

Consumer Perceptions and Behavioral Intentions Toward the Circular Economy in India

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KEYWORDS

Circular Economy,  
Consumer Attitude, 3R  
(Reduce/Reuse/Recycle)

ABSTRACT

With increasing demand for goods putting pressure on the environment, the Circular Economy (CE) offers a smarter, more sustainable way to use our resources. Consumer attitude plays an important role in the adoption of CE principles in the consumer market. This paper aims to understand the sustainability of the Circular Economy (CE) based on consumer attitude in India. A theoretical structure is developed to understand consumer preference for Circular business models for the adoption of Circular Economy in India. The empirical study is based on data obtained from an online survey (N=75). This study offers marketers and policymakers a guide to evaluate the consumer awareness and attitude towards CE principles in India.

1. INTRODUCTION

“The linear economy assumes that unlimited resources are available to make the product and that there are no concerns about resource depletion” (Goyal, Esposito, & Kapoor, 2018). Quality is associated with newness, caring is never considered, and long-term use is despised (Stahel, 2016). Most business strategies have centered around produce-use-discard/incinerate since the industrial revolution economies around the world, with this "cradle-to-grave" (McDonough, 2010) model. The Circular Economy model can serve as a resolution that can create a more innovative solution to close the loop for a sustainable future. However, obtaining a CE in a traditional company setting is a difficult undertaking. The transition from linear business models to CE is not without its difficulties; it necessitates the enthusiastic participation of many stakeholders, who must engage in a systematic value co-creation process from the start (Previtali, 2018). “Many retailers are members of Ellen MacArthur's Circular Economy, including IKEA, H&M, Marks and Spencer, Apple, Coca-Cola, Cisco, Nike, Philips, Walmart, Unilever, Target, C&A, Bridgestone, and Procter & Gamble” (MacArthur, 2019).

2. LITERATURE REVIEW

Circular Economy and the global acceptance of its fundamentals are much more vital than ever to maintain the rate of productive capacity to fulfil the increasing consumer demand that is negatively affecting the environment for future generations. Kamble et al. (2020) this study focuses on the awareness of the circular economy in India. The findings of the questionnaire survey obtained from individuals who work in municipalities were evaluated and predictions were drawn based on the identified awareness and population data. The level of awareness was deemed to be moderate. The study recommended increasing the overall understanding of the circular economy among municipal employees.

Role of Customers in the Circular Economy

Singhal et al. (2019) The study aims to provide a conceptual approach to investigate the essential aspects influencing Indian customers' PI toward remanufactured items. They collected data from 1,534 respondents and developed a conceptual model, which is empirically tested using structural equation modeling. According to their findings, consumers' PI is impacted by their attitude, economic advantages, remanufactured product knowledge, perceived risks, social norms, and sales strategies. However, perceived behaviour control and environmental knowledge have little effect on the PI of Indian consumers. Gaur et al. (2019) The focus of this research was to help understand consumers' preferences for remanufactured items in a cross-cultural situation to advance the circular economy. consumers from two different cultures are represented in the sample (India and the USA). The authors collected in-depth interviews. Data were analysed using a theme analysis method. The paper's findings show that US consumers have ethical purchasing behaviour, are greener in their trash disposal, carefully adhere to legislation and cultural standards, and have a harmonious attitude toward the environment. On contrary, Indian customers



exhibit pragmatic purchasing behaviour, an anthropocentric perspective toward trash disposal, do not always obey regulations, and have a dominant attitude toward nature.

### Research Objectives

The current study examines consumer agreement toward the Circular Economy. The research objectives are to examine the sustainability of a circular economy based on consumer attitude in India.

### Hypothesis Testing

Ho: *Consumer awareness of 3R does not impact consumer attitude toward businesses in the circular economy.*

H1: *Consumer awareness of 3R impacts consumer attitudes toward businesses in the circular economy.*

### Research Methodology

The sample data for the research were collected using the convenience sampling method. The survey contained information related to consumer awareness about the circular economy. The data analysis was prepared with the support of IBM SPSS Statistics; the hypotheses were tested using the Chi-Square test at a 5% level of significance.

## 3. RESEARCH ANALYSIS

### Are you familiar with concepts like Reduce, Reuse, and Recycle?

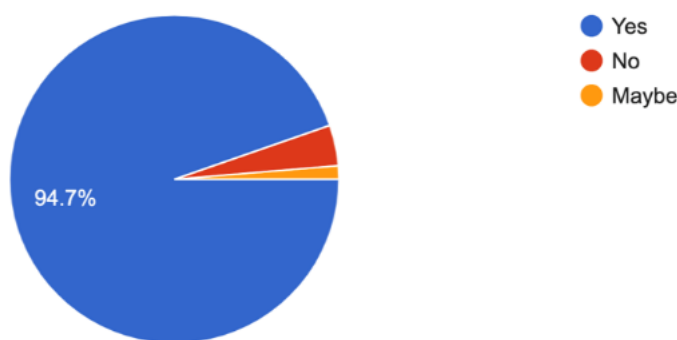


Figure 3

As represented in Figure 3, about 94.7% of the respondents were familiar with the concept of 3R, which is a part of the circular economy.

### Do you know about the Circular Economy?

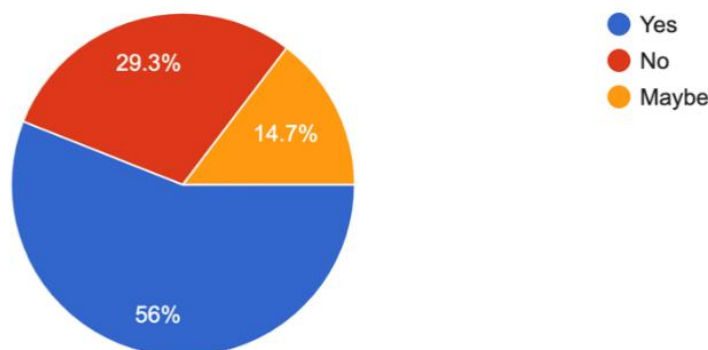


Figure 4



In the survey, 56% of the respondents were aware of the circular economy, and 14.7% of participants were unsure about it. A total of 29.3% of the participants were not at all aware of the concept of the circular economy as represented in Figure 4.

#### What do you do to your non-functional or damaged products?

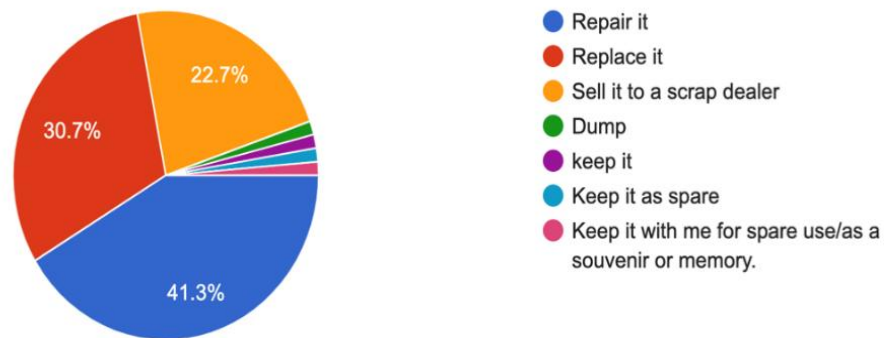


Figure 5

As represented in Figure 5, a total of 41.3% of the respondents prefer to repair their non-functional or damaged products. which means Indian consumers are inclined towards repairing, 30.7% of the respondent prefer to replace it. Unfortunately, 22.7% prefer to sell it to a scrap dealer, which again disturbs the cycle of reverse logistics, as it doesn't reach the original manufacturer or supplier.

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#### How likely are you to repair your products rather than replace them?

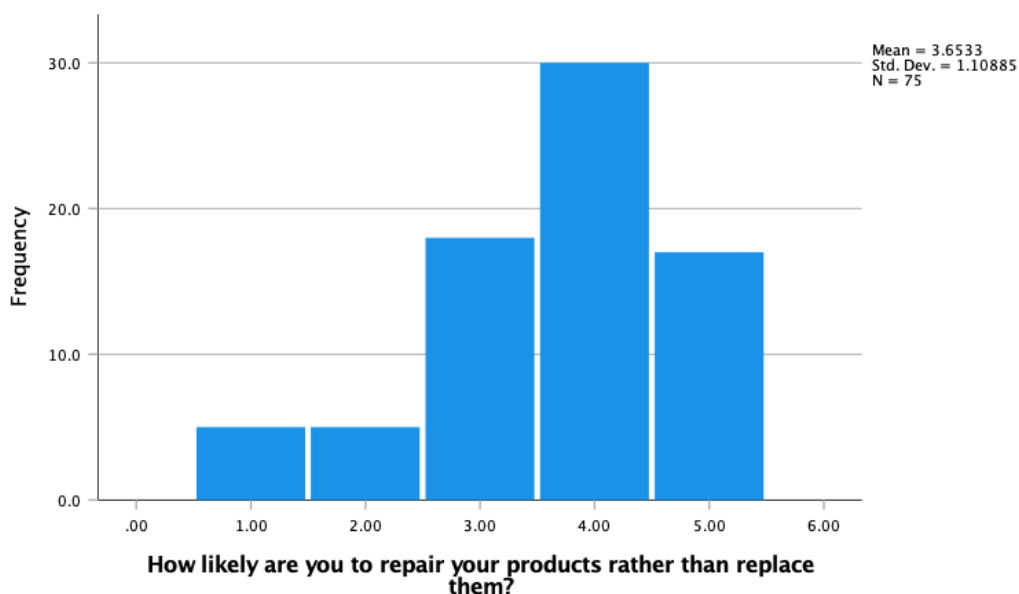


Figure 6

In Figure 6, degree 1 denotes they are unlikely, degree 2 denotes they are somewhat unlikely, degree 3 denotes they are neutral, degree 4 denotes they are somewhat likely, and degree 5 denotes they are likely.

About 66.7% of the respondents prefer to repair a product rather than replace it. The survey results conclude that consumers are more likely to repair rather than replace.



### From where do you get your product repaired?

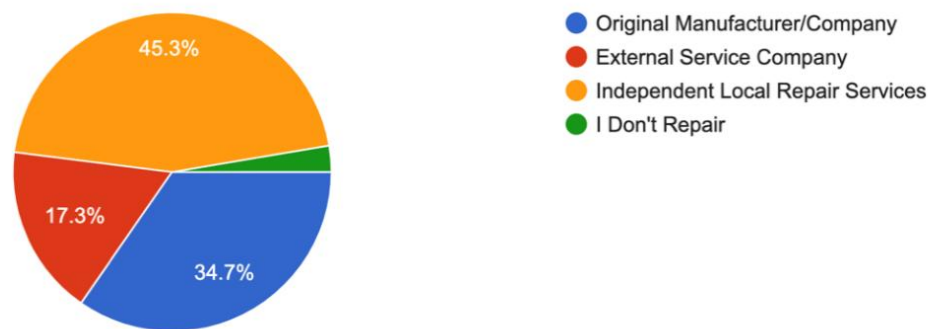


Figure 7

In the survey, a total of 45.3% of the respondents repaired their products from an independent local repair shop. This reflects that consumers find it more feasible to repair from local shops than the original manufacturer/company, which accounts for about 34.7% of the responses as represented in Figure 7.

### Do you find it difficult to get your product repaired?

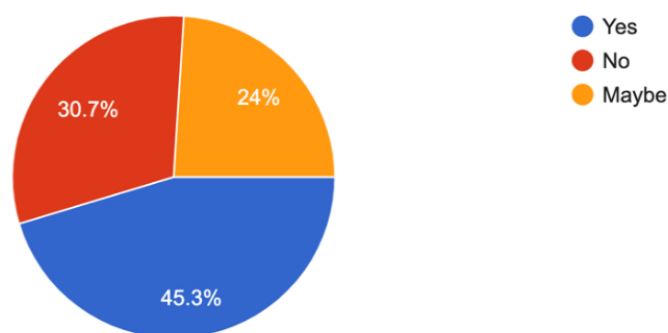


Figure 8

In the survey, as represented in Figure 8, 45.3% of participants find it difficult to get their product repaired, 24% sometimes finds it difficult to get their products repaired, and about 30.7% of the respondent don't find it difficult to get their product repaired.

### Hypothesis

*H1: Consumer awareness of 3R impacts consumer attitudes toward businesses in the circular economy.*

Table 5

Case Processing Summary					
Cases					
Valid		Missing		Total	
N	Percent	N	Percent	N	Percent



Are you familiar with concepts like Reduce, Reuse, and Recycle? * Should businesses refurbish, remanufacture and recycle products?	75	100.0%	0	0.0%	75	100.0%
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Table 6

Are you familiar with concepts like Reduce, Reuse, and Recycle? * Should businesses refurbish, remanufacture and recycle products? Crosstabulation					
Count					
		Should businesses refurbish, remanufacture, and recycle products?			Total
		Yes	No	Maybe	
Are you familiar with concepts like Reduce, Reuse, and Recycle?	Yes	66	1	4	71
	No	3	0	0	3
	Maybe	0	1	0	1
Total		69	2	4	75

Table 7

Chi-Square Tests				
		Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square		37.201 <sup>a</sup>	4	<.001
Likelihood Ratio		8.278	4	.082
N of Valid Cases		75		
a. 8 cells (88.9%) have expected count less than 5. The minimum expected count is .03.				



A Chi-square test was performed to test the hypothesis. Table 6 represents the crosstabulation of the consumer familiar with concepts like Reduce, Reuse and Recycle with consumer preference for businesses to refurbish, remanufacture and recycle products. Table 6, for 4 degree of freedom that is  $[(r - 1) (c - 1)] = [(3-1) (3-1)] = 4$ , the p-value at 5% level of significance is  $<.001$  which is less than 0.05. So, the difference is considered significant. The null hypothesis  $H_0$  is rejected and therefore we can say that consumer awareness of 3R impacts consumer attitude toward businesses in the circular economy.

#### 4. CONCLUSION

This research asserts that the consumer plays a very important role in the adoption of the circular economy concepts in India. The research paper examined consumer awareness and attitude toward the circular economy. The findings show that 94.7% of respondents are aware of the concept of 3R and more than half of the respondents are aware of the circular economy.

In the study, we found that consumer awareness of 3R impacts consumer attitudes toward businesses in the circular economy using the Chi-square test. About 66.7% of the respondents prefer to repair a product rather than replace it. The survey results conclude that consumers are more likely to repair rather than replace the product. A total of 64% of the respondents are likely to give their non-functional product to get it recycled. These benefits are economical to the consumer, but they have a lasting impact on the circular economy. Consumers in India are more likely to repair their products than to replace them, but most of the products are not repairable due to the product design. The research found that the consumer's awareness about 3R helps in extending the lifecycle of products through refurbishing, remanufacturing and recycling, which plays a major role in the shift towards a Circular economy.

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