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Decoding Green Consumer Behaviour in Urban India: Awareness, Attitude-Action Gap, and the Role of Price Sensitivity

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Abstract

Green consumer behaviour has emerged as a critical dimension of sustainable marketing, particularly in the context of rapidly urbanising developing economies such as India. Despite rising environmental awareness among Indian consumers, a persistent attitude-action gap continues to impede actual green purchase behaviour. This chapter examines the determinants of green consumer behaviour in urban India, with a particular focus on environmental awareness, eco-labelling recognition, price sensitivity, and the mediating role of green purchase intention. Drawing on the Theory of Planned Behaviour (TPB) and Value-Belief-Norm (VBN) framework, the chapter investigates how attitudinal and normative factors interact with economic constraints to shape sustainable consumption choices. The analysis integrates insights from primary consumer surveys, policy documents, and secondary data from the Ministry of Statistics and Programme Implementation (MoSPI) and the Labour Bureau. Findings reveal that although urban Indian consumers demonstrate moderate-to-high environmental awareness, their green purchase decisions are significantly moderated by perceived price premium, greenwashing scepticism, and information asymmetry. The chapter also highlights the distinctive role of workplace sustainability norms in shaping employee-consumer green behaviour, connecting organisational HRM practices with individual consumption choices. Policy implications for businesses, marketers, and regulators are discussed, with recommendations to bridge the attitude-action gap through transparent eco-labelling, competitive green pricing strategies, and targeted awareness campaigns.

Keywords: Green Consumer Behaviour, Attitude-Action Gap, Price Sensitivity, Eco-Labelling, Sustainable Consumption, Urban India.

Introduction

The global imperative for environmental sustainability has fundamentally reshaped the discourse around consumer behaviour, marketing strategy, and

corporate responsibility. In India, this transformation has gained momentum against the backdrop of escalating environmental challenges, including air and water pollution, resource depletion, and the adverse effects of climate change. The Indian government's regulatory initiatives, such as the Extended Producer Responsibility (EPR) framework, the Bureau of Indian Standards (BIS) Ecolabelling scheme, and the nationwide single-use plastic ban, have collectively created an institutional environment that incentivises sustainable consumption (Ministry of Environment, Forest and Climate Change [MoEFCC], 2022).

Despite these regulatory and policy-level developments, the translation of green awareness into actual green purchase behaviour among Indian consumers remains inconsistent. The country's urban consumer landscape presents a paradox: a growing segment of environmentally conscious consumers who nonetheless exhibit significant resistance to purchasing eco-friendly products, largely due to concerns around price premiums, product availability, and trust in green claims (Kumar & Ghodeswar, 2015; Prakash & Pathak, 2017). This paradox, widely described in academic literature as the attitude-action gap or the value-action gap, represents one of the most pressing challenges in the operationalisation of sustainable marketing in emerging economies.

India's urban centres, including Delhi, Mumbai, Bengaluru, Chennai, and Hyderabad, are witnessing rapid demographic transitions. A growing middle class, increasing digital literacy, and heightened exposure to global sustainability discourses are reshaping consumer preferences (Nielsen, 2023). Simultaneously, the influence of workplace environments on personal consumer behaviour has received renewed scholarly attention. Employees working in organisations with well-defined sustainability mandates and green HRM practices are more likely to internalise pro-environmental values, which subsequently manifest in their personal consumption decisions (Bangwal & Tiwari, 2019).

This chapter addresses three inter-related research questions: (i) What are the key determinants of green consumer behaviour among urban Indian consumers? (ii) To what extent does price sensitivity moderate the relationship between green awareness and green purchase behaviour? (iii) How do workplace sustainability norms and organisational HRM practices influence individual green consumption choices? By addressing these questions, the chapter contributes to the growing body of literature on sustainable consumption in emerging markets while offering actionable insights for marketers, policymakers, and human resource practitioners.

Conceptual Framework and Theoretical Underpinnings

- **Theory of Planned Behaviour (TPB)**

Ajzen's (1991) Theory of Planned Behaviour provides the foundational theoretical lens for understanding green consumer behaviour. According to TPB,

behavioural intentions, which serve as proximal predictors of actual behaviour, are determined by three constructs: attitude towards the behaviour, subjective norms, and perceived behavioural control. In the context of green consumption, a consumer's attitude towards eco-friendly products is shaped by beliefs about the environmental benefits of such products and personal environmental values. Subjective norms reflect the perceived social pressure to adopt green purchasing practices, while perceived behavioural control captures the consumer's assessment of their capacity to engage in green purchasing, including financial capability and product accessibility (Paul, Modi, & Patel, 2016).

Empirical applications of TPB in the Indian green marketing context have consistently demonstrated the primacy of attitude as a predictor of green purchase intention (Yadav & Pathak, 2016). However, the gap between intention and actual purchase behaviour points to the inadequacy of attitudinal variables alone, necessitating the incorporation of contextual and economic moderators such as price sensitivity and income level.

- **Value-Belief-Norm (VBN) Framework**

Stern's (2000) Value-Belief-Norm (VBN) framework offers a complementary theoretical perspective by positioning environmental values as antecedents to pro-environmental norms and, subsequently, pro-environmental behaviour. The VBN framework posits that altruistic values (concern for others and the biosphere) activate ecological worldviews, which in turn generate awareness of adverse consequences and ascription of responsibility, ultimately leading to personal norms that motivate green behaviour. The framework is particularly relevant in the Indian context, where collective cultural values and community-oriented social norms play a significant role in shaping individual behaviour (Verma & Chandra, 2018).

- **The Attitude-Action Gap**

The attitude-action gap, also referred to as the value-action gap or the green gap, describes the empirically well-documented phenomenon wherein consumers who express strong environmental attitudes fail to translate these attitudes into corresponding purchasing behaviour (Blake, 1999; Young, Hwang, McDonald, & Oates, 2010). In India, this gap is particularly pronounced due to a confluence of factors: the perceived premium pricing of green products, limited availability of eco-friendly alternatives in smaller urban markets, widespread greenwashing by brands, and low consumer literacy regarding eco-labels and certification schemes (Jaiswal & Kant, 2018).

Price sensitivity emerges as the most consistent and robust moderator of the attitude-action gap in the Indian context. Studies indicate that urban Indian consumers are willing to pay a green premium of approximately 5-10 percent above conventional product prices, beyond which purchase likelihood drops significantly

(Prakash & Pathak, 2017). This price threshold varies across income segments and product categories, with consumers demonstrating greater willingness to pay for green personal care and food products relative to green household appliances or automobiles.

Green Consumer Behaviour in Urban India: Patterns and Trends

- **Environmental Awareness and Information Sources**

Environmental awareness among urban Indian consumers has grown substantially over the past decade, driven by digital media proliferation, policy campaigns such as Swachh Bharat Abhiyan, and increasing media coverage of climate-related events. According to a pan-India consumer survey conducted by Nielsen (2023), over 73 percent of urban respondents indicated concern about environmental issues, and 68 percent reported an intention to purchase more sustainable products in the coming year. However, the same survey found that only 34 percent had actually purchased a certified eco-friendly product in the preceding six months, illustrating the persistent attitude-action gap.

Social media platforms, particularly Instagram, YouTube, and WhatsApp, have emerged as primary channels for environmental information dissemination among Gen Z and millennial consumers in India (Mishra, 2021). Influencer-driven sustainability campaigns and viral environmental content have contributed to heightened awareness but have also created an ecosystem susceptible to performative sustainability, wherein consumers publicly signal green values without adopting substantive behavioural changes.

- **Eco-Labeling and Greenwashing Scepticism**

India's eco-labelling landscape is anchored by the BIS Ecolabel scheme and the Energy Star ratings for appliances, supplemented by sector-specific certifications such as FSSAI's Organic certification for food products and the Green Rating for Integrated Habitat Assessment (GRIHA) for construction. Consumer recognition of these certification schemes remains moderate: while Energy Star ratings enjoy high recognition (approximately 61 percent awareness among urban consumers), the BIS Ecolabel is recognised by less than 25 percent of urban shoppers (Bureau of Indian Standards, 2023).

Greenwashing, defined as the practice of making misleading or unsubstantiated environmental claims, represents a significant barrier to green consumption in India. A study by Jaiswal and Kant (2018) found that over 47 percent of urban Indian consumers expressed scepticism about the authenticity of green claims made by FMCG brands, citing vague terminology such as 'eco-friendly,' 'natural,' and 'sustainable' as key triggers of distrust. This scepticism is particularly pronounced among highly educated, high-income consumers who possess greater capacity to critically evaluate marketing claims.

- **Price Sensitivity and the Green Premium Paradox**

The relationship between price sensitivity and green purchase behaviour in India represents a complex and nuanced dynamic. On one hand, the rapid expansion of India's middle class has created a consumer segment with both the financial capacity and the social motivation to pay a premium for sustainable products. On the other hand, the vast majority of urban Indian consumers continue to operate within tight household budgets, particularly in the context of post-pandemic inflationary pressures and income stagnation in certain sectors (MoSPI, 2023).

Research by Kumar and Ghodeswar (2015) identified a significant interaction effect between environmental knowledge and price sensitivity: consumers with higher environmental knowledge demonstrated a lower price sensitivity towards green products, suggesting that targeted information campaigns can partially mitigate the price barrier. Similarly, Yadav and Pathak (2016) found that perceived value, defined as the ratio of perceived benefits (environmental and health) to perceived cost (price premium), was the single strongest predictor of green purchase intention in their sample of urban Indian consumers.

The green premium paradox manifests most acutely in lower-income urban segments, where environmental awareness may be high but economic constraints preclude voluntary adoption of costlier green alternatives. Policymakers and marketers must therefore develop strategies that decouple sustainability from premium pricing, leveraging economies of scale, government subsidies, and supply chain efficiencies to make green products economically accessible.

- **Generational and Geographic Variations**

Green consumer behaviour in urban India exhibits significant variation across generational cohorts and geographic locations. Gen Z consumers (born 1997-2012) and millennials (born 1981-1996) demonstrate higher environmental awareness, greater willingness to pay for sustainable products, and more consistent green purchase behaviour relative to older cohorts (Mishra, 2021). This generational difference is attributable to differences in digital media consumption, educational curricula that incorporate environmental themes, and greater exposure to global sustainability movements such as Fridays for Future.

Geographic variation is equally pronounced. Metro cities such as Delhi, Mumbai, and Bengaluru exhibit higher green product penetration and greater consumer sophistication regarding eco-labels, while Tier-2 cities such as Jaipur, Surat, and Bhopal present emerging markets with high growth potential but lower baseline awareness (Nielsen, 2023). The rapid urbanisation of Tier-2 and Tier-3 cities, combined with increasing digital connectivity, presents a significant opportunity for green marketers to cultivate sustainable consumption habits before conventional purchasing patterns become entrenched.

Workplace Sustainability, Green HRM, and Individual Consumer Behaviour

- **The Workplace as a Socialisation Context**

The workplace constitutes a critical socialisation context that shapes individual values, norms, and behaviours, including consumption choices outside of work. Organisational green practices, green human resource management (GHRM) initiatives, and sustainability-oriented corporate cultures have been shown to positively influence employee pro-environmental behaviour both within and beyond the workplace (Bangwal & Tiwari, 2019; Paillé, Chen, Boiral, & Jin, 2014). Employees who work in organisations that actively promote environmental sustainability are more likely to internalise pro-environmental values, which subsequently manifest in their personal consumption decisions, including green purchasing behaviour.

This spillover effect from organisational to personal green behaviour is particularly relevant in the Indian context, where the service sector, which employs a large and growing share of urban workers, increasingly incorporates sustainability mandates into corporate strategy and employee development programmes. Information technology companies, financial institutions, and large retail corporations in India have, over the past decade, introduced GHRM practices including green onboarding, environmental training, and sustainability performance metrics, creating workplace environments that nurture green consumer identities among employees.

- **Green HRM Practices and Pro-Environmental Spillover**

Green HRM encompasses the integration of environmental management principles into core HR functions including recruitment, training and development, performance appraisal, and compensation management (Renwick, Redman, & Maguire, 2013). In the Indian corporate context, GHRM practices have gained traction particularly among large-cap firms and multinational corporations operating in India, driven by stakeholder pressure, regulatory compliance requirements, and the growing importance of Environmental, Social, and Governance (ESG) ratings in capital markets.

Empirical evidence from Indian organisations suggests that employees exposed to comprehensive GHRM practices demonstrate significantly higher levels of pro-environmental behaviour, including green commuting, reduced energy consumption, and preference for eco-friendly products in personal purchases (Bangwal & Tiwari, 2019). The mechanisms through which GHRM influences consumer behaviour include value socialisation (the internalisation of environmental values through training and organisational culture), social identity formation (the adoption of a 'green employee' identity that extends into personal life), and moral licensing (wherein environmental actions at work may either reinforce or reduce pro-environmental behaviour in personal contexts).

- **Implications for Green Marketing Strategy**

The workplace-consumer behaviour nexus has important implications for green marketing strategy in India. Marketers targeting urban professional segments would benefit from recognising the role of organisational green culture in shaping consumer receptivity to green product claims. Employees in sustainability-oriented organisations represent a high-conversion consumer segment for green products: they possess both the awareness and the motivational orientation to act on green purchase intentions, subject to price and availability constraints.

Furthermore, corporate partnerships between green product manufacturers and sustainability-oriented employers, such as subsidised green product access through employee benefit schemes or workplace green product showcases, represent an under-explored marketing channel that could effectively bridge the attitude-action gap in this segment. Such strategies simultaneously reinforce organisational GHRM initiatives and expand the consumer base for sustainable products.

Challenges and Barriers to Green Consumer Behaviour in India

- **Information Asymmetry and Eco-Label Confusion**

A fundamental barrier to green consumption in India is the pervasive information asymmetry between producers and consumers regarding the environmental attributes of products. The proliferation of self-declared green claims, unverified by independent third parties, has created significant confusion among consumers navigating the sustainability claims landscape. Unlike the European Union, where the Green Claims Directive provides a regulatory framework for substantiating environmental marketing claims, India lacks a comprehensive legal framework mandating transparency and verification of green product claims (MoEFCC, 2022).

Eco-label proliferation compounds this problem: the coexistence of multiple certification schemes, each with different standards, verification rigor, and consumer recognition levels, creates decision fatigue and increases the cognitive burden on consumers attempting to make informed sustainable purchasing decisions. Streamlining India's eco-labelling architecture and investing in consumer education regarding certification credibility would substantially reduce information asymmetry and enhance the effectiveness of green marketing initiatives.

- **Supply Chain and Availability Constraints**

The availability of certified green products remains uneven across India's urban geography. While premium supermarkets and e-commerce platforms in metro cities offer a reasonably comprehensive range of eco-friendly alternatives, consumers in Tier-2 and Tier-3 cities frequently encounter limited availability of green products in local retail channels, forcing a choice between environmental preference

and accessibility (Kumar & Ghodeswar, 2015). Green supply chain development, including the expansion of eco-friendly product distribution networks beyond metro markets, is essential to democratise access to sustainable consumption options.

- **Greenwashing and Trust Deficit**

Greenwashing by Indian and multinational brands operating in India has significantly eroded consumer trust in green marketing claims. High-profile greenwashing cases in sectors including fast fashion, personal care, and packaged foods have received substantial media coverage, sensitising urban Indian consumers to the risk of being misled by environmental claims. Regulatory enforcement of green advertising standards by the Advertising Standards Council of India (ASCI) and the Central Consumer Protection Authority (CCPA) remains limited, creating a permissive environment for unsubstantiated green claims (ASCI, 2023).

Policy Implications and Recommendations

- **For Businesses and Marketers**

Green marketers in India must prioritise transparency and credibility in environmental communications. Third-party certification and independent verification of green claims, prominently communicated at the point of purchase, can significantly reduce greenwashing scepticism and enhance consumer confidence. Pricing strategies should account for the documented price sensitivity of Indian consumers by exploring cost reduction opportunities in green supply chains, government incentive mechanisms, and the promotion of perceived value (benefits relative to price) rather than absolute price positioning. Digital marketing strategies targeting Gen Z and millennial consumers through social media influencers who authentically embody sustainability values represent a high-impact, cost-effective communication channel.

- **For Policymakers and Regulators**

The Government of India should develop a unified, legally enforceable Green Claims Framework that mandates the substantiation and independent verification of environmental marketing claims. Strengthening the BIS Ecolabelling scheme through enhanced consumer education, mandatory eco-label display requirements for select product categories, and digital integration of eco-label verification (for example, via QR code-linked certification databases) would significantly enhance eco-label recognition and trust. Tax incentives for the production and consumption of certified eco-friendly products, analogous to the reduced GST rates currently applicable to solar panels and electric vehicles, could effectively reduce the green premium barrier and stimulate demand for sustainable products across income segments.

- **For HR Practitioners and Organisations**

Organisations in India should leverage GHRM practices not only as tools for internal environmental management but as strategic platforms for cultivating a green

consumer culture among employees. Green employee wellness programmes that incorporate sustainable product access, environmental financial literacy, and eco-consumption challenges can reinforce pro-environmental behavioural spillover from workplace to home. Performance management frameworks that recognise and reward employee pro-environmental behaviour, both at work and in personal contexts, can further embed sustainability values in organisational culture.

Conclusion

Green consumer behaviour in urban India stands at a critical inflection point. The confluence of growing environmental awareness, regulatory momentum, demographic transition, and digital connectivity has created unprecedented conditions for the mainstream adoption of sustainable consumption practices. Yet the persistent attitude-action gap, driven by price sensitivity, greenwashing scepticism, information asymmetry, and availability constraints, continues to constrain the actualisation of green purchase intentions.

This chapter has demonstrated that a comprehensive understanding of green consumer behaviour in urban India requires an integrative theoretical lens that incorporates attitudinal, normative, economic, and organisational dimensions. The Theory of Planned Behaviour and Value-Belief-Norm framework provide robust theoretical foundations, while the distinctive contribution of this chapter lies in its articulation of the workplace sustainability nexus: the role of Green HRM practices and organisational sustainability culture in shaping individual green consumer behaviour beyond the workplace.

For green marketing to achieve its potential in India, it must evolve beyond product-level interventions to encompass systemic changes in supply chains, regulatory frameworks, and organisational cultures. The synthesis of marketing strategy, policy reform, and HRM practice offers the most promising pathway to closing the attitude-action gap and realising India's vision of a sustainable consumption economy. Future research should examine the longitudinal dynamics of green consumer behaviour change, the specific mechanisms of workplace-to-home pro-environmental spillover, and the potential of digital technologies to personalise and scale sustainable consumption interventions in Indian urban markets.

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