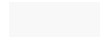**Market Research Project**

Green Purchase Behavior of Millennials in India

SUBMITTED TO   **DR. SUBHENDU DEY**
SUBMITTED BY   **SATTIK MOHANTA**

(FPBR2022/095)

Certificate

The following Paper 1, titled "**Green Purchase Behavior of Millennials in India"**, is hereby approved as a certified study in management carried out and presented in a manner satisfactory to warrant its acceptance as a prerequisite for the award of Post Graduate Diploma in Management for which it has been submitted. It is understood that by this approval the undersigned does not necessarily endorse or approve any statement made, opinion expressed, or conclusions drawn internally, but approve the report only for the academic purpose for which it is submitted.

Signature _____

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Theme Paper 1

Introduction:

The rapid proliferation of environmental concerns, sustainability challenges, and increased level of consumer awareness about environmental deterioration have positioned green consumption with social relevance (Barbarossa and De Pelsmackern (2016), Johnstone, and Tan (2015), Patel (2017), Seifi (2012), Swim (2012). Green products present as one of the solutions for environmental sustainability issues. This research reveals the factors explaining the purchase intention toward green products among young consumers. Young consumers (Millennials) are beginner-level consumers who have to play an important role to take responsibility for preserving the environment. Theory of Planned Behavior (TPB) is selected as the main theoretical framework in this research alongside some other variables (environmental concern, environmental knowledge, and willingness to pay), which are added in the research model to expand TPB application.

This study explores the relationships between environmental attitude, green product knowledge, attitude towards purchasing green products, green product purchasing intention, and green purchasing behavior Using a cross-sectional online survey approach.

Understanding green purchase behavior (GPB) and consumers' attitude toward environmentally friendly products can be useful for corporations exploring insights on sustainable marketing models for the business market, by Carrete (2012), and Thøgersen (2015). To facilitate sustainable movement, green consumption, and conservation, behavioral factors are being explored in emerging economies Ali (2010),

and Mainardes (2017), as well as Chu and Chiu (2003). This study explores the relationships between environmental attitude, green product knowledge, attitude towards purchasing green products, green product purchasing intention, and green purchasing behavior. The findings indicate that there are positive associations between the following pairs of variables: environmental attitude and attitude towards green purchasing; green product knowledge and green purchasing intention; green product knowledge and green purchasing behavior; attitude towards green purchasing and green purchasing intention; green purchasing intention and green purchasing behavior; as well as a non-significant relationship between green product knowledge and attitude towards green. The findings reported that the Theory of Reasoned Action fully supported the students' intention to buy green products, which then affects their green purchase behavior. The inclusion of additional constructs to the proposed model was partially supported. The study results highlight the importance of considering product knowledge and other attitudinal factors—specifically environmental attitude and attitude towards green purchasing—when marketing environmentally-friendly products to college-level students.

Keywords:

Literature Review

The World is identifying and adapting to the need for green products, which can be done with the help of environmental marketing, and ecological marketing, which gives the same meaning to the research area. Especially the FMCG sector, which is a considerably large sector in the economy which needs to open its eyes to eco-friendliness. As society becomes more burdened with environmental pollution and unethical business practices, now both consumers and business organizations are concerned with the natural environment. So, businesses require to adapt their behavior in an attempt to address this society's new concerns.

Western societies realized the need to protect the natural environment early in the 60s, and 70s. Hence, most of the research on consumer green behavior has focused on developed western countries. Green consumerism is catching up slowly in developing nations (esp. India) due to increasing environmental damage caused by rapid industrialization resulting in various health problems.

The term "green products" is defined as "products that will not pollute the earth or deplore natural resources, and [that] can be recycled or conserved" ("Green Products"), Shamdasani (1993). To promote Green Products, marketers must focus on consumer preferences and decision-making processes, by Cherrier (2011). Nevertheless, marketers have not succeeded at selling Green Products, due to environmentally concerned consumers' fluctuating preference for these products, by Ha and Janda (2012), as well as Kilbourne, and Pickett (2008), despite the remarkable growth rate in these consumers Schlegelmilch (1996). To tackle this issue, Barber (2010) recommended that scholars investigate consumers' adaptability of sustainable practices, attitudes, and purchase intentions for Green Products.

Since social, cultural, and economic factors of a society set the ground for green consumerism by shaping the way consumers think and use green products, it is important to study consumer intentions and behaviors toward green products in developing economies. In this direction, the present research attempts to study the sensitivity, green purchase Behavior (GPB), and sensitivity (perception towards green products, and attitude regarding it) of young, educated consumers (millennials) in India. This study from the Indian context holds special significance due to several reasons:

India is the fastest-growing major economy, with a growth rate of 7.6 % in 2015-2016, and the second-largest population base (1.32 Bn), resulting in rapid industrialization and hence environment degradation.

India is one of the most polluted countries, with around 30 Indian cities figuring in the top 100 most-polluted global cities across the world, as per May 2016 data published by World Health Organization (WHO), pollution kills 1.2 million people in India every year and India faces three % of GDP decline every year due to pollution (Times of India).

Although Indian consumers have been reported to be more conscious of their environmental impact than consumers from Brazil, Russia, Germany, Canada, Australia, and America (Greendex, 2012), very limited research has focused on examining their intent and behavior toward green products and services. In this context, this study focuses on examining the consumer attitude and perception towards green products.

Cherian and Jacob (2012) stated consumers' attitudes towards environment-friendly products. They presented a conceptual framework of green marketing and various ways in which different consumer attributes are related to the concept of green marketing. It was concluded that there is a need for green marketing and a need for a shift in consumer behavior and attitude towards an environmentally friendly lifestyle. The researchers recommended exploring the factors that encourage consumers to cooperate with green marketing— that is, through green product usage.

The theory of planned behavior is to combine additional dimensions of behavioral control perceptions as determinants of behavioral intentions, by Ajzen (1991). The theory of planned behavior has been applied to the study of the relationship between attitudes toward behavior, subjective norms, and perceptions of behavioral control, behavioral intentions, and behaviors in various fields such as advertising, public relations, campaigns, health, and others. The intention is the most important supporter of human behavior, always being able to utilize information is the rational side of being human, by Paul (2016).

Problem Statement

The research presented here addresses the reasons behind the environment-friendly consumption by the millennials. In other words, this research seeks to study the green purchasing decisions of millennials.

Research Objectives

The mission of the research is to address the following issues -

- What are the reasons that influence millennials to buy green products?
- Consumers' sensitivity (attitude, perception) towards the green purchase.

Research Process

First, we defined the research problem(s), and associated objectives. The subsequent step was to develop the survey questionnaire to gather the sample data we needed to analyze based on our objectives. The next step was to form a literature review (referenced from various research sources on associated articles),

later upon surveying and gathered the sample data from respondents, we analyzed the results, determined the conclusions, and prepared the research report.

Sampling and Statistical Method

Sampling- We approached several respondents with specific survey questions that we hoped would generate appropriate research data for our research objective. For that, we created a (convenient) online survey form with the help of google form and collected responses through the same.

Statistical approach-

Stratum -   Demographic Parameters.
[Note: each stratum themselves must be homogeneous]
1. Age range (Millennials)
2. Gender
3. Location (respondents' input)
4. Education
5. Profession
6. City Tiers
7. Income range

Can be used especially. For income /age subset – if mutually exclusive (esp. M/F/Others),

Additionally, can be proportionate/disproportionate (based on analytical consideration- variability of the respondents).

[Note: proportionate – specific criteria (location (state/city tiers),

No. of individual samples (x% samples in Y population, no. =(Y/x%)

Age, income – predefined range (undergraduate/graduate, male, and female are defined, groups)

% Or the ratio of sample strata among strata population]

Clustering

(Note: each cluster is designed to be heterogeneous (C1 =Age and(M/F/Others), C2= (M/F/Others), and Income C3= Age+ Income… etc.)

C1 ≠ C2		
C1	Male	● Education
C2	Female	● City
C1 / C3≠C4		
C3	Others	● Occupation
C4	Female	● Age

● **C1 / C2 / C4 ≠ C5**		
C5	**Others**	● **Income Range**

Additionally, Reliability, validity tests, Chi-square, Annova, Cross Tabulations, Correlation, Multilinear regression, T-test, Normality, Parametric and non-Parametric test were done to satisfy the necessary conditions (i.e., hypothesis testing, normal distribution, significance level, correlation type, etc.)

Sample Size

Because the survey questionnaire focuses on categorical data (such as frequency of buying behavior of and know about cloud kitchen., we found the sample size using the Percentage Confidence Interval Formula for Sample Size. The equation is shown below:

$n = z^2 * (p*q) / e^2$

n = Sample size

p = estimated percentage in the population

q = 100-p

e = acceptable error (sought accuracy level)

The convenience sample we used for our research was rich with relevant individuals, so we set p at the value of 85%. Z was set to the standard 95% confidence level, 1.96, at 90%, it's 1.645. Similarly, we set the desired accuracy level to the often-used value of 6%

$n = (1.645)^2 * (85*15) / (5)^2 = 138$ || $n = (1.96)^2 * (90*10) / (5)^2 = 138$

responses

Despite our best efforts, we could not get 138 respondents, instead of achieving a total of 82. This reduced number of respondents resulted in a slightly higher error rate. Calculating for the actual error rate:

$e = (1.96) *SQRT [p*q / n]$

$= (1.96) * SQRT [90 * 10/ 82]$ or, $e= (1.645) *SQRT [90*10/82] = 6.49$

$= 6.49$

The resulting actual error of 6.49% was believed to be close enough to the desired value of 5%, hence we can move forward with the research.

Hypothesis:

H_01: Influences significantly factor into purchasing green products

H_a1: Influences does not factor into purchasing green products

$H_0$2: confirmation of purchase influences sensitivity

H_a2: confirmation of purchase does not influence sensitivity towards the green products