

Sustainability in Business: Exploring consumer's purchase decisions in India

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Abstract- In the rapidly changing world, sustainability has in current times become more than just a niche issue. More than 90% of CEOs agree on its significance, there has been a rise in the incorporation of sustainability into marketing and product design.. This paper talks about how sustainability has evolved over time and the challenges faced by businesses. This paper also includes data collected through a survey to understand the take of consumers in India regarding sustainable products and their purchasing decisions.

Keywords: Sustainability, sustainable products, greenwashing, eco-friendly products

1.INTRODUCTION

As the times are evolving, so are the problems being faced by us. The unprecedented changes that affect our environment such as climate change, resource scarcity and environment degradation are worsening day by day. As a way to decrease the ecological damage that is being caused to our environment, sustainability ,in recent years, has evolved from a niche concern to a prominent and urgent global trend.

‘Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs’(Brundtland Report, WCED 1987). The term *Sustainability* was originally coined by Hans Carl von Carlowitz in German forestry circles in 1713 in *Sylvicultura Oeconomica*. He wanted to ensure that the balance between logging and reforestation was maintained. He sought to assure the long-term supply of wood as a raw resource, but he didn't pursue any other ambitions (Brueggemeier,n.d)

This changed nearly 300 years later during the International world summit in Rio de Janeiro which was attended by over 100 Heads of State and representatives from 178 national governments. Shortly after this, the Brundtland Commission on behalf of the United Nations, developed the notion of sustainable development.It was to look into the numerous concerns highlighted in earlier decades, notably, the serious and detrimental effect that human activity was having on the earth, and the unrestrained patterns of growth and development being unsustainable. According to this notion, sustainable development was defined as "development that meets the needs of the present without compromising future generations' ability to meet their own needs" (Brueggemeier,n.d). This development was further accelerated by the fact that the 1960s and 1970s was a “melting pot of different ideas about progress, sustainability, growth and development which had developed over many years and started pointing in a new direction, that of sustainable development.” (Du Pasani, 2007, p.89)

A few decades later,sustainability started emerging as a corporate strategy. However, it did not regularly translate into real business action in the majority of cases. Business leaders were hesitant to include sustainability into their primary strategy as in the early stages sustainability was not widely understood or prioritized, Many businesses lacked awareness of the environmental and social challenges and were not familiar with the potential benefits of sustainable practices(Whelan & Fink,2016). At the time sustainability did not play a major role in consumer purchasing decisions either and it was also a costly investment that did not yield immediate returns (Pamela et al., 2011). Furthermore, businesses were also questioning sustainability as they could be accused of “Greenwashing” by the public– the technique of presenting a false impression or misleading information regarding how environmentally friendly a company's products are (Hayes, 2023). However,with time people started becoming more and more conscious about their environment and preserving the environment became a priority like never before. As Du Pasani (2007) reported “In the light of the cost to the planet of growth and development, of which people became more aware as a result of the media coverage of ecological threats and disasters, a new morally defensible paradigm was necessary. This paradigm was formulated in the form of sustainable development, a concept that could rightly claim to be the heir to the concepts of progress, sustainability, growth and development.” (p.94)

This is when companies felt it was a good idea to include sustainability into their products. Marketing teams and industrial psychologists in companies started realizing how incorporating sustainable packaging could enhance their

brand image, increase customer loyalty, provide competitive advantage, access to new markets and even positive investor perception (Maryville University, n.d). Today, more than 90% of CEOs say sustainability is critical to their company's success, and businesses develop sustainability strategies, market sustainable products and services, create positions such as chief sustainability officer, and publish sustainability reports for consumers, investors, activists, and the general public (Hoffman, 2018).

Individual consumer behaviors are having unprecedented effects on the natural environment and as a result, many companies are recognising the need for a more sustainable way of doing business, with companies such as Interface Carpet, Unilever, Nike, and Starbucks incorporating sustainability into the DNA of their brands (White et al.,2019). Nonetheless, as corporate sustainability is emerging as a global trend, the rate of greenwashing is increasing alongside. The phrase “ Greenwashing” was invented by environmentalist Jay Westerveld in 1986. Greenwashing not only misleads clients but also leads to distrust between the brand and consumer and also potential legal and reputational risks. Some businesses have even been sued despite the fact that their corporate sustainability declarations were not intentionally deceptive. Greenwashing can happen due to a lack of corporate and legal monitoring, and many businesses simply lack the information and accompanying data to make any promises about the outcomes of their sustainable efforts (Nesbitt, 2022).

For the benefits of sustainability to be fully realized, a large group of people must undertake sustainable behaviors for the benefits to be fully realized. This differs from traditional consumer behaviors in which the outcome is realized if the individual engages in the action alone. This is also distinct from other behaviors with a long time horizon like health promotion behaviors (e.g., exercising and eating healthy) because these can be enacted at the individual level with observable results (White et al.,2019).Hence inclusion of sustainability in business in the current times is difficult, but offers a pathway to long term economic prosperity by managing resources responsibly and creating a more stable and resilient economy and also is a great marketing strategy when used in the right way and can attract many customers but it is more costly which makes it harder for smaller, growing businesses to include and if not projected the right way, advertising a product as sustainable could have many unintended consequences.

2.SUSTAINABLE PRODUCTS

A notable way that companies try to include environment-friendly factors in their products is through the packaging. This is a great way to decrease wastage by companies. To understand the importance of sustainable packaging we can take the example of plastic packaging which alone contributes 40 percent to the overall plastic pollution.As the prices increase, corporations are producing more and single-use plastic packaging to supply the rapidly rising populations.If plastic packaging alone can lead to so much of damage we can only imagine how much every other non- environment friendly packaging material would be doing to the planet. According to the *sustainability magazine* (2021), global companies such as Samsung, Kellogs and Zara have also started to include sustainable packaging. Zomato, a food delivery application also claims to have hundred percent green deliveries.

3.METHODS

To try and understand the take of earning Indians on sustainability, the researcher used a google survey to collect information on the different views of sustainable products.

4.PARTICIPANTS:

The participants were expected from different states of India . The age group was restricted to 20 to 55 to keep in mind those who make their own purchasing decisions. Thus, all the participants were required to be earning and were expected to be somewhat familiar with the basic idea of sustainability.

5.DATA COLLECTION PROCEDURE:

The data collected in this survey was through a Google Form survey that was sent out through WhatsApp. Convenience sampling was primarily utilized. The survey questions started with demographic details including name, age, sex, and asking the state of India the participant resides in followed by nine questions to help understand their view on sustainable products. Out of these nine questions, six questions were objective and the last three questions were open ended and aimed to understand the views of the recipients on sustainability in their own words. The whole survey including the demographic details and the questions related to sustainability summed up to be thirteen questions.The data was collected within a time period of seven days.

6.RESULTS AND DISCUSSION

We received a total of 40 responses; 62.5 % of these responses were by females, 35% by males and 2.5 % by other genders. The first three questions consisted of the demographic details filled in by the recipients.

The first statement asked the respondents whether they thought environmental problems could be solved only through radical changes. 85% of the respondents agreed, which shows that the majority believe that environmental problems are urgent enough for immediate intervention and they can only be eliminated if radical actions are taken. The second question asked the respondents about how frequently they purchase sustainable products from which we learnt that one person out of the sample population “always” tries to look out for sustainable products and the majority (26) purchased them “frequently” and 13 respondents buy sustainable products “only at times” when it is most convenient for them. One reason why sustainable products are not bought as frequently compared to regular products could be due to the limitations of these products. A major barrier between the consumer and a sustainable product is the price and the lack of availability which has been stated as a problem faced by 62.5 % of the respondents. Other problems faced by respondents have been lack of credibility, greenwashing by brands to make their products look sustainable when they aren't and lack of awareness. However, the newly emerging trend of sustainability has played a vital part in increasing the awareness about the topic. According to a research paper by Ms. Poonam Lakra on ‘Consumer Behavior with reference to green consumption and Sustainability’, individual consumers take environmental or green considerations into account while making purchases. This can be seen through the responses received in the google form as well 70% of the respondents have stated that they prefer buying eco-friendly products over other products and 20% of the people have stated that they prefer to buy it when most convenient for them, only 10 % of the recipients have not shown any change in their shopping pattern after the trend of sustainability has spread. A tad more than half of the respondents have stated that they prefer to buy sustainable products even if they are a little more expensive than regular products but 27 out of the 40 people who attempted the google form have preferred buying these products from old and trusted brands rather than newly emerging ones. There could be multiple reasons for this. Specifically greenwashing, unestablished trust with the quality of the product and the customer reviews about their experiences with the brand and product. The idea of a sustainable product can vary from person to person, however, most of our respondents have described it to be a product which is better for the environment and creates a more resourceful world for their children and the future generation. Other responses include products which conserve natural resources, maintain ecological balance and products which minimize wastage through their long lifecycle. Overall, sustainable products can be thought of as a product made keeping in mind the needs of the future generations and utilizing existing resources to their full potential.

7. CONCLUSION

From this study, we have tried to understand the various views of people in sustainability, what such products lack from a consumer point of view, and what we can do to make them more suitable for the customers. Some of the most common problems that customers point out facing are problems such as high pricing. This is a similar finding across other researches to for instance by Johnston and Tan (2015). Additionally, they also found that lack of communication about the merits of sustainable purchases were barriers to making such purchasing choices.

To decrease these high prices there should be research and development of more innovative and lower-cost sustainable materials. Another alternative is interventions by the government promoting sustainable goods which could lead to more competition between sellers and thus decrease the prices. Although sustainable goods have become much more common and available in the markets since 20 years ago, the lack of availability is still a major problem faced by buyers and should be worked upon more.

We hence can conclude that to create a sustainable future, acknowledging the multifaceted nature of sustainability and adjusting policy appropriately are required. These limitations can only be addressed by combined efforts of individuals, businesses and the government.

8. LIMITATIONS

While we have gained valuable insights from our survey but it is important to acknowledge the limitations of our study as well.

8.1 Sample size- The number of people who filled out the survey (population) was relatively small to make in-depth inferences. If the population was larger, we might have been able to get clearer responses as larger groups are less susceptible to random variations.

8.2 Lack of diversity- The lack of diversity is one of the biggest limitations in this study. The target population was individuals between the age group of 20 to 55 residing in any state of India. However, a large majority of the respondents (87.5 %) resided in Delhi and the 12.5 % resided in Haryana and Uttar Pradesh. This has led to underrepresentation of people from other states in India and limits the generalizability as the responses may not accurately represent the broader spectrum.

8.3 Method of data collection- The method of data collection was a questionnaire survey form. However this can also have its limitations such as misinterpretation of the questions, respondents feeling the need to provide socially acceptable answers and the sample restricted to respondents who have access to the internet.

8.4 Lack of gender diversity- The lack of gender diversity can also lead to inaccuracy of the results. The majority of the population, 62 % was female which could have led to results that have underrepresent the opinions of other genders.

Despite these limitations, this study contributes to the existing research on sustainability. Future researchers can work to ensure that these limitations are dealt with to ensure more advanced research work.

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