

**URBAN CONSUMER ATTITUDES TOWARDS
SUSTAINABILITY AND SUSTAINABLE BUSINESS: AN
EXPLORATORY STUDY OF LUCKNOW CITY,
UTTAR PRADESH**

**Abstract of
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ABSTRACT

Maintaining the sustainability of our planet is an important issue as it affects the wellbeing of future generations. Businesses can potentially play an instrumental role in addressing global warming and maintaining the ecological equilibrium of nature. Attitudes held by business executives and professionals regarding sustainable business practices can help determine the outcome of this battle. A survey instrument was administered to 366 business professionals in the Lucknow city to assess these attitudes with different dimension. In general, we found that the surveyed business professionals have positive attitudes toward sustainable business practices. These attitudes were correlated with utilitarianism ethics and new business opportunities hypothesis, but not with the cost factor or a belief in a free market economy. Several background variables were found to explain the variation of the subjects' overall attitudes toward sustainability: age, gender, income, and employment. The concept of sustainability has undergone considerable discussion and analysis by the academic, commercial and legislative communities since it first rose to prominence with the publication of the Brundtland Report in 1987.

From that debate and assessment has developed widespread acceptance of the importance of living and working sustainably, and as a result, it is rapidly becoming one of the most influential drivers of contemporary business planning. It could be readily argued that business, political and academic leaders are in concordance on the subject, yet there has been very little attention paid to how consumers respond to sustainability. Understanding consumer attitudes towards sustainable business practices is of major importance because it is them, the consumers that will ultimately make the decisions and engage in the activities that lead to sustainability. Without their engagement, any attempts to achieve sustainable commercial activities will struggle to succeed, therefore understanding how they perceive and respond to sustainability as a concept is of considerable importance. This study sought to fulfill that need through the analysis of how a sample of consumers responded to sustainability as a holistic concept and identified that while there is some awareness of and commitment to both social and environmental sustainability, when it comes to economic sustainability there is much less certainty. From this, a number of potentially valuable future-research opportunities have been identified.

1. INTRODUCTION

Sustainable economic and business development that creates a prosperous economy and healthy environment is essential for the wellbeing of future generations. Businesses can play an instrumental role in addressing global warming and maintaining the ecological equilibrium of nature. More and more businesses and their executives, including accountants, have started to promote sustainable business practices. For example, companies such as Proctor & Gamble, 3M, Eli Lilly, Starbucks, Johnson & Johnson, and Microsoft prominently describe their sustainable business practices on their websites. In addition, major college business texts, including managerial accounting books, have chapters or sections describing the importance of sustainable business practices in strategic planning and performance evaluation (e.g., Horngren, Datar, & Rajan, 2015; Brewer, Garrison, & Noreen, 2016).

The success of sustainable business development, however, hinges on the attitudes of urban consumer and professionals' attitudes toward sustainable business practices (Michalos, Creech, McDonald, & Kahlke, 2009). If the concept and values of sustainability are widely accepted and embraced by urban consumer, then the pace of the sustainability movement will accelerate and become rooted in the daily operations of the business world. On the contrary, if the views and perception of these business professionals are less favorable toward sustainable business practices, there will be reservation and resistance in the adoption of these practices. A review of the current business literature yields surprisingly scant research on the attitudes of urban consumer toward sustainability.

Businesses increasingly find they are being forced to adapt to major shifts in the technological, political, environmental or economic environments they operate in: shifts that result in changes that are of such a magnitude that have become described as megatrends. One such megatrend is the fast-growing demand for businesses to adopt sustainability as a primary business imperative (Lubin & Esty, 2010). This has come about in response to a growing realization that the capacity of the natural environment to provide the resources humans have come to depend on and to absorb the waste resulting from human activities is unlikely to meet the demands being placed on it (e.g. Atkinson, Dietz, & Neumayer, 2007; Folke et al., 2002; Kremen, 2005; Meadows, Meadows, Randers, & Behrens, 1972; Scerri & James, 2010; WWF, 2012).

The status of sustainability as a business megatrend is evidenced by organizations such as global business advisors Price Waterhouse Coopers (PwC) stating that “it is critical that business incorporates sustainability in a way that guides strategy development, decision making and practical action” (PwC New Zealand, 2014). The Australasian bank Westpac describe sustainability as a “core value” (Westpac, 2014) assert that “sustainability continues to be an important part of our business strategy and our vision is to be clearly recognized by our customers, employees, investors and the community as a global leader in sustainability” (Westpac New Zealand, 2013).

These examples illustrate that leading participants in the corporate sector are asserting the importance of sustainability as a key factor for deciding business directions into the future. This growth in interest in sustainability is not unique to the business community and has become a key driver in academic thinking (e.g. Beddoe et al., 2009; Christensen, Peirce, Hartman, Hoffman, & Carrier, 2007; Corcoran & Wals).

1.1 Prelude

The concept of sustainability as it is discussed in this study had its genesis in the 1960s when best-selling books such as *Silent Spring* by Rachel Carson (1962) and *The Population Bomb* by Paul R. Ehrlich (1968) created widespread public awareness that increasing human activity was having a deleterious impact on a finite natural environment. This concern was a factor in the formation of The Club of Rome in 1968 as “an informal association of independent leading personalities from politics, business and science” (Club of Rome, n.d.). One of their first acts was to commission a group of researchers from the Massachusetts Institute of Technology (MIT) to conduct a study that would explore the relationship between exponential economic and population growth with finite resources. Through the use of computers and computer modelling, this was a ground-breaking work and resulted in the publication of *The Limits to Growth* (Meadows, Meadows, Randers, & Behrens, 1972). This book argued that human activity was using earth’s resources in an unsustainable manner and initially received widespread criticism and even ridicule, particularly from conservative economists and the mainstream business community (Kaysen, 1972; Simmons, 2000; Solow, 1973). However subsequent analysis and the passage of time have revealed that its overall findings were in fact

realistic and *Limits to Growth* has become a regularly updated and influential publication (Norgard, Peet, & Ragnarsdotir, 2010; Turner, 2008).

A further development occurred in 1980 when the International Union for the Conservation of Natural Resources (IUCN) published the *World Conservation Strategy (WCS)*. This document had a major impact on the evolution of sustainable development in that it “marked a shift away from the traditional focus on cure rather than prevention” (McCormick, 1986, p. 177). Until then, the focus of the environmental movement had been on preserving wildlife and limiting growth, but this report recognized that the successful conservation of nature is dependent on alleviating poverty. The report “stressed the interdependence of conservation and development in which development depends on caring for the earth” (UNCSD, 2014), introducing the concept of sustainable development and the contents laid much of the groundwork that allowed for the development of the triple bottom line (TBL) model in years to come. It played an influential part in the formation of the World Commission on Environment and Development (WCED) in 1983 which was subsequently tasked with formulating ‘A global agenda for change’ (Reid, 2013, p.55).

1.2 Business Sustainability

Since the late 1980s there has been “a deluge of sustainability literature” (Toman & Pezzey, 2002, p. 12) as interest in the concept and concern at the implications it presented grew, particularly within academic institutions and non-government agencies. However, this concern was not universal (Beckerman, 1994; Common & Perrings, 1992). Until the early 21st century, the commercial sector largely rejected the concept as being a hindrance to the successful pursuit of commerce (Holliday, Schmidheiny, Watts, & World Business Council for Sustainable Development, 2002). However, by then the impacts of unsustainable human activity were no longer able to be ignored, and it became increasingly accepted that existing business models needed to adapt in response.

An increasing number of business thinkers and leaders began to reassess the idea of sustainability, evaluating ways that sustainable business practices could practically be applied. This led to the realization that rather than simply being a cost, there were in fact many direct business benefits that were able to be enjoyed through operating sustainably (Dyllick &

Hockerts, 2002; Elkington, 1998; Snierson, 2008). Interest in sustainable business grew rapidly as increasing numbers of businesses began to implement appropriate business practices, a trend that is evidenced by the growth in membership of the Dow Jones Sustainability Index. The Index reported that in 1989, there were 469 companies listed and by 2014 this number had grown more than 380 percent to 1,813 companies listed as being assessed (Dow Jones Sustainability Indices, 2014). This trend has continued, and as has been previously discussed, sustainability is becoming a common and influential driver of business decision making. In their 2010 survey of global business leaders, consultants McKinsey & Company reported that three percent of Chief Executives identified sustainability as their most important priority with a further 31 percent placing it in their top three business priorities. By 2014, these numbers had grown to 13 percent noting sustainability as their top priority with 36 percent placing it in their top three (Bonini & Bove, 2014).

1.3 Research Motivation and Benefits

As sustainability has been the subject of a considerable volume of research, it could be argued that the concept is becoming well understood and the veracity of the ideas behind it has become generally accepted by both the academic and corporate communities. A review of the literature suggests that how consumers understand sustainability and the attitudes they hold towards the concept have received comparatively little attention. The concept of ‘green Consumers’ has been widely discussed, as has how consumers respond towards corporate social behavior. However it is apparent that little has been done to gain an understanding of whether consumers see sustainability as a holistic systems oriented concept and not merely another form of environmentalism. The OECD recognizes that consumers are central to “driving sustainable production and play a central role in sustainable development” (OECD, 2008, p.1), therefore this deficit warrants attention. The increasingly evident growth in interest shown by the business community suggests that they are listening, but if consumers are not engaged it could be argued that the efforts of the business community will, at best, be limited. The motivation behind this study is to add to the available information through identifying the attitudes consumers hold towards the concept. This knowledge will be of interest to both political policy makers and businesses.

2. RESEARCH METHODOLOGY

An exploratory study is conducted to gain the knowledge regarding the Indian consumer's attitude towards the sustainability and sustainability business practices. As discussed previously, according to global agreement sustainability comprises of three dimensions: social, economic and environmental sustainability. These dimensions, being different from one other, but still are interdependent and all must be fulfilled for sustainability to be possible. This study will not attempt to describe or explain the factors that determine consumer attitude or behavior, due to its exploratory nature. The purpose of this study is rather gaining an awareness of whether consumers acknowledge sustainability as holistic concepts or their attitude toward each dimensions of sustainability is distinct.

2.1 Objectives of the study

- To understand the emergence of the concept of sustainable business strategies
- To understand sustainable business practices followed by Indian corporates.
- To Assess the factor influencing in the sustainability & sustainability business
- To know the awareness level of the consumers towards sustainability & sustainability business. To explore the attitude & perception of the consumer towards sustainability & sustainability business.

2.2 Data Collection

The method of data collection needs to be easy to distribute, quick to complete by maximum sample as possible and readily accessible which resolves the challenges created by diverse and widespread characteristics of population interest (Indian consumers). The data collection method was kept private and anonymous because to protect the samples interest and increasingly value-charged nature of sustainability. The appropriate data collection method for this study after considering all factors suggests self-completed personal survey and online based survey.

2.3 Sampling Plan

After decision is made of using self-completed online survey, next challenge was of designing an appropriate sampling plan for collection of meaningful data to resolve the identified

problems. Large group of individuals representing wide range of demographic profiles were provided with concurrent instrument access as possible.

2.4 Instrument Design

Due to controversial nature of sustainability suggested asking directly the respondents about the definition of sustainability or how they felt or did would unlikely to produce any important data and mostly respondents would potentially avoid answering such questions. However, it was decided to record the responses of samples by using Likert. Scale to a series of twenty-seven statement each addressing a single aspect of the economic, environmental and social dimensions of sustainability from either a behavioural, cognitive or affective perspective. Likert scales were assessed as being an effective tool to achieve this as well as to gain the information needed to learn consumer attitudes towards sustainability because they are widely used in attitudinal surveys and are therefore familiar and easily understood (McLeod, 2008). These statements were written using plain English and avoiding jargon or any technical term that was outside of common usage. Ambiguity was avoided however, there were a number of negatively worded statements placed at random throughout the instrument to discourage pattern answering (Croasmun & Ostrom, 2011). All items used the same scale and point descriptions to minimize respondent confusion and to permit calculation of internal consistency reliability using the Cronbach's alpha coefficient (Croasmun & Ostrom, 2011). There has been much debate and limited agreement over the number of points in a Likert-type scale (Croasmun & Ostrom, 2011; Leung, 2011). However, for this study, ease of completion was an important consideration which supported the decision to use the five-point scale. A neutral option was included as Johns (2005) argued that it is of value in attitudinal studies and it prevents respondents feeling "forced to commit to a certain position" (Croasmun & Ostrom, 2011).

2.5 Pre-Testing of Questionnaire

Pre-testing the questions in their questionnaire context was an important step to ensure that the questions and instructions were able to be understood by all respondents (Collins, 2003) and to help identify any ambivalent or confusing statements (Evans & Mathur, 2005). The selected fifty of the researcher's contacted personally for pre-testing of final draft of

questionnaire, which represents wide range of demographic profiles as possible. They were given ten days to complete the survey and of the fifty recipients, forty completed it. The purpose of pre-testing is to check ambiguity of statement, how relevant respondent found statement and how much time it'll take to complete the survey. At the end of the questionnaire there are some additional question to know the queries related to statements, intentions, views and ideas related to topic for further survey. The feedback received from pre-testing, identified some minor changes in the wording of the statements and resulted in alterations in questionnaire for further study.

2.6 Data Collection and Analysis

Since the study used a structured close ended questionnaire was prepared, using which the responses of the consumer attitude toward sustainability were gathered. The questionnaire had three major sections, environmental, social and economic. All the sections had categorical values where we use 5 point Likert type scale was uses ranging from 1 strongly disagree; to 3 being neutral to 5 strongly agree. As mentioned the questionnaire was divided into two sections, demographic information and assessment part was based on different aspects of consumer's perceptions. In order to check the reliability and validity of the questionnaire a reliability test was conducted among forty respondents were asked to fill the online questionnaire for pretesting. Information collected through consumer survey further analyzed using SPSS & STATA.

3. FINDINGS AND CONCLUSION

3.1 Theoretical Findings

The purpose of this study meant it was always going to be somewhat restrained in its capabilities, but subsequently results received from the data analysis and review of existing literature tells that it has nonetheless been of value. As an exploratory study, there was neither the purpose nor the ability to illustrate any characteristic of consumer attitudes towards sustainability or discover why consumers behave or act in this order towards sustainability. However, this analysis is based on primary research that hypothesize that there was an association between consumers affective and cognitive responses to the dimensions of sustainability, and that this association was in turn mirrored in the behaviors that they engaged

in. It also proposes that consumers are more likely to respond positively towards the items that they understand and are aware with all dimensions, hence the greater unpredictability with the less-widely discussed dimension of economic sustainability. This is also indicated in the higher level of support for social sustainability over environmental sustainability, result is likely to be because of modern consumers being majorly disconnected from the natural environment, whereas mostly things that are influenced by social sustainability are part of their day-to-day lives.

3.2 Practical Contribution

Completely from a practical perspective, this study conclude that consumers are generally likely to be familiar and supportive of not just purchasing sustainably produced goods and services, still they feel positively towards companies that favor and show sustainable social and environmental behavior. This has suggestion for organizations building reputation and in turn hints at advantage when it comes to recruiting staff, securing supply contracts and relationships with their physical communities. The study also implies that knowledge and understanding play an important role in influencing and forming these attitudes, hence supporting the significance in information and education strategies for sustainably run businesses. Due to exploratory nature of this study has also indicated a number of future research opportunities, some in response to challenges of this study, but others have arisen from the observations made.

3.3 Limitation of the Research

The goal of this study was to know about Indian consumers although this population is large and consist of a widely dispersed and diverse range of people. As an outcome, limitations for any study regardless of scope, to identify a sample that is able to reflect the views of all Indian consumers with confidence. This study tried to overcome the challenges by the sample selection strategy, the demographic profile of the respondents eventually chosen was different from that of the Indian population as a whole. This is problematic as there is agreement that those specific demographic characteristics that were over-represented (e.g. women, people with a higher education and people who earn more money) may be more likely to be associated with people who assert positive attitudes towards environmental and social

responsibility (Diaz-Rainey & Ashton, 2011; Mainieri, Barnett, Valdero, Unipan, & Oskamp, 1997; Peattie, 2001).

It was also observed that the respondent's representation regarding their behavior are unable to be justified. Whereas there is no purpose to expect them to have intentionally marked an incorrect option, the gap between desire and actual action taken with green behavior is well recorded. That means the degree that the respondents demonstrate their engagement in pro-sustainability actions may not reflect in their actual behavior.

Further limitation regarding the collection of data used for analyzing respondent's attitudes towards economic sustainability was identified. While using Chronbach's alpha used for internal reliability items, the outcomes fell well short of what is traditionally considered acceptable, thus the outcomes gained that concerns to economic sustainability are potentially not so useful to this study. While identifying the specific reasons for this low alpha score falls outside the scope of this study, there is agreement that a low number of items in an instrument is likely to increase low internal reliability (De Vaus, 2002, Tavakol & Dennick 2011). It was originally decided to use negatively worded statements to minimize response bias, however there is growing agreement that they are not effective in achieving that result and can create confusion or uncertainty in survey participants (Ebesutani et al., 2012; Hughes, 2009; Van Sonderen, Sanderman, & Coyne, 2013; Weems & Onwuegbuzie, 2001). Therefore, adopting this method in the instrument design process has likely created a limitation to the results from this study.

3.4 Future Research Opportunities

A primary reason to conduct exploratory research of any form is to identify future research opportunities (Babbie, 2007 & Blaikie, 2000) and this study has identified a number of areas that present possibilities for valuable and interesting research.

3.5 Consumer Understanding

The strengths of this study were the analysis of the cognitive, affective and behavioral responses to sustainability, there is markable importance likely to be grabbed from focusing and assessing solely on consumer knowledge and understanding of sustainability as a concept

in and of itself. This explain that educators and business communication specialists would know whether consumers had the same concepts in mind when sustainability and sustainable business practices were being represented or discussed or whether there was a requirement for education and the use of different terminology.

While this study concludes that consumers were aware that the pursuit of sustainability requires consideration to both environmental and social aspects, there was somewhat low confidence in the aim and importance of the economic dimension. It would be of importance to conduct further research on whether they are in fact cognizant of the economic dimension, and if so, what they trust it to mean. As it is likely that this uncertainty is not constricted to consumers, there would be importance in taking the study beyond consumers, and to propose the idea of entrepreneur, business owners and key decision makers. This would clearly reflect whether this uncertainty is constricted to consumers or is in aspects something that is related to both businesses and consumers.

3.6 Consumer Attitudes and Behaviours

To perceive gap between identified behavioral intentions and actual behavior towards environmentally responsible actions also justifies further research. A review of this study was that consumer responses to sustainably intended behavior is likely to be in agreement with their cognitive and affective positions. Therefore, there would be some markings in a study that assessed the respondent's actual behavior in relationship to their cognitive and affective responses to sustainability.

Research that is able to propose the ideas of those demographic profiles that were under- rated would also make an important contribution to this study. This could be attained by hiring respondents that demonstrate those demographic profiles that were under-rated and using the same or a considerable similar study. Alternatively, a more respondents could be hired and a study conducted that engrossed in more on whether or not there was an interconnection between demographic aspects and attitudes towards sustainable business as a holistic concept.

4. CONCLUSION

This study has represented that the preferences and attitudes that are possessed by consumers within the demographic profiles indicated by this sample regarding environmental and social sustainability are equivalent in both strength and valence. There is consequently low certainty in the preferences and attitudes possessed towards economic sustainability which is likely to conclude from greater uncertainty regarding the nature and function of economic sustainability similar to the social and environmental dimensions. Nevertheless, this study support the argument that the mostly Indian consumers possess attitudes that advocates all three dimensions of sustainability and hence likely to support sustainability run businesses.