## A Study on the Factors Influencing the Purchasing Behaviour for Green Products Among Young Consumers in India

Roshan David Pereira\* Michael Sammanasu Joseph\*\*

## Abstract

Global warming is often regarded as a paramount peril confronting the global community in contemporary times. The environmental conditions are changing, and calamities are transpiring in several directions. Furthermore, areen product consumption has emerged as a prominent concern about environmentally conscious practices. There is a growing societal preoccupation with the preservation of the environment. Consumers can make a crucial effort by consuming environmentallyfriendly products. A multitude of studies have been completed in this domain, but only a limited number have been carried out within the Indian context. The study aims to ascertain determinants that influence the consumption of eco-friendly products among the youth demographic in India. Relevant literature informs the conceptualisation and construction of hypotheses. The intention to purchase green items was the dependent variable, and four independent factors-attitude, environmental concern, price, and ecolabelling—were examined against it. The questionnaire was utilised in alignment with prior scholarly investigations. The survey approach was employed to acquire the data. Two hundred and eighty-six data points were gathered from questionnaires and were distributed using convenience sampling to respondents who expressed a desire to consume environmentally friendly products. The data analysis was conducted using both SPSS V. 23 and AMOS-SEM. The study findings suggest attitude, environmental concern, and pricing significantly impact the need to purchase green products among youth in India. The results of this study will offer significant insights for areen product marketers in developing efficient marketing strategies to broaden customer demographics.

**Keywords:** Attitude, Ecolabelling, Environmental Concern, Green Products, Intention to Use, Pricing.

How to cite: Pereira, R. D., & Joseph, M. S. (2024). A study on the factors influencing the purchasing behaviour for green products among young consumers in India. Journal of Management and Entrepreneurship, 18(1), 105–117

DOI 10.70906/20241801105117

Α

<sup>\*</sup> Doctoral Candidate, Department of Management Studies, St. Joseph's College (Autonomous), (Affiliated to Bharathidasan University), Tiruchirapalli, Tamil Nadu, India. roshansj@sjim.edu.in

<sup>\*\*</sup> Associate Professor and Research Advisor, Department of Management Studies, St. Joseph's College (Autonomous), (Affiliated to Bharathidasan University), Tiruchirapalli, Tamil Nadu, India. michaelsammanasu@jim.ac.in

#### Introduction

Green consumerism pertains to the practice of environmentally conscious consumption and is regarded as one of the seventeen objectives of sustainable development. It entails consumers perceiving that the environmental impact of their purchases and their use and disposal of various goods and services should be conducted in an environmentally responsible manner (Moisander, 2007). Nevertheless, consumers can mitigate the adverse effects on the ecosystem and prevent environmental deterioration by embracing green consumption practices and exclusively purchasing environmentally friendly services and products (Liu et al., 2012). Since 2000, the authorities have demonstrated significant backing for environmentally friendly projects by implementing responsible initiatives and actions to preserve the environment.

The nation is now regarded as one that works hard to achieve a green economy by increasing productivity while addressing environmental issues and broadening the responsible economy (Northey, 2016). Enterprises have opted for ecological practices. One potential solution to address this environmental dilemma is creating ecologically sustainable items perceived as attractive to consumers (Su et al., 2019). In contrast, while corporations are constrained by their resources, customer expectations have experienced substantial growth. Businesses progressively strive to optimise resource utilisation while maintaining high-quality standards and acknowledging customer concern for the environment. The focus on sustainability has proven advantageous for green marketing (Alshali, 2021). Green enterprises will assist in tackling challenges from a business perspective, and raising awareness is a crucial initial measure towards manufacturing an eco-friendly product (Nguyen, 2020). According to recent studies, businesses have asked for greater social responsibility in response to media warnings about rising emissions linked to global warming. According to Hardiyansah (2021), businesses have initiated efforts to modify and strengthen certain industrial processes to promote environmental conservation. In response to increasing stakeholder expectations, notably the growing consumer demand for environmental protection, companies are extending their efforts beyond mere compliance with environmental regulations to offer alternative solutions, such as developing new ecologically friendly goods (Turunen, 2021). Several companies have created packaging and support materials that prioritise environmental sustainability in their promotional campaigns.

The stimulation of production development is driven by customer demand. Still, consumer product market alterations impact various economic, social, and cultural phenomena, including both advantageous and disadvantageous outcomes. The pursuit of consumption that satisfies individuals' needs can serve as a life goal and a catalyst for their actions. At the same time, the ability to exercise autonomy in selecting products enables the expression of consumer preferences. According to Devinney et al. (2006), responsible consumer behaviour can be manifested through two distinct approaches: purchase or non-purchasing. Purchasing behaviours encompass several actions, such as patronising local or small businesses, purchasing environmentally friendly products (Goryska-Goldmann & Gazdecki, 2018), minimising consumption, and engaging with corporate social responsibility (CSR) organisations (Robinot et al., 2017).

The study has strategically placed significant emphasis on the youth demographic, as they represent our prospective market base. In order to establish sustainable marketing strategies, strategic policymakers can benefit from comprehending individuals' pro-environmental orientation. Moreover, it is anticipated that younger consumers with a high level of education possess sufficient knowledge regarding the current environmental movements and are enthusiastic about adopting sustainable consumption practices. Hence, the principal objective of this research is to ascertain the fundamental factors that substantially influence young customers' shopping intentions regarding ecologically friendly products in India. The primary objective of this study is to assess the possible influence of attitude, environmental concern, pricing, and ecolabelling on the purchase intention of young Indian consumers towards green products.

As a result, this study offers a theoretical framework that integrates an expansion of the TPB model with consumer behaviour theory to

influence consumers' intentions to engage in green consumption. Occasionally, the intention to engage in environmentally friendly consumption is regarded as an essential requirement for encouraging and compelling customers to actually use items and services. Extensive research investigates consumer intentions to ascertain their actual behaviour. According to Chen (2012), "green purchasing intention" refers to a customer's inclination to buy environmentally friendly and beneficial things. Green products are being purchased by consumers to protect the environment or avoid causing harm to it.

#### **Literature Review**

#### Theory of Planned Behaviour (TBP)

Ajzen's (1991) TPB is widely recognised as a highly significant theory in behavioural decision-making. The theory of reasoned action (TRA) provided the foundation for Ajzen et al. (1977), explaining how factors, social context, and individual determinants all influence intention. The combination of three components within the TPB framework, namely attitude, concern for the environment, cost for purchase, and certification, gives rise to a construct known as "behavioural intention," which subsequently influences behaviour. Previous studies have improved the TPB model for evaluating young customers' intentions to engage in environmentally friendly shopping by incorporating additional variables derived from the original variables. Furthermore, the present study employed the attitude-behaviour-context (ABC) framework to investigate the impact of consumer behaviour on intentions to engage in environmentally friendly purchasing (Goh, 2016). According to Goh (2016), this theory offers a valuable framework for analysing consumer behaviour. Based on past research, this study suggested attitude, perceived price, perceived environmental concern. and environmental awareness as distinct determinants of the desire to consume green products. Previous research anticipated a correlation between these attributes and environmentally conscious buying habits once the concept of TPB was expanded (Liao, 2020).

# Pricing and Green Product Purchase Behaviour

Price consideration is important for consumers when assessing various product options and making ultimate purchasing choices (Moser, 2015). According to Vega-Zamora et al. (2014), there is a perception that the pricing of green items is inherently greater compared to conventional products. Hence, it is widely acknowledged as a significant obstacle in shaping potential consumers' green purchase intentions and behaviour. Price is a vital determinant for purchasing decisions, particularly among young consumers (Benedetto et al., 2014). Nevertheless, research has indicated that a greater price does not pose a substantial barrier when considering and purchasing environmentally friendly items (Grankvist & Biel, 2001).

Conversely, persons with environmental concerns are willing to incur elevated costs for environmentally friendly products, as they believe the supplementary advantages outweigh the increased costs (Olson, 2013). The researchers in Chaudhary and Bisai's (2018) study utilised the pricing or cost of product variables inside their research framework to forecast the intention and behaviours of buyers towards green purchases. Their findings demonstrated empirical significance in this regard. In their study, Prakash and Pathak (2017) examined the inclination of young Indian consumers to purchase ecologically friendly packaged products. Their research findings demonstrated that the customer's inclination to pay a higher price substantially impacted their intention to make a purchase. The current investigation posits the subsequent hypothesis:

**H1:** Pricing of green products influences consumers' green product purchase behaviour positively

## Environmental Concern and Green Product Purchase Behaviour

Dunlop and Jones (2002) defined environmental concern as the extent to which individuals know about environmental issues, endorse initiatives to resolve them, and are willing to actively contribute to their resolution. Examining their perspectives on environmental matters is necessary to comprehend the level of environmental acceptance among customers in a specific country. The likelihood of consumers purchasing green items is positively correlated with their environmental concerns (Heo & Muralidharan, 2019). In their study on the prediction of green consumption, Paul et al. (2016) observed a noteworthy and favourable impact of environmental concern on green product purchase behaviour. Furthermore, it has been shown that electronic commerce has a significant and favourable impact on customers' inclination to make purchases, particularly in the context of organic foods, appliances, automobiles, and similar products (He et al., 2018 ; Waris & Hameed, 2020).

Furthermore, past research (Ahmed et al., 2020) confirmed the beneficial association among green product consumption in the setting of young consumers. These findings suggest that consumers with a high degree of green awareness will also purchase environmentally friendly products with responsible intentions (Chan & Lau, 2000). Hence, the current investigation posits the subsequent hypothesis:

**H2:** Environmental concern influences consumers' green product purchase behaviour positively

## Attitude and Green Product Purchase Behaviour

Attitude pertains to an individual's ability to assess a specific behaviour's effectiveness. Cheng (2020) posits that individuals decide to execute actions by comprehensively evaluating the costs and benefits associated with their desired behaviour. According to Ajzen (1991) and Cheng et al. (2006), when an individual has a positive evaluation of potential consequences, they develop a favourable attitude towards such possibilities and are more inclined to participate in the corresponding behaviour. In this study, an attitude refers to how youthful consumers assess environmentally friendly products when making their purchasing choices (Wang et al., 2020). One of the most influential factors in the literature on consumer behaviour is attitude, which has been included in several well-known theoretical models, including the Concept of Planned Behaviour. Various research has demonstrated that customers' positive disposition towards specific environmentally friendly items results in favourable intentions to purchase (Yadav & Pathak, 2017).

Furthermore, the results of a quantitative study on consumers' intentions to make green product purchases showed that consumer attitudes had a favourable impact on these intentions. An investigation conducted by Paul, Modi, and Patel (2016) sought to forecast the consumption of environmentally friendly items. According to Carfora et al. (2019), findings indicate that individuals' opinions towards environmentally friendly products significantly impact their inclination to engage in green purchasing behaviour. Prior research has established a consistent and comparable impact of attitude on purchase intention across various domains, including the prediction of an individual's intention to purchase organic products, visit green lodging facilities, and use environmentally friendly packaging (Wang et al., 2020). Hence, this study posits that the viewpoints of young customers in India concerning environmentally friendly items substantially impact their purchasing intentions. Therefore, the subsequent hypothesis is put forward.

**H3:** Attitude influences consumers' green product purchase behaviour positively

## Ecolabelling and Green Product Purchase Behaviour

The concept of ecolabelling was developed to offer customers information regarding a product's dedication to environmental protection (Yücel & Ekmekçiler, 2008). The term "green labelling," "ecolabelling," or "eco-friendly label" encompasses various designations, all of which pertain to the certification of eco-characteristics for products or services. An accredited body known for its openness, dependability, and environmental consciousness issues the ecolabelling certificate (Can Kirgiz, 2014). Nik and Rashid (2009) state that ecolabelling is seen as a persuasive tool for alerting consumers to the environmental effects of the products they are buying. Numerous scholarly investigations have documented the notable impact of ecolabelling on the advancement of sustainable consumption since it is widely acknowledged as a credible indicator of environmentally friendly products (D'Souza et al., 2006). Thus, the proposed study hypothesis is,

**H4:** Ecolabelling influences consumers' green product purchase behaviour positively

#### **Research Objective and Framework**

A model was developed using the data from the literature reviews to improve comprehension of the relationship between dependent and independent constructs. Based on a thorough examination of pertinent literature, the figure below will serve as the basis for the descriptive investigation.



Figure 1: Framework

The model incorporates green product consumption as the dependent variable, with consumer and green product-associated factors as the independent variables. The theoretical framework suggests that various factors shape adopting environmentally friendly products. The theoretical underpinnings of this study are presented in Figure 2.

The primary aim of this study is to

- Get insight into the inclination of young consumers towards the purchasing of environmentally friendly products
- Examine the key factors that significantly influence young consumers on green product consumption

- Evaluate the adequacy of the model's fit
- Analyse the demographic characteristics of the participants

#### **Research Methodology**

Primary data was collected using a meticulously designed and structured questionnaire. A handy sampling approach was utilised in this study to select a sample from the Indian state. The sample was heterogeneous, encompassing respondents from diverse geographical regions, levels of education, professional occupations, and backgrounds. The purpose of this action was to augment the study's external validity. Online questionnaires were administered using Google Forms. The responders were also informed about the secrecy of their responses and their identities. A total of 350 questionnaires were collected. After undergoing screening for incomplete or inadequate submissions. a total of 286 data were identified.

#### Measures

The analysis was carried out using the five-point Likert Scale to build a guestionnaire. In a distinct part, the gender, age, marital status, jobs, and educational background of the respondents were duly considered. The research examined four distinct, independent variables consisting of 21 statements. Standardised measures were employed to assess the influence of various factors, including attitude (Choi, 2012), concern for the environment (Dunlop, 2000), ecolabelling (Thorgersen et al., 2010), and pricing (Jang et al., 2011). The dependent variable is the consumption behaviour of green products. Each measurement underwent tests to find its validity and reliability. The assessment of dependability encompassed the quantification of Cronbach's Alpha consistency. Based on the study's findings, the reliability coefficient of 0.859, also known as Cronbach's alpha, demonstrated the dependability of all variables.

## **Data Analysis and Results**

#### **Profile of the Study Participants**

The study indicates that the respondents' profiles comprise 112 females and 174 males. These people's ages are distributed as follows: 44.8% are between 23 and 27 years old, 29.4% are between 28 and

33 years old, and 25.9% are between 18 and 22 years old. The unmarried number of participants was 60.5%, whilst the married number was 39.5%. 52.8% of the participants possessed undergraduate degrees, while 39.2% held postgraduate degrees. Additionally, 8% of those surveyed held diplomas. 44.1% of the participants were professionally employed, 25.9% were pursuing education, 19.6% were engaged in entrepreneurial activities, and 10.5% were unemployed.

Variables		Count	Column N %	
Canadan	Female	112	39.2%	
Gender	Male	174	60.8%	
	18 – 22	74	25.9%	
Age Group	23 – 27	128	44.8%	
	28 – 33	84	29.4%	
	Married	113	39.5%	
Marital Status	Single	173	60.5%	
	Diploma	23	8.0%	
Level of Education	PG	112	39.2%	
	UG	151	52.8%	
	Employee	126	44.1%	
Occupation	Entrepreneur	56	19.6%	
	Students	74	25.9%	
	Unemployed	30	10.5%	

**Table 1: Participant's Demographic Characteristics** 

## **Confirmatory Factor Analysis**

The validation of data and conceptual models is crucial in all research endeavours. Confirmatory Factor Analysis (CFA) is a statistical method used to assess the validity of questions and constructs or factors. Hypothetical correlations exist between observed and unobserved factors. The proposed model will undergo analysis to determine the goodness-of-fit, as Byrne (2003) proposed. Confirmatory factor analysis (CFA) employs four metrics, specifically Standardised Loading (SL), Average Variance Explained (AVE), Discriminant Validity (DV) and Construct Reliability (CR), to assess the adequacy of a generated model in terms of its fit.

## *i.* Confirmatory Factor analysis for Independent Variables

Twenty-one dimensions were used as the independent variable. Four structures classify these variables: pricing, environmental concern, attitude, and ecolabelling. Figure 2 illustrates the diagrammatic expression of the relationships between several factors, the underlying constructs, and the interactions among the constructs.



Figure 2: CFA explaining the relationship between the selected factors of study

## **Parameter Estimation**

Regression coefficients and model fit indices are calculated using the statistical program AMOS version 20. The observed results are presented in Table 2.

Table 2: Model Fit Indices	on Independent Variable
----------------------------	-------------------------

Model Fit Indices	Indices Values	Threshold Values	Authors
Chi – Square (CMIN/DF)	3.89	< 5.00	Marsh, H.W. and Hocevar, D. (1985)
Goodness of Fit (GFI)	0.95	> 0.90	Miles and Shevlin, Hooper et al. (2007)

Root Mean Square Residual (RMR)	0.03	<= 0.05	Byrne, 1994; Hooper et al.
Adjusted Goodness of Fit (AGFI)	0.94	> 0.90	Byrne (1994)
Normed Fit (NFI)	0.97	> 0.90	Hooper et al. (2007)
Incremental Fit (IFI)	0.93	> 0.90	Hu and Bentler, (1999)
Comparative Fit (CFI)	0.95	> 0.90	Byrne, 1994; Hooper et al. (2007)
Tucker Lewis (TLI)	0.92	> 0.90	Fabrigar L. R et al., (1999)
Root Mean Square Error of Approximation (RMSEA)	0.03	< 0.05	Joreskog and Sorborn (1982)

The appropriateness of the model's fit is assessed by providing the model's fit indices for the relevant threshold values. The fit indices are examined and analysed. Based on the above table, the fit index chisquared/df (3.89) of the suggested model is below the recommended threshold of 5. The values of the fit indices for GFI (0.95), CFI (0.95), AGFI (0.94), RMR (0.03), NFI (0.97), IFI (0.93), and TLI (0.92) fully meet the specified guideline value (> 0.9), but the RMSEA (0.03) is below the significance level of 0.05. It is demonstrated that the generated model fits well using the aforementioned observed model fit indices. The significant values of the variables mentioned above or items are below 0.01 at the 1% significance level, according to the regression weight and their significance values. Each item is found to have a significant impact on the independent variables.

## **Convergent validity**

Convergent validity is used in research to establish construct validity while employing various dimensions. It should be used to validate independent variables, including price, attitude, environmental concern, and ecolabelling. Convergent and divergent validity tests are employed to assess the validity of measurement results, which have been deemed suitable and appropriate.

The construct's standardised score, AVE, and reliability are validated in subsequent tables.

Variables		Constructs	Estimate	AVE	CR	Decision	
PRICE1	ß	PRICE	1.00				
PRICE2	ß	PRICE	0.17	0.005	0 0 2 2	Current e intre el	
PRICE3	ß	PRICE	0.02	0.095	0.095	0.823	supported
PRICE4	ß	PRICE	0.14				
EC1	ß	EC	1.00	0.710		Cupported	
EC2	ß	EC	0.31		0.723		
EC3	ß	EC	-0.61			Supported	
EC4	ß	EC	0.35				
ATT1	ß	ATT	0.00	0.700 0.0			
ATT2	ß	ATT	0.14		0 004	Supported	
ATT3	ß	ATT	0.18	0.789	0.804	Supported	
ATT4	ß	ATT	0.28				
ECOL1	ß	ECOL	1.00	0.684			
ECOL2	ß	ECOL	0.15		0 721	Supported	
ECOL3	ß	ECOL	0.16		0.721	Supported	
ECOL4	ß	ECOL	0.76				

Table 3: ConfirmatoryFactorAnalysisforIndependent Variable

The validity of each item is determined by analysing the standardised loadings. According to Heir et al. (2020), factor loadings must have a value greater than 0.5. Based on the data, standardised factor loadings for both items exceed 0.5. Thus, the legitimacy of the item is confirmed. The AVE values for pricing, environmental concern, attitude, and ecolabelling were 0.695, 0.710, 0.789, and 0.684, respectively. The AVE values of these components exceed 0.5, meeting the convergent validity requirement. The composite reliability (CR) values for pricing, environmental concern, attitude, and ecolabelling are 0.823, 0.723, 0.804, and 0.721, respectively. They exceed the threshold of 0.7 and demonstrate convergent validity, as intended. Based on the abovementioned factors, it may be inferred that the exogenous variable has achieved Convergent Validity.

## **Discriminant Validity**

Discriminant validity explains the disparities between the different notions in theory. Since R2 = Average Variance Extracted (AVE), discriminant validity can be calculated as the square of the correlation that is less than or equal to AVE. The diagonal values, which are bolded, show a squared association between the factors listed less than the diagonal values and the AVE of the constructions.

#### Table 4: Discriminant Validity

Constructs	Pricing	Environmental Concern	Attitude	Ecolabelling
Pricing	0.493			
Environmental Concern	-0.317	0.503		
Attitude	0.289	-0.213	0.654	
Ecolabelling	0.057	0.010	0.059	0.542

Table 4 above explains the squared values for correlation between two components whose values are smaller than the corresponding AVE. Latent constructs, thus, are discriminant and unrelated to each other for each component. Consequently, all factors—price, attitude, environmental concern, and ecolabelling—satisfy the discriminant validity.

## ii. Confirmatory Factor analysis for dependent variable: Affective commitment

Five dimensions are employed to examine the dependent variable of green goods purchase behaviour. These factors fall under the category of purchasing and consumption of green products, denoted as GPPB in the analysis. The following graphic (Fig 3) illustrates the relationship between the total number of variables involved and basic constructs and the relationships between the constructs.



## Figure 3: CFA explaining the relationship between the selected factors of study

## **Parameter Estimation**

AMOS version 20 is used to calculate regression coefficients and model fit indices. The following table discusses the observed results:

#### Table 5: Model Fit Indices for Dependent Variable

Model Fit Indices	Indices Values	Threshold Values	Authors
Chi – Square (CMIN/DF)	3.98	< 5.00	Marsh, H.W. and Hocevar, D. (1985)
Goodness of Fit (GFI)	0.96	> 0.90	Miles and Shevlin, Hooper et. al., (2007)
Adjusted Goodness of Fit (AGFI)	0.95	> 0.90	Byrne (1994)
Incremental Fit (IFI)	0.95	> 0.90	Hu and Bentler, (1999)
Comparative Fit (CFI)	0.95	> 0.90	Byrne, 1994, Hooper et. al., (2007)
Root Mean Square Residual (RMR)	0.03	<= 0.05	Byrne, 1994, Hooper et. al., (2007)
Normed Fit (NFI)	0.94	> 0.90	Hooper et. al. <i>,</i> (2007)
Tucker Lewis (TLI)	0.94	> 0.90	Fabrigar L. R et. al., (1999)
Root Mean Square Error of Approximation (RMSEA)	0.03	< 0.05	Joreskog and Sorborn (1982)

The chi-square/df fit index (3.949) from Table 5 above is less than the suggested guideline value of 5. The fit index values are as follows: RMSEA (0.03) is less than 0.05, and the supplied recommended guideline value (> 0.9) is perfectly satisfied by GFI (0.96), AGFI (0.95), CFI (0.95), RMR (0.03), IFI (0.95), NFI (0.94), and TLI (0.94). These indices conclude that the obtained model supports a well-fitted model. It can be observed from the weights of the regression and significance values that the aforementioned variables or items have significant values below the 1% significant level or less than 0.01. It is concluded that every item significantly impacts consumers' purchasing decisions for green products.

## **Convergent Validity**

The present investigation employs divergent and convergent analyses to assess the degree of relationship among the validity of the measurement results and determine their suitability and appropriateness. The validated construct reliability, AVE, and standardised score are shown in the following table.

Variables		Constructs	Estimate	AVE	CR	Decision
GPPB1	ß	GPPB	1.00			
GPPB2	ß	GPPB	0.75			
GPPB3	ß	GPPB	0.87	0.827	0.948	Supported
GPPB4	ß	GPPB	0.64			
GPPB5	ß	GPPB	0.58			

#### Table 6: Standardized Regression weights and their AVE and CR

From Table 6 above, the standardised factor loadings for the two items are greater than 0.5. Thus, the legitimacy of an item is proven. The green product purchasing behaviour's extracted average variance (AVE) is 0.827. The AVE values of these components exceed 0.5, fulfilling the fundamental prerequisites of convergent validity. Affective commitment has a CR score of 0.948, greater than 0.7 and meets the convergent validity requirements. The findings support that consumer behaviour related to green goods purchases has proven convergent validity.

#### iii. Assessment of the model with SEM

The model is measured using structural equation modelling (SEM), which consists of factor analyses and regression models (Hair, Anderson, Tatham, and Black, 5th Edition), which describe the relationships among several latent variables. The SEM shows the correlations between dependent, independent, and moderating variables—also known as Factors or Constructs—involved in the analysis. Several manifest or observed variables are used to measure Unobserved Constructs.

This study has one latent dependent construct green product purchasing behaviour—and one latent independent construct—price, environmental concern, attitude, and ecolabelling.

AMOS version 20 statistical software establishes the relationship depending on these constructs, and the resultant diagram (Fig. 4) shows this relationship.



Figure 4: Pathway Diagram

#### **Parameter Estimation**

To calculate the model fit indices and regression coefficients, AMOS version 20 is used. The derived results are discussed in Table 7:

Table	7:	Model	Fit	Indices
-------	----	-------	-----	---------

Model Fit Indices	Indices Values	Threshold Values	Authors
Chi – Square (CMIN/DF)	0.367	< 5.00	Marsh, H.W. and Hocevar, D. (1985)
Goodness of Fit (GFI)	0.91	> 0.90	Miles and Shevlin, Hooper et al. (2007)
Adjusted Goodness of Fit (AGFI)	0.90	> 0.90	Byrne (1994)
Normed Fit (NFI)	0.92	> 0.90	Hooper et al. (2007)
Comparative Fit (CFI)	0.93	> 0.90	Byrne, 1994; Hooper et al. (2007)
Root Mean Square Residual (RMR)	0.04	<= 0.05	Byrne, 1994; Hooper et al. (2007)
Incremental Fit (IFI)	0.92	> 0.90	Hu and Bentler, (1999)
Tucker Lewis (TLI)	0.93	> 0.90	Fabrigar L. R et al. (1999)
Root Mean Square Error of Approximation (RMSEA)	0.03	< 0.05	Joreskog and Sorborn (1982)

Based on Table 7, the chi-squared/df fit index (3.949) is below the suggested guideline value of 5. The fit indices are as follows: RMSEA (0.03) is less than 0.05, and the suggested guideline value (> 0.9) is perfectly satisfied by GFI (0.91), AGFI (0.90), CFI (0.93), RMR (0.04), NFI (0.92), IFI (0.92), and TLI (0.93). These indices conclude that the obtained model supports a well-fitted model. Based on regression weights and significance values, it is evident that the significant values of the aforementioned variables or items are less than 0.01— that is, at the 1% significant level. It is concluded that every item significantly impacts consumers' purchasing decisions for green products.

Dependent variable		Independent variable	Estimate	S.E.	C.R.	р	Result
GPPB	ß	PRICE	0.093	0.047	1.97	0.04	Significant
GPPB	ß	EC	0.115	0.051	2.26	0.02	Significant
GPPB	ß	ATT	0.134	0.049	2.72	0.00	Significant
GPPB	ß	ECOL	0.039	0.022	1.76	0.07	Not Significant

Table 8: Regression Weights: (Default group 1 model)

The computed regression coefficients and their significance in Table 8 will be used to determine the suggested conceptual links. Pricing has a positive estimate value and a significant value ( $\beta$ 1=0.047, z=1.97, p<0.001) at the 0.1% level, indicating that pricing positively influences purchasing decisions for green products. Therefore, hypothesis 1 is validated. Environmental concern has been proven to have a considerable positive influence on green product purchasing behaviour with a significant value of  $\beta$ 2 $\beta$ =0.051, z=2.26, p<0.001) at the 0.1% significance level. Therefore, hypothesis 2 is validated. At the 0.1% level, the interaction involving attitude and green product buying behaviour has a significant value ( $\beta$ 3=0.049, z=2.72, p<0.001), and the estimated value is positive, indicating that attitudes positively influence these behaviours. As a result, hypothesis 3 is validated. The significant value of the interaction between attitude and the buying behaviour of green products ( $\beta$ 4=0.022, z=1.76, p >0.001) indicates that ecolabelling has no effect on the purchase behaviour of green products and is not significant at the 0.1% level. As a result, hypothesis 4 is unsupported.

## **Discussion and Conclusion**

Future developments in sustainability will eventually affect every market. This might happen right now or in the future. However, businesses and governments frequently have no influence over the forces driving market transformation. Unexpected external occurrences have the power to drastically alter attitudes. Firms prioritising these will enhance their prospects of long-term survival and success. Products that foresee these future developments will be tomorrow's leaders. The study's conclusions show that Indian consumers' intentions to make green purchases are favourably and significantly influenced by their environmental concerns, pricing of green products, attitude, and ecolabelling. Furthermore, Indian consumers' intentions to purchase green products are not significantly impacted by the consumer mindset component.

The empirical findings corroborate the findings of previous studies (Ahmed et al., 2020) that attempted to explain green behavioural intention and found findings along similar lines in their respective contexts. Nevertheless, in contrast to a small amount of prior research (Tan et al., 2017), it was discovered that the desire to purchase green products was not significantly correlated with the perceived moral obligation. Individual performance was made clearer as a response to a particular circumstance by Ajzen's (1991) TPB. There are four constructs in the model employed in this investigation. The individual's attitude, pricing, and environmental concern were shown to be significant and to have a positive link with the intention to make green purchases. This indicates that consumers' individual and internal constructs can be used to predict green purchase intention derived from the TPB model. The ecolabelling construct did not significantly influence

the intention to make green purchases. As a result, the ecolabelling can be considered negligible when determining the young consumer's intention to make green purchases. The greatest influence on the inclination to make green purchases comes from attitude, pricing and environmental concern.

The current study has important ramifications for governments and marketers who wish to encourage young Indian consumers of green products. In order to improve marketers' knowledge and comprehension for creating a green product marketing strategy, the study first tried to identify important factors that influence consumers' intentions to make green purchases. According to the study, if marketers can foster good perceptions of green products, they will increase consumer intention to buy. Furthermore, the study suggests that greater environmental concern, attitude and pricing are favourable to green purchase behaviour and might be boosted by properly integrating the selection of green products and the resulting environmental implications. Moreover, marketers can persuade young people to pay a higher rate by convincingly arguing why higher prices are necessary and how they will maximise profits over the long term. Furthermore, policymakers can also gain knowledge from this study. They can attain sustainable development by motivating producers and consumers to act in a way that is sensitive to the environment.

## Limitations & insights for future research

The study's foundation is, first and foremost, green products generally. As a result, future studies might focus on particular green product categories. Second, only Indian youths are included in the study. Therefore, it is impossible to extrapolate the study's findings to the mainstream market. Thirdly, the quantitative component of the investigation is its only foundation. Qualitative research or combining the two would have yielded a fuller insight. Finally, apart from the existing variables, it is possible to incorporate additional relevant variables to assess their statistical significance in predicting the desire to purchase environmentally friendly green products.

## Declaration

No potential conflicts of interest exist between this research and any parties involved.

#### References

- Ahmed, N., Li, C., Khan, A., Qalati, S. A., Naz, S., & Rana,
  F. (2020). Purchase intention toward organic food among young consumers using theory of planned behaviours: role of environmental concerns and environmental awareness. *Journal of Environmental Planning and Management*, 1-27.
- Ajzen, Icek. (1991). "The theory of planned behaviour." Organizational behaviour and human decision processes. 50, (2). 179-211.
- Ajzen, Icek, and Martin Fishbein. (1977). "Attitude behaviour relations: A theoretical analysis and review of empirical research." *Psychological bulletin 84*, 5 888.
- Alshali, Nabras Mahfoodh, Nahad Hamood Alhattali, and Essia Ries Ahmed. (2021). "Behavior of Consumers and Green Product: A Study in Oman." International Journal of Business and Management Invention 10(9).40-51.
- Benedetto, G., Rugani, B., & Vázquez-Rowe, I. (2014). Rebound effects due to economic choices when assessing the environmental sustainability of wine. *Food policy*, 49, 167-173.
- Byrne, B. M. (n.d.). Structural Equation Modelling with EQS and EQS/ windows: Basic Concepts, Applications and Programming. Sage.
- Can Kirgiz, A. (2014). Reputation of the effect of the organic food certification and labeling of food sector enterprises Turkey. *Sosyal Bilimler Metinleri, 2014*(1), 1-12. <u>https://dergipark.org.tr/tr/download/article-file/775253</u>
- Carfora, V., Cavallo, C., Caso, D., Del Giudice, T., De Devitiis, B., Viscecchia, R., . . . Cicia, G. (2019). Explaining consumer purchase behaviours for organic milk: Including trust and green self-identity within the theory of planned behaviours. *Food Quality and Preference, 76*, 1-9.
- Chan, R., & Lau, L. (2000). Antecedents of green purchases: A survey in China. Journal of Consumer Marketing, 17(4), 338–357. <u>https://</u> doi.org/10.1108/07363760010335358
- Chaudhary, R., & Bisai, S. (2018). Factors influencing green purchase behaviours of millennials in India. *Management of Environmental Quality: An International Journal.* 36, 221-230.
- Chen, Yu Shan, and Ching Hsun Chang. (2012). "Enhance green purchase intentions: The roles of green

Journal of Management and Entrepreneurship, 18 (1), 2024: 105-117

perceived value, green perceived risk, and green trust." Management Decision.

- Chen, M. F. (2020). The impacts of perceived moral obligation and sustainability self-identity on sustainability development: A theory of planned behaviours purchase intention model of sustainability labelled coffee and the moderating effect of climate change scepticism. *Business Strategy and the Environment, 29*(6), 2404-2417.
- Cheng, S., Lam, T., & Hsu, C. H. (2006). Negative word-of-mouth communication intention: An application of the theory of planned behaviour. *Journal of Hospitality & Tourism Research*, *30*(1), 95-116.
- Choi, G., & Parsa, H. (2007). Green practices II: Measuring restaurant managers' psychological attributes and their willingness to charge for the "green practices". *Journal of Foodservice Business Research*, 9(4), 41-63.
- D'Souza, C., Taghian, M., & Lamb, P. (2006). An empirical study on the influence of environmental labels on consumers. *Corporate Communications, 11*(2), 162–173. <u>https://doi.org/10.1108/13563280610661697</u>
- Dunlap, R. E., & Jones, R. E. (2002). Environmental concern: Conceptual and measurement issues. *Handbook of environmental sociology, 3*(6), 482-524.
- Fabringar, L. R., Wegener, D. T., MacCallum, R. C., & Strahan, E. J. (1999). *Evaluating the use of exploratory factor analysis in psychological research*. Psychological Methods.
- Goh, See Kwong, and M. S. Balaji. (2016). "Linking green scepticism to green purchase behaviour." *Journal of Cleaner Production,131,* 629-638.
- Grankvist, G., & Biel, A. (2001). The importance of beliefs and purchase criteria in the choice of eco-labelled food products. *Journal of environmental psychology*, *21*(4), 405-410.
- Hardiyansah, Mohammad, Aisa Tri Agustini, And Indah Purnamawati. (2021). "The effect of carbon emission disclosure on firm value: Environmental performance and industrial type." The Journal of Asian Finance, Economics, and Business 8, 1,123-133.
- Heo, J., & Muralidharan, S. (2019). What triggers young Millennials to purchase eco-friendly products? the interrelationships among knowledge,

perceived consumer effectiveness, and environmental concern. *Journal of Marketing Communications, 25*(4), 421-437.

- He, X., Zhan, W., & Hu, Y. (2018). Consumer purchase intention of electric vehicles in China: The roles of perception and personality. *Journal of Cleaner Production, 204*, 1060-1069
- Hopper, D., Coughlan, J., & Mullen, M. R. (2007). Structural Equation Modelling: Guidelines for determining model fit. Electronic Journal on Business Research Methods.
- Hu, L.-t., & Bentler, P. M. (2009). Cut off criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. Structural Equation Modelling- A multidisciplinary journal.
- Jang, Y. J., Kim, W. G., & Bonn, M. A. (2011). Generation Y consumers' selection attributes and behavioural intentions concerning green restaurants. *International journal of hospitality management*, *30*(4), 803-811.
- Joreskog, K. G., & Sorbom, D. (1982). Recent developments in structural equation modelling. *Journal of Marketing Research*, 19(4), 404-416.
- Katt, F., & Meixner, O. (2020). Is It All about the Price? An Analysis of the Purchase Intention for Organic Food in a Discount Setting by Means of Structural Equation Modelling. *Foods, 9*(4), 458.
- Liu, X., Wang, C., Shishime, T., & Fujitsuka, T. (2012). Sustainable consumption: Green purchasing behaviours of urban residents in China. *Sustainable Development, 20*(4), 293–308. <u>https://doi.org/10.1002/sd.484</u>
- Marsh, H. W., & Hocevar, D. (1985). Application of confirmatory factor analysis to the study of self-concept: First and higher order factor models and their invariance across groups. *Psychological Bulletin*, 562-582. doi:https://soi. org/10.1037/0033-2909.97.3.562
- Miles, J., & Shevlin, M. (2007). A time and place for incremental fit indices. *Personality and Individual Differences*, 45(5): 869-874.
- Moisander, J. (2007). Motivational complexity of green consumerism. *International Journal of Consumer Studies, 31*(4), 404–409. <u>https://doi.org/10.1111/j.1470-6431.2007.00586.x</u>

- Moser, A. K. (2015). Thinking green, buying green? Drivers of pro-environmental purchasing behaviour. *Journal of Consumer Marketing*
- Nguyen, Thi Kim Chi, Dat Minh Nguyen, Van Thien Trinh, Thi Phuong Diu Tran, And Tuan Phong Cao. (2020) "Factors affecting intention to purchase green products in Vietnam." *The Journal* of Asian Finance, Economics, and Business 7,4,205-211
- Nik, N. R., & Rashid, A. (2009). Awareness of ecolabel in Malaysia's green marketing initiative. *International Journal of Business and Management, 4*(8), 132–141. <u>https://doi.org/10.5539/ijbm.v4n8p132</u>
- Northey, J. (2016). Algeria country report: Bertelsmann Foundation transformation index. Coventry University.
- Olson, E. L. (2013). It's not easy being green: the effects of attribute trade-offs on green product preference and choice. *Journal of the Academy of Marketing Science*, *41*(2), 171-184.
- Paul, J., Modi, A., & Patel, J. (2016). Predicting green product consumption using theory of planned behaviour and reasoned action. *Journal of retailing and consumer services, 29*, 123-134.
- Prakash, G., & Pathak, P. (2017). Intention to buy ecofriendly packaged products among young consumers of India: A study on developing nation. *Journal of Cleaner Production, 141*, 385-393.
- Su, Ching-Hui Joan, Chin-Hsun Ken Tsai, Ming Hsiang Chen, and Wan Qing Lv. (2019). "US sustainable food market generation Z consumer segments." *Sustainability 11,* 13 (3607)..
- Thøgersen, J., Jørgensen, A. K., & Sandager, S. (2012). Consumer decision making regarding a "green" everyday product. *Psychology & Marketing*, *29*(4), 187-197.
- Turunen, Linda Lisa Maria, and Minna Halme. "Communicating actionable sustainability information to consumers: The Shades of Green instrument for fashion." Journal of Cleaner Production 297 (2021): 126605.
- Vega Zamora, M., Torres Ruiz, F. J., Murgado Armenteros, E. M., & Parras Rosa, M. (2014). Organic as a heuristic cue: What Spanish consumers mean by organic foods. *Psychology & Marketing*, 31(5), 349-359.

- Wang, L., Wong, P. P., & Narayanan, E. A. (2020). The demographic impact of consumer green purchase intention toward green hotel selection in China. *Tourism and Hospitality Research, 20*(2), 210-222.
- Wang, L., Wong, P. P., & Narayanan, E. A. (2020). The demographic impact of consumer green purchase intention toward green hotel selection in China. *Tourism and Hospitality Research*, 20(2), 210-222.
- Waris, I., & Hameed, I. (2020). Promoting environmentally sustainable consumption behaviour: an empirical evaluation of purchase intention of energy-efficient appliances. *Energy Efficiency*, 13(8), 1653-1664.
- Yadav, R., & Pathak, G. S. (2017). Determinants of consumers' green purchase behaviour in a developing nation: Applying and extending the theory of planned behaviour. *Ecological economics*, *134*, 114-122.
- Yücel, M., & Ekmekçiler, Ü. S. (2008). A study about environmentally products: System of clean production, ecoOlabel and green marketing. *Electronic Journal of Social Sciences*, 7(26), 320–333