

# “Understanding Consumer Perception of Green Supply Chain Practices in India: A Consumer Perspective Study”

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## ABSTRACT

As people become more aware of environmental issues and the importance of sustainability, their choices as consumers and the way businesses operate are changing. More and more companies are choosing to use green supply chain methods, like using eco-friendly packaging, sourcing materials in a sustainable way, and making their logistics more environmentally friendly. These actions help reduce their effect on the environment and also improve how they are seen by customers.

This research looks at how Indian consumers view green supply chain practices. It is based on real data collected from people through a structured questionnaire that uses a five-point scale to measure their opinions. The study uses a descriptive approach, and tools like percentages and charts are used to understand the data better.

The findings show that consumers are now more aware of environmental concerns and generally support companies that take sustainable steps. Factors like using eco-friendly packaging, being open and honest about their practices, and taking responsibility for the environment play a big role in what people choose to buy. However, one big challenge is that many people are still sensitive to price when it comes to buying greener products.

In conclusion, green supply chain practices have a big effect on how consumers think and what they buy. The results can help businesses create better sustainability strategies and gain a stronger position in the market.

**Keywords:** Green Supply Chain, Consumer Perception, Buying Behaviour

## INTRODUCTION

Green Supply Chain Management (GSCM) is an emerging approach that integrates environmental thinking into all stages of the supply chain, including product design, material sourcing, manufacturing processes, logistics, and end-of-life management of products. It focuses on reducing environmental impact while maintaining operational efficiency and economic performance. Unlike traditional supply chain practices that primarily focus on cost and speed, GSCM gives equal importance to sustainability by minimizing waste, conserving resources, and reducing emissions throughout the product lifecycle.

In recent decades, environmental concerns such as climate change, global warming, air and water pollution, and the depletion of natural resources have become critical global issues. These challenges have compelled governments, organizations, and individuals to adopt more sustainable practices. Regulatory bodies are implementing stricter environmental laws, while international agreements are encouraging businesses to reduce their carbon footprint. In this context, companies are increasingly recognizing the importance of incorporating green practices into their supply chain operations, not only to comply with regulations but also to build a positive corporate image and gain a competitive advantage.

One of the key drivers behind the adoption of green supply chain practices is the growing awareness and concern among consumers. Today's consumers are more educated and informed about environmental issues than ever

before. With easy access to information through digital platforms, they are able to evaluate the environmental impact of the products they purchase. As a result, there is a noticeable shift in consumer preferences towards eco-friendly, sustainable, and ethically produced goods. Consumers are increasingly supporting brands that demonstrate environmental responsibility, transparency, and social accountability.

In the Indian context, the concept of sustainability is gaining rapid momentum. Although price sensitivity remains a dominant factor influencing purchasing decisions, there is a rising segment of environmentally conscious consumers who are willing to pay a premium for green products. Urbanization, higher education levels, and increased exposure to global sustainability trends have contributed to this shift. Additionally, government initiatives such as "Swachh Bharat Abhiyan," "Make in India," and policies promoting renewable energy and waste management have encouraged organizations to adopt sustainable practices.

Organizations in India are responding to these changes by incorporating various green supply chain initiatives into their operations. These practices include using environmentally friendly raw materials, adopting energy-efficient manufacturing technologies, reducing packaging waste, implementing reverse logistics for recycling and reuse, and optimizing transportation to lower fuel consumption and carbon emissions. Companies are also focusing on sustainable sourcing by collaborating with suppliers who follow ethical and eco-friendly practices. Such initiatives not only help in reducing environmental impact but also improve operational efficiency and long-term profitability.

Despite the increasing adoption of green practices, several challenges still exist. High initial investment costs, lack of awareness among small and medium enterprises, limited infrastructure for recycling, and resistance to change are some of the barriers that hinder the widespread implementation of GSCM in India. Moreover, while many consumers express concern for the environment, their actual purchasing behavior may not always align with their stated preferences due to factors such as price, availability, and perceived quality of green products. This gap between consumer attitude and behavior is an important area that requires further exploration.

Understanding consumer perception plays a crucial role in the successful implementation of green supply chain practices. Businesses need to analyze how consumers perceive eco-friendly initiatives and how these perceptions influence their buying decisions. Positive consumer perception can lead to increased demand for green products, stronger brand loyalty, and enhanced market share. On the other hand, a lack of awareness or trust can limit the effectiveness of such initiatives.

Therefore, this study aims to explore consumer perception towards green supply chain practices in India and examine the extent to which these perceptions impact purchasing behaviour. The research seeks to identify key factors that influence consumer attitudes, such as environmental awareness, price sensitivity, product quality, and brand image. By analysing these factors, the study intends to provide valuable insights for businesses to design and implement effective green strategies that align with consumer expectations.

## REVIEW OF LITERATURE

The idea of Green Supply Chain Management (GSCM) has changed a lot over the last few decades because more people are worried about the environment. In the past, supply chain management was mainly about cutting costs, making things faster, and making a profit. But now, because of stricter environmental rules, people are more aware of environmental issues, and companies are focusing on social responsibility, businesses are starting to include sustainability in their supply chain plans. This change shows that companies need to balance making money with protecting the environment and helping society.

GSCM means using eco-friendly ways at every part of the supply chain, like buying materials, making products, sending them out, and dealing with waste. Srivastava (2007) talks about important green practices such as buying greener materials, designing products that last longer and use less resources, handling returns and recycling properly, and managing waste efficiently. These practices help reduce environmental damage while also keeping things running smoothly. Companies are working hard to use fewer resources, cut down on pollution, and encourage recycling and reusing products all through their life cycle.

Studies show that companies that use green supply chain methods get many benefits. They can improve their image, follow environmental laws, gain customer trust, and save money in the long run. But there are also challenges. Upfront costs can be high, there's not always enough knowledge or skills, there might not be good enough infrastructure, and people might resist changes. These issues are especially tough in places like India where resources and technical know-how are limited.

In today's fast-moving business world, green supply chain practices are no longer optional. Companies are trying to find sustainable ways to get materials, make products more energy-efficient, use eco-friendly packaging, and run logistics in greener ways to lessen their environmental impact. Zhu and Sarkis (2004) found that companies using GSCM improve both their environmental and economic health. Consumers usually see green products as higher quality and are more likely to support companies that care about the environment.

This good image can help build trust and keep customers coming back. But if people don't understand green practices or sustainability labels, they might not fully appreciate eco-friendly products, making them less likely to buy them. The more people know about the environment, the more they care about green products.

Green products are often seen as more expensive because of the added costs of sustainable materials, technology, and processes. So, even if people like the idea of eco-friendly products, they might not buy them because of cost. Research by Joshi and Rahman (2015) shows that even though some people are willing to pay more for green products, their real buying decisions depend on their income, how much they think a product is worth, and whether it's available.

Trust is also important when it comes to consumers' views on green supply chain practices. People trust brands more if they think the company is honest and clear about its environmental claims. But the problem of greenwashing, where companies make false or exaggerated environmental claims, has made some consumers more sceptical. Studies show that when there's not enough trust, people are less likely to buy green products.

Chen and Chang (2013) say that being clear, honest, and having real certifications are key for building trust. When companies give accurate and verifiable information about their sustainability efforts, people are more likely to believe in the brand. This trust helps build stronger customer relationships and long-term loyalty.

Overall, green supply chain practices have a big effect on how consumers behave. Eco-friendly packaging, lower emissions, and ethical sourcing all influence how people see a brand and what they prefer. Companies that do a good job in implementing and explaining these practices can gain a competitive edge in the market.

But the impact of green practices on consumer behavior depends on several things, including awareness, price, trust, and how well people see the quality of the product. The success of GSCM ultimately depends on how well businesses match their sustainability efforts with what customers expect and how well they communicate the value of these efforts. By addressing these factors, companies can encourage more sustainable buying habits and help protect the environment while also growing their businesses.

## **Research Gap**

### **Limited Focus on Consumer-Level Analysis in India**

Most current research on Green Supply Chain Management (GSCM) centers on organizational performance, operational efficiency, and environmental results. However, there is not much research looking at GSCM from the consumer's point of view, especially in India.

### **Gap Between Consumer Attitude and Actual Buying Behaviour**

Even though consumers show support for eco-friendly products, there isn't enough detailed research explaining why their positive views don't always lead to real purchases. More studies are needed to understand the reasons behind this difference.

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## **Insufficient Study on Price Sensitivity and Value Perception**

Although price is seen as a major obstacle, there is not much research on how people's perception of value, affordability, and willingness to pay affect the adoption of green products in countries like India.

## **Lack of Awareness Measurement Models**

Current literature talks about environmental awareness, but there are no standard models to measure how aware consumers are of green supply chain practices specifically, rather than just general environmental concerns.

## **Limited Research on Trust and Greenwashing in India**

While global studies have discussed greenwashing, there is not enough research on how trust, transparency, and scepticism shape Indian consumers' views on green claims.

## **Neglect of Tier-2 and Tier-3 Cities**

Most studies focus on big cities. There is a big gap in understanding consumer views in smaller towns and rural areas, where awareness and spending power are quite different.

## **Lack of Industry-Specific Consumer Studies**

Research often treats all industries the same. There is a need for studies that look at specific sectors, such as FMCG, automotive, paints, and textiles, to see how GSCM affects consumer behaviour differently in each.

## **Insufficient Integration of Digital Influence**

With the growth of social media and online shopping, there is not enough research on how digital platforms, online reviews, and influencer marketing shape how consumers view green supply chains.

## **Objectives of the Study**

- To analyze the impact of trust and transparency on consumer acceptance of green products.
- To study the role of brand image in shaping consumer perception towards green supply chain practices.
- To evaluate the influence of green marketing and advertising on consumer decision-making.
- To analyze how digital media and social platforms impact awareness of green practices.

## **Scope of the Study**

The study looks at how consumers view green supply chain practices and how these views affect their buying decisions. It uses primary data gathered through structured online surveys with a Likert scale. The participants are people who have a general understanding of environmental issues and sustainability concepts. The sample includes a variety of ordinary consumers such as students, working professionals, and well-educated individuals who are active online and can understand survey questions about green practices.

The research is limited to a specific geographic area, which may include both urban and semi-urban regions, so the findings might not represent the whole population accurately. A convenience sampling method is used because of time and access limitations, which might affect how widely the results can be applied. The study focuses on main factors that shape consumer perceptions, such as environmental awareness, price sensitivity, trust in green claims, product quality, and brand image.

Moreover, the study takes into account how outside factors like digital media, advertising, and government programs influence consumer attitudes toward sustainable practices. However, it doesn't go into detail about industry-specific supply chain operations, as the main focus is on consumer behavior rather than organizational processes.

The research is cross-sectional, meaning it captures consumer opinions at one point in time, and doesn't track changes in perception over a longer period. Even with these limitations, the study offers useful insights into current consumer thinking and highlights key factors that businesses should consider when developing green supply chain strategies.

Overall, this research aims to better understand how consumers in the selected region perceive and react to green supply chain efforts, helping organizations create more effective and consumer-focused sustainability practices.

### **Hypothesis of the Study**

H<sub>01</sub>: Consumers are not aware of green supply chain practices.

H<sub>11</sub>: Consumers are aware of green supply chain practices.

H<sub>02</sub>: Green supply chain practices do not influence purchasing decisions.

H<sub>12</sub>: Green supply chain practices influence purchasing decisions.

H<sub>03</sub>: Consumers are not willing to pay more for eco-friendly products.

H<sub>13</sub>: Consumers are willing to pay more for eco-friendly products.

H<sub>04</sub>: Price does not affect green product purchase decisions.

H<sub>14</sub>: Price affects green product purchase decisions.

## **RESEARCH METHODOLOGY**

### **Demographic Analysis**

Most of the people who took part in the survey are between 18 and 25 years old, which suggests that younger people are more conscious about environmental matters. The survey shows that both men and women participated in about the same numbers. The majority of respondents are students, with working professionals coming next.

### **Consumer Perception**

Most people think that following green practices is important. They prefer packaging and products that are eco-friendly. Many believe that being environmentally friendly helps a company look better.

### **Buying Behaviour**

When buying things, people take sustainability into account. But price is still the main thing that affects their choices. Some are ready to pay more for products that are good for the environment.

Sr. No	Statement	Mean Score (Out of 5)	Interpretation
1	Awareness of green supply chain practices	3.9	Moderate to High Awareness
2	Importance of environmental sustainability	4.2	High Importance
3	Understanding of eco-friendly practices	4	Good Understanding
4	Preference for eco-friendly products	4.1	Positive Preference
5	Influence on buying decisions	3.8	Moderate Influence
6	Impact of eco-friendly packaging	4	Strong Influence
7	Willingness to pay more	3.5	Moderate Willingness
8	Impact of price on purchase	4.1	High Price Sensitivity
9	Trust in green claims	3.6	Moderate Trust
10	Improvement in company image	4.3	Strong Positive Impact
11	Importance for future sustainability	4.4	Very High Importance

### Hypothesis Testing

The results show that:

Most respondents are aware of green practices.

Green practices have an impact on purchasing decisions.

Price plays a significant role in influencing buying behavior.

As a result, all the null hypotheses are rejected, and the alternative hypotheses are accepted.

- Mean = 3.9
- SD = 0.85
- t-value = 10.59

**Interpretation:** Since the calculated t-value (10.59) is greater than the table value (1.98), the null hypothesis is rejected.

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## MAJOR FINDINGS

### Major Findings of the Study

The main goal of this research was to examine how consumers and professionals view Green Supply Chain Management (GSCM). After analyzing 20 key variables, the following major findings have come to light:

#### 1. High Level of Environmental Literacy

##### Awareness and Understanding:

A large majority, 82%, of respondents are aware of GSC practices, and an equal 82% understand the importance of eco-friendly supply chains. With mean scores of 4.13 and 4.23 respectively, it is clear that the target group, which mainly includes young professionals and students, has a high level of environmental knowledge.

##### Sustainability as a Core Value:

There is almost universal agreement (89%) that environmental sustainability is crucial in business operations (Mean: 4.36).

#### 2. Influence on Consumer Behaviour

##### Purchasing Decisions:

Green supply chain practices are no longer just an afterthought. 76% of respondents said these practices affect their buying choices (Mean: 4.14).

##### The "Packaging Effect":

Eco-friendly packaging is one of the strongest influences on consumer choices. 82% of respondents are influenced by green packaging (Mean: 4.29), and 77% specifically favor products with minimal or recyclable packaging.

##### Ethical Avoidance:

Consumer activism is evident, as 83% of respondents actively avoid products they think are harmful to the environment (Mean: 4.26).

#### 3. The "Green Gap": Willingness vs. Price Sensitivity

##### Willingness to Pay:

Although 71% of respondents are willing to pay more for green products (Mean: 4.07), this is the area with the most neutral responses (26%).

##### The Barrier of Cost:

High cost remains the biggest obstacle to green consumption. 82% of respondents admitted that high prices reduce their preference for eco-friendly products (Mean: 4.20). This highlights a "Green Gap" where there is a strong moral intent, but financial limitations prevent actual purchase.

#### **4. Brand Reputation and Logistics**

##### **Corporate Image:**

Green practices are seen as a valuable asset for branding. 77% of participants believe that GSCM enhances a company's reputation (Mean: 4.17).

##### **Sustainable Logistics:**

Consumers are satisfied when companies adopt green delivery and logistics. 80% prefer eco-friendly delivery methods, and 81% report high satisfaction with companies using sustainable logistics (Mean: 4.27).

#### **5. Institutional and Future Expectations**

##### **Government and Transparency:**

There is a strong call for institutional support. 84% of respondents believe the government should encourage GSC practices (Mean: 4.36). Additionally, 60% expect high levels of corporate transparency regarding sustainability efforts.

##### **Future Outlook:**

The strongest finding of the study relates to the future of the industry. 87% of respondents believe that Green Supply Chain practices are essential for the future (Mean: 4.42), showing that sustainability is seen as a lasting trend rather than a temporary change.

##### **Suggestions**

1. Companies need to use environment-friendly packaging.
2. There needs to be more awareness campaigns.
3. Environment-friendly goods should be made competitive in price.
4. Sustainability initiatives should remain transparent.
5. There needs to be better government support.

##### **Limitations of the Study**

This study has several limitations that should be considered when understanding the results. The number of participants is not very large, which might mean the findings don't fully reflect the experiences of everyone in the broader population.

The data was collected through an online survey, which means only people who have internet access and are comfortable using digital tools could take part. This could result in a biased sample. The responses are based on people's personal views and might be affected by their own opinions, the desire to appear more favourable, or misunderstandings of the questions. Time limits also affected how much data could be gathered and how deeply it could be analysed.

Moreover, the study is limited to a specific area, which means the findings might not apply to other regions or rural communities. Using convenience sampling, where participants were easily available, further reduces the accuracy and fairness of the results.

The study looks at consumer opinions at one moment in time, so it doesn't show how views might change over time. Also, the research doesn't account for differences between industries or real purchasing habits, relying instead on what people report about themselves. Factors like cultural influences and economic situations were not thoroughly explored.

## CONCLUSION

The findings show that green supply chain practices have a significant and positive impact on how consumers view products and their purchasing choices. As awareness of environmental issues grows, more consumers are showing interest in eco-friendly, sustainably made, and ethically sourced products. This change reflects a wider shift in how people think about consumption, where being environmentally responsible is becoming an important part of decision-making. Many consumers link green products with better quality, safety, and social responsibility, which helps to build a positive brand image and increase preference.

However, even though there is a positive view, there is a noticeable gap between what consumers intend to do and what they actually buy. While many want to support sustainable products, their final decisions are often influenced by practical issues. Factors such as higher prices, limited availability, and lack of access to green products are major obstacles. In a market like India, where price sensitivity is high, consumers often choose affordability over sustainability, making cost a key challenge for businesses that promote green products.

Trust and transparency are also important in shaping consumer behavior. Many consumers are doubtful about the truth behind green claims due to the common practice of greenwashing, where companies overstate or falsely present their environmental efforts. This doubt lowers consumer confidence and affects their willingness to buy. Therefore, companies must be honest, provide clear and verifiable information, and use recognized certifications to gain trust.

In addition, effective communication is essential in closing the gap between consumer perception and actual behavior. Businesses need to clearly explain the benefits of green supply chain practices and highlight the value of sustainable products. Marketing should not only focus on environmental benefits but also on aspects like quality, durability, and long-term cost savings.

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