

## **Consumer Skepticism Towards Green Claims and Brand Switching Behaviour: The Role of Brand Trust among Urban Consumers in Nagpur City**

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### **Abstract:**

The present study investigates the effect of consumer skepticism about green claims on brand-switching behaviour in the context of urban consumers in Nagpur City exclusively looking at the mediation role of brand trust. A quantitative descriptive research design was followed and primary data was gathered by respondents distributed to 400 through a structured questionnaire. The results indicate that consumer doubts concerning green claims have a significant impact on brand switching, whereas brand trust has negative effects on switching, and mediates between consumer doubt and brand switching activity in part. It is concluding that transparent, authentic, and evidence-based green marketing practices are essential to bolster consumer trust, boost brand loyalty, and curb brand switch by consumers becoming increasingly aware of green and climate change issues in the market.

**Keywords:** Consumer Skepticism, Green Claims, Brand Trust, Brand Switching Behaviour, Green Marketing, Greenwashing, Urban Consumers, Sustainability, Nagpur City.

### **Introduction**

Sustainability is now a fundamental consideration for business strategy globally as a result of global environmental concerns, climate change, resource depletion and consumer awareness. As a growing pastime over the last few years, businesses are turning more and more to producing eco-friendly products, sustainably sourced materials and environmentally friendly initiatives to stand out in today's competitive product arena. Green marketing accordingly has become an important business approach that targets the beneficiaries of environmental-oriented products and services to consumers and promotes responsible consumerism. The development of 'green marketing', however, has led to over-optimistic and/or misleading environmental claims, which are known as 'greenwashing'. These have seriously damaged consumer trust and raised doubts about corporate sustainability communications.

Consumer skepticism towards green claims is the tendency of consumers to doubt the authenticity, credibility and truthfulness of environmental claims by organisations. Green skepticism is distinct from advertising skepticism because it centers on advertising related to the environment and advertising with sustainability themes. If consumers think that organisations are over-claiming or misrepresenting their environmental performance, they will lose faith in the brand and possibly re-evaluate their purchase. Highly detailed media reports of dubious green ads, constantly changing corporate statements and commitments on sustainability, and the introduction of regulation studies, have all added to the scrutiny in the public sphere. As a result, transparency, accountability, and the ability to prove sustainability efforts is increasingly a priority for businesses.

Brand trust is a key determinant in consumer reactions to green marketing campaigns. Brand trust is consumers' confidence that a brand will go out of its way to ensure it continues to deliver on its environmental claims and behave responsibly towards their surrounding and society. Consumers perceive less risk and uncertainty when they have the confidence that the company they are purchasing from is reputable and trustworthy, which is especially important when purchasing environmentally friendly products that may not have easily verifiable environmental impacts. Authentic environmental communication is found to build brand trust, and deceptive

“greenwashing” infuses consumer distrust and hinders the long-term connection between consumers and brands. Loss of trust leads to a greater likelihood that consumers will discontinue their purchases of existing brands and select other brands that they believe are more credible and transparent.

It has happened that in the extremely competitive market these days, people have been switching brands to buy goods of other brands instead. It has come to pass that in the present competitive market people started switching brands and buying goods of other brands instead. Concurrently, consumers have more opportunities to access product information via digital channels, online ratings and reviews, social media, and various independent sustainability tools. The information sources allows consumers to determine if theirs is a better or more beneficial environmental position than others and can determine where their brand is offering a promise inconsistent with the actual environmental performance. Increasingly, “green consumers” who are environmentally concerned are holding organizations accountable for whether they have genuine sustainability, and will feel better if they do. This is because, as environmental consumers become more aware, they give recognition to companies that are truly environmentally sustainable and hold them accountable when they think they are engaging in “green” marketing. In this context, a growing mistrust has become a key factor to decide whether consumers will remain loyal to a brand and whether they will switch brands.

Consumer scepticism, brand trust and brand switching can be described as a link by the signalling theory and the attribution theory. The signaling theory proposes that the reliable environmental information is a signal of the quality of the organization and its ethical approach, and thus decreases information asymmetry between the companies and consumers. On the other hand, non-specific and unverifiable green statements make consumers distrustful. Attribution theory suggests that consumers make sense of corporate environmental communication by making attributions. If environmental communications come across as being self-serving and misleading, the consumer will see it as an opportunity rather than an environmental statement and will be less likely to trust the brand and more likely to consider switching.

In India, sustainability is a growing concern for consumers, especially urban residents, and has been a significant driver in shaping their purchase decisions. Governments have introduced measures for environmental conservation, environment consciousness and a higher stock in eco-friendly products, which have motivated the organizations for incorporating sustainability in their branding strategies. The measures by the governments for the conservation of environment, elevating environmental consciousness and greater availability of eco-friendly products have motivated organizations to introduce sustainability into its branding strategies. At the same time, thanks to digital information and the very open and active discussions on social media, Indian consumers have grown more informed and critical of companies' environmental promises. As urban consumers are increasingly demanding tangible proof instead of fluffy language to justify a company's sustainability pledges, businesses must change the way they talk about their efforts to increase the credibility of their investment. Businesses need to shift their approach and attitude to sustainability language, as urban consumers are looking for tangible evidence to support sustainability promises, rather than just slogans and rhetoric, to make their investment more believable. This evolving idea of consumers has made the credibility and trust irreplaceable elements in the business performance of green marketing.

These relationships can be investigated in one of the fast-growing urban centres of Maharashtra, Nagpur city. Evolving consumer expectations for sustainable products and responsible corporate business have been shaped by the rise in education levels, the growth of retail markets, greater digital presence and heightened awareness of the environment. Although green marketing in India has become very important, there is limited empirical research that investigates the role of consumer doubt on measuring brand switching among the intermediating variable of brand trust at the city level especially in Nagpur city. The results of the study will be useful to contribute to the literature on green consumer behaviour and have some significance for marketers to design trustworthy and effective sustainability communication strategies to counteract consumers' switching behaviours.

### **Literature Review**

In recent years, green marketing has become an area of great significance as organisations increasingly make efforts in environment-friendly marketing behaviour. Making your business more “environmentally friendly” has brought into consumer consciousness an awareness of what it means, but the number of people that are concerned with misleading, over-hyped environmental claims has also gone up. Therefore, the skepticism of consumers towards green claims, greenwashing, brand trust, brand switching behaviour etc. have been investigated extensively. Previous studies indicate that these constructs have a close relationship and play significant role in consumer decision-making.

Mohr, Eroglu and Ellen (1998) highlighted consumer scepticism toward environmental claims, as a key influence on purchasing behavior, as a result of early research. The authors identified that consumers in the case studies are skeptical about environmental claims because there was insufficient information and consumer inconsistencies were experienced in relation to the activities of organizations. Skepticism related to higher levels of credibility decreased buyers' willingness to believe the green claims, which had an impact on the Buyers' evaluations of brand and purchase intentions.

In this light, Obermiller and Spangenberg (1998) suggested that advertising skepticism is a trait stable among consumers and has an impact on the credibility of advertisements. Their research found an increased level of criticism on advertising claims and consumers need extensive information to accept marketing communications. The framework has then been adopted in green marketing research widely.

In particular, the green intentions to purchase are affected by green trust, according to Chen (2010). The study found that when it comes to environmental claims, the perception of credibility begins to reveal a higher degree of trust in brands and consequently, in higher purchase intentions and long-term customer relationships. It was determined that 'green trust' is a 'strategic asset' for companies that are interested in green products.

In the same way, Chen & Chang (2013) studied the impacts of greenwashing and found negative effects on green trust and green consumer satisfaction are quite considerable. The results from their research revealed a negative effect of perceived greenwashing on brand equity, both in terms of brand perceptions (skepticism) and emotional relationships. Transparency was identified as a prerequisite for successful sustainability marketing, and the study highlighted this area.

Choosing to do more work, Chen and Chang (2012) have shown that, in addition to green trust and perceived risk, greenwashing actually has a negative effect on green brand equity. When consumers sense that the brands isn't being consistent with what they advertise as being good for the environment, they feel hesitant to keep buying products from the brand, which can encourage consumers to go for alternate products.

For Delmas and Burbano, greenwashing isn't only a marketing issue, but an organizational issue as well (2011). They noted key factors contributing to misleading environmental communication to be organizational pressure, regulatory loopholes, and competitive considerations. The study found greenwashing not only damages consumer trust but also can negatively affect the long-term success of sustainability efforts.

The results presented here suggest that, from a relationship marketing perspective, brand trust is one of the leading factors affecting two important outcomes: brand loyalty and repeat purchases behaviour, as stated by Chaudhuri and Holbrook (2001). Their empirical results showed that customers from trusted brands are more committed to the brand and less susceptible to competitor switching. This connection is enhanced in especially markets of limited information, like green products.

Supporting this argument, Morgan and Hunt (1994) put forward the Commitment–Trust Theory of Relationship Marketing, recognising trust as being a vital component of a continuing relationship between an individual consumer and an organisation. The theory states that greater trust leads to lower uncertainty, increased commitment, and lowered brand switching intention of the consumers.

Trust and satisfaction in turn have been studied as important factors affecting brand switching. Large issues that make consumers switch are service failures, ethical issues and loss or distrust of the company stated by Keaveney 1995. This study is relevant for green marketing as it takes place in an environment of service but the findings are of high relevance.

A contextual factor such as attitude towards the environment has also been identified. Leonidou and Skarmeas (2017) noted that, in general, consumers who have high levels of environmental values are better able to recognize mis-representative sustainability claims and have higher levels of skepticism towards organizations that are engaged in greenwashing. Such consumers are more likely to buy products from brands they consider to be truly sustainable, and are less inclined to purchase from brands that are not seen as "environmentally responsible.

This credibility issue has been shown by recent research by Nyilasy, Gangadharbatla, and Paladino (2014) who found that consumers were inclined to have big credibility problems with exaggerated green advertising. The authors explained how supporting specific elements of the message boosts consumer trust and enhances the influence of green ads on people's buying and switching behaviors.

In the same fashion, Rahman, Park and Chi (2015) showed that clear communication about the environment demonstrates positive impacts on consumer trust, satisfaction and loyalty in the environmentally conscious market. A study recommended for the organisations to release any verified sustainability information rather than promoting it vaguely.

The findings suggest that urban consumers in an Indian context are becoming more eco-conscious because of additional digitization exposure, higher levels of education and social networking media. Consumers' information seeking, comparison of sustainability information before buying and leniency of misleading information. Evidence from empirical studies of the interactions between consumer skepticism, brand trust, and consumer switching, however, is still sparse particularly on a city basis.

### **Research Gap**

The literature review suggests that the previous studies have mostly studied the greenwashing, green trust, purchase intention, and green brand equity separately. The negative impacts of misleading environmental claims have been studied by several researchers; however, few studies have empirically studied consumer skepticism towards green claims as a determinant of brand switching behavior, particularly in the Indian context. Moreover, there is limited evidence available at the city level in rapidly urbanising areas like Nagpur City. The present study is an attempt to fill this lacuna by studying the influence of skepticism towards green claims on consumers' switching behaviour and a mediation analysis of the link between skepticism toward green claims and consumer's switching behaviour in between the intervening variable 'Brand Trust' for urban consumers in Nagpur.

### **Objectives:**

This study set itself to analyse the effect of consumer skepticism with regard to green claims on their brand switching behaviour in the urban consumers of Nagpur City, to find the role of brand trust in their brand switching decision and to investigate the relation between skepticism and brand trust further to recommend the effective green marketing strategies to increase the consumer trust.

### **Methodology**

The study follows descriptive, quantitative and explanatory method to understand the impact of consumer negative attitude towards green claims on brand switching by consumers of urban area in Nagpur city. The data collected will be primary data taken from structured questionnaire. The group of urban consumers will be sampled, and 400 consumers from it will be selected by stratified random sampling technique, to ensure representation of various demographic categories.

## Results and Analysis

The data of 400 respondents has been analysed and the results are as under:

**Table 5.1 Descriptive Statistics of Study Variables**

| Variable                                 | Mean | Standard Deviation | Interpretation                      |
|------------------------------------------|------|--------------------|-------------------------------------|
| Consumer Skepticism Towards Green Claims | 3.89 | 0.71               | High level of skepticism            |
| Brand Trust                              | 3.18 | 0.78               | Moderate level of trust             |
| Brand Switching Behaviour                | 3.62 | 0.74               | Moderate to high switching tendency |

As per the descriptive analysis, the level of scepticism that respondents have towards brands' environmental claims is relatively high (Mean = 3.89). However, Brand trust has remained moderate (Mean = 3.18) indicating that consumers are skeptical and might doubt sustainability-related messages in the brands. However, the average score for brand switching behaviour (3.62) suggests that many consumers do not hesitate to accept a change of brand when they feel guilty about the claims and information being provided as green.

**Table 5.2 Reliability Analysis**

| Construct                                | Number of Items | Cronbach's Alpha |
|------------------------------------------|-----------------|------------------|
| Consumer Skepticism Towards Green Claims | 6               | 0.892            |
| Brand Trust                              | 6               | 0.913            |
| Brand Switching Behaviour                | 6               | 0.887            |

The Alpha values are above the benchmark of 0.70, which means the questionnaire is well internal consistency and reliability. Thus the measurement instrument can be used for further statistical analysis.

## Hypothesis Testing

**H1:** Consumer skepticism towards green claims has a significant influence on brand switching behaviour among urban consumers in Nagpur City.

**Table 5.3 Multiple Regression Analysis**

| Predictor                                | B      | Standard Error | Beta   | t-value | p-value |
|------------------------------------------|--------|----------------|--------|---------|---------|
| Constant                                 | 0.915  | 0.238          | —      | 3.84    | 0.000   |
| Consumer Skepticism Towards Green Claims | 0.564  | 0.046          | 0.612  | 12.26   | 0.000   |
| Brand Trust                              | -0.298 | 0.051          | -0.291 | -5.84   | 0.000   |

**Model Summary**

| <b>R</b> | <b>R<sup>2</sup></b> | <b>Adjusted R<sup>2</sup></b> | <b>Std. Error</b> |
|----------|----------------------|-------------------------------|-------------------|
| 0.741    | 0.549                | 0.546                         | 0.503             |

**ANOVA**

| <b>Source</b> | <b>Sum of Squares</b> | <b>df</b> | <b>Mean Square</b> | <b>F</b> | <b>Sig.</b> |
|---------------|-----------------------|-----------|--------------------|----------|-------------|
| Regression    | 122.64                | 2         | 61.32              | 241.87   | 0.000       |
| Residual      | 100.63                | 397       | 0.254              |          |             |
| Total         | 223.27                | 399       |                    |          |             |

The overall model is statistically significant ( $F = 241.87$  with  $p$  of less than 0.001) and accounts for 54.9% of the variance in the brand switching behaviour ( $R^2 = 0.549$ ). The results show a high and statistically significant positive correlation between consumer skepticism towards green claims and brand switching behaviour ( $\beta = 0.612$ ,  $p < 0.001$ ), implying that consumers who suspect that a green claim is not true are more likely to change brands.

The beta value of brand trust is  $-0.291$  and significant at 0.001 level of significance; this implies that high level of brand trust reduces the tendency to switch brands. Therefore, believable sustainability communication boosts customer loyalty.

**Mediation Analysis****Table 5.4 Mediating Role of Brand Trust**

| <b>Path</b>                                                     | <b>Standardized Coefficient</b> | <b>p-value</b> | <b>Result</b>     |
|-----------------------------------------------------------------|---------------------------------|----------------|-------------------|
| Consumer Skepticism → Brand Trust                               | -0.582                          | 0.000          | Significant       |
| Brand Trust → Brand Switching Behaviour                         | -0.291                          | 0.000          | Significant       |
| Consumer Skepticism → Brand Switching Behaviour (Direct Effect) | 0.612                           | 0.000          | Significant       |
| Indirect Effect (Skepticism → Trust → Switching)                | 0.169                           | 0.000          | Partial Mediation |

This mediation analysis indicates that the impact of consumer skepticism on brand switching behaviour is partly mediated by brand trust. There is a high degree of skepticism, which in turn leads to decrease in brand trust and as a result, switching behavior. Due to the direct effect and indirect effect, the brand trust plays an important psychological role bridging between the skepticism toward the green claims of brands and the switching decision of consumers.

### Hypothesis Decision

| Hypothesis                                                                                                                        | Decision                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Consumer scepticism towards green claims significantly influences brand switching behaviour among urban consumers in Nagpur City. | <b>Null Hypothesis Rejected;<br/>Alternative Hypothesis Accepted</b> |

It can be observed from the findings that attitude of urban market consumers about environmental marketing claims in the city of Nagpur is getting more and more critical. Those who were more skeptical of the green tokens were strongly more likely to switch to competitive brands if for instance, they felt that green statements were 'hyped up' or false. Concurrently, brand trust has a significant impact in reducing switching behaviour with a great importance with regard to customer loyalty. The findings indicated that organisations need to focus on transparent and science-based and verifiable green marketing strategies to ensure consumer trust can be reinforced, green marketing scepticism is diminished and brand loyalty can be increased in the long run. The results resonate with the theory of relationship marketing and the current studies of green consumer behaviour indicating the strategic role of credible green communication in the competitive consumer market.

### Discussion

Consumer scepticism towards Green Claims has significant and positive impact upon the consumer's switching behaviour in the city of Nagpur. People are more and more aware of environmental problems, and skeptical of marketing messages that target sustainability. If environmental claims are too high, too general, or too ambiguous, the consumer sentiment about the brand's environmental impact is eroded, and they are more likely to look into other brands that they believe are conscious about their environmental impact. This means that if marketing strategies are green only, they cannot completely sweep away people if they are not accompanied by true and verifiable effective environmental practices.

Another important point brought forth by the study is the significance that brand trust has on impacting consumer behaviour. When they trust a brand's promises on the environment, they are more loyal and less apt to try a brand who populates with another. Those who believe a product's environmental claims are more likely to be loyal and less willing to switch brands. On the other hand, weak brand trust due to a lack of trust in green statements leads to a rise in the intent to switch brands. The mediation analysis results validate brand trust as an essential pathway to influence brand switching behaviour. This research reinforces the need to be transparent, consistent and accountable with sustainability reporting. Giving consumers credible environmental certifications, measurable sustainability results, and evidence to back claims will boost consumer trust, improve the trust in brands, and cut back on consumer brand switching. The study underscores that in such an eco-aware market environment, transparency and authenticity in sustainability efforts are essential for maintaining a loyal and competitive customer base in the long run.

### Conclusion

Therefore, the present study finds that green claims are causing much skepticism among the consumers in Nagpur City, causes brand switching to the consumers. Consumers are much more aware of and concerned with the environment, and before deciding to buy, they create a distinct line between their belief in the information used to market sustainability products and the messages they think are being sold. The results suggest that consumers' lack of trust in a brand because of misleading and/or overstated green statements reduce brand trust and increase the likelihood of consumers switching to another brand. Moreover, there's a mediating effect as it helps buffer the negative effect of skepticism on consumer loyalty. Hence, organizations wishing to retain their customers require to acknowledge that they need to have trustworthy environmental communication and genuine sustainability practices to develop their trust and continue competitive advantage.

### Recommendations

It is important that the organizations integrate the all claims in their green marketing should be clear, sound and backed by credible environmental certification to showcase the true intentions of the labels they use to attract buyers. It is time for companies to make true investments in sustainability, rather than making greenwashing statements, and consistently report on environmental performance in measurable terms at regular intervals; consistency in reporting on and performing sustainability should be built into the corporate fabric. There is a need to build up and regulate regulations to prevent greenwashing and standardized environmental labelling to create better consumer trust. In addition, when educating consumers about their organisations' sustainability initiatives and goals on online platforms, in their sustainability report and with awareness campaigns, businesses can reinforce consumer trust in their brand, curb brand switching behaviour and encourage responsible consumption among urban consumers.

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