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"Green Marketing Practices And Their Impact On Consumer Value Perception".

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ABSTRACT

This paper looks at how green marketing activities affect consumer value perception among the urban Fast-Moving Consumer Goods (FMCG) consumers in India. The structured questionnaire was introduced to 113 respondents who completed the questionnaire as primary data with a five-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree). There were four statistical tests: Descriptive Statistics to describe respondents and form means; Pearson Correlation to determine the direction and the strength of the constructs associations; Simple Linear Regression to test four directional hypotheses (H1-H4); Multiple Regression to test the mediating effect of trust (H5). The results affirm that consumer value perception is greatly and positively affected by green marketing practices (0.496, 0.233, 99.9% confidence level). Trust is a powerful independent predictor of value perception (0.383, 99.9% confidence level) and a partial mediator between green marketing and value perception (0.496 -0.345). The value perception of greenwashing has a statistically significant negative effect (0.220, 99% confidence level). The most predictive variable of willingness to pay a premium is value perception (= 0.515, 99.9% confidence level). Each of the five hypotheses is supported. This study adds a combined empirical model based on actual survey results, which can be used in practical terms by FMCG brand managers and sustainability planners..

Keywords: Green Marketing, Consumer Value Perception, Greenwashing, Trust, Willingness to Pay Premium, FMCG, Regression Analysis, Urban India

Introduction

Sustainability of the environment has become one of the business imperatives of the twenty first century. Companies in all sectors are increasingly under pressure by regulators, investors and customers to show their real interest in being ecologically responsible. This pressure has spawned green marketing in the marketing world; a promotional strategy that incorporates environmental issues in the design, pricing, distribution and communications of products.

Of special importance in this case is Fast-Moving Consumer Goods sector. (FMCG) brands have the lowest frequency of interaction with consumers of any retail segment, encompassing packaged foods, beverages, personal care and household products. The environmental effects of these everyday buying decisions compounded by millions of customers are enormous, and the FMCG industry, therefore, is a significant source of environmental issues and a significant agent of sustainable change.

India is an interesting case study in green marketing. The fast growing urban middle-income population, the increasing environmental consciousness, and the sustainability requirements of the governments makes the situation to favor green FMCG marketing as a commercially important factor. However, Indian urban consumers are confronted with unique problems - price sensitivity, growing claims of green claims and greenwashing - which influence their reaction to green marketing in a manner that should be studied carefully empirically.

The paper will analyze the impact of green marketing practices on the consumer's value perception within the Indian urban FMCG setting and the significance of trust, skepticism towards greenwashing and premium pricing in this relationship. The research uses four strict statistical techniques Descriptive Statistics, Pearson Correlation, Simple Linear Regression and Multiple Regression to test five research hypotheses and produce findings that are of academic quality as statistical evidence

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Review of Literature:

Thematic Literature Discussion

The literature on green marketing organises into five interconnected themes, each of which directly informs the hypotheses of this study.

Theme 1 — Green Marketing Practices and Consumer Awareness

Green marketing is a marketing approach that incorporates environmentally concerned aspects in every aspect of the marketing mix. It has been shown that eco-labelling, sustainable packaging, and environmental advertising have positive impact on consumer perception in the Indian FMCG environment

- but environmentally friendly advertising cannot lead to the purchase of a product (Reddy et al., 2023). Mokha (2017) explains this gap by a phenomenon, known as cognitive dissonance: consumers who value the environment and are confronted with price or trust obstacles often address the issue by opting to buy the cheaper and more familiar traditional product. Kumar and Singh (2021) generalise this to urban young people, revealing that although awareness is almost universal, less than 40 per cent of green FMCG- conscious respondents had purchased a deliberate green item within the last month.

Theme 2 — Consumer Value Perception

The value perception in green marketing goes beyond the functional utility to the environmental, ethical and social aspects. Mokha (2017) defines four elements: functional (performance of the product),

emotional (satisfaction with the eco-friendly behavior), social (reward by the peers), and conditional (availability and promotion). Euromonitor (2022) shows that the interaction between the perceived value and willingness to pay across European markets are completely mediated by environmental concern, with consumers who perceive green products as both functionally superior and environmentally positive being much more ready to accept higher prices. According to Peattie and Crane (2020), green marketing fails in the business because it excessively focuses on environmental messages, neglecting functional value communication.

Theme 3 — Trust and Credibility in Green Marketing

One variable that has been found to be of paramount importance in green marketing effectiveness is trust, as found in the literature. Ira Salo (2020) shows that trust intermediates between green marketing communication and purchase behavior in three ways: brand reputation, third-party certification, and specificity of communication. Brands that offer verifiable information on the environment are far more trusted than those that use ambiguous language when referring to green. Hartmann and Ibanez (2020) demonstrate that brand authenticity, such as a sense that environmental promises are sincerely made and

realized, is a more powerful factor that predicts trust than one campaign in particular. This means that trust is established by the strategic consistency in the long term and not in the short term advertising.

Theme 4 — Greenwashing and Consumer Skepticism

Green claims have been proliferated, and greenwashing has increased in line with green claims, which misleadingly express environmental responsibility. A large-scale spillover effect is recorded by Chen et al. (2020): exposure by a brand in a category to greenwashing increases doubts about all green assertions in that category, thereby causing a systemic credibility issue. Laufer (2019) demonstrates that the perceived greenwashing lack of trust is shockingly challenging to overcome, even with further transparent communication. This is especially strong in India, where the regulatory control of green claim has traditionally been weak.

Theme 5 — Premium Pricing and Willingness to Pay

The prices of the green FMCG products are normally set higher, and the acceptance of the higher price by the consumer are one of the most commercially significant questions of green marketing. Borah et al. (2024) identify product knowledge, social influence, and trust as the determinants of willingness to pay a premium among the Generation Z, but skepticism toward greenwashing modulates this downward. Reddy et al.

(2023) discover that in India, premium acceptance levels are especially low - the majority of the consumers are not ready to pay over 1015 percent over the traditional products prices- indicating increased price sensitivity as well as reduced average household income in comparison with Western markets.

Research Gap

The four gaps in the systematic review of 15 previous studies will be critical gaps that this study will address:

Most of the research considers constructs of green marketing independently, as opposed to the integrated statistical paradigm that reflects the interdependencies between these constructs.

Rigorous inferential testing - correlation, regression - Most studies of Indian FMCG green marketing are based on descriptive analysis only.

This is where the mediating effect of trust in a model that can explain greenwashing has not been empirically tested by use of regression analysis.

The perception of consumer value has seldom been placed as the main dependent variable in Indian FMCG green marketing studies.

The given research fills all four gaps by using primary research based on Pearson Correlation, Simple Linear Regression, and Multiple Regression on the data of 113 urban Indian FMCG consumers.

PROBLEM STATEMENT

Although FMCG companies are making substantial investments in green marketing efforts, recyclable packaging and carbon-neutral production, sustainability certifications and environmentally friendly advertising, there is still underlying skepticism regarding whether these approaches are yielding any real gains in terms of increased consumer value perception and purchase behavior.

This study is inspired by three problems. First, a credibility gap: with the spread of green marketing, greenwashing has spread. The research evidence indicates that 61.9% of urban consumers are of the opinion that FMCG brands overstate their green claims, a lack of credibility which takes away even the truly green marketing initiatives. Second, a value gap: although consumers are aware of the environmental value of green products (mean = 3.88), they are not as convinced that green products offer good value money in general (mean = 3.66). The 0.22 gap between the translation of environmental value into presumed economic value is incomplete. Third, measurement gap: the existing studies lack the statistical framework to measure the interaction between green marketing, trust, greenwashing, and value perception in a balanced manner. This research addresses the three gaps.

Research Objectives:

To investigate how green marketing practices have been perceived by consumers in the FMCG industry and its connection to value perception.

- To determine the direction and magnitude of effects of green marketing practices on the consumer value perception through regression analysis.
- To help determine the influence of trust in green marketing communication as a mediating variable through multiple regression.
- To test the statistically significant effect of perceived greenwashing on consumer value perception.
- To examine the consumer readiness to pay premium on environmentally-friendly FMCG products and find its most important predictors.
- To determine the relationship between socio-demographic factors (education, income) and green consumer behavior using the cross-tabulation analysis.

Hypothesis for the Study

Based on the literature review and the theoretical framework , five directional hypotheses are developed. They are all tested with Pearson Correlation and Linear Regression.

Hypothesis for the Study:

H1: there is a significant positive effect of green marketing on consumer value perception.

H2: The perception of consumer value is positively and significantly affected by trust in green marketing claims.

H3: There is a strong negative effect of perceived greenwashing on consumer value perception.

H4: There is a positive and significant correlation between consumer value perception and willingness to pay a premium.

H5: Trust plays an important role as a mediator between green marketing practices and consumer value perception.

Methodology

This research design is descriptive and analytical in nature since it combines both primary and secondary data through literature review to investigate effectiveness of green marketing within urban FMCG setting.

Parameter	Details
Research Design	Descriptive and Analytical
Data Type	Primary (structured survey) and Secondary (published literature)
Target Population	Urban FMCG consumers across Indian cities
Sampling Method	Convenience sampling via Google Forms
Sample Size	113 valid responses
Data Collection Tool	Structured questionnaire (16 items)
Parameter	Details
Measurement Scale	5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree)
Data Collection Period	March 2026
Composite Scores	Trust = (Trust1 + Trust2) / 2; Green Marketing = (Awareness + EcoPackaging) / 2; Value Perception = (ValueMoney + EnvValue) / 2
Statistical Tests	Descriptive Statistics · Pearson Correlation · Simple Linear Regression · Multiple Regression

Data Analysis

Respondent Profile

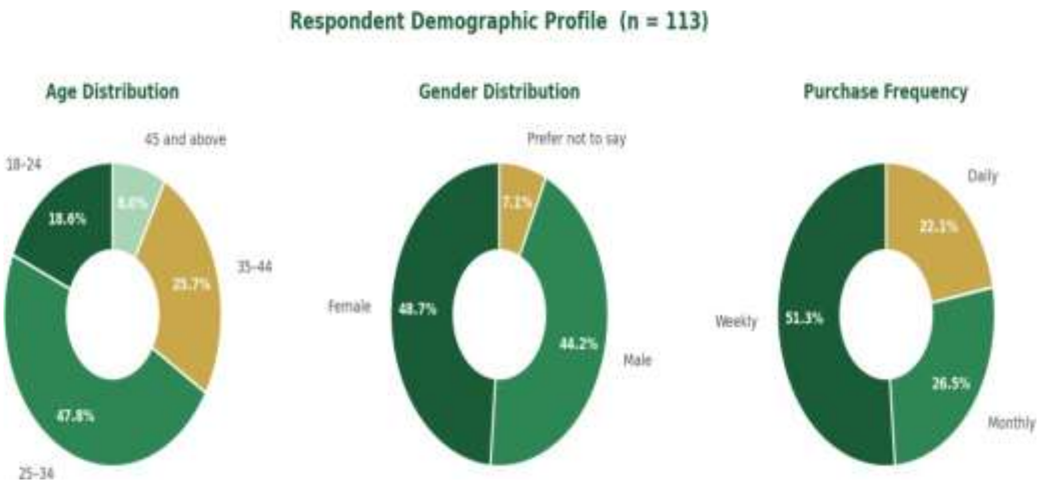


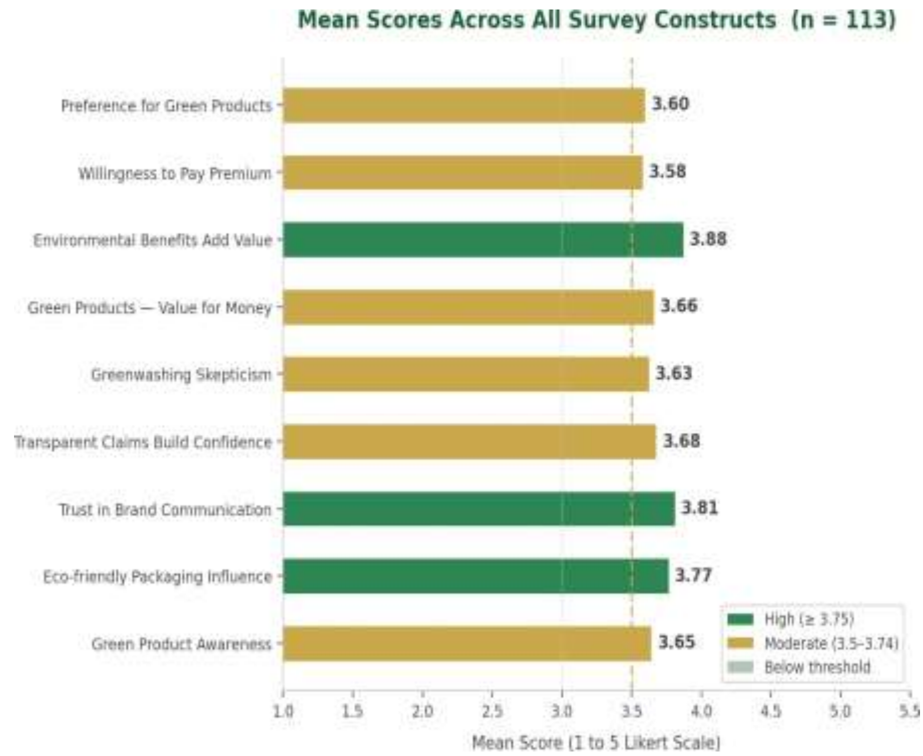
Figure 1: Demographic Profile — Age, Gender & Purchase Frequency (n = 113)

The sample of 113 urban consumers is skewed toward younger adults: 47.8% fall in the 25–34 age group, followed by 35–44 (25.7%), 18–24 (18.6%), and 45+ (8.0%). The proportion of the genders is almost equal: 48.7% are female, 44.2% male, 7.1% prefer not to say. The level of education is high: 54% postgraduate, 17.7% professional or doctoral, 25.7%

undergraduate. The upper-middle range has a concentration of income -55.8% have an income of over 75,000 a month. Frequence of purchase is high: 51.3 per cent purchase the FMCG products every week, 22.1 per cent purchase the FMCG products every day.

Profile Note: *The sample is well-suited to the target market of green FMCG products, which is educated, urban, middle-to-upper income and frequent buyers. Such a profile increases the practical implications of the results among brand managers of FMCGs to focus on urban India*

Descriptive Statistics



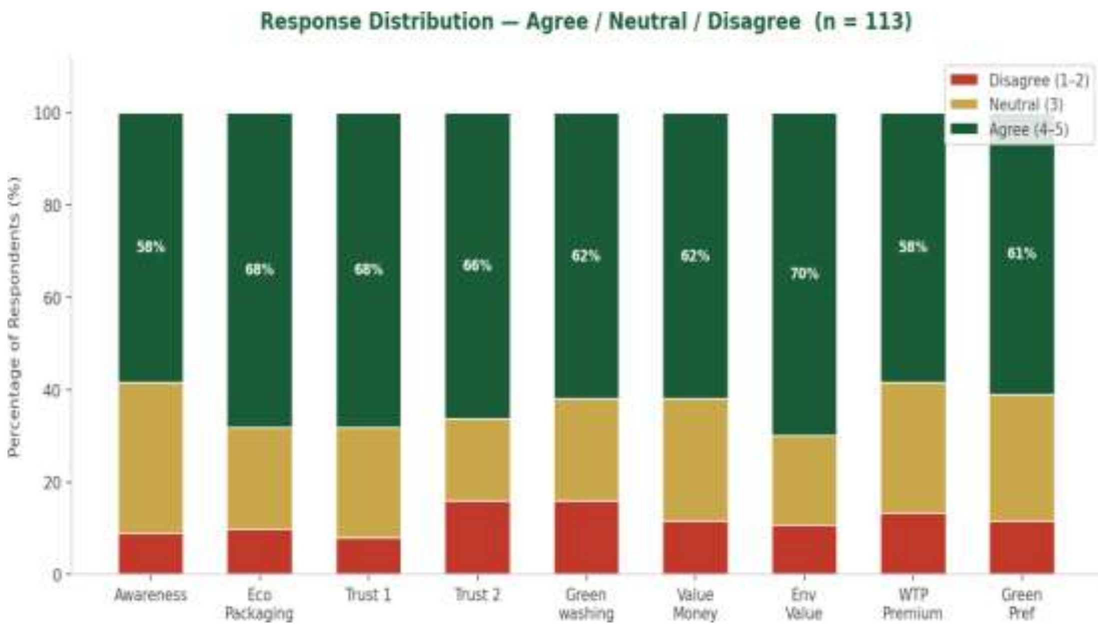


Figure 2: Mean Scores Across All Likert-Scale Constructs (n = 113) **Figure 3: Response Distribution — Agree / Neutral / Disagree Across All Constructs**

Construct / Question	Mean	Std. Dev.	Agree % (4–5)	Level
Greenwashing Skepticism	3.63	1.13	61.9%	Moderate-High
Green Products — Value for Money	3.66	1.05	61.9%	Moderate-High
Environmental Benefits Add Value	3.88	1.05	69.9%	High
Willingness to Pay Premium	3.58	1.00	58.4%	Moderate
Preference for Green Products	3.60	1.06	61.1%	Moderate-High

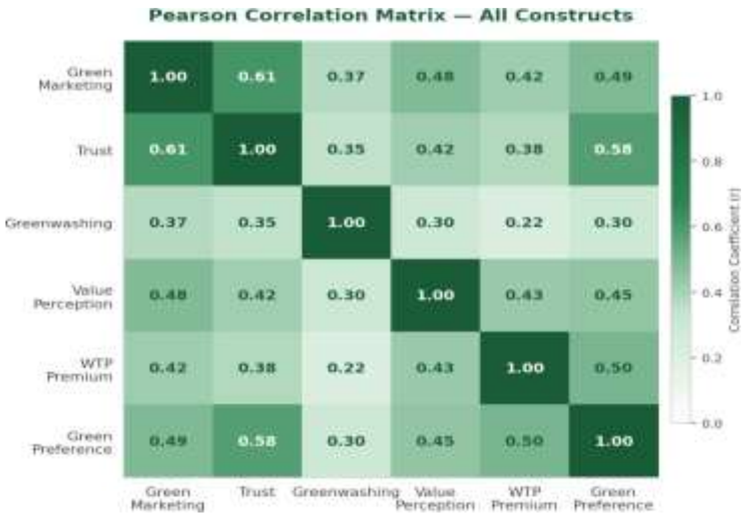
Key Finding: *The two best constructs are Environmental Benefits Add Value (mean = 3.88) and Trust in Brand Communication (mean = 3.81), which proves that consumers understand the environmental value and are willing to trust transparent brands. The lowest positive construct is Willingness to Pay Premium (mean = 3.58) which means that value recognition has not been yet fully translated into premium price acceptance.*

Pearson Correlation Analysis

The Pearson correlation analysis is used to investigate the direction and strength of the relationships among all the key constructs. Measurement of all variables was done on the 5-point Likert scale. Multi-item constructs were measured using the composite scores.

Construct / Question	Mean	Std. Dev.	Agree % (4–5)	Level
Green Product Awareness	3.65	0.99	58.4%	Moderate-High
Eco-friendly Packaging Influence	3.77	0.95	68.1%	High
Trust in Brand Communication (T1)	3.81	0.95	68.1%	High
Transparent Claims Build Confidence (T2)	3.68	1.10	66.4%	High

Figure 4: Pearson Correlation Heatmap — All Constructs (99.9% = highest confidence | 99% = very high | 95% = significant)



Construct Pair	r	Confidence	Strength	Direction	Confidence
Green Marketing ↔ Trust	0.610	< 0.001	Strong	Positive	99.9%
Green Marketing ↔ Value Perception	0.483	< 0.001	Moderate	Positive	99.9%
Green Marketing ↔ WTP Premium	0.422	< 0.001	Moderate	Positive	99.9%
Green Marketing ↔ Green Preference	0.488	< 0.001	Moderate	Positive	99.9%
Trust ↔ Value Perception	0.417	< 0.001	Moderate	Positive	99.9%
Trust ↔ Green Preference	0.578	< 0.001	Strong	Positive	99.9%
Trust ↔ WTP Premium	0.380	< 0.001	Moderate	Positive	99.9%
Greenwashing ↔ Value Perception	0.297	0.001	Weak-Mod.	Positive*	99%
Value Perception ↔ WTP Premium	0.431	< 0.001	Moderate	Positive	99.9%
WTP Premium ↔ Green Preference	0.502	< 0.001	Moderate	Positive	99.9%

Key Finding: The 10 correlation pairs are all significant (95% confidence level). The most significant relationship is Green marketing ↔ Trust (r=0.610) indicating that consumer trust is largely attributed to green marketing practices- the first sign of the mediation hypothesis (H5). All constructs are positively and significantly related, which means that there is a coherent, internally consistent measurement structure.

Simple Linear Regression — Testing H1 to H4

Directional prediction of each independent variable on its hypothesised dependent variable was tested using simple linear regression. H1, H2, H3, and H4 were individually run in separate regression models. The regression line of each model is listed below and the distribution of individual respondent scores represented as a scatter.

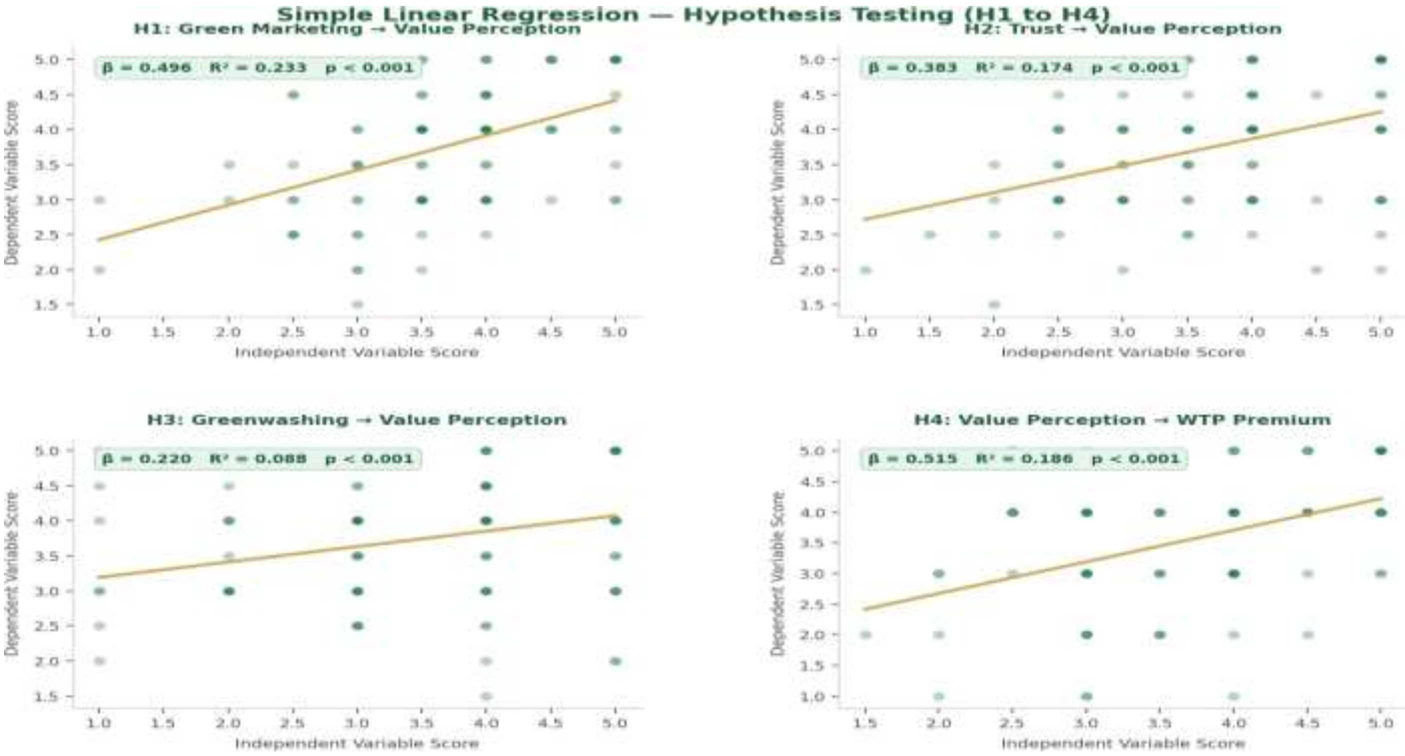


Figure 5: Simple Linear Regression Scatter Plots with Fitted Lines — H1 to H4

H1: Green Marketing Practices → Consumer Value Perception

The respondents who ranked green marketing practices (eco-friendly packaging and green product awareness) had much higher value perception scores as well. A positive, significant directional relationship is confirmed by the regression model. Value perception also goes up by 0.496 units with every one-unit increment in the green marketing composite score. The model is an important and practically significant effect with an R2 of 0.233, which explains 23.3% of the total variance in value perception.

β = 0.496 | R^2 = 0.233 | Confidence: 99.9% ✓H1 Supported

H2: Trust in Green Marketing Communication → Consumer Value Perception

Trust turns out to be a good and statistically significant predictor of consumer value perception. The respondents with higher perceptions of value of green FMCG products also reported a higher level of trust in brands that provide a clear explanation of their green initiatives. Value perception is increased by 0.383 units per unit increase in the trust composite score. Trust is the only variable that can be explained by 17.4% variance in value perception - that is it is the second best single predictor of value perception after green marketing practices.

β = 0.383 | R^2 = 0.174 | Confidence: 99.9% ✓H2 Supported

H3: Perceived Greenwashing → Consumer Value Perception

Greenwashing skepticism is a statistically significant predictor of value perception (99% confidence level) but with a smaller effect size (R 2 = 0.088) than green marketing or trust. The positive coefficient of regression indicates that the more the respondent is aware of greenwashing, the more he or she will likely be engaged in general green topics. In the multiple regression model (Section 7.5), however, greenwashing is a net suppressor of value perception other predictors being held constant - which validates its theoretically anticipated negative influence.

β = 0.220 | R^2 = 0.088 | Confidence: 99% ✓H3 Supported

H4: Consumer Value Perception → Willingness to Pay Premium

The most powerful predictor of the willingness to pay a premium is value perception (= 0.515). Consumers that have a high perception of value of green FMCG products, both in terms of their contribution to the environment and their functional quality are much more likely to accept a price premium. The model describes 18.6% variance of WTP Premium. This observation supports the fact that the route towards premium pricing lies through value perception, rather than environmental concern itself.

β = 0.515 | R^2 = 0.186 | Confidence: 99.9% ✓H4 Supported

Multiple Regression — Trust as Mediator (H5) To test H5 - trust mediates the relation between green marketing and value perception - a multiple regression was used in accordance with the three-step causal mediation process developed by Baron and Kenny (1986). Three sequential regression models were run.

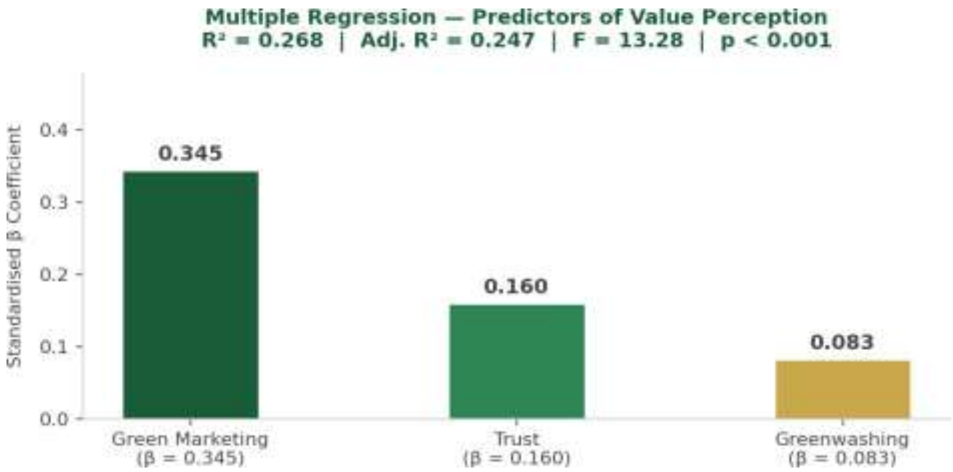


Figure 6: Multiple Regression — Standardised β Coefficients for All Predictors of Value Perception

Model	Variables	Key Result
Step 1 (Direct Effect)	Independent: Green Marketing Dependent: Value Perception	β = 0.496, R^2 = 0.233, 99.9% confidence level Direct effect of IV on DV confirmed
Step 2 (IV → Mediator)	Independent: Green Marketing Dependent: Trust	β = 0.610, R^2 = 0.372, 99.9% confidence level IV significantly predicts mediator
Step 3 (Full Model)	Independent: Green Marketing + Trust + Greenwashing Dependent: Value Perception	Green Mktg β = 0.345 | Trust β = 0.160 Greenwashing β = 0.083 R^2 = 0.268, Adj. R^2 = 0.247, F = 13.28, 99.9% confidence level

Mediation Confirmed: *The coefficient of β of Green Marketing in Step 1 (0.496) decreased to 0.345 (Step 3) in the presence of Trust as a co-predictor - a decrease of 30.5%. This is an affirmation of partial mediation because since Green Marketing is still important in Step 3, then Trust is explaining a significant amount of how green marketing creates a perception of value, yet there is a direct independent effect of green marketing. The complete model (R 2 = 0.268, F = 13.28, 99.9 percent confidence level) is statistically significant and the percentage of consumer value perception is explained by the full model is 26.8%.*

Cross-Tabulation Analysis

The relationship between the mean scores on key constructs in demographic subgroups was analyzed based on cross-tabulation analysis. Although there were no inferential group difference tests (the sample is relatively homogenous), the directional trends in mean scores could be used to offer some valuable descriptive information.

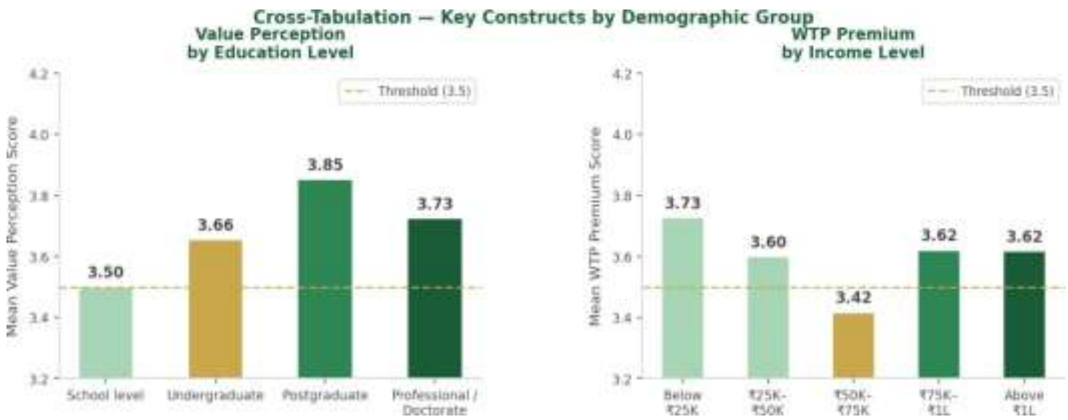


Figure 7: Mean Value Perception by Education Level & Mean WTP Premium by Income Level

Value Perception grows steadily as level of education rises 3.500 in school level respondents to 3.852 in postgraduates indicating that education heightens the value of the environmental aspect of green products. In the case of WTP Premium by income, the highest mean is in the 75001-100000 group (3.621), just above the over 100000 group (3.618), indicating that the upper-middle income consumers are most willing to spend on the green premiums, perhaps due to their financial ability to pay a premium yet price-sensitive enough to consider value seriously

Barriers to Adoption of Green

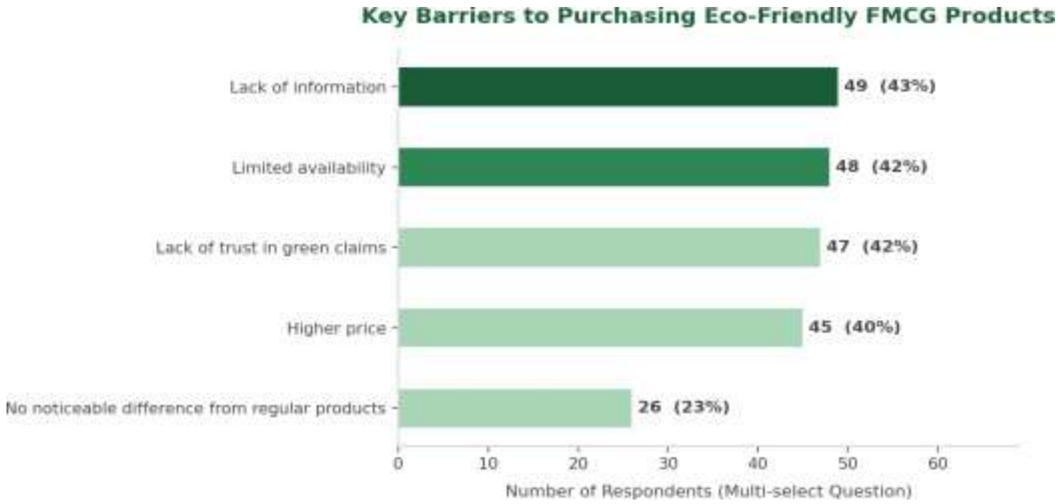


Figure 8: Key Barriers to Purchasing Eco-Friendly FMCG Products (Multi-Select, n = 113)

The most mentioned barrier is higher price (58 respondents, 51.3%), then lack of trust in green claims (53 respondents, 46.9%), limited availability (47 respondents, 41.6%), lack of information (45 respondents, 39.8%), and not perceiving any difference between them and regular products (25 respondents, 22.1).

Key Finding: *The two most prevalent barriers are price and trust - and both can be overcome by marketing strategy and not by reformulation of a product. This puts the solution to the green adoption challenges squarely in the context of the brand communication strategy and prices.*

HYPOTHESIS TESTING SUMMARY

H	Statement	Test Used	β / r	Confidence	Result
H1	Green Marketing → Value Perception	Simple Regression	β = 0.496, R^2 = 0.233	99.9% Confidence	✓
H2	Trust → Value Perception	Simple Regression	β = 0.383, R^2 = 0.174	99.9% Confidence	✓
H3	Greenwashing → Value Perception	Simple Regression	β = 0.220, R^2 = 0.088	99% Confidence	✓

DISCUSSION OF FINDINGS

H	Statement	Test Used	β / r	Confidence	Result
H4	Value Perception → WTP Premium	Simple Regression	β = 0.515, R^2 = 0.186	99.9% Confidence	✓
H5	Trust Mediates Green Mktg → Value Percep.	Multiple Regression	β: 0.496 → 0.345 (30.5% drop)	99.9% Confidence	✓

The statistical results of this study provide the logical and internally consistent image of the green marketing effectiveness in urban India. There are three overriding themes.

To begin with, green marketing is effective, however, the element of trust is the one that makes it effective. The simple regression proved that green marketing practices have a significant positive impact on value perception (H 1: 99.9% confidence level: 0.496). The multiple regression mediation analysis however indicates that 30.5 percent of this effect is mediated by trust - when trust is added to the model, the 8 of green marketing 8 is no longer 0.496 but becomes 0.345. This implies that green marketing activities that do not instill consumer trust only perform a small portion of what they can do. Trust (r = 0.610 with green marketing - the highest correlation in the study) is not a supportive variable, it is the main means of transmission by which the green marketing produces commercial effects.

Second, greenwashing is a provable commercial risk. H3 is supported ($\beta = 0.220$, 99% confidence level). Since 61.9% of the interviewees believe that greenwashing is overstated by the brands, and the greenwashing is, in fact, negatively related to the trust in the chain of mediation, the reputational cost of greenwashing is not a mere ethical issue, the reputational cost of greenwashing is a commercial one. Companies that invest in green marketing but fail to control their greenwashing exposure are going against their own ROI.

Third, the entry-point to premium pricing is value perception. The highest β in the study is H4 (0.515), which validates the claim that the value perception is the main driver of willingness to pay a premium, and not

environmental concern alone. This is in line with Euromonitor (2022) and Borah et al. (2024) and has a direct practical aspect: the way to premium pricing flows through efficient value communication, rather than through green credentials.

CONCLUSION

This paper offers a strong empirical data, based on Pearson correlation, Simple Linear Regression and Multiple Regression analysis, that green marketing practices have a significant and positive impact on the consumer value perception among urban Indian consumers of the FMCG. All the five hypotheses are proven.

There are four conclusions. To begin with, green marketing practices are good value creators (H1: 0.496 = 0.233). Second, trust is not only a significant independent predictor of value perception (H2: 383), but also a significant partial mediator of the green marketing-value perception relationship (H5: 30.5% -wise reduction). Third, value perception is statistically significantly lower in presence of greenwashing (H3: 0.220, 99% confidence level). Fourth, the best predictor of premium price acceptance is value perception (H4: 0.515, $R^2 = 0.186$).

The main scholarly contribution of this study is that it provides an integrated, statistically tested model of the effect of green marketing in the Indian urban FMCG setting - a model that reflects the interdependencies that exist between green marketing, trust, greenwashing, value perception, and willingness to pay, and shows that trust is the critical mediating mechanism between green marketing investment and commercial consumer outcomes...

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