A Study of Consumer Perspective towards Eco- Labelling in Delhi NCR, India

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Abstract

In the recent years, sensitizing towards environment has increased a lot. With an aim to promote sustainable living environment, government, NGOs and various other organizations are working towards the goal of maintaining the environment worth living. This obviously raises the issue of environmental protection. This paper talks about Eco-labels which is a tool towards promoting environmental sustainability. The paper mainly focuses on the consumer’s attitude and perception towards eco label in India. This involves the analyzing the behaviour of consumer while buying products, how motivated they are to protect environment, how much aware they are about the subject and their trust on the eco labels. The study involves a primary research which was carried out through a structured questionnaire. In a crux the study explains that individuals are moderately aware about eco labels. There do lack the awareness and knowledge among them regarding eco labels. Also due to low government efforts, low media coverage and difficulty in availability of green products, the eco labelling do face a barrier in reaching its sky. Also, people are not much motivated towards environment and thus they prefer to buy cheap over green.

Keywords: Eco-labels, Environmental Motivation, Awareness, Perceptions, Sustainability

1. Introduction

Over past few decades, environmental concerns are on rise. With increased human activities and negative externalities such as greenhouse emissions, ozone layer depletion, pollution and other hazardous environmental effects are on rise. Due to such an alarmed situation, the concept of sustainability has become a major topic for discussion among the ecological conscious individuals across the world. Thus, individuals concerned for their health and environment have switched to green practices influencing a change in today’s consumption pattern thus leading a significant change in consumerism over time where more and more consumers are shifting their preference from conventional products to green products. This has narrowed down to the emergence of a concept called eco labels.

Eco labels commonly known as green stickers are placed on environmentally friendly products thus providing as an information tool and a source of credibility of product being a greener one to the consumers. Main aim of eco labels is to promote green consumer behaviour and stimulate purchase of green products. Though eco labelling was

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innovated in early 1980s but it came into picture in early 1990s in India. And it’s been more than two decades but still eco labels are not in its full form in influencing green buying decision among the consumers. With this background, this paper aims at deriving consumer’s perceptions on eco labels.

2. Literature Review

Sonal Pareek Kaushik, Sonal Alvares, Romil Bajaj and Shweta Arora (2014) undertook a study on ‘Communicating green products to consumers in India to promote sustainable consumption and production’. In brief, the paper objectifies to study Indian consumer’s perception towards greenness, carriers which hinder consumers to buy eco-labelled products. The study which is purely based on primary data concluded that consumers are partially influenced by the price factor, but they do have high degree of awareness about existence of eco labelled products in India.

John Thogersen, Pernille Haugaard and Anja Olesen (2010) undertook a study on ‘Consumer responses to ecolabelling’. The main purpose of this study is to propose a model to understand the framework of the consumer responses on eco labelling. Also, to find when and why consumers adopted eco labelling. It was concluded that status of adoption of eco labels is up to the consumers i.e. how they perceive a label. The velocity of adoption of eco labels depends upon an individual’s knowledge, motivation and experience related to the subject.

Dr. B. Nagaraju, Thejaswini H. D (2014) undertook a study on ‘Consumer’s perception analysis- Market awareness towards eco-friendly FMCG products- A case study of Mysore district’. The research objectifies to study awareness of eco-friendly FMCG products in market. Secondly how consumer perceive these products and their willingness to buy such products. The study concluded that people in Karnataka are aware of eco labelled FMCG products. In a crux, it was found that there do exist a significant relationship between perception of consumers and price and quality of eco-friendly products respectively.

Lien Quynh Nguyen and Qian Du (2010) undertook a study on ‘Effectiveness of Eco-Label? A study of Swedish University students’ choice on ecological food. The research focussed on the primary objectives of eco label’s knowledge, awareness, environmental motivation and behaviour of Swedish university students towards the buying of eco labelled food products. Concluding the results of the research, it was found that eco label has a high degree of effectiveness among the test sample where it was evident that students had high degree of awareness, knowledge and motivation in lieu of ecological food products when they pay more attention on eco labels while shopping food.

Preeti Sehgal and Neha Singh (2010) undertook a study on ‘The impact of eco-friendly products on consumer behaviour’. The major objectives of this study were to find reasons as in why eco-friendly business promotional items are on rise and to analyze the consumer’s behaviour in the market. The paper concluded that consumers perceive green products negatively in lieu with the intention to purchase the same given that the products are of inferior quality and are expensive when compared to conventional products. The author(s) believe that the price factor remains a driving force among the consumers.
3. Objectives of the Study

1. To analyse environmental motivation and awareness of eco labels among respondents
2. To analyse the demographic variable (gender) in lieu with specific determinants namely environmental motivation and awareness of eco labels among respondents
3. To interpret perception of respondents on eco labels.

4. Research Methodology

The present study is based on the analysis of Primary data which was collected through a structured questionnaire in the Delhi NCR region in March 2019 through both online and offline mode. We undertook a sample of 148 respondents collected through convenience sampling method. The data collected was analyzed through IBM SPSS Statistics software where we calculated three central tendencies, frequencies and percentages to achieve the desired results.

5. Data Analysis and Interpretation

The data analysis has been divided into three parts. Where first part focusses on first objective which is to check how aware respondents are about eco labels and to check the level of environmental motivation among the respondents. Second part focusses on analyzing demographic variables in lieu with the specific determinants namely awareness of eco labels and environmental motivation. And the last part focusses on analyzing the perceptions of the individual respondents on the given subject.

5.1. Environmental motivation and Awareness of Eco-labels

5.1.1 Awareness of Eco labels

In our study, we took Awareness of Eco labels on a dichotomous scale of Yes and No. We investigated two aspects to check the awareness which are as follows:

**Awareness of the term ‘eco labels’**

![Figure 1. Awareness of the term ‘eco labels’ among respondents](https://pramanaresearch.org/)
From the figure 1, it is quite clear that out of 148 respondents, 103 respondents were aware or heard of the term eco-label while remaining 45 respondents were unaware of the term. Thus, in a crux, 69.9% of sample responded yes while 30.40% responded no to the given question on awareness of the term eco-labels.

**Awareness on specific eco labels**

![Graph showing awareness of specific eco labels](image)

**Figure 2: Awareness of respondents on specific eco labels**

From the above figure 2, it is quite evident that majority of 127 respondents were aware of the BEE star label followed by 52- Natrue, 44- NAPM recycled paper mark, 39- Indian organic certification, 31- Indian eco mark, 26- Fair trade, 18- Forest stewardship council and 14- Marine stewardship council. From this it could be concluded that people have very low awareness of the eco label signs.

**5.1.2 Environmental Motivation**

Environmental motivation was measured on likert scale 1- 5 where 1 defines the lowest and 5 defines the highest value of responses.
From the figure 3, respondents have moderately high level of environmental motivation. In all the questions put up to determine environmental motivation, majority of respondents responded neutral to the statements followed by agree, strongly agree, disagree and strongly disagree.

5.2 Analyzing demographic variables
Formation of hypothesis
Ho1: There is no difference in the level of “environmental motivation” between male and female.
H1: There is a significant difference in the level of “environmental motivation” between male and female.
Ho2: There is no difference in the level of “Awareness” between male and female
H2: There is a significant difference in the level of “Awareness” between male and female
Table 1: T-test Group (Gender) Statistics of Two Factors (awareness of eco labels and environment motivation)

<table>
<thead>
<tr>
<th></th>
<th>Gender</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental motivation</td>
<td>Female</td>
<td>71</td>
<td>3.4202</td>
<td>.80468</td>
<td>.09530</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>77</td>
<td>3.3463</td>
<td>.76556</td>
<td>.08724</td>
</tr>
<tr>
<td>Awareness of eco labels</td>
<td>Female</td>
<td>71</td>
<td>3.427</td>
<td>.17492</td>
<td>.02076</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>77</td>
<td>3.3391</td>
<td>.17090</td>
<td>.01948</td>
</tr>
</tbody>
</table>

From the table 1, there not much difference in the responses of both male and female. Both have almost equal level of environmental motivation and awareness on eco labels. thus, we accept null hypothesis Ho1 and Ho2 and reject alternative hypothesis H1 and H2.

5.3 Perceptions on Eco labels

We have analysed the perceptions of consumers on Eco labels through various dimensions which are as follows:

Perceptions on price of eco-labelled products

![Figure 4: Perception of respondents on price of eco labelled products](image)

From the figure 4 it is clear that in opinion of respondents, 48 respondents out of 148 perceive that eco labelled products have higher retail costs while 29 respondents do not perceive eco labelled products to be expensive and remaining a majority of 71 respondents are unsure about the same.

Respondent’s view on what prevents consumers from buying eco labelled products
From the figure 5, it is clear that out of total 148 respondents, a majority of 80 responded low awareness about eco labels as a major reason that prevents consumers to buy eco labelled products followed by high cost of eco labelled products (33), unsure about the eco friendliness of the product (20), unavailability of eco labelled products in the market (9) and inferior quality of these products (6).
Miscellaneous Determinants

Figure 6: Miscellaneous determinants showing perceptions

From figure 6, it is clear that a majority of 38.50% respondents agree to the statement believe that eco label is very credible, 31.8%, 30.4, 34.5%, 37.8% and 39.2% of respondents are neutral to the fact that eco labelled products are famous in India, eco labelling is marketing strategy, eco labelling is a success story in India, eco label has become a way through which manufacturers are able to make misleading claims and eco labelled goods are of superior quality and performance respectively. Thus, majority of respondents prefer to remain neutral the given statements that determines the perceptions of the consumers on the given subject.

6. Main Findings

From the above study, we have derived the following major results:
1. The awareness on eco labels among Delhiites is quite low. Though a majority of them are aware/ heard of the term ‘eco- labels’ but most of them failed to recognize various eco- labels (logos).
2. A majority of 85.81% respondents were able to recognize BEE star label easily because of high degree of advertisement on this specific eco label since 2006.
3. There exists a moderately high degree of environmental motivation among the respondents.
4. There is no difference in the level of “environmental motivation” and “Awareness on ecolabels” between male and female.

5. A majority of 48% of respondents are unsure that eco labelled products are of high retail costs.

6. A majority of 54% responded low awareness about eco labels as a major reason that prevents consumers to buy eco labelled products followed by high cost of eco labelled products (22.30%), unsure about the eco friendliness of the product (13.50%), unavailability of eco labelled products in the market (6.10%) and inferior quality of these products (4.10%)

7. A majority of 38.50% respondents agree to the statement believe that eco label is very credible, 31.8%, 30.4, 34.5%, 37.8% and 39.2% of respondents are neutral to the fact that eco labelled products are famous in India, eco labelling is marketing strategy, eco labelling is a success story in India, eco label has become a way through which manufacturers are able to make misleading claims and eco labelled goods are of superior quality and performance respectively

7. Conclusion and Recommendations

From the above study, we got to know that eco labels is a communication tool which’s’ main purpose is to guide and create awareness of environmental purchasing among the consumers. From the given research we understood that the level of awareness of eco labels among the respondents is quite low while the level of environmental motivation is moderately high. Respondents failed to recognize various eco labels’ logo except the BEE star label. This is due to high degree of advertisement on this specific eco label by Ministry of Power since 2006. Secondly, we analyzed equal level of awareness and level of environmental motivation among the respondents regarding the subject. Lastly, we found that price is a major factor which highly influence the decision to purchase green among Delhites. Also, respondents perceive a neutral approach towards credibility and quality of eco labelled products. We believe that it is required that government officials should create awareness among the consumers to change consumer’s buying behavior.

Recommendations

1. Also, instead of creating several eco labels for the same kind of product, the concerned authorities should try to create comprehensive eco label for one type of product covering all the aspects of sustainability. This will help in providing clear understanding of the eco label to the consumers and would avoid duplication of efforts and confusion.

2. Since there is low awareness of the eco labels among the respondents, the government of India must take initiative to create awareness about the same as they once created for BEE star label in 2006.

3. It has been observed that people face problems in understanding the eco labels and most of them fail to recognize which eco label supports what. Thus, it is required to make simpler eco labels rather than complex for easy recognition and understanding.

4. Since Indians have higher marginal propensity to save (MPS), they tend to purchase low cost products providing same level of satisfaction as provided by high cost products. Thus, manufacturers should try to keep the prices of eco labelled products at least equal to that of conventional products to promote green purchasing at low costs.
8. Limitations of the study

1. The sample size was taken to be 148 in number which is small in respect of the population present in Delhi NCR. Also, the study was conducted through convenience sampling method, thus there exist a possibility that a group of respondents have similar perceptions and feedback towards the given subject. Thus, we cannot affirm the sample to be representable one.

2. We did not analyse other demographic variable such as age, average annual income, educational qualifications thus there exist a future scope of analysing these demographic variables in lieu with the given subject.

3. Lastly, while collecting the sample, the age group taken into consideration was 18-75 years of age, but the sample collected was highly biased towards the age group of 18-25 years of age. Thus, the sample highly reflect the responses of 18-25 years of age.

9. Acknowledgments

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10. References


