

# Pseudo-Green Practices in Ayurveda: Effects on Consumers' Trust and Buying Decisions

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**Abstract:** The study investigates the role of greenwashing practices in shaping consumer choices and behaviour especially with the rise of pseudo green ayurvedic brands. It focuses on understanding the pseudo green washing practices and how it affects customers' trust and buying decisions and the impact of certifications, labels in creating transparency. Regarding the methodology of the study, it is based on secondary data collected from articles, websites, reports, etc. It is identified that as several legal regulations are there to control pseudo green washing practices, there still exists a gap. These practices affect brand loyalty along with negative word of mouth and online reviews worsen the situation. Customers' preference for Ayurvedic products is due to their belief about the quality, trust in the manufacturing process and eco-friendly process and it gets ruined through the presence of such practices. It is concluded that there should be stricter guidelines and measures like third party audits should be encouraged to bring more transparency in this field considering its growth prospects.

**Keywords:** Ayurveda, Greenwashing, Consumer Trust, Buying Decisions, Green positioning.

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## I. INTRODUCTION

Ayurvedic products are branded using the terminology eco-friendly process and products. Even though they are claiming many of these products lack scientific backing or certification and it raises questions about the products authenticity. Greenwashing practices are being a dominant factor influencing purchasing decisions of consumers. Apart from creating competitive advantage, these practices were identified to create a brand value for their products. Frost & Sullivan (2022) observed that Indian brands like Dabur, Himalaya, Patanjali, Baidyanath, Vicco have expanded into Europe, the Middle East, and North America and along with that many Global brands now include Ayurvedic formulations in cosmetics, personal care, and supplements. Nielsen, (2022) identified that 40% of global consumers now seek plant-based remedies and are shifting away from chemical-laden products and it is based on surveys conducted in Europe and North America.

Global Ayurvedic Markets are showing a Compound Annual Growth Rate of 18% until the year 2028, which demonstrates the future prospects of Indian Ayurvedic Market. (Rushi Dave 2024) It is due to the growing demand for natural holistic healthline solutions. Modern consumers

are very much aware about the side effects of synthetic medications and the benefits of Ayurveda which also include customisation make this more attractive. While in another work of Grand View Research (2023) it was observed that the global Ayurvedic market was valued at USD 6.5 billion in 2022 and is projected to reach USD 14.9 billion by 2030, growing at a CAGR of 12.3% during 2023–2030. World Health Organization (2022) observed that rising demand for natural and organic personal care and wellness products along with growth in Ayurveda-based nutraceuticals, especially post-COVID. Another factor contributing to its growth is the international support from WHO promoting traditional medicine integration.

Deepthi & Divya (2020) studied greenwashing practices in personal skin care products. And it was observed that as the importance of skin care is drastically increasing among all the age categories the demand for chemical free green products were also increasing. A direct relation was observed between income level and the demand for green care products and green purchase behaviour. While Ayurveda is getting more recognition from national and international level, and it has been considered to be a holistic alternative in the global wellness market, many Ayurvedic Brands engage in pseudo-green marketing—employing vague or misleading

environmental claims. Jog, D., & Singhal, D. (2024) observed that more companies are now engaging in greenwashing practices and it misleads customers. In this scenario the presence of pseudo green marketing practices poses serious threats to consumer buying behaviour, their trust and intention. Despite the significance of this issue, research on its impact within the Indian Ayurvedic sector remains limited. This review explores the existing literature on pseudo-green practices and their effect on consumer trust and purchasing behavior, and significance of certifications, transparency, and labelling in influencing consumer choices with a focus on bridging this research gap.

## II. OBJECTIVES OF THE STUDY

- To understand the greenwashing practices of Ayurvedic brands that claim to be eco-friendly.
- To assess the impact of pseudo-green marketing on consumer trust and their purchasing decisions, especially in Ayurvedic products.

## III. PSEUDO-GREEN PRACTICES IN THE AYURVEDA INDUSTRY

The pseudo green practices in the Ayurvedic industry is studied in terms of

- Ayurveda and green positioning
- Consumers' trust on green products and
- Impact of pseudo green practices on buying decisions

### A. Ayurveda and Green Positioning

Ayurvedic brands have occupied a unique space in the wellness and self-care sector nowadays. The term green positioning denotes the use of herbal products, no use of chemicals and it mainly targets consumers choosing environment friendly products (Singh & Dwivedi, 2015; Chakrabarti, 2010). But many times the claims made by them may not be valid as they engage in pseudo-green practices, where they adopt vague or misleading terminology such as "100% natural" or "chemical-free" without proper certification or evidence (Delmas & Burbano, 2011). The Indian government (via the Ministry of AYUSH) has provided some guidelines for the certification of Ayurvedic products (Ministry of AYUSH, 2021). This regulatory gap creates space for greenwashing within the Ayurvedic industry.

Report on Misleading Advertisements of Ayurvedic and Herbal Products (2015–2018): According to the information presented by Shri Shripad Yesso Naik, the Minister of State (Independent Charge) for AYUSH, in a written reply in the Lok Sabha on February 9, 2018.

It was identified that;

- Between April 2015 and January 2018, the Ministry of AYUSH received 804 complaints concerning allegedly deceptive advertisements related to Ayurvedic and herbal products. These complaints were collected via the Advertising Standards Council of India (ASCI) and the GAMA (Grievances Against Misleading Advertisements) portal operated by the Department of Consumer Affairs.

- The absence of a clear legal definition for "herbal medicines" in the Drugs & Cosmetics Act, 1940 was acknowledged. However, to address regulatory gaps, a new category termed "Phytopharmaceutical drugs" was introduced in November 2015 under Rule 2(eb) of the Drugs and Cosmetics Rules, 1945. These are drugs derived from medicinal plants that are purified, standardized, and contain at least four bioactive phytochemicals.
- While the term "herbal medicine" may not have been distinctly outlined, existing legal frameworks such as the Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 already encompass advertisements related to all non-food drugs, including Ayurvedic products. This Act allows state authorities to take action against misleading content. Under Section 8(1), state governments have the authority to assign Gazetted Officers the power to investigate and act upon misleading advertisements.
- To enforce these regulations, the Ministry of AYUSH has consistently urged states to appoint officers for oversight. As a result, 621 Gazetted Officers have been deployed across 22 states to enforce advertising laws concerning AYUSH products.
- Additionally, the Ministry entered into an agreement with ASCI to proactively monitor and address misleading claims in print and television advertisements. ASCI alert respective state regulators about violators for necessary action.
- The Ministry of Information & Broadcasting also intervened by issuing directives in July 2017 to all media outlets. These guidelines instructed broadcasters to only air advertisements for products with valid manufacturing licenses and to refrain from showing content that violates the 1954 Act. Moreover, a Nodal Officer within the Ministry of AYUSH is responsible for reviewing complaints registered on the GAMA portal. These are then referred to the appropriate state authorities to ensure that legal action is pursued.

### B. Consumers' Trust in Green Products

Consumers' trust plays an important role in any segment especially in Ayurveda where there exists a lot of competition. The peculiarity of this sector is that instead of getting immediate results its impact can be only assessed after its use. Green marketing claims such as "natural," "eco-friendly," or "Ayurvedic" etc act as a driving force in their investment decision. If consumers do not trust these claims, their buying intention decreases significantly (Chen & Chang, 2013; D'Souza et al., 2006). The factors that contribute to consumer trust involve third party certifications, brand reputation, detailed ingredients list etc. Increase in the trust among consumers may lead to positive word of mouth, increasing brand loyalty.

For many Indian consumers, the use of Ayurvedic products is also linked to many cultural and spiritual reasons. Brands that resonate with traditional Indian values, and back this with authenticity, tend to enjoy stronger consumer-brand relationships (Saha R 2021). Many young consumers were identified to make a detailed analysis using online sources by

comparing the products with similar ones, checking the proper source and authenticity of ingredients list etc which makes the scenario more critical for the manufacturers and marketers. (Singh, S., & Pandey, A. 2023). Once consumers detect a product as pseudo it leads not only to switching but long-term brand distrust, consumers may avoid the brand entirely even if it adopts genuine practices later.

### C. Impact of Pseudo Green Practices on Buying Decision of Consumers

Customers link green or Ayurvedic products to high quality, more customised and ethical way of production and eco-friendly. But when they identify a particular brand as pseudo or if they fail to deliver any of the benefits which is provided or expected to be provided by Ayurvedic brands it creates permanent dissatisfaction and decreased likelihood of repurchase. Greenwashing leads to distrust in not only the brand in question but also the entire product category. (Leonidou & Skarmeas 2017)

Repeated exposure to false claims and pseudo practices may affect consumers and they may stop giving importance to environmental claims which may lead to green fatigue. Even if the false claim has been reported for a particular product of a brand it may affect entire products of the specific brand. Use of earthy colors, leaves, or Sanskrit typography to suggest eco-friendliness - without evidence can trigger ethical disapproval, especially among educated consumers who view such tactics as manipulative (Delmas, M. A., & Burbano, V. C. 2011)

## II. FINDINGS AND DISCUSSION

- The common pseudo green practices in Ayurveda include vague labeling and using sanskrit words to make it more authentic. Patanjali can be quoted as an example as they have used the term 100% natural and many sanskrit terms like 'Diva jal' to make it authentic which was later proven as false and many preservatives and stabilisers which were non ayurvedic were used. (Sharma & Bashir, 2015; Joshi, 2020).
- Transparency in consumer trust is a great source for buying decisions. Third-party certifications such as USDA Organic, India Organic, and AYUSH Premium Mark act as trust enablers in the Ayurvedic sector. (Leonidou & Skarmeas, 2017; D'Souza et al., 2006). For example Organic India is an Indian based brand which has certifications from USDA Organic, India Organic (Jaivik Bharat), Control Union Certification, Non-GMO Project Verified.
- Pseudo green practices may attract impulse customers but in long term it creates consumer disengagement and lack of customer loyalty which can eventually lead to negative word of mouth and online reviews
- In Indian markets, lack of strict Government regulations gave rise to pseudo green practices. It widely affects consumers' trust and confidence and it affects purchase retention over brands. (FICCI 2021)
- When the product's performance (e.g., effectiveness of an Ayurvedic cream or supplement) does not match its green positioning, customers feel deceived, further fueling

brand rejection, negative emotional response and buying hesitation (Saha, 2021).

## III. IMPLICATIONS

- For practitioners and marketers, Ethical branding should be a key term and a terminology which they should implement
- To create more authenticity in the product ingredients, a QR code based searching helps to create more trust among customers.
- Certifications from authentic sources like AYUSH may enhance the trust.
- For policy makers there should be more strict guidelines and there should be standardization for Ayurvedic labeling.

## IV. CONCLUSION

The Ayurvedic industry is one which has a lot of potential benefits and scope to further explore. The presence of green washing practices act as a major threat for this segment. Those customers who intend to buy eco-friendly products will rethink their buying decisions due to the betrayal that they face. Thus, Greenwashing influences customers' buying decisions and their buying behaviour. There is a need for stricter labeling regulations, and third party audits and government based consumer education to surpass the situation as the presence of these practices affects the industry. Once the customer's trust is lost it is difficult to recover it. There should be more customer focussed research and studies to identify the gaps for the further growth of the industry.

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