



Green Minds, Green Markets: The Impact of Climate Anxiety on Consumer Decision

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Abstract: *Climate change has become a critical global issue influencing not only environmental policies but also consumer market behaviour. This study examines the impact of climate anxiety and environmental awareness on consumer purchasing decisions. The research is based on primary data collected through a structured questionnaire from respondents belonging to diverse age groups, occupations, and income levels. Here findings indicate that consumers are highly aware of climate change and recognize its potential impact on their future lifestyle. This awareness has encouraged a preference for eco-friendly and sustainable products. Many respondents consider sustainability before making purchases and have shifted toward environmentally responsible brands. Climate-related information and news create varying levels of concern, which influence daily buying decisions and spending patterns. However, despite positive attitudes toward green products, price sensitivity and income constraints significantly affect the willingness to pay a premium for eco-friendly alternatives. This study concludes that climate anxiety plays a meaningful role in shaping consumer behaviour, promoting responsible consumption patterns. At the same time, economic factors moderate sustainable purchasing decisions. The research highlights the growing intersection between environmental psychology and commerce in contemporary markets.*

Keywords: *Climate Anxiety, Consumer Behaviour, Sustainable Consumption, Environmental Awareness, Green Marketing, Purchasing Decisions, Economic Factors.*

Introduction: Climate change has become one of the most significant global challenges, influencing not only environmental policies but also economic systems and consumer markets. Initiatives led by the United Nations and global commitments such as the Paris Agreement highlights the need for sustainable development and responsible consumption. As awareness of environmental issues increases, consumers are becoming more conscious of how their purchasing decisions impact the planet.

In recent years, the concept of climate anxiety—emotional concern and stress about environmental degradation—has emerged as a factor affecting consumer behaviour. Continuous exposure to climate-related news and sustainability campaigns has encouraged individuals to prefer eco-friendly products, sustainable packaging, and socially responsible brands. Businesses, in response, are adopting green marketing strategies to meet changing consumer expectations.

However, while many consumers express the positive attitudes toward sustainable products, actual buying decisions are often influenced by economic factors such as income level and price sensitivity. The higher cost of eco-friendly alternatives can limit purchasing behaviour despite strong environmental awareness. Therefore, understanding the relationship between climate anxiety, environmental awareness, and economic

constraints is essential to analyse modern consumer behaviour and promote sustainable consumption patterns effectively.

Meaning:

- 1. Climate Anxiety:** Climate anxiety refers to feelings of fear, worry, or distress related to climate change and its environmental impacts.
- 2. Consumer Behaviour:** Consumer behaviour is the study of how individuals make decisions to purchase, use, and dispose of goods and services.
- 3. Sustainable Consumption:** Sustainable consumption means using products and services in a way that reduces environmental harm and preserves resources for future generations.
- 4. Environmental Awareness:** Environmental awareness is the knowledge and concern individuals have about environmental issues such as pollution and climate change.
- 5. Green Marketing:** Green marketing is the promotion of products based on their environmental benefits and eco-friendly characteristics.
- 6. Purchasing Decisions:** Purchasing decisions refer to the process by which consumers identify needs, evaluate options, and choose products to buy.
- 7. Economic Factors:** Economic factors are financial conditions such as income, price levels, and purchasing power that influence consumer spending behaviour.

Objective:

1. To analyse the relationship between climate anxiety and consumer spending behaviour.
2. To evaluate whether climate anxiety increases preference for eco-friendly products and willing to pay higher price.
3. To study the influence of climate anxiety on green investment decisions.
4. To examine the impact of demographic factors such as age and education on climate-related spending behaviour and willingness to switch brands for eco-friendly products.
5. To provide practical insights for businesses and policymakers in promoting sustainable consumption and green marketing strategies.

Hypothesis:

Null Hypothesis (H₀): There is no significant relationship between climate anxiety and consumer spending behaviour, including preference for eco-friendly products, willingness to pay a premium price.

Alternative Hypothesis (H₁): There is a significant relationship between climate anxiety and consumer spending behaviour, including preference for eco-friendly products, willingness to pay a premium price.

Literature Review:

- 1. Thogersen (2014) – Sustainable Consumption:** Thogersen found that environmental knowledge positively influences green purchasing behaviour. However, an attitude-behaviour gap exists where positive attitudes do not always translate into purchases due to economic factors.

2. **UN Environment Programme – Sustainable Lifestyles:** The United Nations Environment Programme (UNEP) emphasizes that consumer lifestyles significantly contribute to global carbon emissions. UNEP reports that awareness campaigns and environmental education positively influence sustainable purchasing behaviour. The organization highlights that behavioural change requires both emotional motivation and structural support, including policy incentives and affordable green alternatives. Although consumers show growing concern about climate change, economic barriers remain a challenge in developing economies. UNEP concludes that sustainable consumption depends on the combined influence of awareness, affordability, and policy support. The report strengthens the argument that climate anxiety alone is insufficient; economic systems must facilitate responsible consumer choices.

3. **OECD (2021) – Environmental Policy and Consumer Behaviour:** Organisation for Economic Co-operation and Development. OECD research in 2021 analysed how environmental policies influence consumer behaviour. The study found that consumers respond positively to sustainability initiatives when supported by economic incentives such as subsidies and tax benefits. Awareness levels significantly affect behavioural change, but income remains a determining factor. Higher-income consumers are more likely to purchase green products, while lower-income groups prioritize cost efficiency. The research confirms that environmental fear and awareness can drive intention, but policy frameworks are essential in shaping final purchasing decisions. This study supports the economic dimension of climate anxiety in influencing consumer markets.

4. **Sustainability Journal (2023) – Climate Anxiety and Green Consumption:** A 2023 study published in the journal Sustainability examined the relationship between climate anxiety and sustainable consumption behaviour. The research found a statistically significant positive correlation between environmental concern and preference for eco-friendly products. Individuals reporting higher levels of climate anxiety were more likely to reduce plastic usage, choose renewable energy options, and purchase sustainable goods. However, the study also acknowledged psychological fatigue, where excessive anxiety may result in disengagement. The findings suggest that moderate levels of climate concern encourage responsible consumption, while extreme anxiety may reduce active participation. This research directly supports the theoretical framework that emotional responses to climate change influence economic decision-making and consumer market trends.

5. **PwC (2024) – Climate-Conscious Consumer Survey:** PwC's 2024 global consumer survey examined shifting consumer preferences toward sustainability. The findings reveal that a significant proportion of consumers consider environmental impact before making purchasing decisions. Climate change awareness has increased demand for eco-labelled, ethically sourced, and low-carbon products. However, the survey emphasizes that affordability remains a decisive factor. Consumers express willingness to support sustainable brands but hesitate when price premiums exceed their budget constraints. The report highlights generational differences, with younger consumers showing stronger commitment to environmental causes. The study concludes that climate awareness influences market demand, but purchasing power determines actual spending behaviour. This supports the research idea that climate anxiety can shape consumer intentions while economic limitations moderate final purchasing decisions.

Research Methodology:

Research Design: This study employs a descriptive and analytical research design. The descriptive component characterizes the current levels of climate awareness and anxiety among the target demographic. The analytical component evaluates the correlation between these psychological factors and specific consumer spending behaviours, such as brand switching and willingness to pay premiums for sustainable goods.

Data Collection: Primary Data-The core findings are based on primary data collected via a structured online questionnaire (Google Forms). A total of 140 valid responses were recorded.

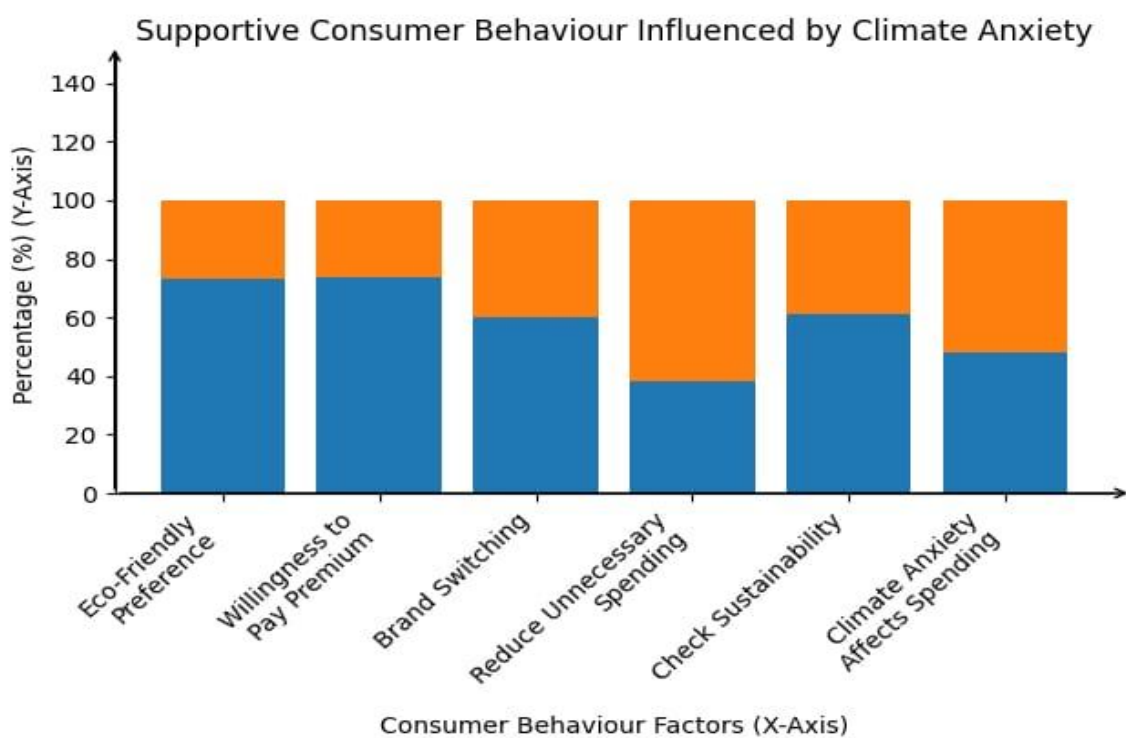
Secondary Data-Theoretical frameworks and literature reviews were supported by data from peer-reviewed journals, institutional reports, and global sustainability indices.

Findings: With the analysis collected from the use of primary data collection we have found that the influence of climate anxiety has gradually increased in these days with the awareness of climate issues, its impact on human health

The results reveal that climate anxiety has a measurable influence on supportive consumer behaviour. Approximately 73% of respondents show a preference for eco-friendly products, indicating strong environmental inclination. Similarly, around 74% express willingness to pay a premium for sustainable products, reflecting high value alignment with environmental responsibility.

Nearly 60% of respondents are willing to switch brands for more sustainable alternatives, suggesting that sustainability significantly impacts brand choice. About 60% also report checking sustainability information before making purchases, demonstrating growing awareness and demand for transparency.

The findings confirm that climate anxiety positively influences eco-conscious purchasing behaviour, though its impact varies across different consumption dimensions.



The data is collected from an online questionnaire (Google forms) which has recorded 140 responses in which 91 females 41 male are in the age group of 18 to 60 years.

Out of 140 responses which has been received 57 are working professionals in diverse fields like entrepreneurship, business, self-employment, supermarkets, corporates and 83 students are ready to switch their products for sustainability by paying higher as climate anxiety results in the changes of future lifestyle.

Analysis: The empirical findings indicate a strong association between climate anxiety and supportive consumer behaviour. The data reveals that environmental concern is not merely attitudinal but increasingly reflected in purchasing intentions and decision-making patterns.

A substantial proportion of respondents demonstrate a clear preference for eco-friendly products, suggesting that sustainability considerations are becoming mainstream in consumer choice architecture. Likewise, a significant majority express willingness to pay a premium for environmentally responsible products, indicating perceived value alignment between sustainability and personal responsibility.

Brand-switching behaviour in favour of sustainable alternatives is also notably high. This suggests that environmental performance has emerged as a competitive differentiator in the marketplace, capable of influencing brand loyalty. Consumers appear ready to reconsider established brand preferences when sustainability credentials are stronger.

However, behavioural modification in terms of reducing unnecessary spending shows comparatively moderate adoption. This indicates that while climate anxiety motivates supportive purchasing, deeper consumption restraint remains a more complex behavioural shift.

Furthermore, a considerable percentage of respondents actively check sustainability information before purchase, reflecting increasing environmental awareness and demand for transparency. Finally, nearly half of the participants acknowledge that climate anxiety directly influences their spending behaviour, confirming the psychological dimension of environmentally driven consumption.

Overall, the results substantiate that climate anxiety functions as a behavioural catalyst, positively influencing eco-conscious purchasing patterns. While attitudinal commitment toward sustainability is strong, translating concern into reduced consumption requires further structural and educational support. These findings highlight the growing importance of sustainable branding, transparent communication, and environmentally responsible business strategies in shaping future consumer markets.

Conclusion: The study concludes that climate anxiety significantly influences consumer spending behaviour. Individuals who experience higher levels of environmental concern are more likely to adopt sustainable consumption practices. The findings indicate a positive relationship between climate anxiety and preference for eco-friendly products, willingness to pay a premium for sustainable goods, and reduction in unnecessary or excessive consumption. Additionally, respondents with greater environmental awareness show increased interest in green investments and environmentally responsible purchasing decisions.

The analysis also suggests that demographic factors such as age, income, and education play an important role in shaping climate-related spending patterns. Younger and more educated consumers tend to demonstrate stronger pro-environmental purchasing behaviour, while income level influences the ability to pay higher prices for sustainable products.

Overall, the research highlights that climate anxiety, though rooted in fear and concern, can lead to constructive behavioural changes that support sustainable economic development. The study provides valuable insights for businesses to design effective green marketing strategies and for policymakers to encourage environmentally responsible consumption through awareness programs and supportive policies. Therefore, climate anxiety can act as a driving force in promoting sustainable consumer behaviour and advancing long-term environmental goals.

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