CONSUMER PERCEPTION TOWARDS GREENWASHING IN FMCG PRODUCTS AND ITS IMPACT ON SUSTAINABLE PURCHASING DECISIONS IN COIMBATORE

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Abstract: Greenwashing is the process of conveying a false impression or misleading information about how a company's products are environmentally sound. It involves making an unsubstantiated claim to deceive customers into believing that a company's products are environment friendly or have a greater positive environmental impact than they actually do. The study aims to assess awareness towards greenwashing and to analyze their impact upon their perception on brand's trust and loyalty. The sample size of (n=108) is taken after removing all the redundant and biased responses. Simple Percent Analysis, Chi-Square Analysis, and One-Way ANOVA is used and the responses are fed into SPSS Version 26 for validation of data. As per the findings, 58.33% of the respondents felt misled over the advertisements that claims FMCGs as eco-friendly.

Keywords: Consumers, Greenwashing, Eco-friendly, Sustainable Development Goals.

INTRODUCTION:

Human activities are the root cause of climate change. With indiscriminate use of natural resources, the impact leads to greenhouse gas emissions, changes in weather patterns, earthquakes and, drought which happens to be increasing at alarming rates, hence reducing the human life expectancy year after year. To prevent any acts that harm the ecology of the world, Sustainable Development Goals (SDG) has been established not limited to climate change as well as preservation of oceans and wildlife, but also to achieve the objective of attaining "peace and prosperity for the people and the planet". Since being a call for action to all the countries, the stakeholders expect goods and services which are environment-friendly and also achieves sustainable growth. While this initiative paved the path to "Green Marketing", this has also lead to increase in practice of Greenwashing.

OBJECTIVES OF THE STUDY:

The objectives of the study is:

1. To assess consumer awareness and understanding of greenwashing in FMCG products.

2. To analyze the effects of greenwashing on consumer trust, brand perception, and loyalty.

3. To evaluate how greenwashing influences consumers' willingness to make sustainable purchasing decisions.

RESEARCH METHODOLOGY:

TABLE 1: RESEARCH DESIGN

GEOGRAPHICAL AREA	COIMBATORE CITY
POPULATION	PROSPECTIVE CONSUMERS AT COIMBATORE CITY
RESEARCH AREA	GREENWASHING IN FMCG PRODUCTS
SAMPLE SIZE	108 RESPONDENTS
DATA COLLECTION	PRIMARY DATA: QUESTIONNAIRE SECONDARY DATA: JOURNALS, WEBSITES, ARTICLES AND THESIS.
STATISTICAL TOOLS	SIMPLE PERCENT ANALYSIS CHI-SQUARE ANALYSIS ONE-WAY ANOVA

ANALYSIS AND INTERPRETATION:

TABLE 2: DATA SHOWING OCCUPATION OF THE RESPONDENTS

	Frequency	Percent	Valid Percent	Cumulative Percent
Student	91	84.3	84.3	84.3
Employed	13	12.0	12.0	96.3
Self-Employed	2	1.9	1.9	98.1
Unemployed	2	1.9	1.9	100.0
Total	108	100.0	100.0	

TABLE 3: DATA SHOWING AGE OF THE RESPONDENTS

	Frequency	Percent	Valid Percent	Cumulative Percent
Below 20	64	59.3	59.3	59.3
20-40	41	38.0	38.0	97.2
Above 40	3	2.8	2.8	100.0
Total	108	100.0	100.0	

TABLE 4: DATA SHOWING GENDER OF RESPONDENTS

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	13	12.0	12.0	12.0
Female	95	88.0	88.0	100.0
Total	108	100.0	100.0	

From the above analysis we can find that the sample size of the students is noticed to be 84.3%; 59.3% of respondents are found to be in the age category of "Below 20" and majority of the respondents are female of over 88% in this research.

TABLE 5: DATA OF RESPONDENTS BEING MISLED OVER CLAIMS OF ECO-FRIENDLY FMCGS

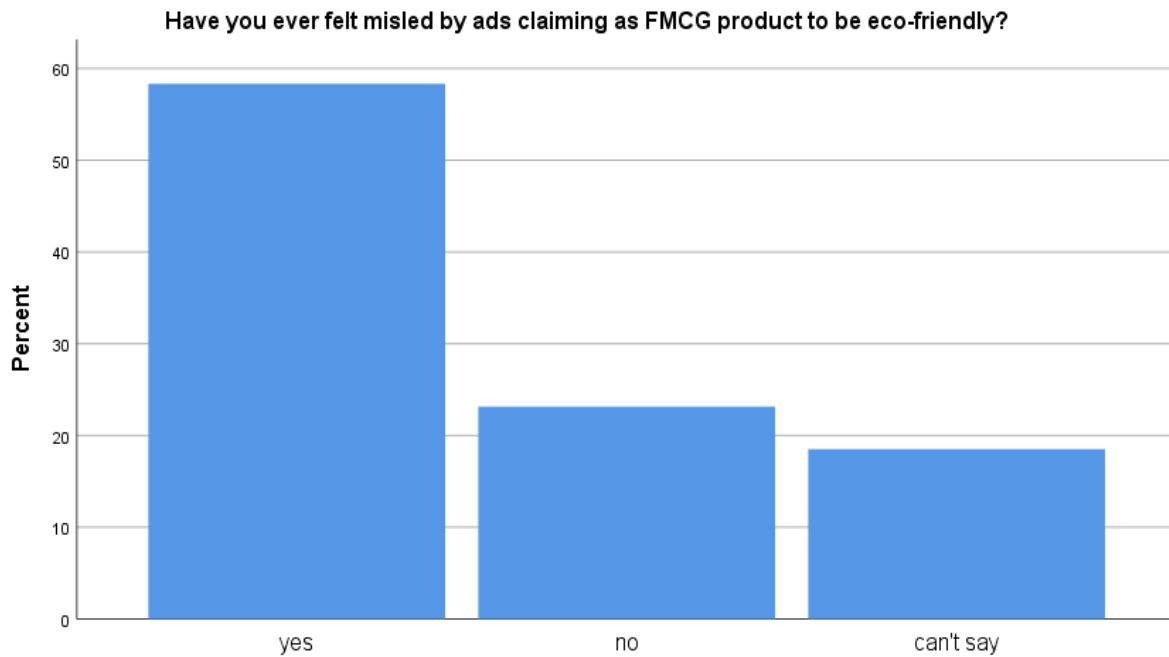|	Frequency	Valid Percent	Cumulative Percent
Yes	63	58.3	58.3
No	25	23.1	81.5
Can't say	20	18.5	100.0
Total	108	100.0	

FIG: BAR GRAPH SHOWING THE DATA OF THE RESPONDENTS AGAINST FMCG PRODUCT CLAIMS

As per the data depicted above, 58.3% of respondents found that they have felt misled by advertisements claiming FMCG products to be eco-friendly, 23.1% of the respondents found that they have not and 18.5% of the respondents were uncertain.

It is inferred that 58.3% of the respondents perceive some FMCG product advertisements misleading in their eco-friendly claims.

TABLE 6: DATA OF RESPONDENTS SUGGESTING MEASURES AGAINST MISLEADING CLAIMS

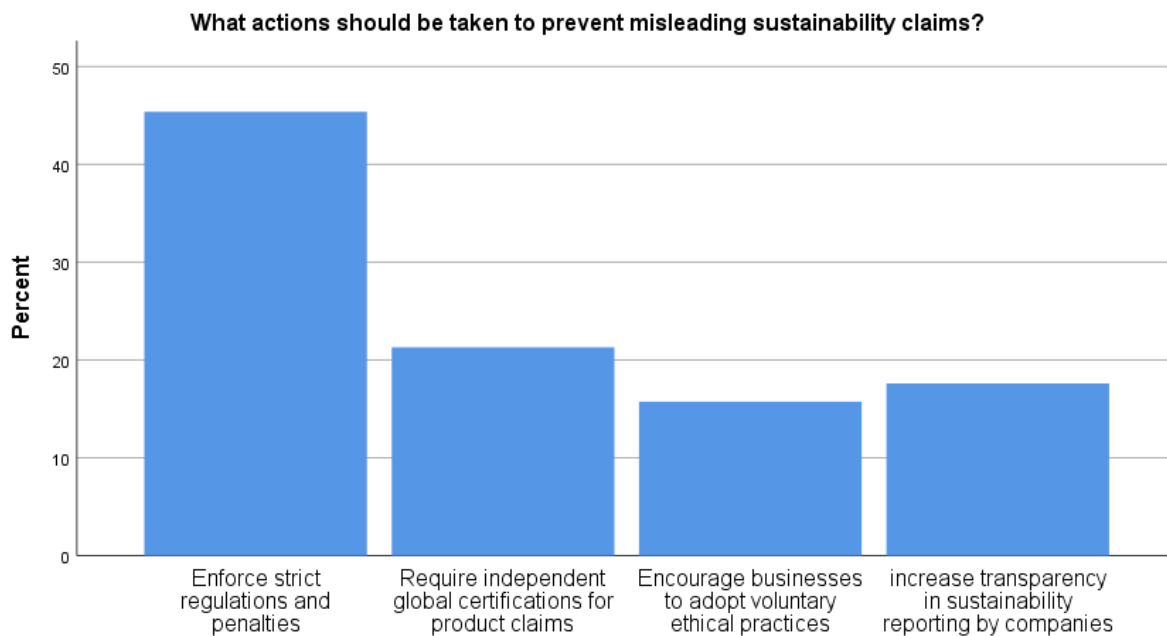|	Frequency	Valid Percent	Cumulative Percent
Enforce strict regulations and penalties	49	45.4	45.4
Require independent global certifications for product claims	23	21.3	66.7
Encourage businesses to adopt voluntary ethical practices	17	15.7	82.4
increase transparency in sustainability reporting by companies	19	17.6	100.0
Total	108	100.0	

FIG: BAR GRAPH SHOWING RESPONDENTS SUGGESTING ACTIONS AGAINST MISLEADING CLAIMS

As per the data depicted above, 45.4% of the respondents believe that strict regulations and penalties are key to preventing misleading sustainability claims, 21.3% favour independent global certifications, 15.7% support voluntary ethical guidelines, and 17.6% highlight the need for transparency in sustainability reporting by companies.

It is inferred that 45.4% of the respondents prioritize regulatory enforcement and penalties as the key action to prevent misleading sustainability claims.

CHI-SQUARE:

TABLE 7: PERSONAL FACTORS VS INCLINATION TO BUY ECO-FRIENDLY PRODUCTS

FACTOR	P-VALUE	DF	SIG.VAL	S/NS
OCCUPATION	10.726	12	0.553	NS
AGE	10.477	8	0.233	NS
GENDER	5.753	4	0.218	NS
EDUCATIONAL QUALIFICATION	13.905	16	0.606	NS

Note: S: Significant (P-Value <= 0.05), NS: Not Significant (P-Value > 0.05)

(Source: Primary Data)

HYPOTHESIS:

HO: There is no significant association between personal factors and inclination to buy eco-friendly products.

H1: There is a significant association between personal factors and inclination to buy eco-friendly products.

INTERPRETATION:

From the table, it is observed that p-value chi-square test on all personal categorical variables is more than 0.05. So, we are accepting the null hypothesis and rejecting all alternate hypothesis on all variables. It is concluded that personal factors have no significant association over the inclination to buy eco-friendly products.

ONE-WAY ANOVA:

TABLE 8: SHOWING THE RELATIONSHIP BETWEEN AGE AND WILLINGNESS TO PAY MORE FOR SUSTAINABLE PRODUCTS USING ONE-WAY ANOVA

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
	Between Groups	3.509	2	1.529	1.738	0.181

Willingness to pay more for Sustainable Products	Within Groups	92.377	105	0.880		
	Total	96.250	107			

(SOURCE: PRIMARY DATA)

RELATIONSHIP BETWEEN AGE AND WILLINGNESS TO PAY MORE FOR SUSTAINABLE PRODUCTS:

From the table, the significant value of association between Age and Willingness to pay more for Sustainable Product is >0.05. So, we are accepting null hypothesis and rejecting alternative hypothesis. So, there is no significant association between Age and Willingness to pay more for Sustainable Product.

TABLE 9: SHOWING THE RELAATIONSHIP BETWEEN AGE AND IMPORTANCE OF CONSUMER EDUCATION FOR MAKING INFORMED DECISIONS

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Importance of Consumer Education for making informed decisions for purchasing sustainable FMCG Products	Between Groups	3.509	2	1.649	1.438	0.242
	Within Groups	120.360	105	1.146		
	Total	123.657	107			

RELATIONSHIP BETWEEN AGE AND IMPORTANCE OF CONSUMER EDUCATION FOR MAKING INFORMED DECISIONS IN PURCHASING SUSTAINABLE FMCG PRODUCTS:

From the table, the significant value of association between Age and Importance of Consumer Education for making informed decisions in purchasing Sustainable FMCG Products is >0.05. So, we are accepting null hypothesis and rejecting alternative hypothesis. So, there is no significant association between Age and Importance of Consumer Education for making informed decisions in purchasing sustainable FMCG Products.

FINDINGS:

Simple percentage analysis:

❖ Majority 58.3% of the respondents perceive some FMCG product advertisements misleading in their eco-friendly claims.

❖ Majority 45.4% of the respondents prioritize regulatory enforcements and penalties as the key to prevent misleading sustainability claims.

Chi-Square Analysis:

❖ There is no significant association between personal factors and inclination to buy eco- friendly products.

❖ There is a significant association between personal factors and inclination to buy eco- friendly products.

One-Way ANOVA Analysis:

❖ There is no significant association between Age and Willingness to pay more for Sustainable Products.

❖ There is a significant association between Age and Willingness to pay more for Sustainable Products.

❖ There is no significant association between Age and Importance of Consumer Education for making informed decisions.

❖ There is a significant association between Age and Importance of Consumer Education for making informed decisions.

CONCLUSION:

Greenwashing is the practice which is still considered to be a prevalent issue in India. While there are laws and enforcements against such deceptive practices, government should take additional initiative in providing consumer education to all people in order to ensure prevention over being misled over such sustainable product claims made by the corporate sectors. Also, ensuring NGOs to take a stand against these claims of greenwashing and its impact on long-term effects should be communicated to the society so that people become aware over the problem and should encourage in purchasing sustainable products for individual well-being.

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