

## Eco-labeling: The Influence of Eco-labeled Products on Consumer Buying Behavior

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### Abstract

The primary goal of Eco-labels is to promote the knowledge of consumers about the positive environmental effects of products and to guide them toward purchasing environment-friendly products. Eco-labeling is an important tool to overcome market failure due to information asymmetries for environmental products. The global desires actual solutions to reduce the impact of environmental damages. Students as agents of change have a position to overcome these problems. One of the important solutions is to be a critical consumer who has purchase decisions in a green product. To display the quality of an environmentally affable product, it is then required an eco-label on the green product indicates that the product has been through the products processed and come from environmentally friendly substances. Green consumption trends are changing the intention of consumers' choices and purchases. Ecological labels form the role of stimulating acts of purchasing environmentally friendly products and transmitting green product messages. Based on artificial of intentional behavioral models and principles, this paper presents the effects of an empirical study investigating the connection among eco-label knowledge, consumer's trust, perceived value, environmental concern, and consumer attitudes from one side and green purchase intention of agricultural products of Indian consumers from the other side.

**Keywords:** - Eco-labeling, green purchase, consumer behavior, sustainable market.

### Introduction: -

Environmental problem is not new. Since the past due 1960s and once the increasing and dangerous pressure of the production systems on the environment were recognized, several attempts have been made to move towards more sustainable and environmentally friendly tactics. They have ranged from green taxes and the definition of property rights to strict bans



and other regulatory measures. Recently one of the approaches that have acquired increasing importance is that of 'environmental labeling' or 'eco-labeling'.

Eco-labeling seeks to inform consumers about the results on the environment of the production, intake, and waste stages of the products/services consumed. Consequently, it seeks to fulfill two objectives:

- (i) To provide consumers with more information about the environmental effects of their intake, generating a change towards more environmentally friendly intake patterns, and
- (ii) To inspire producers, governments, and different agents to increase the environmental requirements of products/services.

### **Eco-labeling**

The term "Eco-labeling" has changed into a trendy expression in today's supportable business world. The usage of eco-labeling in exclusive industries has been expanding, in some cases as an environmental requirement and in others just as a marketing tool. Questions emerge about how properly these eco-labels are valued and comprehended by customers. On a global level, there is an increased awareness and concern of global warming and unfavorable climate conditions. Subsequently, there is a spur of interest towards developing environmental security and economic improvement. Consumers can lessen damaging effects on the environment through their purchasing choices and consumption.

### **Problem Specification**

As public concern for environmental problems has been expanded more and more these days, we found it an exciting subject for better understanding the green buying behavior.

How eco-label can manipulate consumer buying behavior by focusing on the agriculture industry? Regarding that few sub-questions appeared:

- What causes green buying? What motivates consumers to buy Eco-labeled products?
- Could the factors such as income, age, gender, or education of customers have an important influence on their green buying behavior?
- How a consumer can be informed by Eco-labeled products? Could media or friends have an important impact on green buying?

### **Environmental Responsibility**

Currently, the idea of environmentally friendly production is almost pervasive by showing the application in corporate strategy, customer choice, student education, and scholarly research. The need for sustainable business practices by organizations around the world is recognized to be a result of the overall increment in consumer awareness about environmental protection and social inequities. Over the last decade, environmental safety has become a vital aspect because of the increasing number of environmental issues identified with acid rains, depletion of the ozone layer, degradation of the land, and many other ecological issues. These issues of environmental change have raised the consumers' concern and awareness about the environment around the world, and also the sustainable practice and consumption of environmentally friendly products in different countries.

### **Eco-label of agricultural products**

The eco-label is attached to agricultural products according to a basic certification system, classified by cultivating process or by product type. In general, there are three methods of eco-labeling for agricultural products: industrial eco-label, sustainable natural resource certificate, and Fair-trade label. Eco-labels inform the characteristics of agricultural products (e.g.: nutrition, flavor, chemicals used) or agricultural farming methods (pesticides, working conditions, time of cultivation). The reason for the information function of the product is related to the quality more than the environmental factors due to the specific characteristics of agricultural products, consumers understand green agriculture is good for the environment. With the perspective in the quality, green agricultural products bring a better flavor and healthier body. In particular, consumers try to equip themselves with the knowledge about the agricultural product season, the distance of transporting products to the sale place to meet the needs of choosing the right fresh product. Thus, the eco-label for food can be seen as a form of transmitting product quality messages to consumers.

### **Green purchase intention**

The study in the theory of planned behavior (TPB); the purpose is a direct and objective factor to explain people behavior. The model shows the intention is the transitional factor that captures the inspiration from "attitude", "subjective norm", "perceived behavioral control",

then promotes real performance behavior. Hence, the higher the intention leads to easier behavior happen, however, in addition to internal human factors, external factors also play important roles but do not mention in the model like opportunities and assets (e.g.: time, money, skills). The green purchase intention is the development coming from the common purchase intention, adding customers' inside motivation of the environmental safeguard. Chan (2001) defines “green purchasing refers to the purchase of environmentally friendly products and avoiding products that spoil the environment”.

Another view is that the green purchase intention is the desire and capability of a person to pay for the environmentally friendly characteristics of the product compared to traditional products. The individual factors such as emotions, habits, perceived consumer effectiveness, perceived behavioral control, values and personal norms, trust, knowledge, and lifestyle. The situational factors such as price, product availability, subjective norm/social norm and reference groups, product attributes, and quality, store-related attributes, brand image, eco-labeling and certification, environment message.

### **Reasons for costing more to produce eco-labeled products**

This component was asked to know if the consumers were attentive to why they must pay more for organic products. As one can see the majority are aware that eco-labeled products are more costly than ordinary ones because it costs more to produce them. Respectively 20% of respondents claimed that because not everyone buys these kinds of products so it cost more to cover the manufacturing cost. For the "other" choice, some people mention that it costs more because it is difficult to obtain an ecological certificate and therefore humans must be charged for that. Also, it was mentioned that organic products cost more because the companies should be able to sell enough and manage the losses that accrue when they do not use chemicals and therefore are not being able to guard their crops as much as they could have done it. Furthermore, there was suggested another reason for the higher price for ecological products, it concerned the assumption that eco-labeled products are presently a status symbol which means that they have to cost more.

### **Conclusion**



The purpose of this paper became to know how ecological labels have an impact on consumer buying behavior with an emphasis on eco-labeled bread. To discover the answer for this question the research was performed with help of numerous sub-questions, which were designed to know what causes green buying, what influences people to buy environment-friendly products and who informs them about the existence of such products, how eco-label influences consumers, how they know about organic products, if consumers are ready to pay more for ecological products and who buys eco-labeled food. Generally, it is possible to bring to a close that ecological labels do influence consumer buying behavior. Pro-environmental consumers buy organic products and ecological label helps them to make their choice faster, distinguish those products that they want to buy from the other ordinary products.

