

# Eco-Innovation and Green Consumer Behavior: A Behavioral Economics Perspective on Ethical Branding in the Post-COVID Era

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## Abstract

This study applies behavioral economics to eco-innovation and green consumerism and ethical branding in the post-COVID world. The pandemic has transformed global expectations of consumers as well as firm accountability towards them, reshaping mindsets around sustainable living and consumption. Building upon existing literature on pro-environmental behavior and ethical consumption, this study examines how altruistic versus egoistic motivations shape sustainable consumer choices and brand loyalty. It underscores the influence of firm behavior during crises in determining long-term consumer perceptions concerning socially responsible and green brands. Furthermore, the research seeks to answer how eco-innovation acts not only as a technological solution to environmental problems but also as a behavioral change stimulus toward sustainable consumption. By focusing on intention formation among changemakers and the psychology of green action, this work enhances understanding of how systemic market transformation can be achieved through ethical branding and eco-innovation. These findings are relevant to corporations trying to align their business strategies with sustainability objectives as well as to policymakers seeking to induce climate-resilient behaviors

**Keywords:** Eco-Innovation, Green Consumer Behavior, Ethical Branding, Behavioral Economics, Sustainable Consumption, Post-COVID Consumer Trends

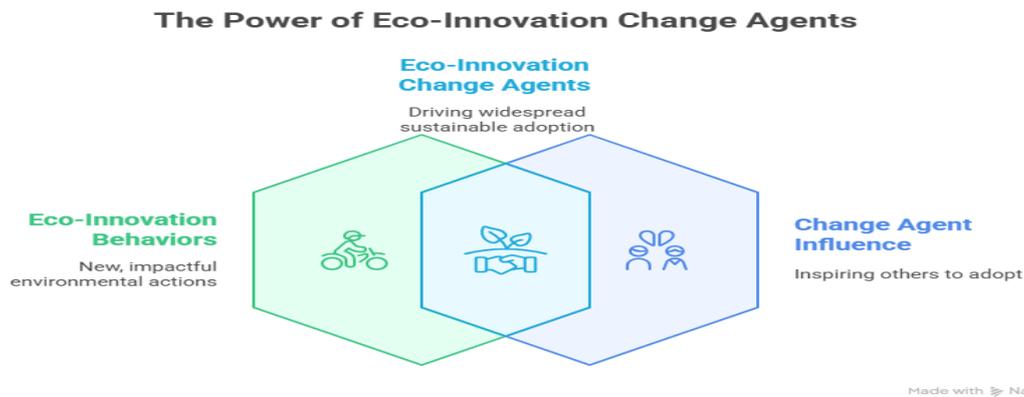
## 1. Introduction

After the global outbreak of COVID-19, both academic and business fields began to explore the impact of the pandemic on firms and consumers. Corporations have increasingly been scrutinized about their actions during the pandemic, as consumers were more likely to respond to firm crises. An event study indicated that large corporations who received government assistance had lower stock return reactions to the assistance than smaller corporations. When firms handled the crisis poorly, consumers were more likely to engage in negative word-of-mouth communication against the firm. Notably, the crisis influenced

consumers' responses significantly. Those with a strong belief in personal efficacy tended to respond positively, whereas those with a high level of anticipated regret reacted negatively. Non-durable good products and the COVID-19 concern were positively associated with stockpiling, while the COVID-19 concern was negatively associated with bargain hunting. Moreover, consumers appeared to view brands differently. Notably, socially responsible and altruistic firms received greater appreciation (Kirk & Rifkin, 2020). In response to the COVID-19 pandemic, there has been extensive and rapid growth in the types of prohibitions imposed on behavior. Restrictions and injunctions on consumer behavior have affected individuals' awareness and perception of ethical brands since the COVID-19 outbreak. Both altruistic and egoistic concerns are likely to be directly related to ethical attitudes toward eco-innovation and attitudes toward and behavior(s) related to sustainable living (Kim & Lee, 2022). Thus, it is important to ascertain how and why both a greater focus on these challenges and the consequent need for behavioral change may shift concern away from pre-existing intrinsic values toward altruistic and egoistic behavioral goals relating to ethical attitudes, environmental behavior, and the acceptance of sustainable living in the wake of the COVID-19 outbreak.

## 2. Understanding Eco-Innovation

Environmental changes are among the biggest issues facing human societies today. Climate change, deforestation, and urban air pollution have, more than at any other time in history, gained worldwide attention and drawn extraordinary action from people. As a result, there is growing awareness of the importance of actively addressing problems concerning sustainable development. Based on this observation, a growing body of literature has emerged focusing on the issue of sustainable consumption, and a range of sustainable consumption practices has been proposed for people's personal lives. After adapting the concept of sustainable consumption to fit research designs in various disciplines, these sustainable consumption practices are called eco-innovation. Almost all behavior transformation studies on eco-innovation have focused on behavioral change as the ultimate goal of change agents, rather than intentional behavior emergence as the mechanism that motivates change agents to influence others (Dermody, Koenig-Lewis, Zhao, & Hanmer-Lloyd, 2018). Considering the increasing importance of pro-environmental behavior and motivations to carry out such behavior, it is essential to put more efforts toward understanding intention formation for eco-innovation, especially from the viewpoint of change agents. Figure 1 illustrates the power of eco-innovation change agent.



**Figure 1; The Power of Eco-Innovation Change Agent**

Eco-innovation is defined as a behavior that (1) is new or different with respect to existing behavior change choices, and (2) leads to a meaningful reduction of negative environmental impacts (the latter can be conveyed through beliefs that changed due to behavioral experience). A consumer is seen as an eco-innovation change agent if this person is able to make existing eco-innovations perceived as personally relevant by other consumers. A consumer is not automatically an eco-innovation change agent simply because they are able to perform certain behaviors that fit the above two definitions. (Ilic, Petrovic, & Djukic, 2022).

### 2.1. Definition and Importance

The term "eco-innovation" is derived from "eco" in ecology, doctrines of economics on environmental protection, and "innovation", which is often associated with technical advances produced as the effect of scientific and applied research and development (Panda, et al., 2020).

By eco-innovation, scholars allude to the rethinking of conception in human beings' production processes related to improving environmental quality with stringent policies by governments. Hence eco-science and green improvements can be categorized into technical and non-technical. Eco-industries for technologies on air pollution early developed by developed countries to transfer to laggard developing countries, but environmental innovations on basic economy concepts appear at managerial level. The impetus to fight environmental inertia comes along with the need and interests of developing countries. Not depending on North technologies but developing new green technologies by developing ones could perhaps be the efficacious approach with the great revenue potentials in products needed to the population. This approach will face a world of large complexities and risks as developing countries are laggard and less competent in fields which are apparently involved in transactions, enterprises, data, and skills. Eco-innovation is modeled with brainstorming frameworks of firms' managers on Eco-new product/ service and Eco-Packaging and is enumerated as various decisions made by them on the initiating point of eco-innovations. All players participating with eco-brand consider eco-branding as stating and enhancing eco-innovations. Eco-branding in partly global world is analyzed with four items, including firm-

level categorization, meaning of eco-branding in previous world, those dissimilar with influencers and audience environmentalism, and potential branding styles. (Geng, Lai, & Zhu, 2021).

Green consumer behavior is taken as a multi-dimensional and multi-level construct, and its influences from egoism and altruism motives are evaluated using an extended model of goal-directed behavior in a cross-culture comparative study. Green consumer behavior is defined as “the consumption of products or services with a limited environment and social footprint.” It consists of five dimensions: green purchase behavior, green utility usage behavior, green inert consumption behavior, green recycling behavior, and green disposal behavior. While the subject is widely studied, there is still a debate on the best way to assess such complex behaviors like backing from both university and industry agricultures, domestic appliance manufacturers, international laps, rural banks, golden site cultivations, embassies abroad, and schools along the coasts, aka the loops. This challenging task is still considered as a bad swap of rosters and levels because the daily water drainage usages, goods’ dispositions for retrievals and transfers, and strains in terms of socio-acoustic and sceneries are often unobservable to practical usages. (Xiao, Yang, Li, & Chen, 2023).

## 2.2. Types of Eco-Innovations

There are different categories of eco-products and eco-services which are based on a classification scheme of eco-innovations into product innovations, process innovations, organizational innovations or business model innovations, and marketing innovations. Eco-innovations have environmental benefits, i.e. a reduction in CO<sub>2</sub> emissions, use of natural resources, etc. Eco-products that have innovative technologies to save water and energy during their lifetime are classified as eco-innovation-based. Eco-products based on policies aimed at reduction or noise pollution generated are classified as eco-innovations (Dermody, Koenig-Lewis, Zhao, & Hanmer-Lloyd, 2018).

Product eco-innovations can be defined as a new or modified product (good and/or service) that complies with eco-innovation requirements. Eco-product innovations can be classified based on the functional, compositional, and operational aspects of product innovations. Eco-services are by-products of eco-products which are also used for a particular task. Eco-accompanying service, proactive service, and value-added service are its prevalent types. Eco-packaging is also used to minimize the direct effects of packaging on the physical environment, like resource consumption, waste generation, and littering. (Aprile, 2025).

Process eco-innovations are to develop a new or modify an activity of the operation of a company that complies with eco-innovation requirements. Eco-rentals leasing, and used product reselling are eco-rentals. Environmental audits include environmental checks which are comparisons between existing processes and environmentally friendly ones, evaluation of potential improvements by introducing eco-innovations. Process eco-innovations can also be classified based on broader environmental management systems, and eco-safety evaluations. (Ilic, Petrovic, & Djukic, 2022).

Organizational eco-innovations are to develop new or modified strategies of organizing the work of a company that comply with eco-innovation requirements. Eco-plant is a newly constructed, refurbished, or extended production- or logistic-based facility complying with

green building codes. Eco-related employer guidelines can chose, employ, evaluate, and terminate the work-life of employees, to its labors and management. Organizational eco-innovations can also classified based on wider environmental organization restructuring, nature conservation protection. (Rodríguez-Rebés, Navio-Marco, & Ibar-Alonso, 2021).

### 2.3. Drivers of Eco-Innovation

In with the need to foster sustainable development and move towards circular ideology, there is now a growing wave of innovation that provides solutions to the wider complications of environmental problems that a society is facing (Panda, et al., 2020). Recognizing the need and importance of eco-innovation has led to solutions that, while important, also provide opportunities for firms to extend their product portfolios on an entry-level basis with green oriented products. Eco-innovation constitutes the extent to which an organization follows these actions leading to green oriented products. However, the emphasis must be on both the drivers of eco-innovation as well as the constraints operating in developing economies.

The emphases are on two constructs: the entry level eco-innovation activity and a composite construct highlighting the key drivers of eco-innovation. The proposed construct and the scale have been tested in two developing economies. Metal product industries operating under small and medium scale have been considered as the research context. Understanding the composite driver of eco-innovation can be useful for not only developing economies but also in the maturing economies where the market for green products is still in its infancy. The proposed scale to measure the entry level eco-innovation activities has also been rigorously tested. This is useful for industries to benchmark themselves against the eco-innovation activities undertaken by them. (Ali, Aima, Bhasin, & Hisrich, 2021).

The increasing interest on the subject of eco-innovations has been able to stimulate the work which formally integrates the theory of demand for innovation with recent advancements in the behavioral economics literature on bounded rationality and preferences. The model is employed to analyze the eco-innovation preference structure with a particular attention to a recently recognized phenomenon, namely the ethical branding of eco-innovations. The analyses highlight that consumers' moral concerns about environmental issues cannot be ignored but modal means are needed to comprehend how they are handled in the complex decision-making process about the purchase of eco-innovations. Suggestions are given for non-traditional approaches to elicit preferences, with a particular focus on the moral implications of ethical branding in eco-innovation markets. The results can help policymakers, eco-innovation providers and indefinite concern organizations alike in the ongoing fight against climate change. (Sharma, 2021).

### 3. Theoretical Framework

The ongoing pandemic that began in December 2019 has not only led to horrific fatalities but also tremendous market volatility and changes in consumer behavior. The global economy continues to be drastically affected by the initiated lockdown, limitations on services, bans on public gatherings, and an overarching fear of exposure to the disease, which has sparked a crush of panic buying behaviors among consumers. In the immediacy of the crisis, consumers began to stockpile groceries, cleaning, and health care products in response

to government warnings and advice. Hoarding non-perishable foods and hygiene products has drawn widespread attention and concern. Nonetheless, just weeks after COVID-19 was recognized as a pandemic, consumer behavior extends beyond panic hoarding. Protective buying behavior as a slowing and reducing consumption of goods, services, and activities designed to cope with, and seek to alleviate, the recent crisis deepens and (Jin, Zhao, & Santibanez-Gonzalez, 2020). Protective buying behavior can be reflected by changing perceptions and attitudes towards consumption, postponing/restraining level of consumption, and changing combination/terms of consumption. Since the earliest days of the COVID-19 outbreak, many people have experienced massive changes in lifestyles that were deemed “normal” or routine for decades. Through an abrupt and radical social experiment, it has been shown that substantial behavior changes could be achieved by companies, governments, and other stakeholders in merely days or even hours if epidemic and disaster strikes, no matter how resistant it would initially be (Panda, et al., 2020).

However, on the other hand, there are also profound concerns about whether many of these protective buying behaviors will recede back to “normal” or mask consumption behavior amid the concern of safety and cleanliness. The COVID-19 pandemic has created polarized levels of risk for individuals to choose from, thus creating a tension between “choosing” and “meaning” across consumption behaviors. On the one hand, the global economy has gone into a recession as the health crisis disrupts labor and supply chains. On the other hand, the COVID-19 pandemic has altered the consumption experience as the so-called “new normal” in lifestyle choices, values, and standards of aesthetic and quality, thereby extremely shaping the selection processes and criteria. In light of this backdrop, with attempts to bring in the social and market transformations and implications from the COVID-19 pandemic, this study provides recommendations regarding ethical branding behaviors and green consumer behavior in the post-COVID era.

### 3.1. Behavioral Economics Overview

A brief definition of behavioral economics is given, emphasizing its relevance for future consumer studies. Changing consumer behavior is necessitated by the urgency to preserve the ecosystem and prevent climate changes resulting in droughts, floods, and other natural disasters. Behavioral economics recognizes people as ‘fast’ as well as ‘slow’ thinkers (Kirk & Rifkin, 2020). Homo sapiens are deemed rational thinkers acting in a self-interested economic manner, much in the spirit of the first and second laws of thermodynamics; this would render all economic modeling possible and simple. However, many behaviors of economic agents do not conform to this assumption. People consume more sugar, alcohol, or meat than would be rational to stay healthy. The late marketing professor Philip Kotler once offered the instant “French fries are your worst enemy.” He meant they contained lots of calories and fat, overcoming human sense.

Behavioral economics emphasizes the role of various biases in everyday reasoning that the classical approach “rational agent” fails to cover. For instance, most people would choose an extra ten dollars rather than 90 percent of 100 dollars. Nevertheless, people are often unable to see this as such. Behavioral economists have uncovered a variety of approaches and heuristics, including framing problems to suit conditions, responding absolutely or in relative

terms, and committing simple tactics to solve problems. Underlying those various biases is the “availability” or “accounting” bias. Only consequences that can be imagined or recollected dominate reasoning. For instance, the expected consequences are numbered to the first decimal only for people faced with stock price changes. When it is evident that Alcoa Investments has lost only 9.6 percent, most people are unable to see things is bad to invest in: 90 percent was possible as well. Behavioral economists have also discovered various procedures by which economic modeling may be rescued from biases. (Umaphy, 2024).

### 3.2. Consumer Behavior Theories

Due to the global perils such as resource depletion, climate change, biodiversity loss, food and water scarcity, the pandemic crisis, and their probability of getting worse, environmental issues have become one of the most critical challenges to the future of humanity, and consumers’ awareness of sustainable consumption has been rapidly rising in recent years (Jin, Zhao, & Santibanez-Gonzalez, 2020). Some consumers are committed to purchasing environmentally friendly products; however, the results from hefty investment in eco-innovation development to the promotion of sustainable consumption are still unsatisfactory.

Though the involvement of ethical brands with eco-innovated products may bring up the purchase of environmentally friendly products, they still face challenges since such products are often shunned by consumers who are skeptical regarding brands sustainability. Eco-labeling has become an approach used widely by brands to signal the eco-innovation of products to address consumers’ skepticism which otherwise is hard to counteract. However, there is empirical evidence proving no or negative effect of eco-labels on the purchasing of eco-innovated products. Among several factors, this paper argues that although eco-labels have important signaling effects in urban and developed regions, in rural and developing regions their impacts are mitigated by consumers reliance on reputation heuristics to reduce search costs in complex non-transparent environments. (Hou, Nomsa, & Shi, 2025).

A simple description of consumers as utility maximizers and perfect rationality can hardly explain the pervasive individual differences in consumption choices under identical economic incentives and environmental factors. It was widely acknowledged, in hindsight, that there is a need to transcend classical economics. In the 1970’s, a new theoretical perspective, so-called behavioral economics took shape and sustained rapid growth. Though there were several outgrowths of it, explanations from emotion-driven or cognition-driven behavioral approaches share the same rudiments: there is a mental processing on information involved so as to allow socio-psychological factors to mediate the effect of changes in monetary rewards and price, and that information processing is at least partially separate from the final choice. It is generally accepted that behavioral decisions can be modeled as sequential processes consisting of information processing from rumor to awareness, and affective evaluation based on prior beliefs about brand sustainability, and on-purchasing consumer responses after enactment of choice, of which the information acquisition, the affective evaluation, and the perception of availability relate to the cues of brand sustainability, eco-label, and sustainability information tenants of ethical branding

respectively. (Payne, 2024).

### 3.3. Ethical Branding Concepts

Branding might be defined as the exercise of creating associations through marketing communications in order for a product or service to become differentiated from others in a category. Brands are not simply logos or advertising slogans. They embody an idea about a product, conveying features and benefits, as well as what these mean against a cultural backdrop of myth, archetype, and story. In short, a brand represents associations gleaned from a host of sources resulting in a set of beliefs shared by the market. That is not only consumers as customers, but everyone of influence and importance to the marketer (Fan, 2025).

Branding thus stands as one side of the architecture of public relations. The alternative side is reputation, which might be defined as the collective interpretation of the actions of an organisation based on its knowledge, beliefs, attitudes, and experiences. Such actions might include products, services, pricing, personnel, exploits, advertising, community involvement, sponsorship, public relations, media coverage, online behavior, and initiatives, as well as branding itself (Panda, et al., 2020).

The net drivers for reputation can be generated from market, corporate social responsibility, human resources, and one of a brand's key attributes. An exploratory study on distrust in brands reveals narratively the unquestioned assumption that brands are an unmitigated good for consumers, especially in the mundane everyday realm of consumerism. The movement and deepening, or cementing in stone, of assumptions of what a brand is about, as understood by meaning-making consumers, can hinder product-market adaptation needed in the wake of dynamic, unprecedented events such as the COVID-19 pandemic.

### 4. Post-COVID Consumer Behavior

In fact, opinion dynamics in social networks and public crises can lead to the emergence of polarized social scenarios where different groups have opinions that conflict among themselves and (would-be) consensus within each group. Such patterns, called "echo chambers" or "filter bubbles," typically arise under conditions of social reinforcement, which are dominant in social networks. When two groups with opposing opinions are initially well-mixed within networks, echo chambers can first arise when, due to individual adaptation to group influence, members of only one of the groups keep adhering to their belief while the other group is brought to extinction. In contrast, when strong group mechanisms are in place, polarization propagates over the population, ultimately leading to the spin-glass phase where two extreme opinions coexist and dynamically compete with each other. Besides networks and mechanisms, the influence of particular scenarios, such as the presence of an influential party or leader with initial preferential attachment or a public crisis such as the COVID-19 pandemic, on the formation and competition of echo chambers are studied (Kirk & Rifkin, 2020).

Recent events surrounding the COVID-19 outbreak have drawn attention to the potential influence of emotions on pro-environmental behavior. Across the world, the pandemic crisis has made people more aware of health-related issues and the probability of risks in daily life for surviving. It is plausible that ethical issues such as social welfare and

environmental sustainability are overshadowed by the subjective perception of health and economic issues. Consumers view consumption merely as a means of obtaining necessity rather than perceived enjoyment, and as the pandemic health risk increased, this view became more salient. In this way, accumulated lab results show that market outcomes can be influenced by feelings of anxiety and moods. Unexpected economic crises such as the COVID-19 pandemic outbreak would severely deteriorate company performance in the short-to medium- term and influence consumer behavior (Kim & Lee, 2022). The growing number of firms implementing sustainability plans and disclosing ESG data has promoted fundamental shifts in business models and management theory. Sustainable management focuses on minimizing externalities and optimizing social values regarding ESG issues. (Rincón Uribe, et al., 2021).

#### **4.1. Shifts in Consumer Attitudes**

Over the past two years, and due to the COVID-19 pandemic, there have been notable shifts in consumer attitudes towards environmental issues. Greater concern for the environment has been associated with higher rates of eco-innovation adoption. For instance, the focus on reducing plastic waste has become a global concern, accelerating a range of changes in consumer habits. A group of “Eco-Disruptors,” who prefer more sustainable goods, is emerging. Businesses that are slow to adapt or fail to communicate may suffer societal backlash, while those that jump forward will gain a competitive advantage (Kim & Lee, 2022). Therefore, firms need to prepare for a post-COVID consumer that may be more environmentally conscious. COVID-19 has spurred concern over sustainability in key ways. The crisis forced organizations to rethink cultural values, product designs, and even stakeholder engagement. It illuminated the interdependencies among stakeholders and, consequently, attention toward sustainability increased.

The COVID-19 crisis may have accelerated consumer sentiments that were already emerging prior to the crisis. Unpredictability and instability have always influenced consumers’ attitudes, beliefs, and behaviors (Kirk & Rifkin, 2020). In times of uncertainty, consumers turn inward and seek security, reliability, and protection. Consequently, they increase purchase of trusted brands, quality goods, and durable products. Companies that fail to respond may lose trust and suffer backlash. Additionally, consumers have suddenly become more aware of their digital footprint and may question their need for various products. Value-driven choices may become more prominent, and firms that do not deliver a responsible and trusted approach to sustainable product innovation may face reputational risks.

Perceived brand responsibility has gained importance as a consumer concern. Also, companies have, more than before, become aware of environmental innovation and sustainable practices as part of their response to the global pandemic crisis. As a result, consumers may perceive environmentally responsible and sustainable brands as more trustworthy and credible. If they consider a brand to be socially responsible, consumers are more likely to feel obliged to reciprocate by using that brand and its products.

#### **4.2. Impact of the Pandemic on Sustainability**

As the world fights the COVID-19 pandemic, individuals are practicing social

distancing and staying home, allowing more disposable income and free time to reconsider daily routines and practices, including attitudes about consumption, the environment, sustainability, health, and wellbeing. This crisis can offer lessons about how human and ecological systems interact when examined through the lens of sustainability. First, in the face of a pandemic, countries prioritizing sustainable goals are better prepared to limit contagion, identify infected individuals, prevent health care exhaustion, and boost long-term resilience. Social infrastructure is critical, helping health and hygiene campaigns work. Transparency and clear communication about science in social media mitigate information spread and propaganda. Cooperation, surveillance, and controlling measures help with socio-ecological adaptation. Second, purchasing behavior in the age of social distancing takes a sustainable turn. Food purchasers increase buy-in bulk e-commerce and homely behavior towards preparation and health, while moving toward sustainable brands. Third, post-COVID-19 consumer behavior will likely include a strong sustainability shift. Safety, health, and a lean sustainable market in hybrid ways will come into demand. These shifts could offer vital chances to advance the SDGs if brands collaborate and deliver commitment, transparency, authenticity, and insight about how they can use creativity to solve consumers' viewing issues in a socially responsible manner (Kim & Lee, 2022).

COVID-19 changed consumers' attitudes and perceptions of brands in ways that will shape belief and behavior for years to come. The pandemic shifted social norms and created a new consumer psychology, breaking the safety net of normality on which many brand strategies relied. Empirical research is sorely needed to better understand these changes. Research documenting the coping, reacting, and adapting consumer mindset during the pandemic can inform both theory and practice. COVID-19 has influenced every brand in some way, and these influences must be examined (Kirk & Rifkin, 2020).

## 5. Green Consumer Behavior

Threats to long-term sustainability arising from climate change and the pandemic generate fundamental changes in management theory and business models. Following pressures from the COVID-19 pandemic, a growing number of firms are implementing sustainability plans and disclosing ESG data before they could fully explore the cost-benefit implications of such data disclosures (Kim & Lee, 2022).

Source-based approaches regarding long-run economic performance and design-based approaches regarding game theoretic models involving embedded questions are no longer sufficient to examine social processes that affect firm behavior. Emerging evidence indicates that sustainability firms performed better than non-sustainability firms during the COVID-19 pandemic. Sustainability firms had fewer downside risks and were more robust during the times of crisis. These findings have important implications on theoretical, methodological, and managerial fronts. Nevertheless, this emerging evidence does not provide a complete picture of the role of ESG performance during the COVID-19 pandemic. (Lingnau, Fuchs, & Beham, 2022).

As a crisis, COVID-19 posed fundamental threats to human lives and social systems. It is essential to investigate why certain firms in ecologically vulnerable industries adopted ESG

plans and disclosed ESG ratings in response to the pandemic. Recently, several theories on prosocial behavior have suggested that altruistic motives or values shape individual or group behaviors toward the welfare of others in economic, environmental, and social domains. This raises a question regarding whether ESG concerns will increase during the COVID-19 pandemic, a period when altruistic motives or values are salient. Consumer-based approaches to the rise of ESG concerns are also underdeveloped. It is fundamental to investigate how to increase ESG concerns among consumers in the face of COVID-19. Earlier research examining the effects of altruistic and egoistic COVID-19 speech and messages contributes to addressing such research questions. (Newman, 2022).

### **5.1. Factors Influencing Green Purchasing**

In the increasingly competitive environment of an advancing global economy, consumers today have become more refined, selective, well-informed, and aware of the harmful effects of rapid industrialization, unprecedented urbanization, and the emergence of unethical practices on the planet. Consequently, with the emergence of new ethical challenges that sophisticated consumers face today, a growing trend called ethical branding has emerged, which refers to using a brand as a form of ethical influence (Jin, Zhao, & Santibanez-Gonzalez, 2020).

To capitalize on this concern over ecological sustainability and ensure consumer support, this text conceptualizes such branding as the process of acquiring, attributing, and creating a unique positioning against competitors through attentiveness to the ecological issues relevant to the firm's brand. The text argues that considerations over eco-innovation capabilities, eco-brand cues, brand ethicality, and green consumerism, and emotional responses constitute a chain of quasi-continuous deterrents to effective ethical branding that warrant academic examination in the form of a research agenda. As ethical branding is brought under the lens of behavioral economics, it carries the potential to activate deliberate and motivated processing to refocus current thinking about the ethical branding process for marketing scholars and marketers. (Loučanová, et al., 2021).

Understanding the core beliefs and emotions influencing green purchasing behavior presents an emerging avenue for future research to explore green purchasing behavior responses to or evaluations of the perceived costs given by the public image and actual costs of eco-label products. Further complex interactions among consumers' beliefs and emotions, purchasing intentions, and purchasing behavior in the green consumption sector need to be explored to gain insights into the internal processes of consumers' purchasing behavior. Aside from the variables identified in this research, prior researchers have examined different motivational drivers of eco-labeled product purchasing, including premium price, conformity, subjective norms, perceived consumer effectiveness, and demographic variables such as age, gender, education, income, and region. Subsequently, how these variables affect green consumerism in different cultures and how the interactions among the factors differ across cultures merit further investigation. (Wang, Yang, He, Wang, Bao, & Gao, 2022).

### **5.2. Barriers to Green Consumption**

Green consumption can be expressed as the purchase and consumption of green

products by consumers who wish to protect the environment (Meador, 2022). However, several studies have shown that individuals who have a positive environmental attitude are often unwilling or unable to consume green products. A few reasons behind this green consumption barrier were to be investigated through a systematic review. This review confirms that social has been identified as one of the barriers to green consumption. The well-known consumer behavior model on attitude-behavior gap was adopted to provide new insights into past research on social barriers to green consumption.

The proactive, planned, and feedback-seeking variables were investigated in regards to the above model. The results show that there exist many gaps between behavioral intention and actual behavior, which suggest that a behavior gap exists. A systematic review identifies a few reasons behind the green consumption barriers so that future research could be appropriately directed toward these areas. There also exists an attitude-behavior gap regarding the passive search variables and the match-mismatch variables. In addition, green perception may have direct effects on the behavior intention and the behavior gap. On the regulation side, social implementation and behavior gap or preparation and behavior gap were identified as two future research directions. (Conner & Norman, 2022)

People genuinely care about ethical issues like climate change, child labor, animal welfare, and fair trade, and think that they could buy a greener product. However, despite these positive beliefs, the vast majority of people were not in the process nature towards socially responsible behavior (Wiederhold, 2017). Why do people not try to buy from fair trade producers? Ethical consumers are frequently torn between their ethical beliefs and consumption behavior. Individuals justify their choices on a psychological level to eliminate or alleviate the feeling of guilt arising from a dissonance in regard to their ethical, environmental, or social standards. With the help of self-neutralizations, ethical principles might be harmonized with ethically questionable choices.

## **6. How consumer psychology and behavioral shifts influence green product adoption and marketing success**

There is a growing need to investigate consumer behavior toward eco-friendly product usage in emerging countries like India. Consumers' attitudes towards eco-friendly consumption are an area of investigation for researchers, as this group is likely a key player in addressing shrinking environmental quality in developing countries. Eco-innovation, covering both social and environmental sustainability, is key in addressing the serious environmental issues bothering the world. Eco-friendly products are the kind of products that save energy in production policies and for consumption purposes beyond the life cycle of products. Eco-Labeled products are one of the most progressive and relevant components of sustainable development and can radically improve sustainability. Environmental labels, on the one hand, are market-based instruments that demand an operational control of emission reductions, energy, or resource consumption. The impact of eco-label legitimacy on consumer purchase intention is mediated by trust and perceived risk. Eco-label credibility is positively correlated to consumer purchase intentions. Purchase intentions are a major influencer of eco-label credibility higher in those who already consume eco-labeled products. "No price premium"

and “conditional adoption” shifts demand from milk in carton, which is more likely to have an eco-label, to alternative functional drinks with a lower price. Green brand trust directly and indirectly influences green brand evangelism through the chain of green brand loyalty. Green brand trust is negatively influenced by the ethical brand attitude. The effectiveness of green marketing is moderated by the perception of seriousness of the problem. Note that this moderating effect is weaker on the attitude and not on the behavior. Green brand competition not only reinforces the overall competition effect, but also enhances the net effect of persuasion competition (Panda, et al., 2020).

### **6.1. The Role of Social Norms in Green Product Adoption**

The use of normative and descriptive reference groups is another important area for future research. A normative reference group is one where the consumer aspires to belong and is motivated to gain its approval (Jin, Zhao, & Santibanez-Gonzalez, 2020). This has important implications for ethical brands. Ethical brands can work to enlist such groups in supporting sustainable behavior towards the brands. However, care must be taken, as this might lead to reactions in the group rejecting such norms. Similarly, descriptive reference groups are those in which consumers already belong. In this case, ethical brands can think of ways of working with established groups, or alternatively target new ones. All this stresses the importance of prior homework to get accurate empirical insight into relevant reference groups in consumer segments targeted.

An underlying assumption in this text is that many choices of consumers can be linked to social norms. This gives rise to other important areas for future research. A first area for future research is the role of self-identity-based norms in choices. Identity-based rules are rules for use in situations where there is uncertainty about what to do. They do not state that particular actions are approved or disapproved, but instead suggest that the identity of a person is at stake when performing the action or not. So, identity-based rules frame the behavior as representative or not representative of a social category, such as ‘an honest person’ or ‘a green consumer’. An important distinction within self-identity rules is that between personal and public rules. Personal rules can be kept secret, while public rules would do no good if they were kept secret (Panda, et al., 2020). Another area for future research is how to deal with the heterogeneity of social norms between consumer segments. Correspondingly, social-norm-based decisions could be modeled as an ensemble of rules instead of a single rule.

Also, consensus-based norms seem relevant, as they deal with majority votes. Modifying social norm perception in the direction advocated by the ethical brand increases adoption probability. However, radical assumptions yield counterintuitive predictions, such as that consumers caring more for a product than for pursuing the social norm decrease adoption probability. A promising direction for future research is to analyze in more detail what mechanisms related to social norms behind the models are in line with empirical evidence. In doing so, the majority-vote model could be used as a reference. It is well known that this model can give rise to consensus shifts, where very few noise agents compromise consensus in the absence of further perturbation.

## 6.2. Emotional Drivers Behind Sustainable Purchasing Decisions

Sustainable purchasing decisions are driven by various emotional factors, the ones highlighted in this section are defined in accordance with the Theory of Planned Behavior (TPB). Sustainable purchasing decisions are predicted by positive attitude, subjective norm, and perceived behavioral control toward sustainable purchase intention as core factors of TPB. In addition to attitude and subjective norm, perceived behavioral control is found to be a determining factor in predicting green purchase intention. (Xu, et al., 2022).

In this section, emotional factors are defined with respect to sustainability. A sustainability-related emotional factor positively influences individuals' concern for sustainability, which in turn promotes their sustainable purchase intention (Panda, et al., 2020). Green perceived risk with two dimensions negatively affects attitude, perceived behavioral control, and green purchase intention. Environmental concern is found to enhance self-efficacy, and perceived behavioral control in purchasing decisions. Green interactivity and socially-responsible values positively link to environmental concern and green consumption intention.

Sustainable purchase intention influences sustainable purchase awareness and practices. Sustainable purchase awareness positively impacts consumers' sustainable purchasing practices and greater awareness about firms supporting corporate social responsibility (CSR) initiatives is perceived to lead toward future sustainable purchases (Jin, Zhao, & Santibanez-Gonzalez, 2020). Consumers' concern for the environment and the factors that drive consumers environmentally conscious purchasing decisions, including environmental concern and positive emotions. Also green purchase intention is positively related to consumers' responsible purchase behavior.

## 7. Behavioral Insights for Marketers

As consumers are starting to return to normal activities, it is also vital that brands reflect on the lessons learned during the pandemic. Two-thirds of consumers say their future purchase decisions will be strongly influenced by how brands respond now. One-third have already actively switched from a brand based on what they perceived to be an inappropriate response to the crisis. Brands are vulnerable if they are perceived to be acting in a self-serving manner or to be unwilling to make sacrifices to help people cope with the crisis. Consumers want their brands to have "skin in the game" and may not look kindly on brands that furlough employees to maintain profits or brands that advertise products that they perceive to be irrelevant to the problem at hand (Kirk & Rifkin, 2020).

Brands, particularly those with a social responsibility positioning, may be especially susceptible to punishment by consumers if they are perceived to have acted in self-interest during the pandemic. For example, consumers were outraged that some brands took government financial assistance while continuing to pay dividends to shareholders. Similarly, people rejected brands that failed to consider how the pandemic was affecting consumers when advertising products unrelated to coping with the crisis. The pandemic provided an opportunity for brands to demonstrate their awareness of the impact of the crisis on consumers and explain how their products can help consumers cope. (Siuki & Webster, 2021).

Marketers should strengthen ethical branding and reflect a philosophy that brands have more than sole responsibility for returns for shareholders. Various behavioral insights regarding the impact and effects of ethical branding on consumers' green consumer behavior could be considered to take opportunities in the post-COVID era (Kim & Lee, 2022).

### **7.1. Nudging Consumers Towards Eco-Friendly Choices**

The pandemic is increasing consumer concern for the environment and is expected to bring major changes to the marketing environment through the 'post-corona' era. To compete in the future consumer market, businesses need to establish environmentally-friendly brands. In this regard, this study aims to investigate the effect of the 'COVID-19' pandemic on green consumer behavior and seek research implications. The possible outcomes of the COVID-19 pandemic on the environment are complex, and depending on the circumstances, it can be responsible for exacerbating climate change or improving environmental concerns. Due to the fast-evolving situation and divergent responses, there is little empirical research on the COVID-19 pandemic and green consumer behavior. Nevertheless, with an extended research framework proposed, the expected theoretical implications of the pandemic on green consumer behavior are proposed. (Kitz, Walker, Charlebois, & Music, 2022).

On March 2020, WHO declared a global pandemic of COVID-19 based on a sudden outbreak of the virus. Shortly thereafter, consumers initiated exceptional social changes such as working from home, restricted travel and business, stockpiling consumables, and limiting outdoor activities, raising new public debates regarding living in a 'new normal'. In response, many public authorities and organizations published health-care knowledge and behavioral guidelines to overcome the threat. However, some of the consequences such as online shopping addiction, customer-to-home personal service need, and climate change sluggishness vary across individuals because they are determined not merely by the pandemic itself but sociocultural values and importances shaped by family, society, and nations (Kim & Lee, 2022).

In this context, different nations and consumer segments shape dissimilar impacts of the pandemic, prompting consideration on sustainable marketing strategies for the post-COVID-19 era. In addition, with rising expectations on similar future crises stemming from exotic viruses to climate changes, there are increased intentions of consumers to mitigate future problems through vaccination and pro-environmental behaviors. This may lead to a potential 'green marketing opportunity' for firms because environmentally-friendly behaviors remain stable not merely on extraordinary events but become a lifestyle change, demanding time-varying business strategies for ethical and sustainable marketing in the digital and post-COVID era.

### **7.2. The Role of Social Norms**

As brands that implement sustainability initiatives outnumber consumers who buy their green products, it is critical for marketers to encourage consumers to adopt green and ethical consumption practices. This study suggests a novel approach to understanding the green consumer behavior, highlighting the role of social norms in pro-environmental behavior. The research shows that social norms serve as an active and unexpected influence on pro-

environmental behavior in an uncertain situation like the COVID-19 pandemic and that brand communication to convey ethical actions can impact consumers' ESG concerns, leading to a positive shift in green consumption. (Smith, Dupré, McEvoy, & Kenny, 2021).

In particular, brands are supposed to emphasize their sustainability efforts in ads to induce altruistic norms. In this vein, comparative ads are less likely to fulfill the same effectiveness owing to self-enhancing motivations in the brand selection process. Moreover, such brand communication is anticipated to be more effective in mitigating self-centered concerns for consumers with stronger egoism in COVID-19 circumstances. As strong self-concern reduces the focus on others, it seems difficult to influence consumers. CSR initiatives concerning no direct benefits to consumers are expected to be less effective. It is expected that this perspective elucidates the nuance of motives of concerns about world issues on green consumption. Ultimately, results from the current studies will clarify an understanding of changes in the demand or responses toward green consumption spurred by the COVID-19 pandemic (Chen, 2010); (Kim & Lee, 2022).

Producing consumption intentions based on social norms and then chained pro-environmental behavior is essential for intentionally encouraging green consumption. As the pandemic is a global environmental risk, the one-time push for green consumption intentions rooted in social norms is considered possible. In uncertain situations, an active change is more likely to occur compared to a stable situation; therefore, ethical brands could have a window of opportunity to foster consumption intentions for improving sustainable behavior. Spoiling this opportunity by overthinking it as a once-in-a-lifetime chance with no follow-up is futile, since the sustainability movement will continue as long as global attention and trade organizations support it. (Nascimento & Loureiro, 2024).

## 8. Conclusion

The multifaceted symptoms of the COVID-19 pandemic have accelerated demand for eco-friendly products. Individuals should experience a surge in active and deliberate choices consistent with this identity within eco-friendly identity selection. The peculiarities of the COVID-19 pandemic provide a specific opportunity to study the importance of situation–identity incongruence and the boundary role of consumer skepticism. Contrary to expectations, there has been a considerable supply of ecological alternatives. Green products are often assumed to be distinctly versatile, requiring different kinds of idiosyncratic processing depending on the situational context. COVID-19 cases and deaths contributed to a panopticon-like environmental context in which greater surveillance of eco-relevant behavior was preferred. The impact of COVID-19 situational cues, green product promo frames, and individual differences in asthmatic activations on evaluation uncertainty and perceived brand motives was examined. Perceived brand motives toward consumer well-being were found to mediate the interactive impact of promo frame and asthmatic activations on purchase intention.

Amidst the uncertainty surrounding COVID-19, developing a sense of trust is crucial for consumers. With knowledge about the situation being scarce, prior clues about the source become more important. Resultant inference on intention is also more reliant on heuristic

processing. Recent research highlights the consumer brand relationship as a superrelationship delineated by a promotional clause. Perceived motive was found to be the most important trait affecting promotion-relationship trust as cause-related marketing prompts for recovery brand promotions. The importance of consumer skepticism is also discussed in light of this trust framework's implications for recent public health crises. Despite the opportunity for research on this crucial, daily-encountering interactional entity, previous branding frameworks have neglected the importance of the promotion context. As the threat posed by COVID-19 situational context is metamorphic, a longitudinal study over the course of its evolution is needed.

Various marketing theoretical domains are opened due to the unfolding of socio-psychological dynamics. Introductory works are warranted examining new questions, as existing questions will be posed in new ways due to prolonged influence. It is essential to investigate how respective brands' pre-existing characteristics and positioning promise uniqueness differ on consumer-centric dynamics in response to the pandemic context as a highly environmental domain. Methodologically rigorous veering away from traditional, cross-sectional data collecting one-off studies is paramount, with consideration of subtle changes in responses across time. Despite serendipitously determined unexplored facets of pre-existing interactions now being vital to understanding consumer behavior, many marketing disciplines remain steadfastly devoted to methods ill-suited for such endeavors.

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