



Evolving Consumer Preferences: A Shift Towards Sustainable Products

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Abstract

Consumer preferences are undergoing a significant transformation, with an increasing emphasis on sustainability and environmental responsibility. This shift is particularly evident in India, where consumers are progressively opting for eco-friendly and ethical products. Factors such as heightened environmental awareness, governmental initiatives, and corporate sustainability efforts drive this change. Despite these advancements, challenges such as affordability, availability, and consumer education persist. This article explores the motivations behind evolving consumer preferences, barriers to sustainable consumption and the implications for businesses and policymakers. Understanding these dynamics can help stakeholders foster a sustainable consumption ecosystem.

Keywords: Consumer, sustainable, environment

Introduction

Consumer behavior is a dynamic field influenced by cultural, economic, and technological factors. In recent years, a profound shift toward sustainable consumption has emerged, driven by increasing awareness of climate change, environmental degradation and ethical considerations.



Sustainable products, including organic food, biodegradable packaging, energy-efficient appliances and ethically sourced fashion, are gaining traction among consumers.

India, as one of the fastest-growing consumer markets, exhibits unique trends in sustainability-driven purchases. With rising disposable incomes and access to global markets, Indian consumers are becoming more discerning about the environmental and social impact of their choices. Studies indicate that a significant proportion of Indian consumers are willing to pay a premium for sustainable products, reflecting a paradigm shift in consumption patterns. However, the transition to sustainability is not without challenges. Higher costs, limited availability and a lack of awareness about genuinely sustainable products often hinder widespread adoption. This article delves into the evolving consumer preferences in India, highlighting the factors driving this shift, the willingness to pay a premium for sustainable products and the implications for businesses and policymakers.

Growing Awareness and Demand for Sustainable Products

Indian consumers are becoming increasingly conscious of the environmental and social impact of their purchasing decisions. A 2022 survey conducted by American Express revealed that 87% of Indian respondents frequently purchase sustainable products, demonstrating a strong preference for eco-friendly and ethically produced goods. Additionally, 97% expressed interest in spending their money on products that positively impact local businesses and communities. This growing awareness is driven by various factors, including heightened media coverage of climate change, increasing corporate social responsibility initiatives and the influence of global sustainability movements. As a result, the demand for environmentally friendly and socially responsible products is rising, creating new market opportunities for businesses that align with these values.

Willingness to Pay a Premium

The commitment to sustainability among Indian consumers is not just limited to awareness but extends to their spending habits as well. According to a 2022 report by Bain & Company, 60%

of Indian consumers are willing to pay a premium for sustainable products. This willingness is often shaped by personal experiences with environmental issues, such as pollution and climate-related challenges, as well as the influence of family, friends and social networks that emphasize sustainability. Similarly, a 2024 survey by PwC India found that consumers are willing to pay an average premium of 13.1% for sustainably produced or sourced goods. This trend indicates that consumers perceive sustainable products as valuable and are willing to invest more in them if they align with their ethical and environmental beliefs. Businesses that effectively communicate the benefits of their sustainable offerings can leverage this willingness to justify premium pricing and establish a loyal customer base.

Barriers to Sustainable Consumption

Despite the increasing awareness and willingness to pay a premium, several barriers hinder the widespread adoption of sustainable products in India. A 2022 Bain & Company report identified key challenges, including:

- **Limited Understanding of Sustainability:** Many consumers have a general awareness of sustainability but lack in-depth knowledge about what makes a product truly sustainable. Misconceptions and greenwashing (false sustainability claims by companies) can create confusion and skepticism.
- **Higher Prices:** While a significant portion of consumers are willing to pay a premium, a large segment of the population still finds sustainable products unaffordable. Price sensitivity remains a crucial factor in purchasing decisions, especially in price-conscious markets.
- **Availability Issues:** Sustainable products are not always widely available, particularly in smaller cities and rural areas. Limited distribution networks and the dominance of conventional products make it challenging for consumers to access sustainable options.

- **Lack of Sustainable Options:** Many businesses in India have yet to incorporate sustainability into their product lines. The absence of sustainable alternatives in key sectors, such as fashion, food and personal care, limits consumer choices.
- **Behavioral and Habitual Barriers:** Consumer habits are difficult to change, and many people continue to purchase conventional products due to familiarity, convenience or a lack of compelling reasons to switch.

Addressing these barriers is crucial for businesses looking to tap into the growing demand for sustainable products. Companies can invest in consumer education, transparent labeling, competitive pricing strategies, improved distribution networks and innovative sustainable product development to bridge the gap between intention and actual purchasing behavior. By overcoming these obstacles, businesses can not only drive sales but also contribute to a more sustainable and responsible consumption landscape in India.

Implications for Businesses

The evolving consumer preferences present both challenges and opportunities for businesses in India. Companies that proactively adopt sustainable practices and offer environmentally friendly products are likely to gain a competitive advantage. Transparency in sourcing, production, and environmental impact can build consumer trust and loyalty. Moreover, aligning with consumer values on sustainability can enhance brand reputation and open new market segments. Sustainable businesses can also benefit from cost savings through energy-efficient production processes and waste reduction, further improving profitability.

Furthermore, businesses need to invest in consumer education, highlighting the long-term benefits of sustainable products over their conventional counterparts. Marketing strategies should emphasize authenticity and transparency, ensuring that sustainability claims are backed by credible certifications and third-party verifications. This approach can prevent greenwashing and strengthen consumer confidence in sustainable brands.



Policy and Regulatory Support

The Indian government has recognized the importance of promoting sustainable consumption and production. Initiatives such as the Ecomark certification, introduced by the Bureau of Indian Standards, aim to identify eco-friendly products and encourage consumers to make environmentally responsible choices. Additionally, the Green Credit Programme, launched in 2023, incentivizes individuals and businesses to engage in voluntary environmental actions, further supporting the shift towards sustainability (Green Credit Programme, 2023).

In addition to certification programs, regulations such as the Plastic Waste Management Rules (2016, amended in 2022) and the Extended Producer Responsibility (EPR) framework for e-waste and plastics compel businesses to adopt sustainable practices. These policies encourage companies to develop eco-friendly alternatives, reduce carbon footprints, and implement circular economy principles.

Conclusion

The shift towards sustainable products among Indian consumers reflects a broader global trend of environmental consciousness and responsibility. Businesses that adapt to these changing preferences by offering sustainable products and practices are poised to thrive in this evolving market. Collaborative efforts between consumers, businesses and policymakers are essential to overcome existing barriers and promote a sustainable future. By fostering innovation, ensuring affordability and enhancing consumer awareness, India can transition towards a greener economy where sustainability is a mainstream choice rather than a niche preference.

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