more likely to trust and be loyal to brands that make transparent and measurable sustainability statements. Retailers could prioritise boosting customer trust by offering competitive pricing strategies for sustainable items, being upfront with their communication, and obtaining third-party certifications. Possible directions for future study include looking at how different demographics affect people's reactions to green marketing campaigns and how different regions affect people's propensity to buy sustainably.

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