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Research Article

A Study of Consumer Paying Intention for Eco-Friendly Products with Special Reference to Fast Moving Consumer Goods

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ABSTRACT

The purpose behind this in-attendance piece of work is to answer the question that in a developing country, India, whether the consumers are willing to pay a premium price for eco-friendly products with special reference to FMCG (Fast Moving Consumer Goods). The study also attempts to figure out demographic pattern of purchase intention for FMCG. In developed countries it has already been proved that people have health and environment concerns, and they have the intention to pay a premium price for eco-friendly products. What is new with the study is that an attempt has been made to find out whether people even in a developing country want to buy eco-friendly products. The study consists of Delhi-NCR of India. Study outcomes are based on 384 respondents. Convenience sampling approach has been adopted. The strength of relationship between constructs has been analysed using Structural Equation Modelling. Analysis has been carried out using AMOS 20 and SPSS 22. The study concludes that males, youngsters and consumers having high qualifications are more interested in eco-friendly products. This research reveals that a few interrelated factors predominantly steer consumers' intentions to pay a premium for green items in the fast-moving consumer goods sector. Two of the most potent influences are the opinion of friends and family (what we term "reference group involvement") and the degree of environmental concern a consumer possesses (which varies quite a lot from person to person). Both factors are strongly associated with "green knowledge"—that is, knowledge about the environmental impacts of consumer goods and the degree to which something is "eco-friendly." The realism of this study could be a driving force for marketers, policy makers and environmental advocates to design their strategies for eco-friendly products in FMCG sector.

Keywords: Good health and hygiene, Green Consumption, FMCG, Intention to pay premium price, TPB

INTRODUCTION

The SDG#3 (Sustainable Development Goal #3) formulated by the United Nations advocates for eco-friendly products (Yildrim, 2024). Environmental protection is a major concern for every country in the world. First World countries believe that environmental protection is their responsibility. The citizens of these industrialized nations have their intention to pay more for eco-friendly products (Pirani, 2011). Europeans believe that buying non-environmental products is a sin. Buying eco-friendly products is the new fashion for them and it is attracting notice (Cervellon, 2011). In the USA, the luxury and mid-priced customers in Hotel Industry have a habit to pay for green practices (Kang, 2012). If we talk about China, here people who have master's or higher degree, or people who are

married, or people who have more than one year of work experience want to pay premium for eco-friendly products (Yang, 2021). In Pakistan, consumers have the purchase intention to go green but they are not willing to pay price premium for eco-friendly products (Ali, 2016). Similar type of outcome is being reported from Bangladesh that young and educated consumers are willing to purchase eco-friendly products if it is not expensive (Nekmahmud, 2020). Srilankans are not adaptive to purchase eco-friendly products. They need to be educated by marketers (Swarnika, 2022). Willingness to pay price premium is a prognosticator of purchase intention towards eco-friendly products in India (Prakash, 2017). It has also been documented that Indian consumers are sensitive towards the environment and can pay a price premium for eco-friendly products (Kumar, 2021). No production activity can remain untouched by environmental protection (Sagoff, 2013). In every part of the world, the word environment is a burning topic in today's marketing practitioners, academicians, as well as the consumers, government, and non-government vis-à-vis financial and non-financial organizations (Hoekstra, 2023).

These environmental burning issues are globally affected in every part of the world because every country is more conscious of global warming and carbon emission activities (Khan, 2024). It has been very much crucial for the last few decades around the global world as well as developing countries like India are more conscious of a green environment across the whole nation. In India, many campaigns are introduced by the Indian government, like the clean India Community Led Environment Action Network (LEAN) including the first one is the introduction about sustainability and promoting the welfare of society (Modak, 2021). In that stage, the network created awareness and assessed the green crusaders to connect and focus on a healthy life to promote green environment.

Environmental awareness has increased among consumers with reference to eco-friendly products and their paying intention to purchase eco-friendly goods/services. Broaden consumers' demand for eco-friendly goods will be increased accordingly (Manaktola & Jauhari, 2007); (Mendleson, Jay, & Polonsky, 2006). These concerns are the major issues of marketers nowadays for accomplishing the requirement of consumers. Majority of people realize that their buying habits had a direct influence on most the ecological problems (Street, Wt, El, & Font, 2010); (D'Souza, Taghian, Lamb, & Peretiatkos, 2006).

Therefore, the customers accepted that new technology and threatening situation by considering the environmental issues when buying the products, for example, the product made with natural ingredients, and non-hazardous substances, and the products will be completely wrapped with eco-friendly packaging, eco-mark, and labeling. Though the pioneer researcher (Laroche, 2001) concerned related to the environmental and ecological consciousness in the marketplace and reported that environmental issues are dangerous for the upcoming living style. Corporate does not responsibly working and not behaving towards the environment which is most important for the future generation (Khan M. P., 2024).

Studies also explore that a consumer are paying for eco-friendly products. (Guagnano, 2001) highlighted the consideration of consumers' who are paying for eco-friendly products and stated that behaviour is based on self-interest. The study is based on the experience with eco-friendly products by using the ability of the Swartz model of unselfishness to elucidate WTP for recycled products. This model suggested that the environment for the upbringing of the society and attribute for the responsibility of unselfish behaviour occurs when individuals are aware of the pessimistic importance of social preventive substance against better environmental action. (Loureiro, 2015) suggested that eco-certification plays a very important role in WTP for products as the female respondents are more likely to prefer eco-labeled apples followed by children with strong environmental and food safety concerns which are significant to paying more prices.

Keeping in view of the environmental threat, the present study explores whether the consumers are willing to pay a premium price for eco-friendly products that could be beneficial to the marketers to formulate strategies for green marketing practices. In this regard paying more price for eco-friendly products is a dependent variable whereas, the demographics and green concern (environment concern, health concern, reference group, government concern, and green knowledge) are independent variables. Further, the cause-effect relationship between each factor and the purchase intention of consumers has also been analyzed.

REVIEW OF LITERATURE

A thorough examination of the literature was conducted, and elements that may impact consumers' paying a higher price for environmentally friendly items were found. The studies were categorized into two groups: green intention and its determinants, and willing to pay a higher price, as follows:

Green intention and its determinants

Many factors influence people's desire to make green purchases. According to (Laroche, 2001), the majority of consumers who were willing to spend more for ecologically friendly products were female, married, and had at least one child living at home. A study by (Han, 2011) found that customers are willing to spend a higher price for an environmentally friendly atmosphere in hotels for lodging and services. Customers were substantially related to their reported desire to visit a green hotel and pay more for it, according to the findings, and the demographic profile of the respondent did not change significantly among eco-friendly intentions. (Sharma, 2011) investigated how consumer behaviour is moving toward the use of green products, finding that customers are becoming more aware of the need to switch to green products and services (Kang, 2012; Han, 2011; Taghian, 2006) also investigated hotel customers' eco-friendly decision-making processes and sought to understand the relationship between attitude toward green behaviour (ATGB), overall image (OI), and visits in a green hotel context, taking into account the effects of gender and age were willing to pay more price (WTPM).According to Gupta (2014), businesses have gained an edge by implementing environmentally friendly operations into their systems and recognising the green customer group. It investigates how the issues that existed prior to green marketing were caused by the company's inclination. Environmental difficulties and problems had psychologically influenced consumers' attitudes and behaviour. According to (Mohd Suki, 2013), who also researched the elements that influence consumers' green buy intention in Malaysia. The study finds that, above all other variables, environmental knowledge was the most favoured variable for customers' purchasing intention. Green marketing, according to (Yazdanifard, 2011), is a tool for conserving the environment for future generations and has a positive impact on environmental safety. As looked at how governments approach environmental issues and how they tend to focus on the most visible aspects of the problem, such as air, water, and food. These are vital for survival, but the environment also encompasses something intangible. Their research mostly focused on people's preferences for eco-friendly products on a regular basis. The study indicates that the government should take steps to encourage people to choose products that have a "eco-mark." (Pickett-Baker, 2008) investigated customer behaviour and advertising to see how they are convinced to buy greener products. According to the findings, there is a link between customers' trust in the performance of green products and their overall pro-environmental sentiments.

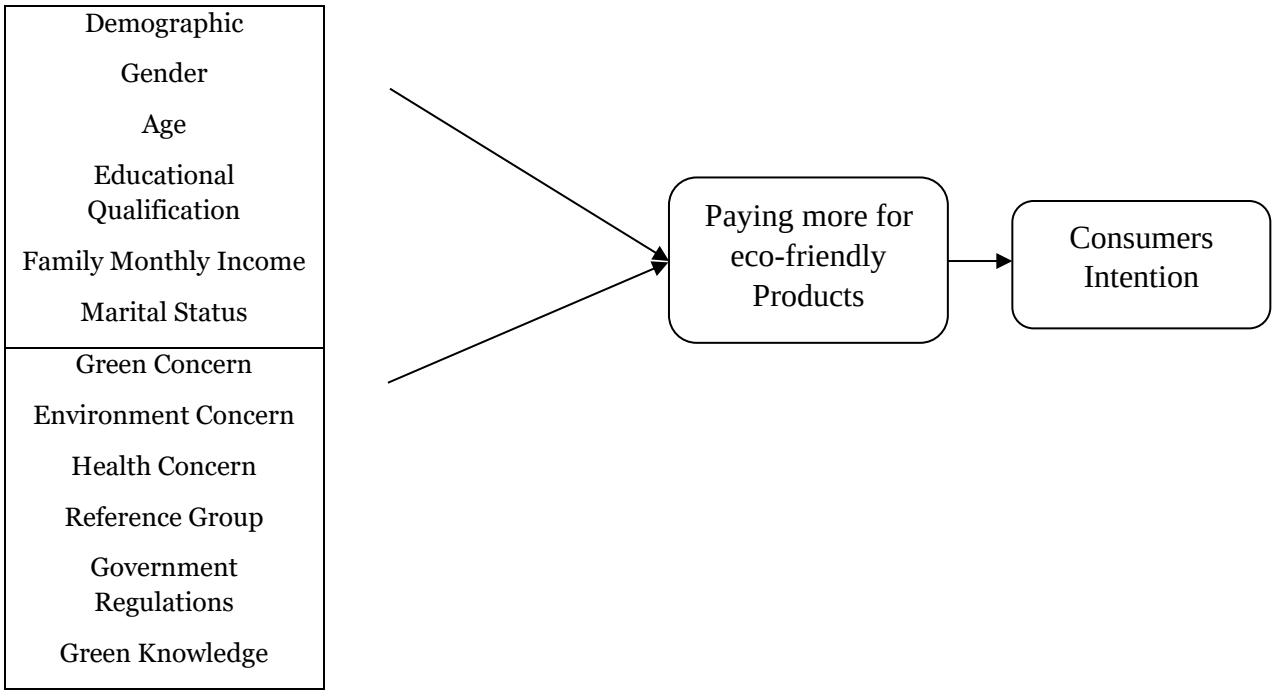
Willing to Pay Premium Price

Green marketing connects with environmental justice, industrial ecology, and customer awareness willingness to incur the costs. Consumers' understanding of environmental justice, as well as their willingness to incur the costs connected with it, should be determined, according to (Oyewole, 2001; Dimara, 2015) investigated customers' willingness to participate in towel reuse hotel policies as well as their financial support for such initiatives. According to the findings, the model will allow for the unbiased calculation of the average willingness to pay as well as the approximation of welfare impacts resulting from the implementation of green practice in the hotel business. (Leszczyńska, 2015) examines the interrelationships between willingness, individual values, and perceived green product benefits. The findings found that green products were valued at a lower level than their market value, and that, in terms of a value system, self-enhancement values are most closely linked to perceived environmental advantages and product functionality. Furthermore, there is a link between the purchasing of green items and perceived individual benefits among a group of persons with dominant self-transcendence ideals. According to (Lin, 2008), the intention to adopt green innovation for logistics service providers is influenced by six factors: organisational encouragement, quality of human resources, environmental uncertainty, and governmental assistance. Consumers' attitudes toward green purchasing, as well as the relationship between income level and willingness to pay a premium for environmentally friendly items, were highlighted by (Thakur, 2012). According to the findings, persons who responded to the survey have a favourable opinion toward green products, are concerned about them, and are eager to buy them. (Yildirim, 2014) discovered that the most important green products, as well as their prices, are beneficial for business and better for the environment at a level where consumers will be willing to buy more green products. Consumer knowledge of environmental justice and willingness to incur the costs associated with it are investigated by (Biswas, 2015; Oyewole, 2001), as well as the relationship between green marketing and environmental justice and industrial ecology. Consumer knowledge of environmental justice and willingness to incur the costs connected with it, according to the study, should be determined. Environmental protection activity is a source of competitive advantage in the fight for the customer, according to (Menck, 2014), which could explain business engagement in green marketing and corporate social behaviour in general.

RESEARCH QUESTIONS

1. Do demographics affect the intention to pay more prices for eco-friendly products?
2. Whether the green concern influences paying more prices for eco-friendly products?

Figure 1: Conceptual Framework of the Study



Source: Authors' Compilation

PURPOSE OF THE STUDY

1. To measure the relationship between demographics and consumers' paying intention for eco-friendly products.
2. To determine the relationship between green concern and consumers 'paying intention for eco-friendly products.

RESEARCH HYPOTHESES

H01: Demographics do not significantly affect the consumers' intention to pay more for eco-friendly products.

H02: Green Concern do not significantly affect the consumers' intention to pay more for eco-friendly products.

RESEARCH METHODOLOGY

Exploratory Factor Analysis (EFA) was used to investigate the various green concern that influence purchase intention, Confirmatory Factor Analysis (CFA) was used to estimate the measures of the proposed model, and Structure Equation Modeling (SEM) was used to prove the proposed hypotheses to interpret purchase intention and establish a relationship between the independent and dependent variables. The basic premise of structural equation modelling is to determine the goodness of fit indices in order to recognize the overall influence of the model of intending to pay a higher price for environmentally friendly products (Sahoo, 2019; Griffin., 2012).

Questionnaire Design

The questionnaire has been categorized into two sections, section A reveals the demographic profile of consumers, whereas, section B contains twenty seven items related to different dimensions of consumers intention to paying more price of eco-friendly products in the form of a five-point Likert scale (Han et al., 2011; Kang et al., 2012; Laroche et al., 2001; Sharma, 2011; Taghian & Lamb, 2006). A pilot survey among fifty respondents was carried out for scale validation of all items and Cronbach's Alpha method was used to measure the reliability and validity of each statement (Duffett, 2015). Section B of the questionnaire and the source of adoption of items have been shown in Table 1.

Table 1: Questionnaire and the source of adoption of items

	Questionnaire	
	Intention to pay more for eco-friendly products	
IPMP1	I feel that green products are more valuable than their price.	Royne et al. (2011)
IPMP2	I would be willing to spend an extra amount to buy environmentally friendly products	
IPMP3	I feel the price is secondary in comparison to health.	
IPMP4	I feel that green products are better than traditional products.	
IPMP5	I feel that the government should improve energy efficiencies or tax reduction on renewable energy.	
	Reference Group	
RFG1	I ensure that the government provides financial support for developing green marketing practices.	Han et al. (2011)
RFG2	Word of mouth would play an effective role in making use of green products.	
RFG3	If someone looking to purchase FMCG products, I will suggest to him/her green products.	
RFG4	I feel that the government encourages companies to promote green products.	
RFG5	It is acceptable to pay more for products that are produced, processed, and packaged in an environmentally friendly way.	
RFG6	I often urge my friends to use products that are being advertised as green.	
	Environmental Concern	
EC1	I feel that the purchase of green products will increase environmental sustainability.	Royne et al. (2011)
EC2	I do not buy products that harm the environment.	
EC3	I feel that now a day's consumers have more inclination toward green products.	
EC4	I buy products made from recycled materials to save resources and energy.	
EC5	I feel that now a day's consumers become more sensitive to environmental protection.	
EC6	I feel that the companies enjoying a green image will have a competitive advantage.	
	Health Concern	
HC1	I feel that green products are more beneficial to our health.	Drozdenko et al. (2011)
HC2	I feel that the present competitive environment forced the firm to change its marketing activities.	
HC3	I feel that green products are made of natural ingredients which are good for health.	
HC4	I feel that now a day's people have become more health conscious.	
	Government Regulations	
GR1	I feel that the responsibility of the government is more to protect the environment.	Yahya and Hashim (2011)
GR2	I feel that the government set strong environmental regulations for the FMCG industry.	
GR3	I feel that a green product does not have any side effects.	
	Green Knowledge	

GK1	I feel recycled products can lead to bad results	Datta (2011)
GK2	I feel that using a recycled product would cause me to worry.	
GK3	I feel that most of the people in my reference group are using green products.	

IPMP: Intention to pay more for eco-friendly products, RFG: Reference Group, FMCG: Fast Moving Consumer Goods, EC: Environmental Concern, HC: Health Concern, GR: Government Regulations, GK: Green Knowledge

2.2 Research design, area and subject of study

A total 600 questionnaires were distributed among consumers from Tier 2 cities of North India by using a self-administered questionnaire. To attain the laid objectives, information was collected from 553 consumers completely residing in the metro city of north India i.e. Delhi and NCR over three months (Han et al., 2011; Kang et al., 2012; Laroche et al., 2001; Sharma, 2011; Taghian & Lamb, 2006). Out of 553 responses 384 responses were found to be usable. Convenience sampling, as well as picks and drop methods, were used for data collection.

RESULTS

Measurement model: Reliability and Validity Testing

The Cronbach's Alpha result reveals that each item's individual statement value ranges from 0.926 to 0.420, with total coefficient correlations larger than 0.4. As a result, the overall positive outcome demonstrates the consistency of the structured questionnaire of assertions. The exploratory factor analysis, on the other hand, discovered the five latent constructs of statements related with the desire of using environmentally friendly products. Each factor's eigenvalue was greater than 1, and each item's factor loading was greater than 0.4. Furthermore, the findings demonstrates that the association between any two viewpoints was lower than the Cronbach's Alpha estimation of any single viewpoint, demonstrating discriminant validity(Gaski & Nevin, 2006; Han et al., 2011; Laroche et al., 2001) (Table1).

Table 1: Reliability and Validity

Constructs	Variables	Items-total Correlation Coefficient	Factor Loading	Cronbach's α
Intention to Pay more for eco-friendly Products (IPMP)	IPMP1	0.796	0.803	0.837
	IPMP2	0.800	0.792	
	IPMP3	0.806	0.777	
	IPMP4	0.808	0.770	
	IPMP5	0.813	0.753	
Reference Group (RFG)	RFG1	0.874	0.876	0.918
	RFG2	0.877	0.864	
	RFG3	0.815	0.809	
	RFG4	0.827	0.805	
	RFG5	0.776	0.775	
	RFG6	0.769	0.760	
Environmental Concern (EC)	EC1	0.823	0.881	0.869
	EC2	0.827	0.863	
	EC3	0.856	0.858	
	EC4	0.827	0.858	
	EC5	0.618	0.616	
	EC6	0.413	0.420	
Health Concern (HC)	HC1	0.765	0.863	0.837
	HC2	0.790	0.822	
	HC3	0.792	0.823	
	HC4	0.824	0.763	
Government Regulations (GR)	GR1	.865	0.929	0.668
	GR2	.360	0.925	
	GR3	.401	0.904	

Green Knowledge (GK)	GK1	.728	0.852	0.811
	GK2	.720	0.849	
	GK3	.774	0.820	

The commonality value in respect of constructs and sub-constructs of the items is greater than the threshold limit of 0.5, indicating that all the major constructs and variables under purchase intention of consumers toward eco-friendly products are well-fitting. It also demonstrates that the data of all constructs and variables in the current study must pass the test of normality, as the Skewness value is in the range of +1 to -1 and the kurtosis value is in the range of +3 to -3. As a result, all the things are distributed normally (Annexure I).

Demographic characteristics of the sample

Table 2: Demographic Profile

Descriptive Statistics						
	N	Range	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
Gender	384	1	1	2	1.28	.450
Age	384	2	1	3	1.23	.496
Educational Qualification	384	3	1	4	2.85	.882
Family Monthly Income	384	4	1	5	2.51	1.382
Marital Status	384	2	1	3	1.28	.477
Valid N (listwise)	0					

Relationship between Demographics and Consumer Intention

To assess the impact of Demographics on the green purchase intention of consumers' an independent t-test (for gender) and one-way ANOVA (for remaining) have been carried out and the following observations have been made:

Table 3: Gender Wise Influence on Intention to Pay More Price for Eco-friendly Products

Levene's Test for Equality of Variances						
		F	Sig.	t	df	Sig. (2-tailed)
WPP	Equal variances assumed	5.125	0.024	-2.086	382	0.038
	Equal variances not assumed			-2.228	225.837	0.027
Intention to Pay Premium Price (IPMP)						

Independent Sample T-test analyses to determine which one differentiates the most in gender. The statistical P-value is 0.038 which is less than 0.05. Hence, the result concludes that there is a statistically significant difference between gender and intention to pay more for eco-friendly products (Table 3).

Table 4: Demographically Influence on Intention to Pay More Price for Eco-friendly Product

Independent Variables	Sum of Squares	Df	F	Sig.
Age	17.405	16	5.173	0.000
Educational Qualification	57.38	16	5.458	0.000
Family Monthly Income	145.602	16	5.683	0.000
Marital Status	11.6	16	3.512	0.000

The demographics factors (Age, Educational Qualification, Family Monthly Income, and Marital Status) positively influence consumers' intention to pay a more price for eco-friendly products and all the factors are statistically significant (Table 4).

Structural model: goodness of fit statistics and hypothesis testing

Table 5: The Fitness analysis of the CFA full model

Fit Indices	Statistics for measurement model of intention to pay a more price	
	ITPP	Consumers' Intention
CMIN/DF	3.413	1.749
Chi-square	47.783	346.348
DF	14	198
GFI	0.966	0.925
NFI	0.949	0.929
CFI	0.963	0.968
RMSEA	0.079	0.044
p-value	0.000	0.000

Confirmatory factor analysis (CFA) was conducted using AMOS 20 programming with the purpose of determining the efficacy and construct validity of the assessment of customers' intention to pay a premium price. CMIN/Df = 1.749, Df = 198, GFI = 0.925, NFI = 0.929, CFI = 0.968, RMSEA = 0.044 for all latent dimensions of consumer intention. Similarly, the consumers ready to pay a higher price for green products model finds that CMIN/Df is 47.783, Df is 14, GFI is 0.966, NFI is 0.949, CFI is 0.963, and RMSEA is 0.079, indicating that all model metrics met or above the specified standard (Han et al., 2011; Laroche et al., 2001; Taghian & Lamb, 2006). Furthermore, all the factors loading that are related to the latent constructions of the current study variables are greater than 0.40, demonstrating the effectiveness and construct validity of each purposeful statement. The purposeful measures and variables(Kang et al., 2012; Amir & Dhyani., 2018) in table 5 also shown discriminant validity (Amir & Dhyani, 2018)Amir & Dhyani, 2019).

Table 6: Path Analysis

Path Analyses of Observed Variables			Estimate	S.E.	C.R.
RFG1	<---	RFG	0.873a		
RFG2	<---	RFG	0.89a	0.043	23.286
RFG3	<---	RFG	0.788a	0.05	19.135
RFG4	<---	RFG	0.76a	0.05	18.092
RFG5	<---	RFG	0.737a	0.051	16.973
EC1	<---	EC	0.905a		
EC2	<---	EC	0.856a	0.043	23.841
EC3	<---	EC	0.849a	0.042	23.125
EC4	<---	EC	0.837a	0.043	22.162
EC5	<---	EC	0.505a	0.055	10.46
HC1	<---	HC	0.938a		
HC2	<---	HC	0.911a	0.034	28.285
HC3	<---	HC	0.836a	0.039	23.747
HC4	<---	HC	0.355a	0.053	7.085
HC5	<---	HC	0.286a	0.059	5.605
GR1	<---	GR	0.834a		
GR2	<---	GR	0.757a	0.062	14.862
GR3	<---	GR	0.754a	0.065	14.622
GR4	<---	GR	0.658a	0.063	12.858

GK1	<---	GK	0.803a		
GK2	<---	GK	0.788a	0.078	13.051
GK3	<---	GK	0.713a	0.075	12.577

Source: Authors, *** Correlation is significant at the 0.01 level (2-tailed), Reference Group (RFG), Environmental Concern (EC), Health Concern (HC), Government Regulation (GR), Green Knowledge (GK), a Significant at 0.01

Table 7: Convergent Validity of Consumers' Purchase Intention

S. No	Items	RFG	EC	HC	GC	GK	SEV	AVE	CR
1	RFG1	0.87					0.76	0.81	0.83
2	RFG2	0.89					0.79		
3	RFG3	0.79					0.62		
4	RFG4	0.76					0.58		
5	RFG5	0.74					0.54		
6	EC1		0.9				0.82	0.79	0.82
7	EC2		0.86				0.75		
8	EC3		0.85				0.72		
9	EC4		0.84				0.7		
10	EC5		0.5				0.25		
11	HC1			0.94			0.88	0.76	0.81
12	HC2			0.91			0.85		
13	HC3			0.84			0.7		
14	HC4			0.35			0.13		
15	HC5			0.29			0.08		
16	GR1				0.83		0.7	0.75	0.79
17	GR2				0.76		0.57		
18	GR3				0.75		0.57		
19	GR4				0.66		0.43		
20	GK1					0.8	0.64	0.77	0.74
21	GK2					0.79	0.62		
22	GK3					0.71	0.51		

RFG: Reference Group, EC: Environmental Concern, HC: Health Concern, GC: Government Concern, GK: Green Knowledge, SEV: Standardized Error Variation, AVE: Average Variance Explained, CR: Composite Reliability

Table 8: Discriminant validity using AVE and Pearson Correlation

	AVE	RFG	EC	HC	GC	GK
RFG	0.81	0.90				
EC	0.79	0.000a	0.89			
HC	0.67	0.000a	0.000a	0.81		
GC	0.75	0.000a	0.000a	0.000a	0.87	
GK	0.77	0.000a	0.000a	0.000a	0.000a	0.88
Mean		0.0000001	0.000	0.000	0.000	0.000
SD		1.000	1.000	1.000	1.000	1.000

AVE: Average variance explained, RFG: Reference group, EC: Environmental Concern, HC: Health Concern, GR: Government Regulation, a Correlation is significant at 0.01 (two-tailed), SD: Standard Deviation.

The outcomes dispensed in Table 8 show that the five latent constructs had square roots of AVE: 0.90, 0.89, 0.81, 0.87 and 0.88. Each square root of AVE is greater than the inter-construct correlation. Beyond the shadow of doubt, the five latent constructs fulfill the criteria of discriminant analysis (Sujati et al., 2020).

Relationship Analysis Model

The relationship model and goodness of fit indices were analyzed with the help of Structural Equation Modeling to measure and recognized the overall effect of the structural model on consumers' purchase intention to pay more price and to ensure that the model meets the following good model criteria (Hu & Bentler, 1999; Raina, 2014). CMIN/Df must be less than 3, RMSEA must be less than 0.05, and the GFI, AGFI, RFI, NFI, and CFI indicators must be more than 0.9. (Bagozzi & Yi, 1988; Fan, Thompson, & Wang, 2009; Raina, 2014). The data demonstrate that the general model's importance was satisfied to the highest quality, resulting in a satisfactory and important model exhibition (Amir & Dhyani, 2019) (Table 9).

Table 9: The Fitness analysis of the CFA full model

Fit Indices	Statistics for measurement model of IPMP& Consumers' Intention
CMIN/DF	1.769
Chi-square	562.686
DF	318
GFI	0.902
NFI	0.908
CFI	0.958
RMSEA	0.045
p-value	0

Table 10: Results of the Influence of Green Concern on Consumers' Intention to Pay More Price for Eco-friendly Products

Path Analyses of Observed Variables	Standardized Estimate	S.E.	C.R.	P
IPMP<--- Reference Group	0.464	0.049	7.423	***
IPMP<--- Environment Concern	0.206	0.089	3.525	***
IPMP<--- Health Concern	0.008	0.037	0.154	0.878
IPMP<--- Government Regulations	0.404	0.04	7.253	***
IPMP<--- Green Knowledge	-0.106	0.04	-1.979	0.048

Source: Authors Compiled, Intention to Pay More Price (IPMP)

Reference group ($\beta = 0.464, p < 0.05$), Environmental Concern ($\beta = 0.206, p < 0.05$), Government Regulations ($\beta = 0.404, p < 0.05$) and Green Knowledge ($\beta = -0.106, p < 0.05$) were significant in determining consumers intention to pay more price for eco-friendly products in FMCG sector. Health Concern ($\beta = 0.008, p > 0.05$) was found insignificant in determining consumers intention to pay more for eco-friendly products in FMCG sector.

DISCUSSIONS

The key end in view of the research was to point out factors that determine consumers' intention to pay premium price for eco-friendly products. Consumers' purchase intention is taken as a dependent variable while demographics and green concern (environmental concern, health concern, reference group, government concern, green knowledge) are independent variables (Walia, 2020). The study inferred that gender-wise male consumers are in majority paying

more price for eco-friendly products (Laroche, 2001). It has been observed that youngsters (18-21 years) have the attitude to pay more for eco-friendly products (Prakash, 2017). Unmarried consumers (Reddy, 2023), highly qualified consumers (Han, 2011) and consumers belonging to high income group (Han, 2011) are willing to pay more for eco-friendly products had a majority who were ready to pay extra for eco-friendly products. Table 2 supplies demographic composition of the sample

The outcomes of the study portray that reference group has a significant impact on consumers' intention to pay more for eco-friendly products in FMCG sector (Nagaraju and Thejaswini, 2014; Tondon and Sethi, 2017; Swarnika and Rathnasiri, 2022; Reddy et.al., 2023). It has been documented that environmental concern has a significant impact on intention to pay more eco- friendly products (Nagaraju and Thejaswini, 2014; Malik and Singhal, 2017; Walia etl al., 2020; Swarnika and Rathnasiri, 2022). This study did not find any support that health concern has a significant effect on consumers' intention to pay premium price. In this context the outcomes of the study are found to be contrary to the outcomes of the previous studies (Nagaraju and Thejaswini, 2014; Tondon and Sethi, 2017; Swarnika and Rathnasiri, 2022). It has been reported that government regulation has a significant impact on consumers' intention to pay price premium for eco-friendly products (Chen and Chai, 2011; Nekmahmud and Fekete-Farkas, 2020). Green knowledge also plays an important role in determining intention to pay premium price for eco-friendly products. The study found that green knowledge affects intention to pay more for eco-friendly products (Biswas and Roy, 2016; Wang et. al. 2019).

CONCLUSION

This study proves that demography and green concern have an impact on the intention to pay a premium price for eco-friendly products in FMCG sector. It is found that this model is applicable in developed nations as well as developing nations like India. Consumers having good academic qualifications, young consumers and married consumers are very likely to pay more for eco-friendly products in FMCG sector. The marketers should consider these factors while formulating their marketing mix strategies. In India, it has not been found that a consumer will pay price premium for an eco-friendly product because of health consciousness. In this way this study is different from all other studies. It can be concluded that health consciousness should be promoted in India to promote eco-friendly products in FMCG sector in India. Environmental Concern, Reference Group, Government Regulations and Green Knowledge effect intention to pay premium price for eco-friendly products in India. Few studies have looked at how environmental challenges and difficulties affect consumer intents and attitudes, as well as the psychological aspects that drive green buying intentions.

FUTURE SCOPE AND LIMITATIONS

The present study is confined to Tier 2 cities of north India and the sample size of the study is also limited. The investigation did not take the specific product in the FMCG sector into consideration. Therefore, it is suggested that further research should be conducted in different sectors, and future research might be extended to Tier 1 cities in India and other developing countries with a large sample. Further, if the study had been focused on specific products the results could have been more generalized. Whereas future research also could be examined with other consumer intention and attitude components focused on the various sectors in a different region. In addition, future research can be extended by combining the SEM and MCDM techniques. This will help to get the relationship between the factors and to set the priorities among the various factors concerning the overall objective.

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Informed Consent: Informed consent was obtained from all participants involved in the study, ensuring their voluntary participation and understanding of the research's purpose. All participants provided consent for their anonymized data to be included in the publication. The authors have not intentionally engaged in or participated in any form that may be hateful to another person.

Data Availability: Data supporting the analysis & findings of this study are available from the corresponding author and may be provided upon reasonable request.

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