



The Effect of Sustainable Packaging Aesthetic Over Consumer Behavior: A Case Study from India

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Abstract

Sustainable packaging has opened new growth opportunities for the packaging industry in the Indian context. This research aims to understand whether sustainable packaging has helped enhance environmentalist consumer behavior and increased product sales. Packaging is essential to any food or non-food product since it protects the client from humidity, light, heat and other external factors. Packaging serves as a kind of communication and a means of drawing the attention of a company's final consumer. However, to meet modern environmental standards, it must preserve goods while remaining environmentally friendly. Consumers are becoming more aware of environmental concerns and their purchase habits' impact on the environment. Customers like to do business with ecologically conscientious organizations. In keeping with the study's goals, this paper uses a strategy for combing through current research studies on the impact of sustainable packaging aesthetics on customer behavior. A quantitative research design was adopted. The structured questionnaire was designed based on the literature study model as a guide. The study results show that Consumers prioritize price, quality, and brand over all other considerations. Based on these findings, investing in sustainable packaging at the expense of any other purchase criteria is likely to be a losing proposition.

JEL Classification: M10, M31, Q56

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Introduction

The public's understanding of the need for sustainable development has developed due to environmental degradation, and global warming is one of the repercussions. As a result, concerns among consumers about eco-consumption and its effect on daily shopping decisions have intensified, culminating in an avalanche of research. By reducing the impact of packaging waste, sustainable packaging solutions have become essential in driving customer demand for ecologically responsible behavior. However, to reap the advantages of these advances, customers must recognize sustainable packaging, distinguish it from conventional packaging, and assess its environmental advantages in purchasing. As a result, it's critical to investigate the indicators that customers use to identify "green" packaging and how consumer behavior in reaction to such cues differs by nation.

There has been a worldwide desire to safeguard the environment in recent years. Green packaging is crucial for decreasing waste and pollution while fostering long-term growth. Packaging that is environmentally friendly also includes "eco-green packaging," "eco-friendly packaging," "sustainable packaging," or "recyclable packaging," considering ecologically friendly packaging equipment to fulfill the need.

Packaging is vital to any food or non-food product since it protects the client. Packaging serves as a kind of communication and a means of drawing the attention of a company's final consumer. However, to meet modern environmental standards, it must preserve goods while remaining environmentally friendly. Packaging serves two functions: protecting and holding the contents while promoting the product. It also improves the product's use for customers, and the packaging is recyclable, reducing the environmental impact.

Consumer opinions, behaviors, and purchasing habits are constantly shifting. Consumers are becoming more aware of environmental concerns and their purchase habits' impact on the environment. As a result, environmental preservation and quality of life have risen to the top of the ecological consumer's priority list. Customers like to do business with ecologically conscientious organizations. As a result, the goal of this study is to look at the function of sustainable packaging with the development of eco-friendly behavior among customers, with the following particular research goals in mind:

- Evaluating customer preferences for various forms of ecological packaging;
- Recognizing the advantages of choosing green packaging; and
- Recognizing the importance of eco-packaging information in promoting sustainability.

This survey revealed the disconnect between how consumers claim to feel about environmental responsibility and how they buy. According to these findings, few consumers were prepared to buy a product only because of its packaging's ecological friendliness, even if it went against their brand choice or cost more than comparable products. Consumers prioritize price, quality, and brand over all other considerations. Based on these findings, investing in; sustainable packaging at the expense of any other purchase criteria is likely to be a losing proposition.

Literature Review

According to Philip Kotler (2012), marketing is the science and art of discovering, creating, and delivering value to meet the expectations of a target market for profit. Marketing identifies

unfulfilled desires and needs. Humanity's impact on the natural environment is one of the most severe challenges we face today and in the coming decades. As the world's population grows and economic prosperity spreads, so do the planet's resource demands. Sustainable packaging is critical because it reduces the environmental impact of the product's life cycle at each stage. It helps both the producer and the client reduce their ecological impact (Lee, 2005).

Until the previous decade, the emphasis on a company's environmental influence was pretty narrow; it was limited to the product's end-of-life, including pollution and recycling. The sustainability plan, on the other hand, has broadened this purpose into a much broader one that considers the entire life cycle of a product and economic and societal challenges. Governments and the general public have prioritized sustainability. As a result, the industrial sector is under intense pressure to improve its environmental impact. The packaging industry has risen to the top of the sustainable food chain because it is one of the most visible to customers, not because it is the most significant source of environmental problems (Wandosell et al., 2021). However, to quantify the packaging industry's environmental impact, we must consider qualitative and quantitative factors. In other words, it's not just about lowering package manufacturing costs; it's also about overcoming challenges like design, which we've already discussed.

Sustainable development issues include climate action, environmental protection, resource efficiency, and raw materials. Several studies in the specialist field have been published in recent years, encompassing various points of view and aspects of green packaging (Mugobo, 2022). As per Wandosell et al. (2021), no previous studies have examined green packaging research from a business and consumer standpoint.

Consumers are becoming more conscious of the environmental impact of packaging. As a result, there is an increasing demand for environmentally responsible packaging. According to Herbes et al. (2020), the purchasers differentiated between green and gray when we looked at packaging. For example, they found labeling to be the attribute consumers rely upon most, as well as evidence of misleading labels. Consumers in Germany and the United States relied on information on the packaging and named searching for information as one of their preferred ways to decide whether packaging is environmentally friendly, while French consumers seemed less trusting of published information and more trusting of the look and feel, especially the material, of the package. The results point to the importance of cultural influences in the acquisition of perceptual cues by the consumer. The authors used an open-ended method to elicit unexpected reactions and a closed-ended design to compare the two data sets. Unsurprisingly, consumers place the most significant emphasis on both categories of answers on labeling and verification of incorrect labeling (Herbes et al., 2020). The experiment done by Ringler (2012) focused on packaging sustainability and investigated whether the package's sustainability influenced the consumer's decision to purchase a product. According to the study by Ringler (2012), a package's sustainability affects the package's quality or appearance or the retail price of the product, as participants prioritized price, quality, and brand over sustainability (Ringler, 2012). In Malaysia, it was found that consumers' attitudes, perceived behavioural control, environmental concern, and environmental knowledge towards green packaging have a direct relationship with the intention to purchase a green-packaged product. Also, this study also proved that intention has a significant and direct relationship with behaviour within the frame of green packaging product purchasing (Moorthy, 2021). Ischen assessed the salience and greenness of environment-friendly packaging cues. They found that both

implicit and explicit cues that signal environmental friendliness positively influence perceived salience and greenness (Ischen, 2022). Based on the analysis of the literature authors tried to investigate the following research question (RQ):

RQ1: Are customers ready to purchase a product based on the environmental friendliness of its package, even if it goes against their brand choice or has a higher price point than competing products?

RQ2: What factors influence buying behavior towards sustainable products, other than sustainable packaging in India?

Methodology

The methodology is constructed to explore the concepts and provide past research on consumer perceptions of sustainability and packaging. Most of the content is drawn from scholarly marketing, distribution and logistics, and packaging studies. Customer attitudes, packaging, and sustainability were all critical factors to consider throughout the item selection process. In keeping with the study's goals, this paper uses a strategy for combing through current research studies on the impact of sustainable packaging aesthetics on customer behavior using a systematic literature review using the Web of Science and Scopus databases available. These databases have many full-text documents on the subject in question.

A quantitative research design was adopted. The structured questionnaire was created using the study model as a guide. A survey-based questionnaire was designed (refer to Annexure), and data were collected using Non-probability Convenience Sampling. A sample of about 150 professionals working in various industries was collected. A set of 14 questions were designed for this survey. Three of the questions would involve information about the employees' details. At the same time, the remaining eleven would aid in obtaining insights into how and in what ways sustainable packaging affects consumers' purchasing behavior.

The primary purpose of the survey is to analyze the three objectives of the study:

- Evaluation of consumer preferences
- Reasons for shopping
- The role of sustainability

Data Analysis & Results

The information was obtained by professionals from various industries, with most replies coming from India. A questionnaire will be posted on Google Forms to collect responses. The questions will be objective to determine how sustainable packaging influences customer behavior. Telephone interviews and personal, informal discussions were also conducted to design the questionnaire and obtain the essential information (refer to Annexure).

The age group was divided into four sections, with each participant belonging to one of the sections. The results suggest that most participants were between the ages of 18-25. Further, the participants, 66 percent were male, and 34 percent were female. Of the respondents, 92 percent resided in the urban area, and 6 percent lived in the rural area.

Also, the participants were asked about their habits of buying products with ecological packaging to elicit their preconceived notions or biases. The respondents who participated in the study (74 percent) purchased products with environmental packaging. 26 percent of those polled

stated they typically did not buy products with ecological packaging. A further question was posed to extract information about from what source the individuals know about whether the product packaging is sustainable. According to the figure above, 50 percent of people got the data from the packaging directly, 34 percent received the email from campaigns done by the particular brand, and the remaining 16 percent got the information through other sources. When the participants were asked about which aspects of sustainable packaging individuals prefer. The highest percentage (42) of the participants chose paper as their preferred packaging, followed by 28 percent, biodegradable plastic, cardboard, glass, and wood. Regarding the purchase frequency of products in sustainable packaging, only 8 percent of the total participants bought products with sustainable packaging daily, followed by 18 percent every week, then 34 percent based on 2-3 times in a month, and then 38 percent rarely bought products with sustainable packaging.

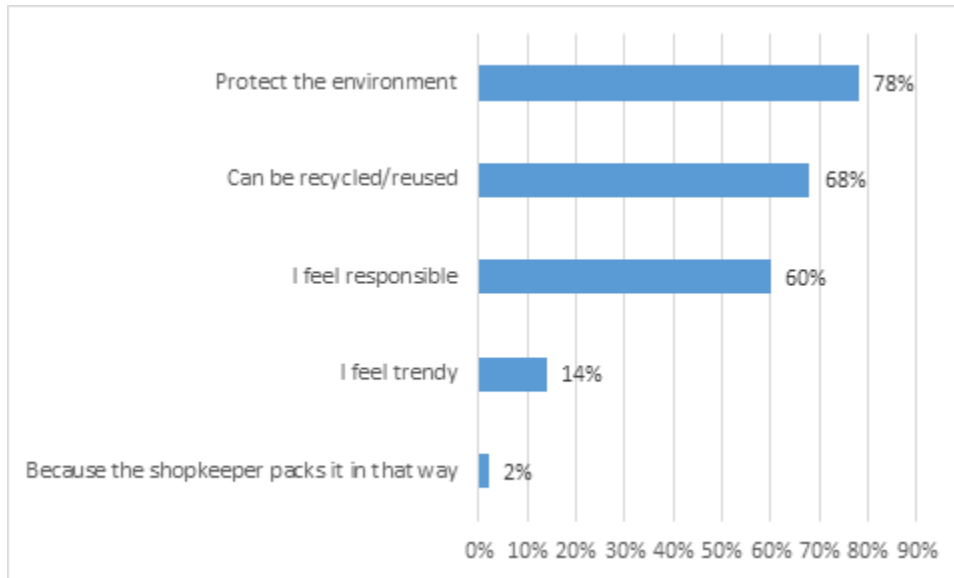


Fig.1 Reasons for preferring green / sustainable packaging

When the participants were asked about their reasons for preferring sustainable packaging, about 78 percent of individuals wanted it for environmental protection, and 68 percent felt the packaging could be recyclable (Fig.1).

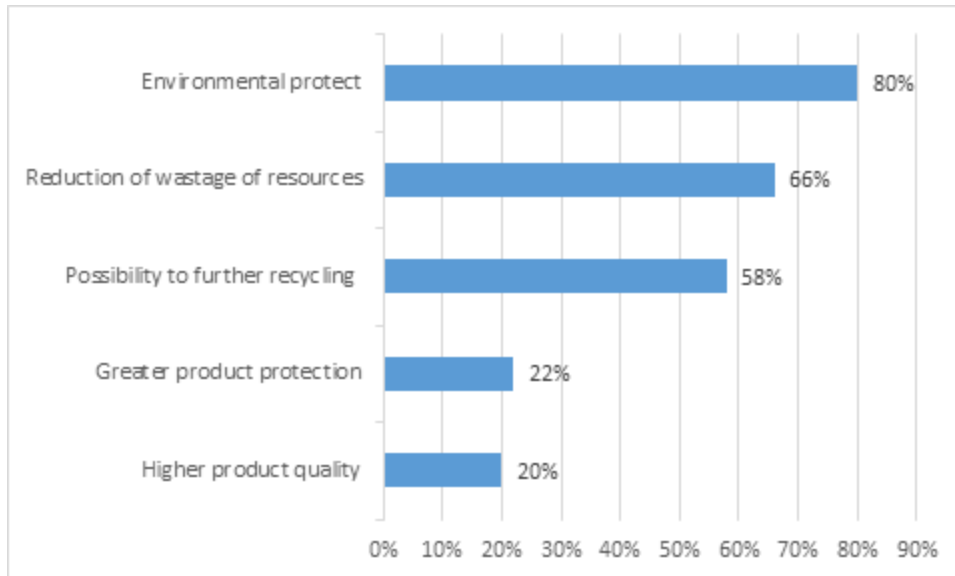


Figure 2. Advantages of using organic packaging

To understand whether the respondents believe in that there are many advantages to using sustainable packaging (Fig. 2), 80% of the applicants believe that sustainable packaging has an advantage in protecting the environment, and on the other side, approximately 70% of participants reported that the disadvantage to sustainable packing is when products are packaged in organic packaging; they are sold at higher rates (Fig.3).

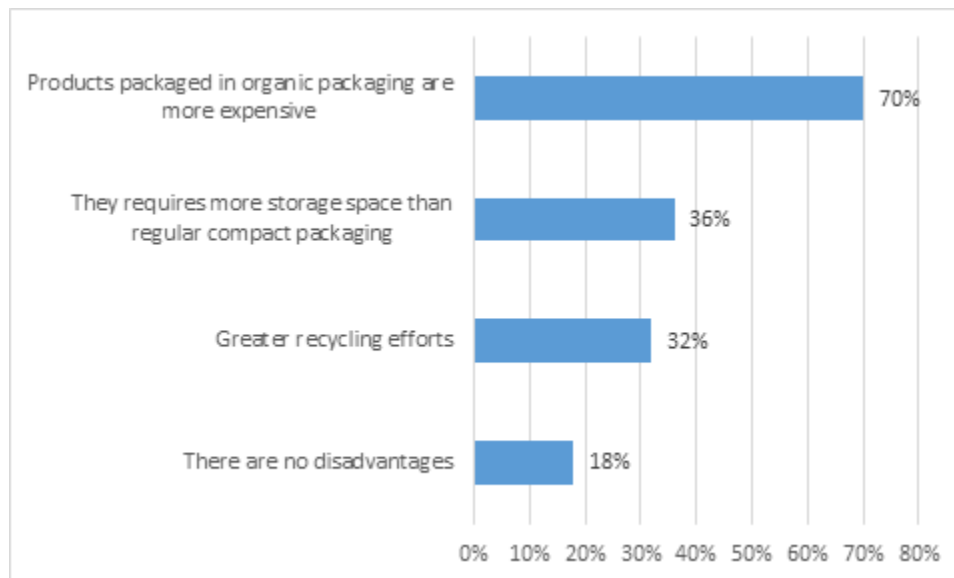


Figure 3. Disadvantages of using organic packaging

When the respondents were further investigated, which factor was the participants willing to pay more for sustainable packaging? The response was that 36 percent believe the cost will decline in the long run due to the recyclability property (Fig. 4).

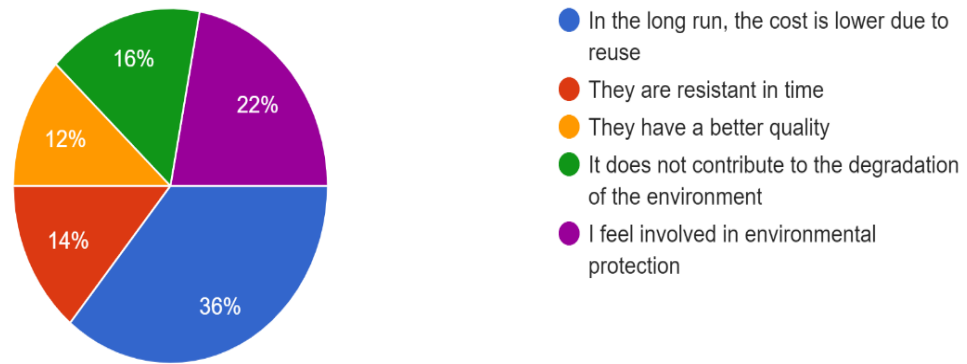


Figure 4. Reasons for paying higher prices for sustainable packaging

The respondents were found to be unwilling to pay more for ecological packaging, which suggested a lack of information, followed by 24 percent who find it expensive, and 16 percent who believe that sustainable packaging does not bring any significant change in benefit. When asked in detail, Fifty-six percent of the participants believed inadequate knowledge about eco-friendly packaging is available for making their decision.

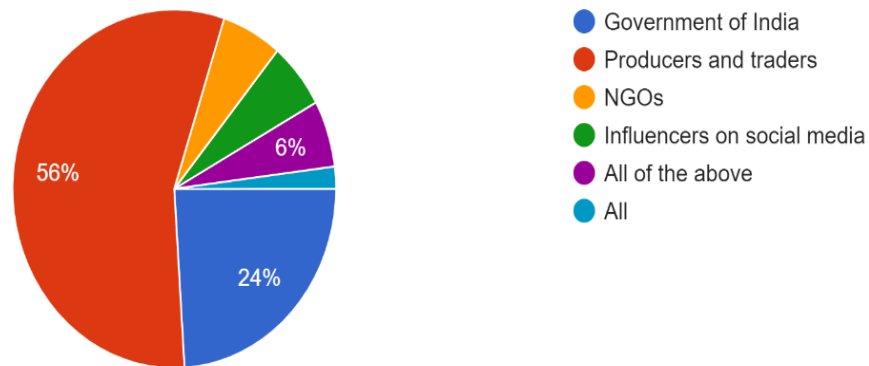


Figure 5. Responsibility for informing customers about sustainable packaging

The analysis results show that Fifty-six percent of the participants believe that spreading the knowledge about eco-friendly packaging to buyers is the responsibility of producers and traders (Fig.5).

Discussion

The survey's findings mostly corroborated earlier research on American markets; price was widely recognized as the most important factor influencing purchase decisions. "Are customers ready to purchase a product based on the environmental friendliness of its package, even if it goes against their brand choice or has a higher price point than competing products?" was the central question that this study aimed to answer. The results show that brand trust, price, and quality are more important than the environmental friendliness of the box. "Sustainable resource usage" was

deemed "fairly important" or "extremely significant" by 80 percent of those polled. However, when faced with a real-life purchasing choice, 70% of respondents listed "product price" as one of the critical variables (first or second insignificance) affecting their decision to buy or not buy.

Only 78 percent of those polled said "environmental friendliness," confirming Ogilvy Earth's five-year study's findings of a 30-point gap between Americans' "green" ideals and their actual purchasing patterns or behaviors (Haymarket Publishing 2012). This survey revealed the disconnect between how consumers claim to feel about environmental responsibility and how they buy. According to these findings, few consumers were prepared to buy a product only because of its packaging's ecological friendliness, even if it went against their brand choice or cost more than comparable products. Consumers prioritize price, quality, and brand over all other considerations. Research in the area of sustainable packaging is gaining momentum as the importance of consumer behavior in purchase intentions has increased over time (Boz et al., 2020). The factors like awareness about environmental protection, positive attitude to green purchasing, and societal concerns affect the decisions while choosing sustainable packaging. Still, price is an important factor that inhibits the acceptance of environmentally friendly packaging (Martinho et al., 2015). The current study coincides with these findings, where customers are found to be price-conscious even for sustainable packaging decisions. The prices are affected by the supply chain costs of sustainable packaging as the cost reduction requires the cooperation of all supply chain partners (Meherishi et al., 2019).

The study can provide insights to decision-makers in the domain of sustainable packaging in understanding customer behaviour. The managerial decisions can be based upon the factors that influence customer choices. Though environmental protection is of prime concern for consumers, the cost of packaging inhibits purchase decisions based on sustainable packaging.

Based on these findings, investing in sustainable packaging at the expense of any other purchase criteria is likely to be a losing proposition. The producers should find ways to control the costs of sustainable packaging to make it more economical. Policymakers can also take favourable decisions to promote the use of sustainable packaging, as the consumers feel that it is the prime responsibility of policymakers after producers.

Conclusion

The study provides insights into the factors influencing the choice of sustainable packaging in the Indian context. The increased awareness about environmental protection and sustainable packaging is forcing producers to use sustainable packaging. The consumers also consider that the policymakers should be involved in taking decisions favouring sustainable packaging. Despite of acceptance of sustainable packaging, the price is a limiting factor that can be controlled by controlling costs in the supply chain. The use of sustainable packaging thus can improve the sales of products and will be helpful in creating a positive brand image of these products. The study findings are limited to Indian consumers, and the results may vary in other developed countries. The penetration and adoption of sustainable packaging in India may be different as compared to other markets. The study can be further extended to explore the causal relationships of various factors with purchase decisions and brand image.

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