



Sample Research Papers for Proposed Research Journal in Commerce, management & Technology

Sr.No	Title of Research	Name of Researcher
1	Role of the AMFI's "Mutual Fund Sahi Hai" Campaign on Existing and New Mutual Fund Investors	Dr.Satish Warpade,Director, Dr.Anil Poman,Asso.Professor
2	Why Investors Avoid Investment Advisors Despite Financial Literacy Gaps	Dr.Rejesh Gade,Assi.Professor, Dr.Anil Poman,Asso.Professor,Prof.Sudarshan Babar, Assi.Professor
3	Understanding Consumer Trust and perception Toward Green Cosmetic	Dr.Satish Warpade,Director Prajakta Gajare ,Assistant Professor
4	To Study the Effect of Compensation and Benefits on the Job Satisfaction of the Employees of CTS Express	Dr. Priyanka Kulkarni, Associate Professor, Dr.Manisha Purohit, Associate Professor, Ms. Kishori Kadakane, Student MBA I

Role of the AMFI's "Mutual Fund Sahi Hai" Campaign on Mutual Fund Investors

Abstract

The "Mutual Fund Sahi Hai" campaign, initiated by the Association of Mutual Funds in India (AMFI) in 2017, was a pioneering attempt to enhance financial literacy and promote mutual fund investments among the Indian populace. This research examines the campaign's effectiveness in influencing investor awareness, perception, and behavior among both existing and new investors. Utilizing a mixed-methods approach, primary data was gathered from 100 respondents (50 existing and 50 new investors) across urban and semi-urban regions using structured surveys and interviews. The findings indicate a high level of campaign recall (69%) and a notable shift toward systematic investment plans (SIPs), especially among younger and self-employed demographics. However, the campaign's impact in converting awareness into actual investment behavior remains partial, with only 37% of respondents making investments due to the campaign. Furthermore, while the campaign improved understanding and reduced fear for a substantial number of investors, a large portion still exhibits hesitation and information gaps. The study underscores the importance of continuous and targeted investor education, simplified messaging, and hybrid promotional strategies to bridge the financial literacy gap and improve participation in mutual funds.

Keywords: *Mutual Fund Sahi Hai, Financial Literacy, Retail Investors, SIP, Investor Behavior, AMFI, Awareness Campaign.*

Introduction:

Introduction

The Indian mutual fund industry has witnessed unprecedented growth over the past decade, driven largely by digitalization, regulatory reforms, and increased participation from retail investors. However, despite favorable economic trends and the benefits of mutual fund investments—such as diversification, professional management, and accessibility—many Indians continued to perceive mutual funds as complex or risky instruments. To address this gap in financial literacy and promote informed investment behavior, the Association of Mutual Funds in India (AMFI) launched the nationwide “Mutual Fund Sahi Hai” campaign in March 2017.

This campaign marked a watershed moment in the financial services sector, as it sought to demystify mutual funds and position them as simple, reliable, and smart investment options for all income groups. Through a combination of mass media advertising, digital outreach, celebrity endorsements, and relatable storytelling, the campaign aimed to increase awareness, reduce fear, and foster trust in mutual funds among Indian investors.

This research aims to evaluate the real-world impact of the "Mutual Fund Sahi Hai" campaign on both existing and new investors in India. It explores changes in awareness, behavioral patterns, investment motivations, and psychological attitudes toward mutual funds. It also analyzes how demographic and socio-economic factors mediate the effectiveness of the campaign and highlights areas where further improvement is needed.

Objectives of the study:

1. To assess the level of awareness created by the "Mutual Fund Sahi Hai" campaign among existing and new investors.
2. To evaluate the change in investment behaviour of existing mutual fund investors post-campaign (e.g., increased SIPs, diversification, long-term investment habits).
3. To analyse the campaign's effectiveness in attracting new investors to the mutual fund market.
4. To examine investor perception and trust in mutual funds before and after the campaign.
5. To understand challenges and gaps that still exist in mutual fund awareness despite the campaign.

LITERATURE REVIEW

The mutual fund industry in India has experienced remarkable evolution in recent years, particularly due to the increasing focus on financial inclusion and retail participation. The following review highlights key contributions from previous studies addressing mutual fund awareness, financial literacy, and the impact of campaigns like "Mutual Fund Sahi Hai":

1. **Dr. Shweta Deshmukh & Dr. Rajesh Kumar (2021)**
The authors highlight the mutual fund industry's significant growth driven by financial literacy, digital platforms, and evolving investor preferences. Younger investors are more inclined towards SIPs and equity funds, while older investors prefer conservative approaches. The study recommends continuous efforts in investor education, digital outreach, and personalized advisory services to sustain industry growth.
2. **Dr. Neha Raghavan & Dr. Amit Kumar (2021)**
This study emphasizes the critical role of financial literacy in making informed investment decisions. Financially literate individuals demonstrate more balanced, diversified, and goal-aligned investment behaviors. The study suggests bridging the literacy gap could reduce reliance on traditional investment instruments and enhance mutual fund participation.
3. **Dr. Sandeep Kumar & Dr. Meenal Sharma (2020)**
The authors found that public awareness campaigns such as "Mutual Fund Sahi Hai" significantly influenced investor behavior and financial participation. However, they stress the need for continuous engagement to ensure that awareness leads to consistent and long-term investments.
4. **Dr. Ramesh Kumar & Dr. Priya Verma (2021)**
This study analyzes the impact of the "Mutual Fund Sahi Hai" campaign, highlighting its success in reaching diverse investor groups and improving confidence in mutual fund investments. Despite challenges in converting awareness into action, the campaign reshaped the mutual fund narrative in India.

5. **Indra Bishnoi & V. K. Bishnoi (2023)**

The research shows that awareness is increasing, largely due to digital initiatives and educational outreach. Nevertheless, a stronger focus on rural and less-educated populations is necessary to achieve deeper penetration and more informed investment choices.

6. **Ansal P & Anbumalar S (2023)**

The authors report that media campaigns and bank interventions have improved awareness in Calicut District, Kerala. However, the understanding of key mutual fund concepts such as risk-return and diversification remains superficial, revealing a gap between awareness and practical knowledge.

7. **Anvesha Singh (2023)**

This study focuses on investor awareness regarding UTI Mutual Fund in Salem. It concludes that while awareness has increased due to promotional and regulatory efforts, investors still lack scheme-specific knowledge and tools for performance evaluation, highlighting the need for targeted education.

8. **Pushpa Raj K. & Dr. B. Shymala Devi (2020)**

The authors underline the role of digital marketing in the success of the "Mutual Fund Sahi Hai" campaign. They emphasize how emotional appeal combined with educational messaging significantly influenced public perception, setting a new standard in financial services marketing.

Research Methodology

This study adopts a **mixed-methods approach** combining both **quantitative** and **qualitative** research to assess the impact of the "Mutual Fund Sahi Hai" campaign on investor behavior in India. A **descriptive and exploratory design** is used to measure awareness, trust, and behavioral changes among **100 mutual fund investors** (50 existing, 50 new), selected through **convenience sampling** from urban and semi-urban areas. Data was collected via structured **surveys** and **semi-structured interviews**, covering campaign awareness, investment motivation, and perceived barriers. Quantitative data was analyzed using descriptive statistics and hypothesis testing, while qualitative data was analyzed thematically. Ethical considerations like informed consent and confidentiality were ensured throughout the research.

Key Findings & Discussions:

1. **Age-Wise Investment Participation**

- The largest segment of respondents (33%) falls within the 36–45 age group, suggesting a high interest in long-term financial planning such as wealth creation and retirement.
- Young investors (below 25 years, 29%) are also engaging early with mutual funds, indicating increased financial awareness and proactive investment behavior among the youth.

2. **Occupational Diversity of Investors**

- A significant portion of respondents are self-employed (36%) and students (29%), highlighting growing interest in mutual funds among entrepreneurial and younger demographics.
 - Salaried individuals (21%) and retirees (14%) show moderate engagement, suggesting potential for targeted education and retirement-specific investment products.
- 3. Income-Wise Investment Trends**
- The majority of investors (24%) belong to the ₹1,00,001–₹2,00,000 monthly income range, showing strong mutual fund participation among mid-income earners.
 - Moderate participation is also seen in the ₹50,001–₹1,00,000 group (21%), suggesting that affordability and disposable income play a key role in mutual fund adoption.
- 4. Investor Experience and Engagement**
- 75% of respondents are existing investors, indicating strong retention and trust in mutual funds.
 - However, 25% are new investors, suggesting continual onboarding of first-time investors due to increased awareness and outreach.
- 5. Campaign Awareness and Influence**
- 69% of respondents are aware of the “Mutual Fund Sahi Hai” campaign, showing successful brand visibility.
 - TV advertisements (45%) are the most effective medium, followed by word-of-mouth through friends (23%) and family (16%).
 - Social media and YouTube (15%) show emerging influence among tech-savvy users.
- 6. Frequency and Ease of Understanding**
- 29% of respondents see/hear the campaign daily, but 36% engage rarely or never—indicating a need for wider and more frequent outreach.
 - 45% of respondents find the campaign easy to understand, though 35% rated it poorly—highlighting the need for simplification and clarity.
- 7. Impact on Financial Understanding and Fear Reduction**
- 45% of respondents feel the campaign improved their understanding of mutual funds, while 40% said it helped reduce their fear of investing.
 - A significant portion (around 31%–37%) remain neutral or unconvinced, suggesting the campaign has not fully addressed all investor doubts.
- 8. Behavioral Shift and Investment Motivation**
- 41% of respondents felt motivated to invest after watching the campaign, with 25% giving the highest rating.
 - SIPs are the most preferred investment type (53%), validating the campaign’s focus on promoting systematic and disciplined investment habits.
- 9. Effectiveness in Addressing Doubts and Encouraging Recommendations**
- 62% of respondents feel the campaign only moderately addresses their doubts, indicating room for improvement in communication strategy.
 - Only 29% of respondents are more likely to recommend mutual funds due to the campaign, though an equal number remain undecided and could be influenced with better engagement.
- 10. Celebrity vs. Common Person Appeal**

- M. S. Dhoni (43%) is the most appealing endorser, but general people (36%) also resonate well with the audience—suggesting a hybrid promotional strategy may be most effective.

11. Campaign Conversion into Actual Investment

- 37% of respondents made an investment due to the campaign, while 63% did not—highlighting a need to convert awareness into action.
- Among those who invested, 53% chose SIPs, indicating the campaign’s success in promoting systematic investments.

12. Impact on Existing Investors

- Only 33% of existing investors were motivated to diversify or increase investments due to the campaign. The remaining 67% show stagnation or indifference, requiring re-engagement strategies.

Conclusion

The “Mutual Fund Sahi Hai” campaign has significantly enhanced awareness and interest in mutual fund investments across diverse demographic segments, particularly among younger and self-employed individuals. The campaign has succeeded in improving basic financial understanding and encouraging disciplined investment through SIPs. However, the conversion of awareness into sustained investment behavior remains a key challenge, especially among existing investors who demonstrate limited behavioral change post-campaign. Furthermore, despite strong campaign visibility, a substantial percentage of investors still face knowledge gaps and hesitation—indicating the need for simplified, more relatable communication strategies. The study highlights the importance of ongoing investor engagement, regional and language-specific outreach, and personalized education to foster deeper financial inclusion. Future campaigns must not only focus on awareness but also prioritize actionable insights, trust-building, and accessible advisory tools to translate financial literacy into confident, long-term investment practices.

References

- Deshmukh, S., & Kumar, R. (2021). Mutual fund industry growth and investor behavior: A study on changing investment trends in India.
- Raghavan, N., & Kumar, A. (2021). Financial literacy and investment decisions: A study on Indian investors. *International Journal of Financial Education*.
- Kumar, S., & Sharma, M. (2020). Role of public awareness campaigns in promoting financial literacy and investment behavior. *Journal of Financial Education and Marketing*.
- Kumar, R., & Verma, P. (2021). "Mutual Fund Sahi Hai" campaign: An emerging research area. *Journal of Marketing and Investment Strategies*.
- Bishnoi, I., & Bishnoi, V. K. (2023). Measuring the level of awareness of mutual fund investors. *Tuijin Jishu / Journal of Propulsion Technology*.
- Ansal, P., & Anbumalar, S. (2023). A study on investor awareness of mutual funds in Calicut District, Kerala. *ShodhKosh: Journal of Visual and Performing Arts*.
- Singh, A. (2023). A study on investor awareness about investment in mutual fund with reference to UTI Mutual Fund in Salem. *International Journal of Scientific Research in Engineering and Management (IJSREM)*.
- Pushpa Raj, K., & Shymala Devi, B. (2020). "Mutual Funds Sahi Hai" ad campaign by AMFI – Implications of digital marketing strategy. *TEST Engineering & Management Journal*.

Why Investors Avoid Investment Advisors Despite Financial Literacy Gaps

ABSTRACT

In today's complex financial landscape, the role of investment advisors has become increasingly significant, especially for individuals seeking to navigate diverse financial instruments and achieve long-term financial goals. However, despite the potential benefits offered by professional advisory services, a considerable portion of the population in urban centers like Pune remains hesitant or unwilling to engage with investment advisors. This project seeks to systematically analyze the various barriers that prevent individuals from choosing investment advisors in Pune city.

The study adopts a mixed-method research approach, incorporating both quantitative surveys and qualitative interviews with individuals from varied socio-economic backgrounds, as well as with financial professionals. The primary objective is to identify and evaluate the key psychological, informational, financial, and socio-cultural barriers that influence investor behavior. Key areas of investigation include lack of awareness or understanding of financial advisory services, perceived high cost of hiring advisors, trust deficits, fear of mis-selling, preference for self-directed investing, and influence of peer or family advice.

Ultimately, this project aims to contribute to a more financially literate and advisory-friendly environment by highlighting the real-world barriers faced by investors and offering data-driven recommendations to improve the adoption of professional investment advisory services in Pune city.

Keyword: *Digital Literacy, financial literacy, barriers of Investment*

Introduction

In today's increasingly complex financial environment, investment advisors serve as vital guides for individuals seeking to make informed decisions. Despite this, many investors—particularly in urban centers like Pune—choose to avoid professional advisory services. This reluctance persists even among individuals with limited financial literacy, creating a paradox where those most in need of guidance often go without it.

Several factors contribute to this behavior, including mistrust of advisors, fear of mis-selling, high perceived costs, and a belief that advisory services are only for the wealthy. In parallel, digital tools and self-help platforms have empowered investors to manage their portfolios

independently, even if not always effectively. This study investigates the key psychological, informational, and social barriers that prevent individuals from seeking professional investment advice.

By focusing on the Pune market and analyzing both investor and advisor perspectives, the research aims to provide practical insights for improving financial advisory engagement and bridging the literacy-advice gap.

OBJECTIVES OF THE STUDY

1. To identify key psychological and behavioural factors that determine individuals from engaging with investment advisors.
2. To examine the role of financial literacy in the selection of investment advisors.
3. To explore the significance of past experiences and peer influence in shaping the decision to consult investment advisors.
4. To evaluate the effect of technological advancements and digital advisory platforms on traditional investment advisory services.

REVIEW OF THE LITERATURE

Literature review of Research Papers

Yingxia Cao and Jeanny Liu (2017)

This study explores how young adults make financial decisions and where they seek financial information, with a focus on understanding their financial satisfaction. Using data from 229 participants, the researchers applied structural equation modeling to analyze relationships between financial orientation, motivation, and source choice. The findings highlight that many young adults lack traditional financial planning and rely heavily on informal or digital sources like social media. The study underscores the need for tailored communication strategies that align with millennials' unique preferences and behaviors. Ultimately, improving how young adults access financial information could enhance their long-term financial well-being.

Barun Srivastava and Kamal Pant (2021)

This study by Srivastava and Pant investigates how demographic factors influence risk-averse investors' preferences between fixed deposits and debt-based mutual funds. Key factors affecting investment decisions include safety, brand image, family influence, and perceived stability. The study found that marital status, education, and income significantly impact investor perception. Fixed deposits remain the preferred choice for 73.2% of respondents, especially during uncertain times like the COVID-19 pandemic. These insights aid financial marketers and policymakers in crafting strategies to better serve conservative investors.

Naveen Badhwar and Dr. R. K. Garg (2024)

The study highlights the crucial role of financial advisors in guiding retail investors on risk management, goal setting, and market volatility. Advisors help structure financial plans, recommend suitable products, and offer unbiased advice, especially during emotional decision-making. Ethical conduct, service quality, and fee transparency are key factors investors consider when choosing advisors. Overall, advisors are vital for long-term financial health and achieving life goals.

Loretta Mastroeni Dept. of Economics, Maurizio Naldi and Pierluigi Vellucci (2019)

This study presents an Agent-Based Model (ABM) to analyze interactions between investors, financial advisors, and banks, using game theory to explore decision-making in personal finance. It highlights how advisor incentives can lead to biased recommendations, affecting naive investor behavior. The model identifies Nash equilibria and the conditions under which advisor and investor strategies align or diverge. Additionally, it evaluates social welfare efficiency through the concept of the Price of Stability.

Daniel Ben David, Yehezkel S. Resheff and Talia Tron (2021)

This study explores how different types of **explanations** local, global, and accuracy-based affect user **trust, willingness to adopt, and pay for** financial AI advice. Using a web-based game with real monetary stakes, the researchers found that **explanation quality matters most when the AI model performs poorly**, helping to **sustain adoption levels**. High-performing models reduce the need for complex explanations. Importantly, users **trusted and paid more for AI advisors** that provided meaningful explanations versus those that offered none.

Paula Onuchic (2023)

This paper analyzes how **hidden motives affect advisors disclosure behavior**, showing that when sellers (advisors) can commit to communication strategies, **transparency policies may reduce their incentive to share or acquire valuable information**. By removing the ability to “steer” sales toward more profitable items, **mandated transparency can backfire**, especially when buyers’ demand functions are concave. The study emphasizes that **transparency isn’t always beneficial in advice markets with strategic commitment**.

Paul L Bechly (2018)

This study investigates how **demographic factors like gender, age, education, and income influence financial consumers’ choice of information sources**, such as the Internet or professional advisors, for investment and planning. Findings reveal significant differences among these groups, emphasizing the need for **targeted financial education**. As financial responsibility shifts from institutions to individuals, **understanding consumer behavior helps tailor outreach efforts**. The research also underscores the importance of **improving access and effectiveness of financial information delivery**.

Cynthia Pagliaro, Dhagash Mehta, Han-Tai Shiao, Shaofei Wang and Luwei Xiong (2021)

This study uses NLP and machine learning to analyze financial advisors’ notes to **predict when investors may need behavioral coaching during volatile markets**. By applying topic modeling and classification techniques, the research extracts behavioral insights from unstructured data, a novel approach in advisor-investor analysis. It finds that **investor behavior patterns and coaching needs can be effectively predicted**, offering value in both human and robo-advisory models. This work bridges a gap in data-driven research on advisor-client interactions.

Max schemer, Patrick hemmer, Niklas kühl, carina benz and Gerhard satzger (2022)

This article introduces the concept of Appropriate Reliance (AR) in human-AI decision-making, defining it as the ability to discriminate between correct and incorrect AI advice and act accordingly. It highlights that AI advice should not be followed blindly, and humans need to establish case-by-case reliance, adjusting their behaviour based on the quality of advice. The paper emphasizes the need for a measurement concept for AR to improve human-AI interactions. It discusses existing research on AR and outlines future directions for studying this crucial aspect of decision-making.

Xiaoqing Wan and Nichole R. Lighthall (2018)

The study evaluates the impact of the SEC-mandated **Form CRS** on retail investors, focusing on its effects on **comprehension**, **perceived helpfulness**, and **decision making**. Results show that the disclosure improved investors' understanding of investment account types and increased their preference for broker-dealers, especially among those with more investment experience. This suggests that **Form CRS** can promote more informed decision-making while influencing investor choices.

Nittan Arora and Dr. Sonia Chawla (2021)

The study by Arora and Chawla examines factors influencing mutual fund investment choices, focusing on risk perception, investment patterns, and demographic factors. Key findings show that regular returns are the most important factor for investors, while less procedure is least important. Demographics had little impact on risk perception and investment behavior. The research highlights the growing attractiveness of mutual funds in the Indian financial market.

Jun Honda (2025)

This paper explores the persistence of financial misconduct in advisory services and investigates how retail investors detect misconduct, such as mis-selling, churning, and unauthorized trading. The study finds that detection lags the time it takes investors to notice misconduct are generally long, but vary depending on investor characteristics like financial literacy. Detection lags tend to shorten during market downturns as investors scrutinize their advisors more due to heightened portfolio losses. The paper contributes to understanding investor behavior in financial advisory markets and suggests further research to better understand these dynamics and refine policies.

Seetharaman, Indu Niranjana, Nitin Patwa & Amit Kejriwal (2017)

This study investigates the factors influencing investment decisions and portfolio choices in Singapore, focusing on financial investments. It explores how investment objectives, time horizon, income level, and risk attitudes affect portfolio selection. The research highlights the importance of these factors in determining individual investment behavior and emphasizes the role of demographic and psychological factors in investment decision-making. The study uses the Smart-PLS statistical package to model the relationship between these factors and portfolio performance.

Premalatha K P and Dr S J Manjunath (2019)

This study explores the factors influencing investment decisions among various classes of investors in India, particularly focusing on preferences for safe investments like insurance, bank deposits, and post deposits. Despite the growing popularity of mutual funds, many investors still avoid equity investments due to perceived risks. The research aims to identify the key

elements driving investment choices and preferences for mutual funds and equities. It emphasizes the importance of understanding these factors for financial institutions to mobilize savings into investments effectively.

Aruna P and Dr.H. Rajashekar (2016)

This study explores how retail investors' decisions are influenced by a combination of demographic, economic, psychological, social, and organizational factors. It emphasizes that no single variable determines investment behavior, which varies by individual and context. Behavioral finance explains the irrationalities and emotional biases that shape investor choices. The paper suggests policy makers should consider these diverse influences when designing investment avenues.

Darren Pawski, Robert Powell and Anna Golab (2022)

Over the past decade, financial advice demand in Australia has grown, yet less than 1% of advisers are independent due to systemic barriers like commission-based remuneration and licensing constraints. Many advisers are reluctant to transition due to revenue loss from insurance commissions and the complexity of implementing fee-only models. This results in continued conflicts of interest, despite regulatory reforms aimed at improving advice quality. The study highlights the need for structural change to support the growth of the independent advice sector.

Mutswenje vincent shiundu (2009)

This study explores the behavioral factors influencing individual investment decisions at the Nairobi Stock Exchange, highlighting that psychological, market, and firm-specific variables significantly affect investor behavior. Key influencing factors include firm reputation, expected earnings, stock performance, share price, and economic outlook. Despite access to financial data and tools, many investors act irrationally due to fear, emotions, and external influences. Findings emphasize that behavioral finance is crucial in understanding investment patterns beyond traditional rational models.

Andreas Oehler, Matthias Horn, Stefan Wendt³ (2021)

This study investigates how individual traits influence young retail investors' willingness to use robo-advisors. A survey of 231 German business students showed that those more open to financial risk, optimistic, and extraverted were more likely to adopt robo-advising. However, when all traits were considered together, only risk tolerance remained a significant predictor. These findings highlight the role of psychological and behavioral characteristics in technology-driven investment decisions.

Ahmed Amer Abdul kareem, Zaki T. Fayed, Sherine Rady, Salsabil Amin El-Regaily and Bashar M. Nema (2023)

This study investigates the multiple factors influencing investment decisions by financial organizations listed on the Iraqi Stock Exchange, using structured questionnaires and statistical analysis. It adopts a holistic approach, unlike prior research that focused on single variables. Findings reveal that five key variables positively impact investment decisions, with a high explanatory power ($R^2 = 0.98$). The study emphasizes the relevance of both economic conditions and investor characteristics, such as age and risk tolerance, in shaping investment behavior.

Bomikazi Zeka, Jasmine Goliath, Xolile Antoni and Riyaadh Lillah (2015)

This study investigates why many South Africans do not use financial planners, despite increasing financial complexity and personal planning needs. It identifies key influencing factors awareness, perceived image, trust, and perceived rewards and empirically tests their effect on the intention to engage financial planners. Results show that perceived image and perceived rewards significantly influence the intention to use such services. The study recommends that financial planners enhance their image and clearly communicate the benefits of their services to increase client engagement.

Research Gap

While previous studies have extensively explored investor behavior, financial literacy, and the benefits of advisory services, a significant research gap remains in understanding **why financially underprepared investors actively avoid professional advisors**, especially in emerging markets like India. Most existing literature either focuses on the role of financial advisors in portfolio management or highlights the importance of financial literacy in isolation. However, **the intersection between low financial literacy and the active avoidance of expert advice remains underexplored**.

Moreover, the majority of available research is either centered on developed economies or broadly investigates investor preferences without delving into **urban behavioral patterns in mid-tier Indian cities like Pune**, where digital penetration is rising but trust in formal advisory channels remains low. There's also limited empirical evidence on **how psychological barriers (e.g., overconfidence, fear of mis-selling), socio-cultural influences (e.g., family advice, peer validation), and digital disruption (e.g., robo-advisors)** are reshaping the investor–advisor relationship in real-world contexts.

Additionally, while some studies have examined trust and regulatory concerns, few have integrated these factors into a **holistic framework that explains the persistent reluctance** to engage with advisors despite evident knowledge gaps. This study aims to fill that void by offering a localized, data-driven analysis of investor hesitancy, thereby contributing to both theory and practice in financial behavior and advisory service adoption.

RESEARCH METHODOLOGY

Research Design

The study adopts a **quantitative research design** to collect objective and statistical data regarding the factors that deter people from hiring professional investment advisors.

Sources of Data

Primary Data

Primary data was collected directly from individuals using a structured questionnaire.

Secondary Data

Secondary data was gathered from previous research studies, academic journals, industry reports, and articles related to investment behaviour and advisory services.

Sampling Design

Target Population

The target population for the study includes individuals in the age group of 18 to 56 years, who are either current investors or potential investors across various income and professional backgrounds.

Sampling Technique

A **purposive sampling** technique was adopted to specifically target individuals with a basic understanding of personal finance or those with investment history. The rationale for purposive sampling is to ensure relevant and meaningful responses from those capable of evaluating financial advisory services.

Sample Size

A total of **100 valid responses** were collected. This sample size was considered sufficient to conduct meaningful statistical analysis within the given time and resource constraints.

Key Findings of the study:

1. Dominance of Self-Directed Investment Behaviour

- 65% of respondents **never used an investment advisor**.
- 46% prefer making their own decisions rather than relying on advisors (*34% Agree + 12% Strongly Agree*).
- 48% self-identify as **beginners** in investment experience, yet autonomy remains prioritized.

2. Profound Trust Deficits

- **Distrust in advisors' integrity**: 30% agree/strongly agree advisors may not act in their best interests.
- **Perception of elitism**: 45% believe advisors are "only for the wealthy" (*32% Agree + 13% Strongly Agree*).
- **Hesitation due to distrust**: 30% cite lack of trust as a barrier to consultation.

3. Financial Literacy Gaps & Overconfidence

- **Limited confidence**: Only 33% rate their ability to evaluate investments as "High/Very High."
- **Knowledge gaps**: 70% understand key concepts at "Moderate" level or below.
- **Paradox**: 42% believe better literacy would reduce their need for advisors, despite current low confidence.

4. Regulatory and Transparency Concerns

- **Hidden fees**: 36% avoid advisors due to fee/commission concerns (*Important/Very Important*).
- **Weak regulation**: 41% cite unclear policies as a barrier (*Important/Very Important*).
- **Demand for transparency**: 51% state transparency "strongly influences" their decision to consult advisors.

5. Peer Influence & Negative Experiences

- **Social validation**: 41% rely on friends/family for advisor recommendations; 43% follow peers' trusted advisors.
- **Past failures**: 37% are discouraged from seeking advice due to prior negative experiences.

6. Digital Disruption & Hybrid Preferences

- **Robo-advisor appeal**: 41% prefer digital platforms over human advisors.
- **Digital convenience**: 47% acknowledge better accessibility of online tools.
- **Hybrid demand**: 44% are more likely to use advisors who integrate digital tools.

Conclusion:

This study identifies trust deficits, financial literacy gaps, and transparency concerns as primary barriers deterring Pune's residents from engaging investment advisors. Despite 48% self-identifying as beginners, 65% avoid advisors entirely, prioritizing self-directed decisions (46%)—a paradox reflecting overconfidence amid knowledge limitations. Critically, 30% distrust advisors' integrity, while 45% perceive services as elitist ("only for the wealthy"), exacerbating reluctance. Regulatory opacity (41%) and hidden fees (36%) further impede adoption, though 51% emphasize transparency as pivotal for engagement. Simultaneously, digital disruption reshapes expectations: 41% prefer robo-advisors, while 44% demand human advisors integrate digital tools. Peer influence (41%) and negative past experiences (37%) also shape decisions, underscoring the role of social validation. To bridge these barriers, advisors must democratize services through transparent pricing, regulatory accountability, and hybrid (human + tech) models. Enhancing financial literacy remains vital to align perceived autonomy with informed decision-making, fostering an advisory-friendly ecosystem in urban India.

REFERENCE

Yingxia Cao and Jeanny Liub (2017) "Financial Executive Orientation, Information Source, and Financial Satisfaction of Young Adults" *Journal of Financial Counselling and Planning*, Volume 28 Number 1, 2017, 5–19

Barun Srivastava and Kamal Pant (2021) "Investigation of Factors Influencing Risk-Averse Investor's Perception: Fixed Deposit Vs. Mutual Funds (Debt-based)" *JTSR* (2021) 28(2): 131–148 DOI 10.14665/1614-4007-28-2-008

Naveen Badhwar and Dr. R. K. Garg (2024) "ROLE OF FINANCIAL ADVISORS IN SHAPING RETAIL INVESTORS INVESTMENT PERCEPTIONS" *Agpe The Royal Gondwana Research Journal Of History, Science, Economic, Political And Social Science* ISSN (E): 2583-1348 A Peer Reviewed Open Access & Indexed Volume 05 Issue 02 February 2024 www.agpegondwanajournal.co.in Page No. 37-43

Loretta Mastroeni Dept. Of Economics, Maurizio Naldi and Pierluigi Vellucci (2019) "PERSONAL FINANCE DECISIONS WITH UNTRUTHFUL ADVISORS: AN AGENT-BASED MODEL" arxiv:1909.06759v1 [q-fin.CP] 15 Sep 2019

Daniel Ben David, Yehezkel S. Resheff and Talia Tron (2021) "Explainable AI and Adoption of Financial Algorithmic Advisors:an Experimental Study" In *Proceedings of the 2021 AAAI/ACM Conference on AI, Ethics, and Society (AIES '21)*, May 19–21, 2021, Virtual Event, USA. ACM, New York, NY, USA,13 pages.

<https://doi.org/10.1145/3461702.3462565>

Paula Onuchic (2023) "ADVISORS WITH HIDDEN MOTIVES" arxiv:2103.07446v4 [econ.TH] 5 May 2023

Paul L Bechly (2018) “An examination of demographic differences in obtaining investment and financial planning information” Wilmington University Spring 2018

Cynthia Pagliaro, Dhagash Mehta, Han-Tai Shiao, Shaofei Wang and Luwei Xiong (2021) “Investor Behavior Modeling by Analyzing Financial Advisor” arxiv:2107.05592v1 [q-fin.ST] 12 Jul 2021

Max schemer, Patrick hemmer, Niklas kühl, carina benz and Gerhard satzger (2022) “Should I Follow AI-based Advice? Measuring Appropriate Reliance in Human-AI Decision-Making” In CHI Conference on Human Factors in Computing Systems (CHI '22), Workshop on Trust and Reliance in AI-Human Teams (trait), April 30, 2022, New Orleans, LA, USA. 10 pages.

Xiaoqing Wan and Nichole R. Lighthall (2018) “Disclosure of Investment Advisor and Broker-Dealer Relationships: Impact on Comprehension and Decision Making” Department of Psychology, University of Central Florida

Nittan Arora and Dr. Sonia Chawla (2021) “A Study on Factors Influencing the Choice of Investors towards Mutual Funds” Journal of Contemporary Issues in Business and Government Vol. 27, No. 5,2021 <https://cibg.org.au/>

Jun Honda (2025) “Delayed Detection, Swift Blame: Investor Responses to Advisor Misconduct in Market Downturns” arxiv:2503.22977v1 [econ.GN] 29 Mar 2025

Seetharaman, Indu Niranjana, Nitin Patwa & Amit Kejriwal (2017) “A Study of the Factors Affecting the Choice of Investment Portfolio by Individual Investors in Singapore” <http://afr.sciencedupress.com> Accounting and Finance Research Vol. 6, No. 3; 201

Premalatha K P and Dr S J Manjunath (2019) “Factors Influencing Investment Choice of Different Class of Individual Investors” THINK INDIA JOURNAL ISSN:0971-1260 Vol-22-Issue-25-December-2019

Aruna P and Dr.H. Rajashekar (2016) “Factors Influencing Investment Decisions of Retail Investors- A Descriptive Study” International Journal of Business and Management Invention ISSN (Online): 2319 – 8028, ISSN (Print): 2319 – 801X www.ijbmi.org || Volume 5 Issue 12 || December. 2016 || PP—06-09

Darren Pawski, Robert Powell and Anna Golab (2022) “An Analysis of Whether Privately Owned Financial Planning Practices Are Transitioning to Fully Independent Advice

Providers” J. Risk Financial Management. 2022, 15, 356

Mutswenje vincent shiundu (2009) “A SURVEY OF THE FACTORS INFLUENCING INVESTMENT DECISIONS: THE CASE OF INDIVIDUAL INVESTORS AT THE NSE.” Reg. Number: D61/7790/06 university of Nairobi lower Kapete library

Understanding Consumer Trust and perception Toward Green Cosmetic

Abstract-

This study analyses how consumers view, understand, and behave when buying cosmetics that are green. The impact of several factors, including awareness, buying drivers, price perception, social influence, perceived authenticity, greenwashing experience, and label trust, was evaluated through the analysis of data from 112 respondents. To find out relationships between these factors and decisions to purchase green cosmetics, chi-square tests were performed using a tool akin to SPSS. The findings show that while price perception and social influence have a minor impact on consumer decisions, awareness, perceived authenticity, and label trust have a considerable impact. The study offers suggestions for how cosmetic companies might increase customer trust by educating consumers and using clear labeling.

Keywords- Sustainability, green cosmetics, ecofriendly, perception

Introduction

Green cosmetics are becoming increasingly popular. People want to live a greener, more environmentally friendly lifestyle and make the world a prettier place. As public interest in sustainability continues to climb, many cosmetic manufacturers are seeking more natural and environmentally-friendly emulsifiers and ingredients for their products. The benefits of —greenl beauty products extend beyond trends — increasing studies show the toxicity of conventional cosmetics, and the natural cosmetics market continues to grow rapidly and consistently.

Advantages of buying green cosmetic products

1. Whole product is biodegradable & environmental friendly.
2. Chemical-free , no effect on skin.
3. No side effects related to toxicity of chemical like hormone disruption and carcinogenic substances in conventional cosmetic products.
4. It is made from natural ingredients only, without chemicals or harmful substances.
5. People feel better about consuming green cosmetics compared with conventional cosmetics.

The main objective of this study is to understand the perception of the consumers towards green cosmetics in Pune city.

The study will help us to have a better understanding about consumer perception towards green cosmetic products. It has been observed that demand for green cosmetic products is increasing in Pune city. So, it is necessary to understand the consumer perception towards green cosmetic products in order to make product development strategy. For this purpose, this study has been planned and executed. This study aims to investigate the perception, awareness, trust, and beliefs of consumers towards green cosmetics.

Literature Review

1. Lilibeth Borges & Amalia Paananen (2020) -This literature survey explores the growing trend of green cosmetics, highlighting their definition, which includes natural ingredients, eco-friendly packaging, and sustainable production. It examines consumer interest in environmentally friendly lifestyles and how brands respond through green marketing strategies. Characteristics such as vegan formulations and ethical practices enhance consumer trust, although perceptions of eco-claims vary. The survey also addresses greenwashing concerns and emphasizes the role of companies adhering to green standards. Notable brands like Lush exemplify best practices. The questionnaire used in the study was designed to progressively assess consumer awareness, attitudes, and buying behavior regarding green cosmetic products.

2. Nora Amberg and Csaba Fogarassy (2019) -The paper "*Green Consumer Behavior in the Cosmetics Market*" surveys literature on the shift toward natural cosmetics, driven by environmental and health awareness. It highlights historical developments, regulatory influences (notably EU standards), and evolving consumer preferences. Building on prior studies like Matić and Puh (2016), it explores new dimensions by linking food and cosmetic consumption habits. A key contribution is its use of cluster analysis to categorize consumers based on eco-consciousness. The literature anticipates continued growth in natural cosmetics due to sustainable innovation but notes gaps in geographic and demographic coverage in prior research that require further exploration.

3. Yi Chang Yang (2017)-The literature on consumer behavior towards green products reveals increasing environmental awareness, particularly in the cosmetics sector, with brands like Aveda and Body Shop leading the way. However, a gap exists between consumers' eco-friendly intentions and actual purchasing behavior. Brand knowledge plays a crucial role in shaping perceptions and influencing purchase decisions. The impact of a product's country of origin remains debated, requiring further study. Effective segmentation and targeting remain

challenges for marketers. Demographic insights highlight young consumers and students as key green product buyers. Overall, understanding these factors is vital for aligning marketing strategies with consumer behavior trends.

4. Huang, Jing-Ting Ashley, and Hua-Hung Robin Weng (2024) - The paper's literature review is structured into four key sections: definitions of cosmetics, consumption value theory, customer behaviors, and the research model. It begins by clarifying distinctions between traditional and green cosmetics to frame consumer perceptions. It then applies consumption value theory, highlighting how functional, emotional, social, and epistemic values shape consumer choices. The customer behavior section explores motivations behind green cosmetic purchases, such as environmental and personal values. Finally, the research model integrates these concepts to analyse how perceptions and consumption values influence behavior. This framework supports the study's empirical analysis using data from online questionnaires to test its hypotheses.

5 Limbu, Yam B., and AFM Jalal Ahamed (2023) -The paper "*What Influences Green Cosmetics Purchase Intention and Behavior?*" presents a systematic review highlighting key factors influencing green cosmetics purchase intention (GCPI) and behavior (GCPB). Despite rapid industry growth, findings across studies are inconsistent. The theory of planned behavior (TPB) is widely used, though results vary. Ten major determinants—ranging from TPB components and marketing mix to brand attributes and perceived barriers—are identified. The review notes methodological limitations, such as overreliance on cross-sectional surveys and limited sample diversity, especially in Asia. It calls for broader, more rigorous future research to fill gaps and improve understanding of green consumer behavior.

6. Anchliya, Neha, et al (2023)-The literature survey examines key factors influencing green cosmetic purchase intentions, grounded in the Theory of Planned Behavior—highlighting attitude, subjective norms, and perceived behavioral control as core determinants. Green buying intention reflects consumer preference for eco-friendly over conventional products. Studies show rising willingness to pay a premium for green cosmetics, influenced by price, quality, and health consciousness. Green advertising and social norms positively impact consumer decisions, especially when aligned with perceived environmental integrity. Environmental awareness and self-identity also play crucial roles. Using a quantitative approach with 156 respondents, the research offers insights to inform marketing and future studies in sustainable cosmetics.

7. Cervellon, Marie-Cécile, Marie-José Rinaldi, and Anne-Sophie Wernerfelt (2011) -This literature survey explores green cosmetics, emphasizing consumer understanding and green certifications. The term "green" is broad and often misunderstood, leading to confusion and vulnerability to greenwashing. Claims like "natural" or "biodegradable" are commonly misinterpreted, as such products may still lack certification or contain chemicals. The organic cosmetics market, notably in France, has grown alongside organic food trends, yet consumers often don't grasp the criteria involved. Certification labels aim to clarify product authenticity, but their effectiveness is limited due to a knowledge gap. This paper addresses these issues, contributing valuable insights into consumer awareness and regulatory needs in green cosmetics.

8. Pitaloka, Lola Kurnia, Grace Natalia Marpaung, and Syam Widia(2023) -This literature survey examines the eco-beauty movement, focusing on millennials' green cosmetic purchasing behaviour. Guided by the Theory of Planned Behaviour, it highlights that attitudes, norms, and perceived control influence buying intentions, with Sustainable Development Goals offering deeper insights. Targeting consumers aged 15–45, the study finds high demand among those aged 30–45. Using a Likert-scale questionnaire and Structural Equation Modelling, it reveals that product quality alone doesn't drive purchases—social influence and cultural shifts are key. Greenwashing remains a barrier, stressing the need for transparency. The research underscores how environmental awareness and peer influence shape millennial consumer choices in green cosmetics.

9. Singh, Anurupa, Rachita Kapoor, and Richa Misra (2019) -This literature survey explores the rising popularity of green cosmetics, driven by global concerns for health, the environment, and animal welfare. Young consumers, especially students, are key drivers of this trend, motivated by innovation, emotional engagement, and sustainability values. Despite higher costs, many are willing to pay a premium for green products. The market is expanding rapidly, projected to nearly double from 2016 to 2023. However, confusion remains over definitions, labelling, and certifications. Using a structured questionnaire with strong reliability (Cronbach's alpha 0.931), the study highlights both opportunities and challenges in educating consumers and promoting responsible consumption.

10. Sohail, Md, Richa Srivastava, and Srikanth Gupta (2023) -This literature survey examines consumer buying behavior toward green cosmetics in India, highlighting growing awareness of health and environmental impacts from conventional cosmetics. Key factors

influencing purchases include environmental concern, health consciousness, and brand loyalty, with women showing more interest than men. The study addresses barriers such as tradition and image concerns that hinder adoption. It fills a gap in Indian research by including both male and female perspectives. Marketing terms like "recyclable" and "paraben-free" are gaining traction. Using a survey-based methodology, the research offers insights for marketers and policymakers to better promote green cosmetics in the Indian market.

11. Sangvikar, Balkrishan, et al (2019) -This literature survey explores green marketing's influence on consumer behavior in emerging Indian cities. It highlights green marketing as a strategic tool for competitive advantage and customer loyalty. Despite rising environmental awareness, consumer actions often don't align, pointing to a gap between knowledge and behavior. The concept of green marketing myopia warns against overemphasizing eco-features at the expense of broader consumer needs. While green consumers may support sustainability, situational factors affect consistency. Using questionnaires, the study examines how age, spending, and satisfaction influence attitudes. It identifies a research gap in linking environmental awareness to consistent pro-environmental behaviour, calling for further investigation.

12. Rawat, Surya Rashmi, and Pawan Garga (2012) -This literature survey examines consumer behaviour towards green cosmetics, linking environmental concerns with purchasing decisions. Research highlights human-driven global warming and growing consumer interest in eco-friendly products. While green marketing offers competitive benefits, awareness remains low—only 48% understand what green cosmetics entail. Consumers value organic products for health reasons, but adoption is hindered by high prices, distrust, and past product failures. Despite these barriers, market potential exists, especially with changing demographics and rising environmental consciousness. Empirical research on working women in Pune confirms cost concerns but indicates growing openness to green cosmetics, suggesting the need for better education and trustworthy marketing.

13. Cherian, Ansu Tressa (2023)

This literature survey explores altruistic consumption behaviour in India's green cosmetics market, emphasizing its growing impact on consumer attitudes and purchase intentions. It highlights increasing demand for ethically sourced ingredients, sustainable packaging, and eco-conscious branding. The interplay of these factors shapes customer perceptions and reflects a broader shift toward value-driven, altruistic consumption. Businesses aligning with these

values can achieve brand loyalty and long-term success. The study stresses the importance of demographic analysis to understand diverse consumer behaviours in India and identifies gaps in existing research, calling for deeper investigation into the role of altruism and demographics in shaping green cosmetic choices.

14. Prakash, Gyan (2025) -The literature on green cosmetics buying behaviour (GBB) has expanded notably since 2019, reflecting increased academic and commercial interest. Studies are categorized by theory, domain, or systematic review, with empirical research (88%) dominating, particularly quantitative methods like Structural Equation Modelling (47%). Key themes include environmental concern, green marketing, sustainable consumption, and green consumerism. Research is concentrated in countries like China, Portugal, and India, highlighting regional variations in sustainability attitudes. Despite this growth, the field lacks comprehensive studies. The paper calls for mixed-method approaches to capture the complex motivations behind GBB and adapt to evolving green marketing strategies effectively.

15. Tengli, Anusha, and Srivatsa Hosur Srinivasan (2022)-The literature survey of the paper "An Exploratory Study to Identify the Gender-Based Purchase Behaviour of Consumers of Natural Cosmetics" applies the Theory of Planned Behaviour (TPB) to explore consumer attitudes. TPB suggests that purchase intention is influenced by attitude, subjective norms, and perceived behavioural control (PBC). While attitude and PBC significantly affect behaviour, subjective norms showed little impact in this study. The research addresses a gap in understanding male consumer behaviour, especially in India.

Objective

1. To examine consumers' awareness and understanding of green cosmetic attributes.
2. To identify psychological factors influencing green cosmetic purchases.
3. To analyze whether consumers perceive green-labeled products as authentic and safe.
4. To evaluate trust in green product certifications and labels.

Hypothesis

H1-There is a relationship between awareness of green cosmetics and the importance given to environmentally friendly products.

H2-identified factors (GCA, PD, PP, SI, PA, GE, LT) significantly affect green cosmetic purchase behavior.

Research Methodology

A descriptive and quantitative research design was used using a structured questionnaire. The sample size was 112, selected through convenience sampling. The questionnaire focused on key constructs: Green Cosmetic Awareness (GCA), Purchase Drivers (PD), Price Perception (PP), Social Influence (SI), Perceived Authenticity (PA), Greenwashing Experience (GE), and Label Trust (LT). Data was analyzed to test the association between constructs and consumer purchase behavior.

Construct Used	Survey question
Green Cosmetics Awareness (GCA)	Q1. Do you know about green cosmetics? Q2. Which attributes do you associate? Q3. How important is environmental friendliness?
Purchase Drivers (PD)	Q4. What influences your decision the most?
Price Perception (PP)	Q5. Do you think green cosmetics are more expensive?
Social Influence (SI)	Q6. How much does social influence affect your decision?
Perceived Authenticity (PA)	Q7. Do you think all “green” products are really natural & safe?
Greenwashing Experience (GE)	Q8. Have you bought a product you thought was green but wasn’t? Q9. What would make you trust a product is truly green?
Label Trust (LT)	Q10. Do you look for special labels? Q11. Do you believe those labels are always true?

Data analysis and result

Hypothesis 1

Hypothesis: There is a relationship between awareness of green cosmetics and the importance given to environmentally friendly products.

Awareness \ Importance	1	2	3	4	5
Maybe	1 (2.09)	1 (0.96)	2 (1.93)	2 (2.73)	12 (10.29)

No	2 (4.53)	2 (2.09)	5 (4.18)	7 (5.92)	23 (22.29)
Yes	10 (6.38)	3 (2.95)	5 (5.89)	8 (8.35)	29 (31.43)

Test Results

Test	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.236	8	0.732
Likelihood Ratio	5.359	8	0.717
Linear-by-Linear Association	0.370	1	0.543
N of Valid Cases			112

Interpretation: Since the p-value = 0.732 > 0.05, there is no significant relationship between awareness and importance of environmentally friendly cosmetics.

Hypothesis 2

H2-identified factors (GCA, PD, PP, SI, PA, GE, LT) significantly affect green cosmetic purchase behavior.

A. Descriptive Statistics

Variable	Mean	Std. Deviation
GCA	1.67	0.49
PD	2.15	0.76
PP	0.82	0.39
SI	1.12	0.64
PA	4.11	0.89
GE	1.3	0.52
LT	1.15	0.45
PB	0.65	0.48

B. Correlation Matrix

	PB	GCA	PD	PP	SI	PA	GE	LT
PB	1	.42*	.39*	0.21	.44*	.51*	.37*	.30*
GCA		1	0.32	0.15	0.28	0.35	0.22	0.25
PD			1	0.18	0.33	0.42	0.27	0.21
PP				1	0.12	0.18	0.16	0.1
SI					1	0.29	0.25	0.33
PA						1	0.41	0.39
GE							1	0.47
LT								

Correlation Analysis revealed that most independent variables were positively correlated with PB, except **PP**, which showed weak or no significant relationship.

Regression Analysis:

- $R^2 = 0.61$, $F(7, 92) = 14.22$, $p < 0.001$
- Significant predictors:
 - GCA ($\beta = 0.28$, $p = 0.002$)
 - PD ($\beta = 0.24$, $p = 0.005$)
 - SI ($\beta = 0.27$, $p = 0.001$)
 - PA ($\beta = 0.30$, $p = 0.000$)
 - GE ($\beta = 0.21$, $p = 0.035$)
 - LT ($\beta = 0.19$, $p = 0.045$)
- **PP (Price Perception)** was not statistically significant ($\beta = 0.08$, $p = 0.310$)

The analysis showed that green cosmetic purchase behavior is significantly driven by awareness, eco-conscious attitudes, and social influence. Label trust and product perception also play critical roles. Interestingly, price perception does not significantly affect purchase

decisions, suggesting that environmentally concerned consumers are willing to pay a premium for trusted green products.

Conclusion

The research has highlighted that there is a growing awareness and interest among consumers toward green cosmetics, particularly among younger age groups. Most respondents showed a basic understanding of terms like organic, cruelty-free, biodegradable, and natural ingredients, but a gap still exists in terms of trust and complete knowledge about green certifications and actual product authenticity.

Several consumers are still unsure whether the products labelled as 'green' are genuinely sustainable. Brand trust, ingredient transparency, and product labelling play a major role in influencing purchase decisions. Additionally, factors like price sensitivity, social influence, and environmental concern were also found to impact consumer behavior significantly.

From the findings, it is evident that although the green cosmetics market is gaining popularity, brands need to focus more on educating consumers, building trust through verified certifications, and ensuring affordable pricing to encourage long-term sustainable behavior.

In conclusion, this study emphasizes the need for companies to not only market green products but also back them with transparency and proof. By bridging the trust gap and creating better awareness, the green cosmetics industry can unlock greater consumer engagement and contribute meaningfully toward environmental sustainability.

References-

- Borges, Lilibeth, and Amalia Paananen. "Consumer perception and purchasing behavior towards green cosmetics: Market research." (2020).
2. Amberg, Nora, and Csaba Fogarassy. "Green consumer behavior in the cosmetics market." *Resources* 8.3 (2019): 137.
3. Yang, Yi Chang. "Consumer behavior towards green products." *Journal of Economics, Business and Management* 5.4 (2017): 160-167.
4. Huang, Jing-Ting Ashley, and Hua-Hung Robin Weng. "Investigating the Perception of Green Products, Consumption Values, and Customer Behavior in the Cosmetics Industry.

5. Limbu, Yam B., and AFM Jalal Ahamed. "What influences green cosmetics purchase intention and behavior? A systematic review and future research agenda." *Sustainability* 15.15 (2023): 11881.
6. Anchliya, Neha, et al. "Assessment of factors influencing purchase intention for green cosmetic products." *Proceedings of the International Conference on Industrial Engineering and Operations Management*. 2023.
7. Cervellon, Marie-Cécile, Marie-José Rinaldi, and Anne-Sophie Wernerfelt. "How Green is Green? Consumers' understanding of green cosmetics and their certifications." *Proceedings of 10th International Marketing Trends Conference*. 2011.
8. Pitaloka, Lola Kurnia, Grace Natalia Marpaung, and Syam Widia. "The Eco-Beauty Movement: A Deep Dive into Millennial Green Cosmetic Purchases." *Review of Applied Socio-Economic Research* 26.2 (2023): 141-152.
9. Singh, Anurupa, Rachita Kapoor, and Richa Misra. "Green Cosmetics-Changing young consumer preference and reforming cosmetic industry." *International Journal of Recent Technology and Engineering (IJRTE)* 8 (2019): 12932.
10. Sohail, Md, Richa Srivastava, and Srikanth Gupta. "An Exploratory Study of Understanding Consumer Buying Behaviour Towards Green Cosmetics Products in the Indian Market." *Data Analytics and Business Intelligence*. CRC Press, 2023. 203-217.
11. Sangvikar, Balkrishan, et al. "How does green marketing influence consumers? the market trend examination towards environmentally sustainable products in emerging Indian cities." *International Journal of Recent Technology and Engineering* 8.3S (2019): 561-571.
12. Rawat, Surya Rashmi, and Pawan Garga. "Understanding consumer behaviour towards green cosmetics." *Available at SSRN 2111545* (2012).
13. Cherian, Ansu Tressa. "The Influence of Altruistic Consumption Behaviour on Consumer Attitude and Purchase Intentions in the Green Cosmetic Market: A Demographic Analysis in India." *Essex Business School* (2023).
14. Prakash, Gyan. "Publication trends and green buying behaviour: A comprehensive bibliometric analysis." *Heliyon* (2025).

Understanding Consumer Trust and perception Toward Green Cosmetic

Abstract-

This study analyses how consumers view, understand, and behave when buying cosmetics that are green. The impact of several factors, including awareness, buying drivers, price perception, social influence, perceived authenticity, greenwashing experience, and label trust, was evaluated through the analysis of data from 112 respondents. To find out relationships between these factors and decisions to purchase green cosmetics, chi-square tests were performed using a tool akin to SPSS. The findings show that while price perception and social influence have a minor impact on consumer decisions, awareness, perceived authenticity, and label trust have a considerable impact. The study offers suggestions for how cosmetic companies might increase customer trust by educating consumers and using clear labeling.

Keywords- Sustainability, green cosmetics, ecofriendly, perception

Introduction

Green cosmetics are becoming increasingly popular. People want to live a greener, more environmentally friendly lifestyle and make the world a prettier place. As public interest in sustainability continues to climb, many cosmetic manufacturers are seeking more natural and environmentally-friendly emulsifiers and ingredients for their products. The benefits of —greenl beauty products extend beyond trends — increasing studies show the toxicity of conventional cosmetics, and the natural cosmetics market continues to grow rapidly and consistently.

Advantages of buying green cosmetic products

1. Whole product is biodegradable & environmental friendly.
2. Chemical-free , no effect on skin.
3. No side effects related to toxicity of chemical like hormone disruption and carcinogenic substances in conventional cosmetic products.
4. It is made from natural ingredients only, without chemicals or harmful substances.
5. People feel better about consuming green cosmetics compared with conventional cosmetics.

The main objective of this study is to understand the perception of the consumers towards green cosmetics in Pune city.

The study will help us to have a better understanding about consumer perception towards green cosmetic products. It has been observed that demand for green cosmetic products is increasing in Pune city. So, it is necessary to understand the consumer perception towards green cosmetic products in order to make product development strategy. For this purpose, this study has been planned and executed. This study aims to investigate the perception, awareness, trust, and beliefs of consumers towards green cosmetics.

Literature Review

1. Lilibeth Borges & Amalia Paananen (2020) -This literature survey explores the growing trend of green cosmetics, highlighting their definition, which includes natural ingredients, eco-friendly packaging, and sustainable production. It examines consumer interest in environmentally friendly lifestyles and how brands respond through green marketing strategies. Characteristics such as vegan formulations and ethical practices enhance consumer trust, although perceptions of eco-claims vary. The survey also addresses greenwashing concerns and emphasizes the role of companies adhering to green standards. Notable brands like Lush exemplify best practices. The questionnaire used in the study was designed to progressively assess consumer awareness, attitudes, and buying behavior regarding green cosmetic products.

2. Nora Amberg and Csaba Fogarassy (2019) -The paper "*Green Consumer Behavior in the Cosmetics Market*" surveys literature on the shift toward natural cosmetics, driven by environmental and health awareness. It highlights historical developments, regulatory influences (notably EU standards), and evolving consumer preferences. Building on prior studies like Matić and Puh (2016), it explores new dimensions by linking food and cosmetic consumption habits. A key contribution is its use of cluster analysis to categorize consumers based on eco-consciousness. The literature anticipates continued growth in natural cosmetics due to sustainable innovation but notes gaps in geographic and demographic coverage in prior research that require further exploration.

3. Yi Chang Yang (2017)-The literature on consumer behavior towards green products reveals increasing environmental awareness, particularly in the cosmetics sector, with brands like Aveda and Body Shop leading the way. However, a gap exists between consumers' eco-friendly intentions and actual purchasing behavior. Brand knowledge plays a crucial role in shaping perceptions and influencing purchase decisions. The impact of a product's country of origin remains debated, requiring further study. Effective segmentation and targeting remain

challenges for marketers. Demographic insights highlight young consumers and students as key green product buyers. Overall, understanding these factors is vital for aligning marketing strategies with consumer behavior trends.

4. Huang, Jing-Ting Ashley, and Hua-Hung Robin Weng (2024) - The paper's literature review is structured into four key sections: definitions of cosmetics, consumption value theory, customer behaviors, and the research model. It begins by clarifying distinctions between traditional and green cosmetics to frame consumer perceptions. It then applies consumption value theory, highlighting how functional, emotional, social, and epistemic values shape consumer choices. The customer behavior section explores motivations behind green cosmetic purchases, such as environmental and personal values. Finally, the research model integrates these concepts to analyse how perceptions and consumption values influence behavior. This framework supports the study's empirical analysis using data from online questionnaires to test its hypotheses.

5 Limbu, Yam B., and AFM Jalal Ahamed (2023) -The paper "*What Influences Green Cosmetics Purchase Intention and Behavior?*" presents a systematic review highlighting key factors influencing green cosmetics purchase intention (GCPI) and behavior (GCPB). Despite rapid industry growth, findings across studies are inconsistent. The theory of planned behavior (TPB) is widely used, though results vary. Ten major determinants—ranging from TPB components and marketing mix to brand attributes and perceived barriers—are identified. The review notes methodological limitations, such as overreliance on cross-sectional surveys and limited sample diversity, especially in Asia. It calls for broader, more rigorous future research to fill gaps and improve understanding of green consumer behavior.

6. Anchliya, Neha, et al (2023)-The literature survey examines key factors influencing green cosmetic purchase intentions, grounded in the Theory of Planned Behavior—highlighting attitude, subjective norms, and perceived behavioral control as core determinants. Green buying intention reflects consumer preference for eco-friendly over conventional products. Studies show rising willingness to pay a premium for green cosmetics, influenced by price, quality, and health consciousness. Green advertising and social norms positively impact consumer decisions, especially when aligned with perceived environmental integrity. Environmental awareness and self-identity also play crucial roles. Using a quantitative approach with 156 respondents, the research offers insights to inform marketing and future studies in sustainable cosmetics.

7. Cervellon, Marie-Cécile, Marie-José Rinaldi, and Anne-Sophie Wernerfelt (2011) -This literature survey explores green cosmetics, emphasizing consumer understanding and green certifications. The term "green" is broad and often misunderstood, leading to confusion and vulnerability to greenwashing. Claims like "natural" or "biodegradable" are commonly misinterpreted, as such products may still lack certification or contain chemicals. The organic cosmetics market, notably in France, has grown alongside organic food trends, yet consumers often don't grasp the criteria involved. Certification labels aim to clarify product authenticity, but their effectiveness is limited due to a knowledge gap. This paper addresses these issues, contributing valuable insights into consumer awareness and regulatory needs in green cosmetics.

8. Pitaloka, Lola Kurnia, Grace Natalia Marpaung, and Syam Widia(2023) -This literature survey examines the eco-beauty movement, focusing on millennials' green cosmetic purchasing behaviour. Guided by the Theory of Planned Behaviour, it highlights that attitudes, norms, and perceived control influence buying intentions, with Sustainable Development Goals offering deeper insights. Targeting consumers aged 15–45, the study finds high demand among those aged 30–45. Using a Likert-scale questionnaire and Structural Equation Modelling, it reveals that product quality alone doesn't drive purchases—social influence and cultural shifts are key. Greenwashing remains a barrier, stressing the need for transparency. The research underscores how environmental awareness and peer influence shape millennial consumer choices in green cosmetics.

9. Singh, Anurupa, Rachita Kapoor, and Richa Misra (2019) -This literature survey explores the rising popularity of green cosmetics, driven by global concerns for health, the environment, and animal welfare. Young consumers, especially students, are key drivers of this trend, motivated by innovation, emotional engagement, and sustainability values. Despite higher costs, many are willing to pay a premium for green products. The market is expanding rapidly, projected to nearly double from 2016 to 2023. However, confusion remains over definitions, labelling, and certifications. Using a structured questionnaire with strong reliability (Cronbach's alpha 0.931), the study highlights both opportunities and challenges in educating consumers and promoting responsible consumption.

10. Sohail, Md, Richa Srivastava, and Srikant Gupta (2023) -This literature survey examines consumer buying behavior toward green cosmetics in India, highlighting growing awareness of health and environmental impacts from conventional cosmetics. Key factors

influencing purchases include environmental concern, health consciousness, and brand loyalty, with women showing more interest than men. The study addresses barriers such as tradition and image concerns that hinder adoption. It fills a gap in Indian research by including both male and female perspectives. Marketing terms like "recyclable" and "paraben-free" are gaining traction. Using a survey-based methodology, the research offers insights for marketers and policymakers to better promote green cosmetics in the Indian market.

11. Sangvikar, Balkrishan, et al (2019) -This literature survey explores green marketing's influence on consumer behavior in emerging Indian cities. It highlights green marketing as a strategic tool for competitive advantage and customer loyalty. Despite rising environmental awareness, consumer actions often don't align, pointing to a gap between knowledge and behavior. The concept of green marketing myopia warns against overemphasizing eco-features at the expense of broader consumer needs. While green consumers may support sustainability, situational factors affect consistency. Using questionnaires, the study examines how age, spending, and satisfaction influence attitudes. It identifies a research gap in linking environmental awareness to consistent pro-environmental behaviour, calling for further investigation.

12. Rawat, Surya Rashmi, and Pawan Garga (2012) -This literature survey examines consumer behaviour towards green cosmetics, linking environmental concerns with purchasing decisions. Research highlights human-driven global warming and growing consumer interest in eco-friendly products. While green marketing offers competitive benefits, awareness remains low—only 48% understand what green cosmetics entail. Consumers value organic products for health reasons, but adoption is hindered by high prices, distrust, and past product failures. Despite these barriers, market potential exists, especially with changing demographics and rising environmental consciousness. Empirical research on working women in Pune confirms cost concerns but indicates growing openness to green cosmetics, suggesting the need for better education and trustworthy marketing.

13. Cherian, Ansu Tressa (2023)

This literature survey explores altruistic consumption behaviour in India's green cosmetics market, emphasizing its growing impact on consumer attitudes and purchase intentions. It highlights increasing demand for ethically sourced ingredients, sustainable packaging, and eco-conscious branding. The interplay of these factors shapes customer perceptions and reflects a broader shift toward value-driven, altruistic consumption. Businesses aligning with these

values can achieve brand loyalty and long-term success. The study stresses the importance of demographic analysis to understand diverse consumer behaviours in India and identifies gaps in existing research, calling for deeper investigation into the role of altruism and demographics in shaping green cosmetic choices.

14. Prakash, Gyan (2025) -The literature on green cosmetics buying behaviour (GBB) has expanded notably since 2019, reflecting increased academic and commercial interest. Studies are categorized by theory, domain, or systematic review, with empirical research (88%) dominating, particularly quantitative methods like Structural Equation Modelling (47%). Key themes include environmental concern, green marketing, sustainable consumption, and green consumerism. Research is concentrated in countries like China, Portugal, and India, highlighting regional variations in sustainability attitudes. Despite this growth, the field lacks comprehensive studies. The paper calls for mixed-method approaches to capture the complex motivations behind GBB and adapt to evolving green marketing strategies effectively.

15. Tengli, Anusha, and Srivatsa Hosur Srinivasan (2022)-The literature survey of the paper "An Exploratory Study to Identify the Gender-Based Purchase Behaviour of Consumers of Natural Cosmetics" applies the Theory of Planned Behaviour (TPB) to explore consumer attitudes. TPB suggests that purchase intention is influenced by attitude, subjective norms, and perceived behavioural control (PBC). While attitude and PBC significantly affect behaviour, subjective norms showed little impact in this study. The research addresses a gap in understanding male consumer behaviour, especially in India.

Objective

1. To examine consumers' awareness and understanding of green cosmetic attributes.
2. To identify psychological factors influencing green cosmetic purchases.
3. To analyze whether consumers perceive green-labeled products as authentic and safe.
4. To evaluate trust in green product certifications and labels.

Hypothesis

H1-There is a relationship between awareness of green cosmetics and the importance given to environmentally friendly products.

H2-identified factors (GCA, PD, PP, SI, PA, GE, LT) significantly affect green cosmetic purchase behavior.

Research Methodology

A descriptive and quantitative research design was used using a structured questionnaire. The sample size was 112, selected through convenience sampling. The questionnaire focused on key constructs: Green Cosmetic Awareness (GCA), Purchase Drivers (PD), Price Perception (PP), Social Influence (SI), Perceived Authenticity (PA), Greenwashing Experience (GE), and Label Trust (LT). Data was analyzed to test the association between constructs and consumer purchase behavior.

Construct Used	Survey question
Green Cosmetics Awareness (GCA)	Q1. Do you know about green cosmetics? Q2. Which attributes do you associate? Q3. How important is environmental friendliness?
Purchase Drivers (PD)	Q4. What influences your decision the most?
Price Perception (PP)	Q5. Do you think green cosmetics are more expensive?
Social Influence (SI)	Q6. How much does social influence affect your decision?
Perceived Authenticity (PA)	Q7. Do you think all “green” products are really natural & safe?
Greenwashing Experience (GE)	Q8. Have you bought a product you thought was green but wasn’t? Q9. What would make you trust a product is truly green?
Label Trust (LT)	Q10. Do you look for special labels? Q11. Do you believe those labels are always true?

Data analysis and result

Hypothesis 1

Hypothesis: There is a relationship between awareness of green cosmetics and the importance given to environmentally friendly products.

Awareness \ Importance	1	2	3	4	5
Maybe	1 (2.09)	1 (0.96)	2 (1.93)	2 (2.73)	12 (10.29)

No	2 (4.53)	2 (2.09)	5 (4.18)	7 (5.92)	23 (22.29)
Yes	10 (6.38)	3 (2.95)	5 (5.89)	8 (8.35)	29 (31.43)

Test Results

Test	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.236	8	0.732
Likelihood Ratio	5.359	8	0.717
Linear-by-Linear Association	0.370	1	0.543
N of Valid Cases			112

Interpretation: Since the p-value = 0.732 > 0.05, there is no significant relationship between awareness and importance of environmentally friendly cosmetics.

Hypothesis 2

H2-identified factors (GCA, PD, PP, SI, PA, GE, LT) significantly affect green cosmetic purchase behavior.

B. Descriptive Statistics

Variable	Mean	Std. Deviation
GCA	1.67	0.49
PD	2.15	0.76
PP	0.82	0.39
SI	1.12	0.64
PA	4.11	0.89
GE	1.3	0.52
LT	1.15	0.45
PB	0.65	0.48

B. Correlation Matrix

	PB	GCA	PD	PP	SI	PA	GE	LT
--	----	-----	----	----	----	----	----	----

PB	1	.42*	.39*	0.21	.44*	.51*	.37*	.30*
GCA		1	0.32	0.15	0.28	0.35	0.22	0.25
PD			1	0.18	0.33	0.42	0.27	0.21
PP				1	0.12	0.18	0.16	0.1
SI					1	0.29	0.25	0.33
PA						1	0.41	0.39
GE							1	0.47
LT								

Correlation Analysis revealed that most independent variables were positively correlated with PB, except **PP**, which showed weak or no significant relationship.

Regression Analysis:

- $R^2 = 0.61$, $F(7, 92) = 14.22$, $p < 0.001$
- Significant predictors:
 - GCA ($\beta = 0.28$, $p = 0.002$)
 - PD ($\beta = 0.24$, $p = 0.005$)
 - SI ($\beta = 0.27$, $p = 0.001$)
 - PA ($\beta = 0.30$, $p = 0.000$)
 - GE ($\beta = 0.21$, $p = 0.035$)
 - LT ($\beta = 0.19$, $p = 0.045$)
- **PP (Price Perception)** was not statistically significant ($\beta = 0.08$, $p = 0.310$)

The analysis showed that green cosmetic purchase behavior is significantly driven by awareness, eco-conscious attitudes, and social influence. Label trust and product perception also play critical roles. Interestingly, price perception does not significantly affect purchase decisions, suggesting that environmentally concerned consumers are willing to pay a premium for trusted green products.

Conclusion

The research has highlighted that there is a growing awareness and interest among consumers toward green cosmetics, particularly among younger age groups. Most respondents showed a basic understanding of terms like organic, cruelty-free, biodegradable, and natural ingredients, but a gap still exists in terms of trust and complete knowledge about green certifications and actual product authenticity.

Several consumers are still unsure whether the products labelled as 'green' are genuinely sustainable. Brand trust, ingredient transparency, and product labelling play a major role in influencing purchase decisions. Additionally, factors like price sensitivity, social influence, and environmental concern were also found to impact consumer behavior significantly.

From the findings, it is evident that although the green cosmetics market is gaining popularity, brands need to focus more on educating consumers, building trust through verified certifications, and ensuring affordable pricing to encourage long-term sustainable behavior.

In conclusion, this study emphasizes the need for companies to not only market green products but also back them with transparency and proof. By bridging the trust gap and creating better awareness, the green cosmetics industry can unlock greater consumer engagement and contribute meaningfully toward environmental sustainability.

References-

- Borges, Lilibeth, and Amalia Paananen. "Consumer perception and purchasing behavior towards green cosmetics: Market research." (2020).
2. Amberg, Nora, and Csaba Fogarassy. "Green consumer behavior in the cosmetics market." *Resources* 8.3 (2019): 137.
3. Yang, Yi Chang. "Consumer behavior towards green products." *Journal of Economics, Business and Management* 5.4 (2017): 160-167.
4. Huang, Jing-Ting Ashley, and Hua-Hung Robin Weng. "Investigating the Perception of Green Products, Consumption Values, and Customer Behavior in the Cosmetics Industry.
5. Limbu, Yam B., and AFM Jalal Ahamed. "What influences green cosmetics purchase intention and behavior? A systematic review and future research agenda." *Sustainability* 15.15 (2023): 11881.

6. Anchliya, Neha, et al. "Assessment of factors influencing purchase intention for green cosmetic products." *Proceedings of the International Conference on Industrial Engineering and Operations Management*. 2023.
7. Cervellon, Marie-Cécile, Marie-José Rinaldi, and Anne-Sophie Wernerfelt. "How Green is Green? Consumers' understanding of green cosmetics and their certifications." *Proceedings of 10th International Marketing Trends Conference*. 2011.
8. Pitaloka, Lola Kurnia, Grace Natalia Marpaung, and Syam Widia. "The Eco-Beauty Movement: A Deep Dive into Millennial Green Cosmetic Purchases." *Review of Applied Socio-Economic Research* 26.2 (2023): 141-152.
9. Singh, Anurupa, Rachita Kapoor, and Richa Misra. "Green Cosmetics-Changing young consumer preference and reforming cosmetic industry." *International Journal of Recent Technology and Engineering (IJRTE)* 8 (2019): 12932.
10. Sohail, Md, Richa Srivastava, and Srikant Gupta. "An Exploratory Study of Understanding Consumer Buying Behaviour Towards Green Cosmetics Products in the Indian Market." *Data Analytics and Business Intelligence*. CRC Press, 2023. 203-217.
11. Sangvikar, Balkrishan, et al. "How does green marketing influence consumers? the market trend examination towards environmentally sustainable products in emerging Indian cities." *International Journal of Recent Technology and Engineering* 8.3S (2019): 561-571.
12. Rawat, Surya Rashmi, and Pawan Garga. "Understanding consumer behaviour towards green cosmetics." *Available at SSRN 2111545* (2012).
13. Cherian, Ansu Tressa. "The Influence of Altruistic Consumption Behaviour on Consumer Attitude and Purchase Intentions in the Green Cosmetic Market: A Demographic Analysis in India." *Essex Business School* (2023).
14. Prakash, Gyan. "Publication trends and green buying behaviour: A comprehensive bibliometric analysis." *Heliyon* (2025).
15. Tengli, Anusha, and Srivatsa Hosur Srinivasan. "An exploratory study to identify the gender-based purchase behaviour of consumers of natural cosmetics." *Cosmetics* 9.5 (2022): 101.

Thank You