# TRANSPARENCY IN SUSTAINABILITY MARKETING: EFFECTS ON CONSUMER TRUST AND PURCHASE INTENT.

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## ABSTRACT:

Transparency in sustainability marketing is key to building consumer trust and driving sustainable purchases. This study examines how factors like environmental awareness, personal values, and social influence shape consumer behavior, with a focus on demographic differences. Findings show young, female students with moderate incomes favor sustainable products, driven by social media and health benefits, while packaging information has limited impact. Transparent labeling and clear communication about sustainability practices strongly influence purchase intent. The research highlights barriers, motivations, and price sensitivity, offering businesses insights to align strategies with consumer values and promote sustainable consumption effectively.

## INTRODUCTION:

Consumers are becoming increasingly mindful of the products they purchase, prioritizing those that are environmentally friendly and align with sustainable values. As awareness of environmental challenges grows, including climate change, pollution, and resource depletion, consumers are reshaping their preferences. They now demand transparency from brands regarding their sustainability practices. This shift spans across age groups, highlighting a collective focus on eco-friendly consumption.

Understanding this evolving behavior is crucial for businesses aiming to meet the expectations of modern consumers. Beyond offering sustainable products, companies must emphasize clear and honest communication about their environmental efforts. Transparency in sustainability marketing has become essential, as it significantly influences consumer trust and purchase

intent. Recent trends show that consumers favor products made from eco-friendly materials, produced with minimal waste, and designed for recyclability. By fostering transparent engagement, businesses can encourage consumers to make more informed and responsible choices, aligning their practices with the growing demand for sustainable consumption.

## OBJECTIVES:

- To determine the level of consumer awareness and understanding regarding sustainable products.
- To identify the challenges of consumers when choosing sustainable products.
- To evaluate how marketing strategies and information transparency affect consumer perceptions and willingness to purchase sustainable products.

## METHODOLOGY:

- Research Design : Exploratory Research design
- Sample Design : Simple random Sampling
- Sample size : 200 samples, ensuring adequate representation of the population
- Data Collection : Primary data collection through structured questionnaires
- Data analysis tool : Percentage analysis, Cluster analysis, correlation.

## REVIEW OF LITERATURE:

**Yasir Ahmad et al. (2024) researched *"Integrating Eco-Labeling and Green Advertising in Achieving Sustainable Development Goal 12."*** The study examines how eco-labeling and green advertising influence manufacturers and consumers to adopt sustainable practices. It emphasizes the need to measure SDG-12's social success at the point of consumption. Eco-labeling and green advertising are key marketing strategies that educate and encourage consumers to make environmentally conscious choices. This research explores how these tactics shape consumer attitudes, perceptions, and purchasing decisions regarding eco-friendly products in a developing nation. Data from 327 respondents, collected via a survey questionnaire, was analyzed using structural equation modelling to assess the relationship between eco-labeling, green advertising, and SDG-12. Findings indicate that perceived efficacy, ecological consciousness, green trust, and the perceived quality of information significantly influence consumers' intentions to purchase environmentally friendly products. However, price sensitivity remains a major barrier that must be addressed to achieve SDG-12 goals.

**Barış Armutcu et al. (2024) researched *"Green Product Consumption Behavior, Green Economic Growth, and Sustainable Development: Unveiling the Main Determinants."*** This study examines factors influencing green consumption behavior as a driver of sustainable economic growth in Turkey, a developing country with a Middle Eastern culture. Using data from 409 participants, the research found that all key components of the Theory of Planned Behavior (TPB)—attitude, subjective norms, and perceived behavioral control—significantly impact consumers' green purchasing behavior. However, social media use was not an effective

factor in promoting green product purchases. The findings have important implications for policymakers, businesses, and marketers in developing strategies to support sustainable economic growth. This study is the first to explore green product purchasing behavior in the context of a sustainable economy

**Anwar Sadat Shimul et al. (2023) researched *"Consumers' Preference for Eco-Friendly Packaged Products: Pride vs. Guilt Appeal."*** This study examines how eco-friendly packaging influences consumer responses, focusing on environmental responsibility, knowledge, attitudes, and message framing. Study 1 (n=160) identifies attitudes as a key mediator between environmental responsibility, knowledge, and intentions to adopt eco-friendly packaging. Study 2 (n=132) finds that pro-environmental behavioral intentions are shaped by advertising messages using emotional appeals tailored to specific psychographic traits. The findings provide insights for advertisers and environmental professionals in designing effective campaigns targeting the right consumer segments. The research supports UN SDG 12, highlighting eco-literacy's role in promoting responsible consumption and production.

**Saddam A. Hazaea et al. (2022) researched *"Green Purchasing: Past, Present, and Future."*** This study analyzes 142 studies from 61 journals (1998–2021) using the Scopus database, focusing on key determinants, the impact of green purchasing, and theoretical foundations. Findings highlight the evolution of green purchasing determinants, initially based on the Theory of Planned Behavior, and later expanding to include product, marketing, social, and environmental factors. The study confirms that green purchasing enhances corporate performance, sustainability, and community well-being while reducing environmental harm and healthcare costs. These insights help decision-makers develop policies and marketing strategies to encourage green purchasing. While research has grown, further studies are needed to explore diverse influencing factors across different contexts

## ANALYSIS AND INTERPRETATION OF THE STUDY:

## DEMOGRAPHIC QUESTIONS:

### TABLE : 1 AGE GROUP

| AGE | NO OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| BELOW 18 | 51 | 25.50% |
| 18-24 | 63 | 31.50% |
| 25-34 | 41 | 20.50% |
| 35-44 | 29 | 14.50% |
| 45-54 | 11 | 5.50% |
| 55+ | 5 | 2.50% |
| **TOTAL** | **200** | **100.00%** |

Source: Primary Data – Questionnaire

In the above mentioned table and pie chart represents the age group that varies based on below 18, 18 to 24, 25 to 34, 35 to 44,45 to 54,55 above.25.50% respondents are age group on below 18,31.50% of the respondents are age group between 18 to 24,20.50% of the respondents are age group between 25 to 34,14.50% of the respondents are age group between 35 to 44,5.50% of the respondents are age group between 45 to 55,2.50% of the respondents are above 55.

## TABLE : 2 GENDER

| GENDER | NO OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| MALE | 90 | 45% |
| FEMALE | 110 | 55% |
| **TOTAL** | **200** | **100%** |

Source: Primary Data – Questionnaire

In the above mentioned table and pie chart represents that the female responses are 55% and male responses are 45%.

## TABLE : 3 EDUCATIONAL QUALIFICATION

| Educational Qualification | NO OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| HIGH SCHOOL | 29 | 14.50% |
| UNDERGRADUATE DEGREE | 110 | 55% |
| POSTGRADUATE DEGREE | 56 | 28% |
| WORKING | 2 | 1% |
| MANAGER | 1 | 0.50% |
| BUSINESS | 1 | 0.50% |
| GOVERNMENT EMPLOYEE | 1 | 0.50% |
| **TOTAL** | **200** | **100.00%** |

Source: Primary Data – Questionnaire

In the above mentioned table and bar chart shows the educational background of the respondents comprises 14.50% high school graduates, 55% undergraduate degree holders, 28% postgraduate degree holders, 1% working individuals, and 0.50% professionals in management, business, or government sectors.

## TABLE : 4 EMPLOYMENT STATUS

| EMPLOYMENT STATUS | NO OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| EMPLOYED FULL-TIME | 23 | 11.50% |
| EMPLOYED PART-TIME | 25 | 12.50% |
| STUDENT | 107 | 53.50% |

| | | |
|---|---|---|
| SELF-EMPLOYED | 25 | 12.50% |
| UNEMPLOYED | 16 | 8% |
| RETIRED | 4 | 2% |
| **TOTAL** | **200** | **100.00%** |

Source: Primary Data – Questionnaire

In the above mentioned table and bar chart shows 11.50% of the respondents has employed full-time,12.50% of the respondents has employed part-time,53.50% of the respondents has students,12.50% of the respondents has self-employed,8% of the respondents has unemployed and 2% of the respondents has retired.

## TABLE : 5 ANNUAL INCOME LEVEL

| ANNUAL INCOME LEVEL | NO OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| BELOW RS. 20,000 | 90 | 45% |
| RS. 20,000 - RS. 40,000 | 41 | 20.50% |
| RS. 40,000 - RS. 60,000 | 42 | 21% |
| RS. 60,000 - RS. 80,000 | 17 | 8.50% |
| ABOVE RS. 80,000 | 10 | 5% |
| **TOTAL** | **200** | **100%** |

Source: Primary Data – Questionnaire

The table and pie chart show that 45% of respondents have an income level below 20,000, 20.5% fall between 20,000 and 40,000, 21% fall between 40,000 and 60,000, 8.5% earn between 60,000 and 80,000, and 5% earn above 80,000.

## TABLE :6 SUSTAINABLE PRODUCTS PURCHASE IN THE LAST 12 MONTHS?

| PARTICULARS | NO OF RESPONDENTS | PERCENTAGE |
|---|---|---|
| YES | 155 | 77.50% |
| NO | 45 | 22.50% |
| **TOTAL** | **200** | **100.00%** |

Source: Primary Data – Questionnaire

In the above mentioned table and pie chart represents the 45% respondents to the Income level between below 20000,20.50% respondents to the income level between 20000 to 40000,21% respondents to the income level between 40000 to 60000,8.50% respondents to the Income level between 60000 to 80000 and 5% respondents to the income level are above 80000.

## CLUSTER ANALYSIS

| **Final Cluster Centers** | | | |
|---|---|---|---|
| | Cluster | | |
| | 1 (High awareness) | 2 (moderate awareness) | 3 (low awareness) |
| I understand the environmental and social benefits of purchasing sustainable products. | 4 | 3 | 2 |
| I am aware of what qualifies a product as "sustainable." | 5 | 4 | 2 |
| I often seek information about the sustainability of products before purchasing. | 4 | 3 | 2 |
| I trust the labels and certifications (e.g., organic, fair trade) on sustainable products. | 4 | 3 | 2 |
| Average Mean value | 4 | 3 | 2 |

Cluster 1 represents individuals with **high awareness** of sustainability. They not only understand the benefits of sustainable products, but they are also well-informed about what makes a product sustainable. Additionally, they actively seek out information on sustainability before purchasing and place trust in sustainability-related certifications (e.g., organic, fair trade). These consumers prioritize sustainability in their decision-making process.

Cluster 2 consists of individuals with **moderate awareness** of sustainability. While they are generally aware of what qualifies as a sustainable product and have a reasonable understanding of its benefits, they don't actively seek out information about sustainability before making purchases. Their trust in sustainability labels and certifications is also moderate, meaning they rely on them but not as strongly as those in Cluster 1. This group could benefit from further education or nudges to increase their engagement with sustainability in consumer choices.

Cluster 3 represents individuals with **low awareness** of sustainability. They lack knowledge about the environmental and social benefits of sustainable products and are not familiar with the criteria that define sustainability. These individuals rarely seek information about sustainability before purchasing and show minimal trust in sustainability-related labels. This group would benefit the most from targeted education and awareness campaigns to improve their understanding and confidence in sustainable products.

| **Number of Cases in each Cluster** | | |
|---|---|---|
| Cluster | 1 | 119.000 |
| | 2 | 69.000 |
| | 3 | 12.000 |
| Valid | | 200.000 |
| Missing | | .000 |

**Cluster 1** has the largest number of respondents, with **119** cases, representing **59.5%** of the total sample. This indicates that the majority of consumers in this study have high awareness of sustainability and its importance in their purchasing decisions. This group is likely the most engaged and informed when it comes to sustainable products.

**Cluster 2** includes **69** respondents, representing **34.5%** of the sample. These individuals have moderate awareness of sustainability, meaning that a significant portion of the population falls into this category. While they are somewhat aware of sustainability, they are less proactive in seeking information or trusting sustainability labels.

**Cluster 3** has only **12** respondents, representing **6%** of the total sample. This is the smallest group, suggesting that relatively few people have low awareness of sustainability in the context of product purchases. These individuals may not prioritize sustainability in their buying decisions and are less likely to seek out information on the topic.

## CHALLENGES FACED BY CONSUMERS WHEN CHOOSING SUSTAINABLE PRODUCTS

| **PARTICULARS** | **NO OF RESPONDENTS** | **PERCENTAGE** |
|---|---|---|
| PRICE IS TOO HIGH | 76 | 38% |
| LACK OF AVAILABILITY | 105 | 52.50% |
| LACK OF INFORMATION | 105 | 52.50% |
| I DON'T BELIEVE SUSTAINABLE PRODUCTS | 50 | 25% |
| OTHER | - | - |

In the above mentioned table represents 52.50% of the respondents prefer lack of availability, 52.50% of the respondents prefer lack of information, 38% of the respondents prefer price is too high, 25% of the respondents prefer I don’t believe sustainable products and 0% of the respondents for others.

## CORRELATION ANALYSIS

To evaluate how marketing strategies and information transparency affect consumer perceptions and willingness to purchase sustainable products

**H0 : There is no significant positive relationship between the importance of sustainability information on packaging and willingness to purchase sustainable products.**

**H1 : There is a significant positive relationship between the importance of sustainability information on packaging and willingness to purchase sustainable products.**

| | | How important is it for you to see information about a product's sustainability on its packaging or advertisement? | I am more likely to purchase sustainable products if they are marketed as environmentally friendly. |
|---|---|---|---|
| How important is it for you to see information about a product's sustainability on its packaging or advertisement? | Pearson Correlation | 1 | 0.035899661 |
| | Sig. (2-tailed) | | 0.613784788 |
| | N | 200 | 200 |
| I am more likely to purchase sustainable products if they are marketed as environmentally friendly. | Pearson Correlation | 0.035899661 | 1 |
| | Sig. (2-tailed) | 0.613784788 | |
| | N | 200 | 200 |

The Pearson Correlation coefficient (r) is **0.036**, indicating a very weak positive relationship between the two variables. The analysis shows no significant correlation between the importance of sustainability information on packaging and willingness to purchase sustainable products (r=0.036, p=0.614). This means that consumers' willingness to purchase sustainable products is not strongly influenced by how important they perceive sustainability information on packaging to be, based on this data.

**H0 : There is no significant positive relationship between perceived transparency of companies and consumers' willingness to purchase their products.**

**H1 : There is a significant positive relationship between perceived transparency of companies and consumers' willingness to purchase their products**.

| | | If sustainable products were the same price as conventional products, how likely would you be to choose them? | I prefer to buy sustainable products from brands that are transparent about their sustainability practices. |
|---|---|---|---|
| If sustainable products were the same price as conventional products, how likely would you be to choose them? | Pearson Correlation | 1 | .187** |
| | Sig. (2-tailed) | | 0.008022313 |
| | N | 200 | 200 |
| | Pearson Correlation | .187** | 1 |
| | Sig. (2-tailed) | 0.008022313 | |

| | | | |
|---|---|---|---|
| I prefer to buy sustainable products from brands that are transparent about their sustainability practices. | N | 200 | 200 |

he results indicate a **statistically significant but weak positive relationship** between perceived transparency of companies and consumers' willingness to purchase sustainable products at equivalent prices. This suggests that consumers who value transparency in sustainability practices are slightly more likely to choose sustainable products when they are competitively priced.

## FINDINGS:

- 31.50% of the respondents belong to the age group of 18-24.
- 55% of the respondents were female gender.
- 55% of the respondents were undergraduate degree (UG).
- 53.50% of the respondents were students.
- 45% of the respondents were below 20,000 of annual income.
- 77.5% of them have purchased sustainable products in the last 12 months.
- Cluster 1 represents individuals with high awareness of sustainability.
- Cluster 2 consists of individuals with moderate awareness of sustainability.
- Cluster 3 represents individuals with low awareness of sustainability.
- The Pearson Correlation coefficient (r) is 0.036, indicating a very weak positive relationship between the two variables. The analysis shows no significant correlation between the importance of sustainability information on packaging and willingness to purchase sustainable products (r=0.036, p=0.614).

## SUGGESTION:

- This study could provide insights into the gaps that need to be addressed to make sustainable options more accessible.
- It would analyze whether online recommendations encourage or deter purchases, and how much impact these platforms have on consumer decision-making.
- It would examine whether emotional, ethical, or practical considerations play a larger role in motivating sustainable purchases.
- This study would assess how price sensitivity affects consumer choices, exploring if people perceive sustainable products as "better value" in terms of longevity, quality, or social impact.

## CONCLUSION:

In conclusion, this research underscores the critical role of transparency in sustainability marketing for building consumer trust and driving purchase intent. By addressing barriers such as price sensitivity, limited access to information, and unclear messaging, businesses can better align their offerings with consumer values and preferences. The findings provide valuable insights for developing strategies that enhance the appeal of sustainable products,

such as emphasizing transparent communication about environmental and social benefits, leveraging social media campaigns to educate consumers, and fostering a sense of accountability.

The study highlights the importance of clear and honest packaging information, as it significantly influences trust and engagement with sustainable brands. It also reveals the growing consumer preference for sustainable products, driven by environmental awareness, health benefits, and social influences—particularly among young, female students with moderate incomes. Social media emerged as a key platform for spreading awareness and influencing purchasing decisions, with transparent sustainability campaigns having a profound impact.

Ultimately, this research aims to support the transition toward a greener economy by encouraging businesses to adopt transparent practices and empowering consumers to make informed, responsible choices that contribute to a sustainable future.

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