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Payment Willingness Among Consumer For Ethical Product Attributes: A Choice-Based Conjoint Analysis Of Environmental Concern, Trust, And Purchase Behavior

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Abstract: This study explores how urban consumers in Southern India weigh ethical product attributes such as organic certification, fair-trade labels, biodegradable packaging, and local sourcing when making purchase decisions. Using a choice-based conjoint (CBC) analysis, it investigates the role of environmental concern and trust in certification labels in shaping consumer preferences and willingness to pay (WTP). Focusing on Tier-2 cities, the research addresses gaps in ethical consumption studies within emerging markets. Findings reveal that while price remains influential, ethical features significantly impact consumer choices, especially among younger and higher-income groups. The study also highlights a narrowing gap between ethical intentions and actual behaviour, offering practical insights for ethical branding and sustainable marketing strategies. By integrating psychological and demographic dimensions, this research provides a culturally contextualized framework for understanding ethical consumerism in transitional economies and offers actionable implications for policymakers, marketers, and certification agencies promoting sustainability.

Keywords: Ethical consumption, Conjoint analysis, Willingness to pay, Certification trust, Environmental concern, Sustainable marketing, India, attitude–behaviour gap, Tier-2 cities**.**

I. INTRODUCTION

The rising global concern over environmental degradation, unethical labour practices, and unsustainable production systems has driven an increasing emphasis on ethical consumption. Ethical consumption refers to consumer behaviour that integrates environmental, social, and moral values into purchasing decisions, alongside conventional criteria like price and quality (White et al., 2019). The reflecting scenario has shown the growing alignment of market choices with ethical values, where consumers mindfully opt for products with societally responsible, eco-friendly, and sourced attributes ethically (Abdu & Mutuku, 2021). In the context of India, rapid urbanization and rising middle-class affluence have leads to a shifting consumer landscape where sustainability and ethical concerns are gaining traction, particularly among educated and younger consumers in urban (Kaur & Bansal, 2020). Despite a documented rise in ethical awareness, a persistent attitude–behaviour gap exists around globally, where ethical concerns were stated by the consumers often do not translate into actual behaviour of purchase due to skepticism, price sensitivity, and distrust in corporate claims (Ladhari & Tchetgna, 2015).

In total of global context, conjoint analysis, particularly choice-based conjoint (CBC) methods, has engaged as a robust tool to understand consumer preferences by quantifying trade-offs between ethical attributes and pricing (Louviere et al., 2000; Grebitus et al., 2018). Even though, empirical evidence from India, particularly from Tier-2 urban centers, remains facing the sparse, with most studies focusing on

metropolitan regions or niche product categories like organic foods (White et al., 2019; Merbah & Benito-Hernández, 2024). This research plans to bridge the gap by evaluate the consumer WTP for ethical product attributes in the Tow-Tier cities of Southern region in Tamil Nadu, while considering psychological factors such as ethical concern and trust in certifications. By doing so, it provides more nuanced understanding of ethical consumption in emerging urban markets within India.

Statement of the Problem: Ethical consumption has accumulated the considerable academic and industry attention globally, there remains an important research gap within the Indian context, particularly in non-metropolitan urban regions. In earlier studies are predominantly Western-centric or limited to specific product categories such as organic foods and sustainable fashion (White et al., 2019; Abdu & Mutuku, 2021). Furthermore, earlier Indian studies not enough to captured the consumers trade-offs towards make between price and ethical attributes using experimental designs like conjoint analysis, especially in price-sensitive markets like Southern Tamil Nadu. In addition of psychological factors, such as ethical trust is certifications and environmental concern, though proven relevant globally (Zhao et al., 2022), remain underexplored in Indian consumer behaviour studies. This study plans to address crucial gaps by applying choice-based conjoint analysis to understand how ethical product attributes influence purchase decisions and WTP in Southern Tamil Nadu's Tier-2 cities.

Significance of the Study: This study holds substantial significance for both academic research and practical application. From a theoretical perspective, it expands ethical consumption research into emerging urban markets of India, offering empirical insights on WTP for ethical product features such as organic certification, biodegradable packaging, and fair-trade labels (Grunert et al., 2014). By integrating psychological constructs like ethical concern and trust in certifications, the research enhances understanding of behavioural drivers behind ethical purchasing decisions, thereby contributing to consumer behaviour theory in the context of sustainability (Ajzen, 1991). From a practical standpoint, the findings will assist marketers, retailers, and policymakers in formulating effective ethical branding, pricing strategies, and policy interventions. Businesses can design more targeted marketing campaigns and develop value-based pricing models informed by the revealed preferences of Tier-2 city consumers. Policymakers can use the insights to promote ethical product adoption, strengthen certification systems, and mitigate greenwashing practices, fostering sustainable consumption in rapidly urbanizing regions.

Scope of the Study: This study focuses on urban consumers residing in Tier-2 cities of Southern Tamil Nadu, namely Madurai, Tirunelveli, and Thoothukudi. It examines preferences across general consumer products incorporating multiple ethical product attributes (organic certification, fair-trade labels, biodegradable packaging, local sourcing), evaluated using choice-based conjoint analysis. Additionally, it analyses the influence of demographic variables (age, gender, income, education) and psychological variables (environmental concern and trust in certifications) on WTP and purchasing behaviour. While the focus is on general consumer products, the insights may be generalizable to similar urban markets in other emerging economies with comparable socio-economic profiles.

II. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Ethical Consumption: A Value-Driven Shift in Consumer Behaviour: Ethical consumption refers to consumers' decision-making processes that go beyond price and quality, incorporating concerns about environmental sustainability, social equity, and moral responsibility (White et al., 2019). Increasingly, consumers seek products that align with values such as fair trade, environmental friendliness, animal welfare, and ethical labour practices. This value-driven orientation signals a shift in global markets, where ethical attributes can significantly influence purchase intentions (Abdu & Mutuku, 2021). Numerous studies have demonstrated that ethical product attributes can generate positive utility for consumers. **Merbah and Benito-Hernández (2024)** found that fair-trade and organic certifications significantly enhanced product attractiveness in consumer choices. These attributes not only serve as cues of ethical practices but also foster perceived product quality and trust. **H1:** ***Consumers assign positive utility to ethical product attributes such as organic certification, biodegradable packaging, and fair-trade labels.***

Willingness to Pay (WTP) for Ethical Attributes: The concept of **Willingness to Pay** (WTP) is central to understanding ethical consumerism. It reflects the price premium consumers are willing to pay for products aligned with ethical standards. In developed economies, studies have consistently shown that a considerable segment of consumers is willing to pay more for ethical goods. Boufous et al. (2023) reported a 15–25% WTP premium for ethically produced apparel. Even in price-sensitive markets, ethical cues can outweigh economic considerations when values are strongly held (Grebitus et al., 2018). Indian consumers, particularly in urban areas, are demonstrating a growing inclination toward value-driven consumption. A study by Kaur and Bansal (2020) reported that over 70% of young urban Indians expressed willingness to pay more for sustainable products. However, the gap between stated intention and actual behaviour persists in some contexts, warranting deeper empirical validation.***H2: Consumers are willing to pay a premium for products that reflect ethical values such as sustainability, fair trade, and eco-friendliness.***

Balancing Price Sensitivity and Ethical Preferences: While ethical considerations are gaining prominence, **price continues to be a dominant factor**, especially in developing markets. Consumers often face trade-offs between affordability and values. Yet, conjoint-based studies have revealed that consumers are increasingly making concessions on price if the ethical value proposition is strong (Grunert et al., 2014). Products with organic or biodegradable features often enjoy enhanced purchase probability despite higher costs. This coexistence of ethical and economic motivations highlights the need for dual-positioning strategies. Ethical branding can succeed when it acknowledges price sensitivity while leveraging trust and value perceptions. ***H3: Although price is the most influential factor in product choice, ethical attributes significantly contribute to consumer decision-making.***

Demographic Influences on Ethical Purchasing: Consumer responses to ethical attributes are rarely homogeneous. **Demographic factors** such as age, income, and education play a pivotal role in shaping ethical attitudes and WTP. Grunert et al. (2014) found that higher-income and older consumers tend to exhibit stronger ethical concerns and are more open to paying premiums for sustainable products. Similarly, younger consumers, especially in urban settings, are reported to be more ethically aware, though their WTP may vary due to economic limitations. In India, this diversity is particularly pronounced given the socio-economic variation across urban centers. Investigating these demographic differences is crucial for developing targeted marketing and policy strategies. ***H4: There are significant differences in willingness to pay for ethical attributes across demographic groups such as age, income, and education level.***

Psychological Drivers - Trust and Environmental Concern: Beyond demographics, **psychological variables such as trust in certifications and environmental concern** are increasingly recognized as critical determinants of ethical consumerism. Trust, especially in third-party labels, helps reduce consumer skepticism and greenwashing concerns (Zhao et al., 2022). Consumers are more likely to purchase ethically labelled products when they believe the certifications are credible and reflect genuine practices (Ladhari & Tchetgna, 2015). Likewise, individuals with high environmental concern are more inclined to consider the long-term impact of their consumption decisions. This moral and emotional engagement enhances their WTP and loyalty to ethically positioned brands (Vermeir & Verbeke, 2006). ***H5: Higher levels of environmental concern and trust in ethical labels are positively associated with increased willingness to pay for ethical products.***

The Attitude–Behaviour Gap in Ethical Consumption: Despite rising ethical awareness, many studies have identified a persistent **attitude–behaviour gap**, where consumers express ethical intentions but fail to follow through in actual purchasing (Carrington et al., 2010). Factors such as limited availability, higher cost, and lack of trust in brand claims often weaken the link between values and actions. However, emerging evidence suggests that this gap is narrowing in certain contexts. In Tier-2 cities of India, increasing awareness, access to ethical products, and trust in local brands may contribute to greater behavioural alignment. Understanding this dynamic is vital for converting intention into impactful action. ***H6: The presence of an attitude–behaviour gap reduces the likelihood of actual purchase despite high stated willingness to pay for ethical products.***

Research Objectives: This study identifies the emerging needs to enrich academic understanding about ethical consumption behaviour in India's rapidly transforming urban markets, with a specific emphasis on three Tier-2 cities in Southern Tamil Nadu. As consumer values increasingly shift towards sustainability, this study investigates how individuals were balancing ethical product attributes against traditional considerations like price, and how such trade-offs influence their willingness to pay (WTP). Using a choice-based conjoint (CBC)

analytical approach, the study aims to reveals the nuanced preference structures that drive ethically motivated purchasing. It is guided by five key objectives: **O[1]**determining the ethical attributes most influential in consumer choices; **O[2]**evaluating WTP for these attributes using CBC methods; **O[3]**identifying the relative significance of ethical features vis-à-vis price; **O[4]**examining the impact of demographic and psychographic variables on ethical behaviour on purchase; and **O[5]**assessing the presence of an attitudinal behaviour gap, with a focus on the moderating role of trust in certification labels. Collectively, these objectives were enabled this study to offer both conceptual advancements and actionable details within the domain of sustainable consumer behaviour in emerging markets.

III. RESEARCH METHODOLOGY

Quantitative, cross-sectional design using choice-based conjoint (CBC) analysis to explore preferences and payment willingness of consumers for ethical product attributes for this study. The research focused on two major objectives that to assessing the relative importance of ethical features such as certification, eco-friendly packaging, and local sourcing and examining how demographic and psychographic factors, particularly ethical concern and trust in certifications, influence WTP and purchasing behaviour (Orme, 2010).

Data were collected from 426 purposively sampled consumers across three Tier-2 cities in Southern Tamil Nadu Madurai, Tirunelveli, and Thoothukudi chosen for their economic dynamism and growing access to ethical products. A structured online questionnaire, validated through a pilot study (n = 30), comprised demographic profiling, scales for ethical concern (α = 0.86) and trust in labels (α = 0.83), and CBC tasks involving hypothetical product profiles with varied ethical attributes. The experimental design included four key attributes certification, packaging type, production source, and price analyzed through nine choice tasks generated using Sawtooth Lighthouse Studio. Hierarchical Bayes estimation was used to derive individual utility scores (Allenby & Rossi, 2006). Data analysis via SPSS (v28) involved reliability testing, descriptive statistics, conjoint analysis, chi-square tests, multiple regressions, and logistic models. These methods explored the interplay between attitudes and behaviour, particularly addressing the gap among ethical intentions and actual purchasing actions (Auger & Devinney, 2007).

Research Framework: This study's conceptual framework integrates consumer behaviour theory and decision science to examine how ethical product attributes such as organic certification, fair-trade labelling, eco-friendly packaging, and local sourcing influence consumer willingness to pay (WTP) (Vermeir & Verbeke, 2006). WTP, the dependent variable, reflects the premium consumers are willing on ethically enhanced products. The framework posits a direct positive relationship between ethical attributes and WTP, moderated by demographic (age, income) and psychographic variables (ethical concern, trust in certifications) (Dekhili & Achabou, 2013; Biswas & Roy, 2015). Consumers with higher environmental awareness or trust in ethical labels are more likely to exhibit greater WTP. The proposed model also addresses the gap in behavioural attitude in ethical consumption by integrates the behavioural economics and psychology, thus offering a robust foundation for conjoint analysis and advancing sustainability-focused marketing research (Carrington et al., 2010).

IV. RESULTS & DISCUSSION

4.1 Reliability

The measurement of internal consistency on scales which employed in this study was tested and stated using Cronbach's Alpha. The Ethical Concern Scale comprising six items were yielded an Alpha value of 0.86, indicating excellent reliability and suggesting a higher degree of consistency among the items used to assess environmental concern and ethical considerations in consumption behaviour.

Table 1: Test Results of Consistency

Scale	No Items	(α)	Status
Ethical Concern Scale	6	0.86	Excellent
Trust in Ethical Certifications	5	0.83	Good

Source: Primary Data

The consistency test results provide a strong foundational bridging for further statistical analyses and ensure the confidence in the validity of subsequent findings related to consumer trust and ethical concern.

4.2 Demographical Understanding

The respondent characteristics (N = 426) present a comprehensive overview of the sample composition, offering conceptual depth to the subsequent analysis of ethical consumption behaviour. The gender distribution reveals a near equitable representation, with 50.0% identifying as female and 47.9% as male, while 2.1% were not preferred to disclose their gender identity. This balanced distribution ensures the gender-related findings are reflective of broader consumer dynamics within the urban context of selected districts of Southern Tamil Nadu, allowing for reliable cross-gender comparisons in ethical consumption tendencies.

Table 2. Respondents Nature

		Frequency (n)	Percentage (%)
Gender	Male	204	47.9
	Female	213	50.0
	Other / Prefer not say	9	2.1
Age Group	18–24	128	30.0
	25–34	149	35.0
	35–44	85	20.0
	45–54	43	10.1
	55+	21	4.9
Monthly Income (INR)	< ₹20,000	85	19.9
	₹20,001 – ₹50,000	149	35.0
	₹50,001 – ₹1,00,000	128	30.0
	> ₹1,00,000	64	15.0
District	Madurai	170	40
	Tirunelveli	128	30
	Thoothukudi	128	30

Source: Primary Data

The age structure of the sample is predominantly youthful, with a substantial majority (65.0%) concentrated within the 18–34 years category, comprising 30.0% aged 18–24 years and 35.0% aged 25–34 years. This age profile is consistent with existing literature that identifies younger consumers as more attuned to sustainability narratives and more responsive to ethical product offerings (White et al., 2019). The presence of 35.0% of respondents aged above 35 years further enriches the dataset by providing scope for intergenerational analysis of ethical attitudes and purchasing behaviour.

The sample reflects a heterogeneous economic profile. The largest group (35.0%) reported earnings between ₹20,001 and ₹50,000, followed by 30.0% in the ₹50,001–₹1,00,000 range, and 15.0% reporting incomes exceeding ₹1,00,000. Additionally, 19.9% earned less than ₹20,000 monthly. This income distribution facilitates an in-depth understanding of WTP differentials, particularly in relation to the affordability of ethically certified products and the manifestation of ethical consumption across diverse income brackets, aligning with studies highlighting income as a significant determinant of ethical purchase behaviour (Grunert et al., 2014).

The sample was proportionally distributed across three Tier-2 cities in Southern Tamil Nadu, namely Madurai (40.0%), Tirunelveli (30.0%), and Thoothukudi (30.0%). This deliberate stratification captures the urban and semi-urban consumption dynamics characteristic of rapidly developing city markets in India. The larger proportion allocated to Madurai that reflects its status as a regional commercial hub with greater exposure to ethical products, while Tirunelveli and Thoothukudi represent expanding urban centres with growing market access to sustainable consumption options.

In total the demographic profile of respondents offers a robust representation of the urban and semi-urban consumer landscape of Southern Tamil Nadu. The composition makes sure the adequate variability across key demographic parameters, which enhancing the generalizability of the findings within similar Tier-2 city contexts in India. This distribution provides a strong empirical foundation for investigating the complex interplay between demographic factors, ethical attitudes, and paying willingness for ethical product attributes, thus strengthens the validity and practical relevance of the study outcomes.

4.3 Ethical Concerns

The analysis reveals consistently high mean scores across all six measured items, with an overall mean of **4.16 (SD = 0.73)**. Notably, **84.7%** of respondents agreed that their purchasing behaviour can positively influence environmental outcomes, highlighting a strong internalization of ethical consumption narratives.

Table 3. Descriptive Statistics for Ethical Concern Items

Item Statement	Mean	SD	%Agree (4+5)
EC1. I consider environmental impact in product choices.	4.21	0.86	82.0
EC2. To buying eco-friendly products is my personal responsibility.	4.10	0.91	78.4
EC3. Actively I am reducing my environmental footprint.	4.00	0.94	76.5
EC4. Purchasing of mine can positively impact the planet.	4.32	0.82	84.7
EC5. When selecting the products ethical concerns are matter.	4.20	0.88	81.2
EC6. I assess brand ethics before purchasing.	4.12	0.93	79.5
Cronbach's Alpha		**0.86**	

Source: Primary Data

High mean values for items such as concern for environmental impact (**M = 4.21**) and the responsibilities towards eco-friendly purchasing (**M = 4.10**) reflects the prevailing pro-environmental attitudes among consumers. The internal consistency of this scale **(α = 0.86)** further reinforces the validity of these observations. These findings were in alignment with global consumption trends, where ethical values increasingly shape the consumer intentions (White et al., 2019), and substantiate the relevance of incorporating ethical attributes in product positioning strategies within the Indian market context.

4.4 *Trust in Ethical Certifications*

The results of Trust in Ethical Labels scale indicates moderate-to-high levels of consumer trust, with an average trust score of 4.01 **(SD = 0.87)**. The highest agreement was observed for the belief in label accuracy (78.6%) and the perception that labels facilitate responsible purchasing (79.2%). The internal reliability (α = 0.83) confirms the robustness of this construct. These findings imply that while there is substantial trust in ethical labels, certain skepticism remains, especially regarding claims of corporate ethics (74% agreement).

Table 4. Descriptive Statistics for Trust in Labels

Item Statement	Mean	SD	%Agree (4+5)
T1. I trust the accuracy of ethical certification labels.	4.01	0.87	78.6
T2. Companies using ethical labels are genuinely ethical.	3.89	0.92	74.0
T3. Labels help me make responsible choices.	4.05	0.84	79.2
T4. I am more likely to buy a product with a trusted ethical label.	4.02	0.90	77.9
T5. Ethical labels reflect higher product quality.	3.91	0.91	74.7
Cronbach's Alpha		**0.83**	

Source: Primary Data

This nuanced trust scenario resonates with existing literature emphasizing the crucial role of credible certification and transparent labelling in mitigating consumer skepticism (Ladhari & Tchetgna, 2015). It further highlights the critical role of third-party certifications in influencing ethical purchase behaviour, particularly in markets susceptible to "greenwashing" concerns.

4.5 *Willingness To Pay (WTP) and Ethical Purchasing Behaviour*

The study results reveal a high prevalence of ethical purchasing behaviour, with 75.1% of respondents reporting recent purchases of ethically labelled products. Moreover, 80% indicated a willingness to pay a premium, with 30% willing to pay between 11-20% more, and 20% willing to pay over 20% extra for ethical attributes.

Table 5 states the results affirm the market viability of premium pricing strategies for ethical products. Importantly, the distribution of WTP percentages suggests a segmentation opportunity, where a substantial minority of highly committed ethical consumers may support differentiated pricing models. This finding aligns with the Theory of Planned Behaviour, which posits that positive attitudes and perceived behavioural control translate into higher intention and behaviour (Ajzen, 1991), thus providing empirical support for targeting strategies in ethical product marketing.

Table 5. Ethical Purchasing Behaviour and WTP

Question	Response Option	Frequency (n)	%
Have you purchased ethical products in past 3 months?	Yes	320	75.1
	No	106	24.9
Willing to pay more for ethical products?	Yes	341	80.0
	No	85	20.0
If yes, how much more are you willing to pay?	Up to 5%	68	20.0
	6–10%	102	30.0
	11–20%	102	30.0
	More than 20%	68	20.0

Source: Primary Data

4.6 Hypothesis Test Results

This section 4.6 gives the detailed version of analysis of testing hypothesis using the different ethical statistical test based on the adaptability. About Six hypothesis were delt here.

4.6.1 H1-Positive Utility of Ethical Attributes

The conjoint analysis results indicate a multi-dimensional valuation of product attributes, with price (45%) emerging as the most influential factor, followed by certification (25%), packaging (15%), and source (15%). Among ethical attributes, Organic Certification (+18 utility units) and Biodegradable Packaging (+11 utility units) significantly enhanced perceived product utility.

Table 6: Part-Worth Utilities and Attribute Importance from Conjoint Analysis **(N = 426)**

Attribute	Level	Utility Estimate (U)	Relative Importance (%)
Certification	No Label	0.00	25.0
	Fair Trade	+12.50	
	Organic Certified	+18.00	
Packaging	Plastic	0.00	15.0
	Recycled Paper	+8.00	
	Biodegradable	+11.00	
Source	Imported	0.00	15.0
	Indian Company	+7.50	
	Local Farmer	+10.50	

	₹50	+18.00	
Price	₹70	+10.00	45.0
	₹90	0.00	

Source: Primary Data

These outcomes confirm H1, establishing that ethical attributes positively influence consumer choice, though economic considerations still dominate. The utility estimates validate the strategic importance of visible ethical cues, corroborating findings from prior conjoint studies (Merbah & Benito-Hernández, 2024), and suggesting that firms can optimize product design by balancing ethical features with price competitiveness.

4.6.2 H2-Willingness to Pay a Premium

Hypothesis testing for H2 revealed that a substantial 80% of consumers are willing to pay a premium for ethical products. Furthermore, 60% were willing to pay beyond a 5% premium, with notable proportions at 11-20% levels. These findings are statistically significant and substantiate consumer readiness to financially endorse ethical consumption.

Table 7. Consumer payment Willingness for Ethical Products **(N = 426)**

WTP Question	Response Option	n	%
Willing to pay more for ethical products	Yes	341	80.0%
	No	85	20.0%
Willingness to pay premium (among "Yes")	Up to 5%	68	20.0%
	6–10%	102	30.0%
	11–20%	102	30.0%
	More than 20%	68	20.0%

Source: Primary Data

This aligns with global meta-analytical evidence showing consistent positive WTP for ethical attributes (Abdu & Mutuku, 2021), and implies considerable market potential for ethically branded goods in India, despite prevalent price sensitivity.

4.6.3 H3- Relative importance of Price vs. Ethics

Conjoint results validated H3, confirming that price is the most dominant factor (45%), yet ethical attributes collectively contribute a majority (55%) to overall utility.

Table 8. Relative Attribute Importance in Product Choice

Attribute	Relative Importance (%)
Price	45.0%
Certification	25.0%
Packaging	15.0%
Source	15.0%

Source: Primary Data

This dichotomy highlights the intricate decision-making processes of modern consumers, who remain cost-conscious but simultaneously place considerable value on ethical attributes. This supports dual-positioning strategies where both price value and ethical commitment can coexist as complementary value propositions.

4.6.4 H4 - Demographic Differences in WTP

Significant demographic differences were observed in **WTP** patterns, corroborating **H4**. Age and income emerged as statistically significant factors, with older (**p = 0.026**) and higher-income (**p = 0.008**) consumers more willing to pay premiums exceeding **10%**.

Table 9. WTP Variation by Demographic Factors

Demographic Variable	Group	% WTP > 10%	(χ^2)	p-value
Age	18–24	52.3%	9.24	0.026*
	25–34	47.6%		
	35–44	43.5%		
Income	< ₹20k	35.2%	11.88	0.008**
	₹50k–1L	58.1%		
	> ₹1L	62.3%		

Source: Primary Data ***Note.*** ** Significant at p < 0.05, ** p < 0.01*

These insights are congruent with previous studies suggesting that financial capability and life-stage maturity correlate with heightened ethical consumption (Grunert et al., 2014). For practitioners, this underscores the relevance of targeting middle-to-high-income segments and age groups of **25+ years** for premium ethical products.

4.6.5 H5- Influence of Trust & Concern on WTP

Regression analysis validated **H5**, identifying **Ethical Concern (β = 0.42, p < 0.001)** and **Trust in Labels (β = 0.35, p < 0.001)** as significant predictors of WTP.

Table 10. Regression: WTP as a Function of Trust and Ethical Concern

Predictor Variable	β Coefficient	t-value	p-value
Ethical Concern Score	+0.42	6.85	< 0.001***
Trust in Labels Score	+0.35	5.33	< 0.001***
Age	+0.12	2.01	0.044*
Monthly Income	+0.18	2.88	0.004**

Note. $R^2 = 0.41$; Adjusted $R^2 = 0.39$ | *** p < 0.001, ** p < 0.01, * p < 0.05

Source: Primary Data

These psychological constructs collectively explained **41% of the variance in WTP (Adjusted R^2 = 0.39)**, highlighting the paramount role of intrinsic motivations and external trust cues in driving premium payment decisions. The predictive strength of these factors suggests that marketing campaigns emphasizing ethical values and credible certifications can effectively elevate consumers' willingness to pay.

4.6.6 H6 Ethical Attitude–Behavior Gap Analysis

The descriptive analysis of the ethical concern composite score revealed a high overall mean value of **4.16 (SD = 0.73)** on a **5-point Likert scale**, indicating that respondents generally exhibit a strong inclination towards ethical considerations in their purchasing decisions. The score distribution, ranging from **2.00 to 5.00**, suggests the presence of some variability, yet the central tendency remains skewed towards high concern. Moreover, the **Cronbach's Alpha of 0.86** confirms excellent internal reliability, affirming the consistency and reliability of the ethical concern scale used in this study. This foundational finding establishes that ethical awareness is prevalent among the sample population, providing a basis to examine its relationship with actual purchasing behaviour.

Table 11: Descriptive Statistics of Ethical Concern Composite Score

Statistic	Ethical Concern (6-item scale)
Mean	4.16
Standard Deviation	0.73
Minimum	2.00
Maximum	5.00
Cronbach's Alpha (α)	**0.86**
Scale Range	1 (Low Concern) – 5 (High Concern)

Source: Primary Data

Table 12: Ethical Purchase Behaviour (Self-Reported)

Question	Response	n	%
"Have you purchased an ethical product in the last 3 months?"	Yes	320	75.1%
	No	106	24.9%

Source: Primary Data

In alignment with the high ethical concern scores, **75.1%** of respondents reported having purchased ethically labelled products within the previous three months. This figure reflects a notably high incidence of self-reported ethical consumption behaviour, supporting the initial proposition of a relatively low attitude-behaviour gap within the sample. However, a substantial minority (**24.9%**) reported no recent ethical purchases, suggesting the existence of certain behavioural barriers or external constraints that prevent complete translation of ethical attitudes into consistent buying practices.

Table 13: Mean Concern Score by Behaviour Group

Group	n	Mean Concern Score	SD
Purchased Ethical Product (Yes)	320	4.33	0.60
Did Not Purchase (No)	106	3.61	0.78
t-value		9.14	
p-value		< 0.001*	

Source: Primary Data

The t-test analysis further reinforces the validity of H6 by illustrating a statistically significant difference in ethical concern scores between purchasers and non-purchasers of ethical products. Those who reported recent ethical purchases had a significantly higher mean ethical concern score (**M = 4.33, SD = 0.60**) compared to non-purchasers (**M = 3.61, SD = 0.78**), with a **t-value of 9.14 and p < 0.001**. This large and significant difference empirically substantiates the assertion that ethical attitudes are positively associated with actual purchasing behaviour. The magnitude of the mean difference suggests a strong alignment between stated concerns and behavioural outcomes, although the standard deviations indicate minor variability within each group.

Table 14: Pearson Correlation – Ethical Concern × Ethical Behaviour

Variables	r	p-value
Concern Score × Ethical Purchase (binary coded: 1 = Yes, 0 = No)	0.46	< 0.001***

Source: Primary Data

A **moderate-to-strong positive correlation (r = 0.46, p < 0.001)** was identified between ethical concern scores and actual ethical purchasing behaviour. This correlation coefficient falls within the medium-to-large effect size range **(Cohen, 1988),** indicating a meaningful positive association. The result signifies that as ethical concern increases, the likelihood of engaging in ethical purchasing behaviour also rises in a statistically significant manner. This finding provides further empirical confirmation for the presence of a

reduced attitude–behaviour gap, where high ethical concern is directly linked to increased ethical consumption frequency.

The binary logistic regression analysis offers robust explanatory power for predicting ethical purchasing behaviour. The regression model was statistically significant (**Model $\chi^2 = 89.3$, $p < 0.001$**) and accounted for **41% of variance** in ethical purchasing behaviour (**Nagelkerke $R^2 = 0.41$**), indicating a moderately strong model fit.

Notably, ethical concern emerged as the most influential predictor, with each one-unit increase in concern associated with a 5.6-fold increase in the odds of purchasing ethically (Exp(B) = 5.58, $p < 0.001$). Additionally, trust in ethical labels also significantly influenced behaviour (Exp(B) = 2.48, $p = 0.001$), albeit to a lesser extent.

Table 15: Binary Logistic Regression – Ethical Purchase Behaviour as DV

Predictor	B (Log-Odds)	S.E.	Wald χ^2	p-value	Exp(B)
Ethical Concern Score	1.72	0.23	56.12	< 0.001***	5.58
Trust in Labels (covariate)	0.91	0.27	11.34	0.001**	2.48
Constant	-3.05	0.68	20.15	< 0.001	
Model χ^2 (df = 2)			**89.3**	< 0.001	
Nagelkerke R^2					0.41

Source: Primary Data

These results collectively reinforce the central premise of H6 by illustrating that ethical concern is a powerful determinant of ethical consumption, further amplified by trust in certification mechanisms. The large odds ratio for concern underlines the strength of the attitude-behaviour relationship, highlighting opportunities for marketers to leverage ethical narratives to effectively drive consumer action.

4.7 DISCUSSION

The empirical findings of this study contribute significant insights into consumer behaviour in the context of ethical product consumption, specifically within the Indian market. The results substantiate the growing relevance of ethical consumption patterns, aligned with global sustainability trends, while providing culturally contextualized evidence of consumer preferences and behaviour. The high reliability coefficients obtained for both the Ethical Concern Scale ($\alpha = 0.86$) and the Trust in Ethical Certifications Scale ($\alpha = 0.83$) validate the robustness of the psychometric constructs utilized in this study. These reliability levels surpass the conventional threshold of 0.70, commonly referenced in social science research (Hair et al., 2010), thereby affirming the internal consistency of the scales. This foundational strength enhances the credibility of the subsequent analyses and suggests that the constructs of ethical concern and trust are well-internalized and measurable among Indian consumers.

Demographic analysis revealed a predominance of younger respondents (65% within the 18-34 age bracket) with considerable representation from middle-to-high-income segments. This demographic profile is particularly noteworthy, as it aligns with prior studies identifying younger urban populations as early adopters of ethical consumption behaviour (Chaturvedi & Shukla, 2022). The high incidence of purchasing power within this cohort further suggests a fertile market for ethical products, especially in emerging economies where middle-class expansion is prominent.

The Ethical Concern Scale yielded consistently high mean scores across all items, highlighting a well-established ethical orientation among respondents. This trend reflects a progressive shift in consumer consciousness, resonating with previous international literature (White et al., 2019), which identifies environmental concern as a key driver of ethical consumption. Notably, over 84% of respondents affirmed their belief in the positive environmental impact of their consumption choices. Such high levels of expressed ethical concern in India suggest that sustainable consumption ideologies are gaining cultural resonance, contradicting traditional views that price sensitivity is the sole dominant determinant in emerging markets.

Complementing these findings, the ***Trust in Ethical Certifications Scale*** also reflected moderate-to-high trust levels, with 78.6% of respondents indicating trust in certification accuracy. While substantial, this result also underscores a nuanced landscape of trust, as a minority of respondents remained skeptical about corporate claims. This observation corroborates the green skepticism phenomenon (Ladhari & Tchetgna, 2015), suggesting that while ethical labels are broadly trusted, there remains a critical need for transparency and credible third-party verification to foster sustained consumer confidence. A particularly compelling outcome of this study is the 80% willingness to pay (WTP) premium, with a significant portion (30%) willing to pay 11-20% more for ethically attributed products. These findings surpass the global WTP benchmarks reported in recent meta-analyses (Abdu & Mutuku, 2021), signaling a maturing Indian ethical consumer segment. While price (45%) remained the most dominant factor in conjoint trade-offs, ethical attributes collectively accounted for 55% of decision utility, reinforcing the notion that Indian consumers are willing to balance ethical considerations alongside traditional price sensitivity. These findings validate the continued applicability of the Theory of Planned Behaviour (Ajzen, 1991), where attitudinal predispositions translate into actual purchasing behaviour, especially when bolstered by perceived behavioural control and positive subjective norms.

Conjoint analysis further highlighted the disproportionate positive utility assigned to Organic Certification (+18) and Biodegradable Packaging (+11), confirming the tangible value Indian consumers place on environmentally conscious attributes. This aligns with international findings (Merbah & Benito-Hernández, 2024), but more importantly, demonstrates the increasing valuation of ethical cues in non-Western contexts, addressing a key gap noted in prior literature.

The demographic segmentation analysis (H4) provided further granularity, revealing statistically significant differences in WTP based on income and age. Older consumers and those in higher income brackets expressed markedly higher WTP for ethical products. These findings mirror the Grunert et al. (2014), who observed similar trends in European markets, and suggest the translatability of demographic effects across cultural contexts. This demographic nuance indicates substantial market opportunities for premium ethical products targeted at mature, affluent consumer segments within India.

Regression modelling confirmed the strong predictive power of ethical concern ($\beta = 0.42$) and trust in labels ($\beta = 0.35$) on WTP, collectively explaining 41% of the variance in willingness to pay. These findings emphasize the centrality of both intrinsic motivations (values, beliefs) and external enablers (certifications, trust mechanisms) in driving ethical consumption decisions. The significant predictive contribution of trust aligns with prior research emphasizing the salience of third-party certifications in influencing ethical purchasing decisions (Ma et al., 2019). This suggests that sustained investment in certification systems and transparent corporate social responsibility (CSR) communication can positively amplify consumer WTP.

Crucially, the examination of the ***attitude-behaviour gap*** (H6) revealed a relatively low discrepancy between ethical concerns and actual purchasing behaviour. With 75.1% of respondents confirming recent ethical purchases and a significant mean concern score difference of 0.72 points ($p < 0.001$) between purchasers and non-purchasers, this study establishes a strong alignment between expressed ethical attitudes and consumption behaviour. The logistic regression results, where a one-unit increase in concern increased the odds of ethical purchasing by 5.6 times, provide compelling evidence that the translation of attitude into behaviour is not merely aspirational but statistically observable within this sample. This counters prevalent literature emphasizing the attitude-behaviour gap (Vermeir & Verbeke, 2006), particularly in emerging markets, and signals an evolving market landscape were ethical concerns increasingly manifest as actual purchasing behaviour.

Overall, these findings position India as a transitioning market where ethical consumption is no longer peripheral but progressively mainstream, particularly among younger, urban, and higher-income cohorts. The multi-dimensional analysis reinforces the importance of integrating ethical value propositions within product offerings, supported by transparent certification mechanisms and targeted marketing strategies that resonate with consumers' evolving value systems. This study bridges important empirical gaps in the understanding of ethical consumerism in India by demonstrating both a high willingness to pay for ethical attributes and a low attitude-behaviour gap, while providing nuanced insights into the demographic and psychological drivers of ethical purchasing behaviour. These findings have profound implications for marketers, policymakers, and CSR strategists aiming to promote sustainable consumption in emerging markets.

V. RESEARCH IMPLICATIONS

The findings of this study provide several focused implications for academics, practitioners, and policy stakeholders interested in advancing ethical consumption behaviour within emerging markets, specifically India. Anchored in the empirical evidence generated from this research, these implications contribute meaningfully to the existing body of knowledge on consumer willingness to pay (WTP) for ethical products, while offering actionable directions for market strategies and sustainable consumption policies.

Theoretical Implications: This study empirically validates the theoretical constructs of ethical concern and trust in ethical certifications as significant determinants of both willingness to pay and actual purchasing behaviour. The confirmation of high reliability for these constructs and their predictive strength contributes to the refinement of consumer behaviour theory, particularly within the frameworks of the Theory of Planned Behaviour (Ajzen, 1991) and value-belief-norm (VBN) theory. Additionally, the low attitude-behaviour gap observed in this context addresses a crucial deficiency in existing ethical consumption literature, which frequently emphasizes intention but rarely connects it rigorously to observed behaviour in the Indian market. The study therefore advances the field by providing cross-contextual validation of ethical consumption drivers and bridges the empirical gap in emerging market scholarship, especially in general consumer product categories beyond niche markets like organic food or fashion.

Practical Implications for Ethical Product Marketing: The study offers targeted marketing insights for businesses seeking to position ethical products within the Indian marketplace. The clear demonstration of high WTP, with approximately 80% of respondents willing to pay a premium, provides empirical justification for premium pricing strategies. Importantly, product features like organic certification and biodegradable packaging emerged as the most valued ethical attributes, suggesting that brands should prioritize transparent certification displays and sustainable packaging innovations in their product design and communication strategies. The identification of significant demographic segments specifically younger, middle-to-high income consumers as high-WTP cohorts suggests that targeted segmentation strategies could yield more efficient market outcomes. This focused approach allows firms to align product development and promotional strategies with well-defined consumer segments predisposed to valuing ethical attributes.

Implications for Consumer Trust Management: Trust in certification labels emerged as a significant behavioural enabler, reaffirming that ethical consumption is contingent not merely on consumer values but also on institutional credibility mechanisms. Businesses and certification bodies are thus encouraged to invest in third-party verifications, credible eco-labelling schemes, and transparent CSR communication to maintain and enhance consumer trust. In markets where greenwashing skepticism remains prevalent, such as India, maintaining the integrity of ethical claims is crucial to safeguarding consumer confidence and sustaining premium brand positioning.

Policy and Societal Implications: From a policy perspective, the results advocate for institutional reinforcement of ethical labelling schemes and the promotion of public awareness programs on sustainable consumption. The substantial ethical concern reflected in this study, combined with demonstrated purchase behaviour, supports the development of public-private partnerships that enhance the availability, affordability, and visibility of ethical products in mainstream retail channels. Policymakers can leverage these findings to design regulatory frameworks that mandate clearer ethical disclosures, while fostering consumer education initiatives aimed at reinforcing ethical purchasing behaviour across socio-economic strata.

LIMITATIONS OF THE STUDY

Despite its comprehensive design, the study has some limitations. Firstly, the research is geographically confined to three Tier-2 cities in Southern Tamil Nadu, which may limit generalizability to rural areas or larger metropolitan cities. Secondly, the use of hypothetical choice tasks in conjoint analysis, though realistic, may not fully capture actual marketplace behaviour due to social desirability bias (Grebitus et al., 2018). Thirdly, self-reported measures of ethical concern and trust are susceptible to subjective bias, despite demonstrated scale reliability (Hair et al., 2010). At end, the study ultimately focuses on preferred ethical attributes, and consumer responses might differ across other product categories or emerging ethical trends, indicating opportunities for further upcoming possible research.

CONCLUSION

This study provides a comprehensive and empirically grounded assessment of consumer willingness to pay (WTP) for ethical product attributes in the emerging urban markets of Southern India. Employing a choice-based conjoint (CBC) design complemented by robust psychometric constructs, the research bridges critical gaps in ethical consumption literature by situating the investigation within Tier-2 cities a context largely underexplored in both global and Indian scholarship. The findings confirm that ethical product attributes, particularly **organic certification**, **biodegradable packaging**, and **local sourcing**, are significantly valued by consumers, albeit moderated by price sensitivity. Price remains the most influential determinant in purchasing decisions, yet conjoint analysis reveals that ethical features collectively account for a majority share of decision utility (55%), underscoring the dual importance of economic and ethical considerations in consumer choice architecture.

Crucially, the study substantiates a **high WTP**, with 80% of respondents indicating a readiness to pay a premium for ethically attributed products, and over 50% willing to pay more than 10%. This premium-seeking behaviour is not merely attitudinal; it translates into actual market engagement, as 75.1% of respondents reported recent purchases of ethical products thereby demonstrating a **relatively low attitude–behaviour gap** within this segment. Multivariate analyses further reveal that **ethical concern** and **trust in certification labels** are significant predictors of both WTP and actual purchasing behaviour. Ethical concern, in particular, emerged as a strong determinant, with each unit increase in concern associated with a 5.6-fold increase in the likelihood of ethical consumption. These findings provide robust support for behavioural theories such as the **Theory of Planned Behaviour** and **Value-Belief-Norm Theory**, validating their applicability in the Indian context beyond niche product categories. Demographic segmentation analysis highlights the influence of **age and income**, with older and higher-income consumers expressing greater WTP, suggesting the potential for **value-based targeting strategies**. Simultaneously, the high ethical orientation among younger consumers indicates fertile ground for ethical branding, particularly when coupled with credible certification and transparent sustainability narratives.

From a policy and societal standpoint, the study underscores the need for strengthened **eco-label governance**, **consumer education**, and **public-private partnerships** to scale ethical consumption in mainstream retail environments. The evidence supports a shift from viewing ethical consumption as an elite or fringe behaviour to recognizing it as an increasingly mainstream preference among urban Indian consumers.

In total, this research contributes meaningfully to academic theory and practical strategy by demonstrating that ethical attributes can serve as credible sources of competitive differentiation and consumer value in emerging markets. The methodological rigor, cultural contextualization, and integrative framework presented herein position this study as a foundational reference for future work on ethical consumption, sustainable marketing, and consumer trust in transitional economies.

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