



CONSUMER BEHAVIOR AND SUSTAINABLE PRODUCT ADOPTION IN ODISHA: A CASE STUDY

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ABSTRACT

Modern sustainability initiatives are becoming increasingly influenced by consumer behaviour, as more people are becoming conscious of their environmental and social impacts. This research aims to investigate and compare the perception of consumers towards the acceptance of sustainable products among people in Odisha. By utilizing a mixed-methods approach, primary data was collected through structured surveys administered to consumers while secondary data was sourced from existing literature reviews. The study assessed the factors influencing the perception of these stakeholders towards sustainable products in Odisha. The data was analysed using SPSS software. The results showed that behavioural intention of stakeholders is significantly influenced by perceived environmental concerns, perceived safety, perceived ethical considerations, and perceived product quality. However, social influence does not have a significant impact on behavioural intention.

KEYWORDS: sustainable products, consumer behaviour, adoption, sustainability

JEL code-D, L, M, Q

INTRODUCTION

As the globe struggles to address the urgent issues of climate change, resource depletion, and environmental degradation, consumer acceptance of sustainable products has become an important force for change. Sustainable products provide a way to create a more sustainable future because of their reduced ecological impact, ethical sourcing, and eco-friendly production methods.

Sustainability and increasing awareness go hand in hand as crucial pillars for building a more sustainable future. Increasing public understanding of sustainable practices and their effects is crucial as major global concerns like climate change, resource depletion, and environmental degradation are increasing day by day. It is possible to emphasise the value of sustainable living, renewable energy, waste reduction, and ethical consumption through educational campaigns, media engagement, and community projects. As awareness rises, people are more empowered to take initiative in adopting more sustainable lifestyles, fostering a group effort to save the world and safeguard its resources for future generations.

Consumer purchasing behaviour possesses an essential part in promoting the use of sustainable products. Consumers are making more sustainable decisions as environmental awareness, ethical concerns, social influences, and economic issues come together. Understanding these drivers is essential for businesses to develop effective marketing plans, and politicians may utilise this information to encourage sustainable consumption and advance the global sustainability agenda. A

more sustainable future is achievable via collective efforts, where ethical consumer conduct paves the way for a greener society. Sustainable products, especially those that have minimal adverse effects on society and the environment throughout their existence, have received more attention in recent years. Modern consumers are more conscious than ever before of social and environmental issues. Consumers are consequently becoming more aware of the effects of their purchasing choices. This shifting consumer perspective is in line with sustainable products, which are created to solve these issues by minimising resource usage, decreasing pollution, and society. Consumers are consequently becoming more aware of the effects of their purchasing choices. As they are developed to address these issues by limiting the consumption of resources, eliminating pollution, and encouraging ethical practices, sustainable products are in line with the shifting consumer mindset. Consumers that place a high priority on sustainability are more inclined to look for and purchase goods that align with their principles.

Consumer decision-making about the adoption of sustainable products is influenced by a number of factors. The amount of information that consumers have access to is one of the most important aspects. Consumer preferences can be greatly influenced by education and awareness efforts on the advantages of sustainable products for the environment and society. Consumers can be empowered to make sensible choices through clear, transparent labelling that emphasises a product's environmentally friendly features, which will encourage the adoption of sustainable alternatives. The



widespread use of sustainable products has the ability to solve critical environmental problems and transform society in the direction of a more sustainable path. Understanding and catering to consumer behaviour will remain essential in establishing an environmentally friendly and more ethical economy as consumer preferences continue to change.

LITERATURE REVIEW

Understanding the variables impacting consumer decision-making is crucial for firms, politicians, and researchers since consumer behaviour has a significant impact on the acceptance of sustainable products. The increasing environmental awareness of customers has been cited in numerous studies as a key factor in the adoption of sustainable products (Khalek, and Chakraborty,2023). The negative effects of traditional consumption patterns on the environment, such as carbon emissions, deforestation, and plastic pollution, are coming to the attention of consumers more and more. As a result, consumers who want to reduce their ecological footprints favour eco-friendly alternatives including organic, biodegradable, and energy-efficient goods. One of the major crucial component affecting customer behaviour towards sustainable products is ethical issues (Verma et.al,2023). Consumers are interested in knowing the origins of products, the working conditions of those involved in the supply chain, and the fair treatment of workers. Socially conscious consumers favour businesses that uphold fair trade principles, put worker welfare first, and exhibit transparency in their supply chains (Alyahya et.al,2023). Numerous studies have highlighted the positive correlation between environmental awareness and consumers' inclination towards sustainable products. Consumers who are more environmentally conscious tend to exhibit greater interest in adopting products that are perceived to have lower environmental impacts. Environmental education, media exposure, and personal experiences are significant determinants of consumer awareness and concern for sustainability (Lambert and Cagan,2015). It is also assumed that customers will be more inclined to select sustainable goods over traditional ones if they link them with decreased health and safety hazards, such as reduced exposure to hazardous chemicals. Customers that are conscious of how their purchasing decisions affect workers, marginalised groups, and local communities may make an effort to support sustainable products that advance social welfare and ethical production methods.

Adopting sustainable products has many implications for corporations and society at large. Businesses can get a competitive edge by integrating sustainability into their product offers, attracting environmentally sensitive customers, and increasing brand reputation. Companies that do not adapt may experience backlash or decreased revenues as consumer demand for sustainable products rises. The widespread use of sustainable products can aid in reducing environmental problems including pollution, resource depletion, and climate change. It encourages other sectors of the economy to adopt sustainable practises by fostering a culture of accountability and consciousness (Verma et.al,2023). This trend towards

sustainability is consistent with international objectives like the Sustainable Development Goals of the United Nations, resulting in a more sustainable future for future generations.

RESEARCH GAP

- While understanding consumer attitudes towards sustainable products has drawn more attention globally, there is still lack of studies that particularly examine this topic in the context of Odisha, India.
- There is limited research on the factors influencing consumer decision-making towards sustainable products in Odisha, despite the increased emphasis on sustainable consumption and the potential for sustainable product uptake in this region.
- The dynamics of consumer decision-making in emerging markets like Odisha have not been adequately studied because the majority of the literature on consumer behaviour and the adoption of sustainable products has concentrated on developed countries.
- In order to understand how these contextual elements interact and affect customers' attitudes and behaviours towards sustainable products, it is critical to examine Odisha.
- This study will offer practical advice to companies, and help policymakers create strategies that will encourage the adoption of sustainable products in the area.

RESEARCH OBJECTIVE

- To understand consumer perception towards sustainable products in Odisha.
- To investigate the key drivers and barriers that influence consumer decision-making when it comes to adopting sustainable products.
- To provide suggestions and recommendations aimed at promoting sustainable consumption.

RESEARCH HYPOTHESIS

1. Perceived Environmental concerns

Consumers are more likely to accept sustainable products than non-sustainable ones if they perceive more benefits from them, such as cost savings, long-term durability, and beneficial environmental impact. Consumers who understand the financial benefits of sustainable products, such as decreased energy usage and maintenance costs, will likely be motivated to use them in order to achieve possible financial savings (Lundblad and Davies,2016). Customers may feel a feeling of responsibility towards sustainability and pick for eco-friendly solutions if they believe that sustainable products have a positive impact on the environment, such as lowering carbon emissions or conserving natural resources.

H1= Perceived environmental concerns significantly impacts the adoption of sustainable products.



2. Perceived safety

Consumer preference for safer alternatives, which are more likely to be adopted over conventional products is greatly influenced by how safe consumers consider sustainable products to be. It is assumed that customers will be more inclined to select sustainable goods over traditional ones if they link them with decreased health and safety hazards, such as reduced exposure to hazardous chemicals (Alyahya et.al,2023).. Additionally, customers who believe that sustainable products adhere to ethical and health standards and are obtained ethically may have more faith in their products' safety.

H2= Perceived safety significantly impacts the adoption of sustainable products.

3. Perceived Ethical Considerations

Consumer decisions are significantly influenced by ethical factors including fair trade, social responsibility, and regional manufacturing. Customers who have higher ethical standards are more likely to choose sustainable items (Loureiro et.al,2021). Customers appreciate moral principles, advocate for the treatment of employees, and support ethical sourcing, select products that are compatible with their ethical belief.

H3= Perceived Ethical Considerations significantly impacts the adoption of sustainable products.

4. Perceived Product Quality

Consumer adoption of sustainable products is greatly influenced by their perceived quality and performance in comparison to traditional alternatives. Consumers are more inclined to choose sustainable products over traditional ones if they believe they are of greater quality and function as expected or better. Customers that enjoy using sustainable products for reasons including durability, dependability, and efficacy are more inclined to promote them and tell others about their positive experiences, which will lead to increased adoption (Nguyen et.al,2022). In addition, consumers may be hesitant to transition to sustainable solutions if they believe they are inferior to traditional items due to worries about the quality and performance of sustainable products.

H4= Perceived Product Quality significantly impacts the adoption of sustainable products

RESEARCH METHODOLOGY

This study has been tested using quantitative methods and uses a purposive sampling method to obtain the representative data. The data source used in this study is both primary and secondary. The reliability of the data was assessed using Cronbach's alpha, and a multiple regression analysis was performed to examine the relationship between the dependent variable, investment, and the independent variables. To capture a wide range of viewpoints, the sample included a variety of customers. In order to collect data from customers, a

standardised questionnaire was designed and circulated online. The consumer survey investigated the customers' knowledge, attitudes, and purchasing patterns about sustainable products. These cover questions relating to knowledge of sustainability concerns, prior purchases of sustainable products, and the variables influencing their choices. A total of 174 responses were received and were analysed using Statistical software SPSS.

DATA ANALYSIS

Overall Cronbach Alpha Reliability Test

Cronbach Alpha	N of items
0.865	25

Source: SPSS version 26.0

The reliability test's Cronbach's alpha value stands at .865, indicating a satisfactory level of reliability. This validates the precision of the measurements and offers supporting evidence for the data's reliability, which was collected.

Individual variable Cronbach Alpha Reliability Test

Construct	Cronbach Alpha
Perceived Environmental concerns	.677
Perceived safety	.751
Perceived Ethical Considerations	.794
Perceived Product Quality	.633
Sustainable products	.811

The study assessed the internal consistency and reliability of the variables using the Cronbach's alpha coefficient, which ranged from .633 to .811. The results demonstrate strong internal consistency across the variables. Notably, the variable "sustainable products" displayed the highest Cronbach's alpha value of .811, indicating a high level of internal consistency and reliability. In contrast, the variable "Perceived product quality" had the lowest Cronbach's alpha value at .633.

Results of Regression Analysis (Model Summary)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.895 ^a	.802	.670	.580

a. Predictors: (Constant), Perceived safety, Perceived ethical consideration, Perceived environmental concerns, Perceived product quality

The analysis demonstrates that the model effectively explains 80% of the impact exerted by the independent variables (perceived environmental concerns, perceived safety, perceived ethical considerations, and perceived product quality) on the dependent variable, which is the adoption of sustainable products. This finding is supported by the Adjusted R-squared value of 0.670. The results indicate a strong correlation between investment in green bonds and the independent variables, namely issuer reputation, environmental benefits, financial performance, and risk perception. This assertion is validated by the regression model's R coefficient of 89%. Additionally, the R-squared value of 80% signifies that the model accounts for a substantial portion of the total variance.



Table-5, Results of Regression Analysis (ANOVA)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.164	4	2.041	6.068	.027 ^b
	Residual	2.018	6	.336		
	Total	10.182	10			

a. Dependent Variable: sustainable products

b. Predictors: (Constant), Perceived safety, Perceived ethical consideration, Perceived environmental concerns, Perceived product quality

According to the ANOVA findings, the probability value obtained was .027b, suggesting the regression model's significance. This indicates that the model is appropriate for predicting the relationship between the independent variables (perceived environmental concerns, perceived safety, perceived

ethical considerations, and perceived product quality) and the dependent variable (adoption of sustainable products). The p-value |t| (at a 95% confidence level) is below 0.05, further confirming its significance.

HYPOTHESIS TESTING

Hypothesis		Unstd. Beta	Std. Beta	Std. Error	t-value	Decision
H1	Perceived environmental concerns→Sustainable products	0.688	0.725	0.118	5.658	Supported
H2	Perceived product safety → Sustainable products	0.659	0.602	0.158	4.731	Supported
H3	Perceived ethical consideration→ Sustainable products	0.787	0.832	0.112	7.037	Supported
H4	Perceived product quality →Sustainable products	0.739	0.819	0.118	6.361	Supported

SUGGESTION

- Include environmental education and sustainability in school and college curriculum. This can produce a generation of consumers who are environmentally conscious by teaching sustainable attitudes and behaviours at a young age.
- Raise customer awareness by running campaigns regarding environmentally friendly products and how they can benefit consumers in the long run.
- Create a recognisable and understandable certification or labelling system for eco-friendly goods. Consumers will find it easier to identify sustainable solutions with transparent labelling.
- Work with wholesalers and retailers to establish special sections in stores for sustainable products. To improve relationships with customers, train personnel about the advantages and characteristics of sustainable products.
- Collaborate with suppliers and manufacturers to increase the affordability of sustainable products. To make sustainable choices more accessible, reduce the price difference between sustainable and conventional items.

CONCLUSION

This study investigated the factors influencing consumer decision-making towards sustainable products in Odisha. The

findings revealed that perceived environmental concerns, perceived safety, perceived ethical considerations, and perceived product quality were significant determinants of sustainable product adoption in the region. While sustainable products offer substantial environmental benefits, several challenges hinder their widespread adoption. The lack of consumer awareness emerged as a key barrier. Many consumers in Odisha are not adequately informed about sustainable products and their positive impact on the environment. Addressing this knowledge gap through targeted awareness campaigns and educational initiatives could play a crucial role in encouraging consumer interest and preference for sustainable alternatives. Promoting consumer awareness, addressing cost concerns, enhancing marketing efforts, and expanding the availability of sustainable product options are vital steps towards overcoming obstacles to adoption. The findings of this study provide valuable insights for decision-makers and can guide future efforts aimed at promoting sustainable consumption in the region, paving the way for a greener and more sustainable future in Odisha and beyond.

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