



Original Article

Profit to Purpose: How Sustainable Branding Influences Consumer Loyalty in Kolhapur City

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Abstract

This study examines the shift from profit-centric to purpose-driven (sustainable) branding and its impact on consumer loyalty in Kolhapur city, Maharashtra. Using a sample of 109 respondents, the analysis reveals a strong positive relationship between perceptions of sustainable branding and consumer loyalty scores. Findings align with broader Indian studies on green branding and purpose-driven strategies, offering actionable insights for local brands in Kolhapur's agro-based and traditional sectors.

Keywords: Sustainable branding, purpose-driven branding, consumer loyalty, green marketing, Kolhapur, India

Introduction

The global shift from "Profit to Purpose" reflects brands moving beyond financial gains to embed sustainability, ethics, and social responsibility into their core identity. In India, rising environmental awareness, especially among urban consumers, has made sustainable (or "green") branding a key differentiator. Kolhapur, a historic city in southern Maharashtra with a 2026 estimated population of approximately 826,000, literacy rate of ~88% in urban areas, and a mix of agriculture, traditional industries (e.g., Kolhapuri footwear), and emerging tourism, provides a compelling regional context. Local consumers increasingly evaluate brands on environmental and ethical criteria, yet empirical studies specific to Tier-2/3 cities like Kolhapur remain limited. This paper addresses that gap through primary analysis of how sustainable branding perceptions influence loyalty metrics such as repeat purchase intent, recommendation, and emotional attachment.

Research Objectives:

1. Assess the level of sustainable branding perception among Kolhapur consumers.
2. Quantify its influence on consumer loyalty.
3. Examine moderating effects of demographics (gender, education, income).
4. Provide transparent, reproducible statistical evidence.

Hypotheses:

H1: Higher sustainable branding perception positively correlates with consumer loyalty.

Literature Review

Marketing has shifted from purely profit-driven to purpose-driven strategies, establishing corporate social responsibility as a core brand identity. As Bhattacharya and Sen (2004) note, consumers increasingly judge brands on ethics rather than just utility. Sustainable branding builds strong emotional connections, a dynamic explained by the Value Congruence Theory. People choose brands that match their personal ethics, and this shared worldview turns basic transactions into loyal advocacy. While purpose-driven brands often gain customer forgiveness for minor mistakes, they must remain completely transparent, as fake eco-friendly claims—known as "greenwashing"—quickly destroy consumer trust. In emerging economies like India, the definition of sustainability expands to include fair labor and community welfare. Regional Indian consumers highly value support for local artisans, meaning global frameworks must adapt to these specific local realities.

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Combining local heritage with sustainability deeply boosts customer retention, proving that genuine social purpose creates lasting loyalty. Despite these psychological benefits, a major challenge exists that researchers call the "intention-behavior gap." Carrington, Neville, and Whitwell (2010) found that actual consumer purchases often contradict their stated ethical preferences. The higher price of sustainable goods, often called the "green premium," acts as the main barrier. Ultimately, this price sensitivity remains a major obstacle to ethical consumption, particularly in Tier-II Indian cities.

Research Gap

Most Indian green marketing studies focus on wealthy metropolitan areas. There is very little research on transitioning industrial hubs. Kolhapur represents a unique academic gap. It blends heavy industry, agriculture, and historic artisan clusters. Kolhapuri consumers strongly value hyper-local initiatives. However, quantitative data is missing. We do not know if a local purpose overcomes the high green premium.

3. Methodology Research Design:

Quantitative, cross-sectional survey-based study. **Population & Sample:** Urban consumers in Kolhapur city (convenience sampling via local markets, malls, and online forums). Sample size = 109 (adequate for regression at 80% power). Demographics mirror Kolhapur's profile (balanced gender, education skew toward graduates, income distribution reflecting middle-class dominance).

Variables:

- **Independent:** Sustainable Branding Perception Score (1-5 Likert composite: awareness, perceived eco-practices, ethical alignment).
- **Dependent:** Consumer Loyalty Score (1-5 Likert composite: repeat purchase, recommendation, attachment).

1. Demographic Profiling of the Sample

To examine the moderating effects, we first distribute the respondents across the required demographic categories.

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	56	51.4%
	Female	53	48.6%
Education Level	High School / Diploma	18	16.5%
	Bachelor's Degree	58	53.2%
	Master's / Professional	33	30.3%
Monthly Income	Lower (< ₹40,000)	34	31.2%
	Middle (₹40,000 – ₹1,00,000)	52	47.7%
	Upper (> ₹1,00,000)	23	21.1%

Source-Primary data

2. Objective 1: Level of Sustainable Branding Perception (SBP)

Respondents evaluated their perception of sustainable branding (SBP) and their resulting consumer loyalty (CL) on a standardized 5-point Likert Scale (1 = Strongly Disagree, 5 = Strongly Agree).

Table 1: Descriptive Statistics

Variable		Minimum	Maximum	Mean	Std. Deviation
Sustainable Branding Perception (SBP)	109	1.80	5.00	3.82	0.74
Consumer Loyalty (CL)	109	1.40	5.00	3.65	0.81

Source-Primary data

Analysis: The mean score of 3.82 indicates that Kolhapur consumers have a moderately high perception and awareness of sustainable branding. However, the slightly lower mean for loyalty (3.65) suggests a slight gap between perceiving a brand as sustainable and actually remaining loyal to it.

3. Hypothesis Testing (H1) & Objective 2

H1: *Higher sustainable branding perception positively correlates with consumer loyalty.*

To test this, researcher utilized **Pearson's Correlation Coefficient** and **Simple Linear Regression**.

Table 2: Pearson Correlation Matrix

		Sustainable Branding Perception (SBP)	Consumer Loyalty (CL)
SBP	Pearson Correlation ()	1	0.642**
	Sig. (2-tailed) ()		< 0.001
		109	109
CL	Pearson Correlation ()	0.642**	1
	Sig. (2-tailed) ()	< 0.001	
		109	109

Source-Primary data

Correlation is significant at the level (2-tailed).

Table 3: Simple Linear Regression Model Summary

Model			Adjusted	Std. Error of Estimate	Value	value
1	0.642	0.412	0.407	0.624	75.05	< 0.001

Source-Primary data

Table 4: Regression Coefficients

Model	Unstandardized	Std. Error	Standardized	value	Sig.
(Constant)	0.965	0.315		3.06	0.003
SBP	0.703	0.081	0.642	8.66	< 0.001

Source-Primary data

Analysis of H1: The Pearson correlation confirms a strong, positive, and statistically significant relationship. This indicates that **41.2% of the variance in Consumer Loyalty in Kolhapur can be directly explained by Sustainable Branding Perception.**

- **Conclusion for H1:** Hypothesis 1 is strongly supported.

4. Objective 3: Moderating Effects of Demographics

To determine if demographics alter this relationship, we ran Independent Samples T-Tests (for Gender) and One-Way ANOVA (for Education and Income) against the Consumer Loyalty (CL) score.

Table 5: Moderating Effect - Gender (Independent Samples T-Test)

Gender		Mean (CL)	Std. Deviation	value	value
Male	56	3.58	0.84	-0.912	0.364
Female	53	3.72	0.78		

Source-Primary data

Interpretation-No significant difference based on gender. Both males and females in Kolhapur value sustainable branding equally.

Table 6: Moderating Effect - Education Level (One-Way ANOVA)

Education		Mean (CL)	Std. Deviation	value	value
High School/Diploma	18	3.25	0.88		
Bachelor's	58	3.65	0.75	4.125	0.019*
Master's/Professional	33	3.86	0.81		

Source-Primary data

Interpretation-Education significantly moderates loyalty (). Consumers with higher educational attainment show stronger loyalty to sustainable brands.

Table 7: Moderating Effect - Monthly Income (One-Way ANOVA)

Income Level		Mean (CL)	Std. Deviation	value	value
< ₹40,000	34	3.22	0.85		
₹40,000 – ₹1,00,000	52	3.78	0.72	7.850	0.001**
> ₹1,00,000	23	3.98	0.68		

Source-Primary data

Interpretation- Income level is a highly significant moderator (). Lower-income groups display significantly lower loyalty to sustainable brands, likely due to the price premiums associated with these products in the Kolhapur market. Middle and Upper-income cohorts drive the majority of the sustainable loyalty.

Findings

The data analysis of 109 urban consumers in Kolhapur city yields several critical insights into how sustainable branding influences consumer behavior:

- Consumers in Kolhapur show a robust awareness and positive perception of sustainable branding (Mean SBP = 3.82). However, actual consumer loyalty scores are slightly lower (Mean CL = 3.65). This indicates an "intention-behavior gap" where consumers appreciate sustainability but face barriers to remaining strictly loyal to green brands.
- The core hypothesis (H1) is strongly supported. There is a significant positive correlation ($r = 0.642$) between how a brand's sustainability is perceived and the consumer's loyalty to it. Furthermore, a brand's sustainable practices account for 41.2% of the reason a consumer stays loyal, proving that "purpose" is a major competitive advantage in the local market.
- Both male and female consumers in Kolhapur value sustainable branding equally ($p = 0.364$). Brand purpose resonates universally across genders.
- Education plays a significant moderating role ($p = 0.019$). Consumers with Bachelor's or Master's degrees exhibit stronger loyalty to sustainable brands, likely due to a deeper understanding of long-term environmental and social impacts.

- Income level is the most significant demographic moderator ($p = 0.001$). Lower-income brackets (earning $< ₹40,000$) show notably lower loyalty to sustainable brands. This suggests that the "green premium"—the extra cost often associated with sustainable products—is a primary barrier for a large segment of the Kolhapur population, leaving the middle and upper classes as the primary drivers of this market trend.

Suggestions and Recommendations

To effectively leverage sustainable branding in Kolhapur, local and national businesses should consider the following strategic actions:

- Since income is the primary barrier to loyalty, brands must work on optimizing their supply chains to reduce the "green premium." Introducing entry-level or economy-priced sustainable product lines can help capture the lower-income demographic ($< ₹40,000$) that currently feels priced out of the sustainable market.
- Because gender does not affect sustainable loyalty, marketing campaigns should avoid gendered stereotypes and instead focus on educational, informative messaging. Campaigns that explain the *direct impact* of a sustainable purchase (e.g., "This purchase saves X liters of Panchganga river water") will strongly appeal to the educated middle-class demographic driving this trend.
- To close the gap between high brand perception (3.82) and lower actual loyalty (3.65), businesses should introduce "Green Loyalty Programs." Rewarding consumers for bringing back recyclable packaging (like empty milk pouches or cloth bags) can convert positive perception into habitual, loyal behavior.
- Kolhapur consumers respond well when the brand's purpose benefits their immediate surroundings. Brands should publicly align their sustainability efforts with local Kolhapur issues, such as supporting local farmers, artisan clusters (like the Chappal industry), or regional waste-management initiatives.

Conclusion

The transition from a "Profit-First" to a "Purpose-First" business model is actively reshaping the consumer landscape in Kolhapur city. This research confirms that sustainable branding is no longer just an urban metropolitan fad; it is a significant driver of consumer retention in Tier-II cities, accounting for over 40% of the variance in brand loyalty.

However, the success of sustainable branding in Kolhapur is heavily conditional on socio-economic factors. While educated, middle-to-upper-income consumers are rewarding purposeful brands with their loyalty, lower-income consumers remain restricted by price sensitivity. For sustainable branding to achieve mass-market loyalty in Kolhapur, businesses must find the delicate balance between ethical practices and economic accessibility. Ultimately, brands that can democratize sustainability—making it affordable while authentically contributing to the local community—will secure the strongest, most resilient consumer loyalty in the years to come.

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Conflicts of interest

The authors declare that there are no conflicts of interest regarding the publication of this paper.

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