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A study on awareness of green finance on sustainable investment intention among young consumers in Coimbatore City

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Abstract
Green finance plays an important role in promoting environmental protection and sustainable economic development by encouraging investments in environmentally friendly projects. Green finance includes green bonds, sustainable investment funds, renewable energy projects and other financial products that support environmental sustainability. Growing environmental concerns and the need for responsible financial decisions have increased the importance of green finance among young consumers. Awareness of green finance may influence their investment preferences, financial decisions and willingness to invest in sustainable financial products. However, limited awareness, lack of financial knowledge and concerns about investment returns may affect their intention to choose sustainable investments. This study examines the level of awareness of green finance among young consumers in Coimbatore city and analyses their intention towards sustainable investments. It also identifies the factors influencing sustainable investment decisions and studies the relationship between green finance awareness and sustainable investment intention. The study adopts a descriptive research approach, using primary data collected through a structured questionnaire and secondary data gathered from books, journals, research articles and other relevant sources. The findings are intended to provide insights into young consumers' knowledge, attitudes and preferences regarding green finance and sustainable investment opportunities. The study also highlights the importance of financial education and awareness programmes in encouraging environmentally responsible investment behaviour. Overall, the study aims to improve understanding of how green finance awareness influences sustainable investment intention among young consumers in Coimbatore city.

Keywords: Green finance, sustainable investment, young consumers, financial literacy, environmental awareness, investment intention, green financial products, sustainable development

Introduction

Green finance has emerged as an important concept in the modern financial system, linking financial activities with environmental sustainability and responsible economic development. It promotes investments and financial decisions that support environmentally friendly projects while contributing to long-term economic growth. Growing concerns about climate change,
global warming, pollution, natural resource depletion, and environmental degradation have increased the importance of sustainable finance. As a result, investors are becoming more interested in financial products that provide economic returns while also creating positive environmental and social impacts.

Young consumers are an important group in the development of sustainable investment because their financial choices can influence future markets and business practices. With the rapid growth of digital banking, online investment platforms, social media, and financial education, young people have greater access to information about different investment opportunities. However, having access to information does not necessarily mean that consumers fully understand green finance or are willing to invest in sustainable financial products. Their investment intentions may be influenced by their level of financial knowledge, environmental awareness, perceived benefits, risk, expected returns, trust, and personal values.

Green finance awareness refers to the understanding of environmentally responsible financial products, their benefits, and their contribution to sustainable development. Greater awareness may encourage consumers to consider investments such as green bonds, sustainable mutual funds, renewable-energy projects, and other investments supporting environmental objectives. Sustainable investment intention refers to an individual's willingness or likelihood of choosing investment options that consider environmental, social, and economic sustainability.

Coimbatore is a major commercial, industrial, educational, and entrepreneurial centre with a significant population of young consumers. The growing interest in financial markets among educated and digitally connected young people makes it relevant to understand their perceptions towards sustainable investment. Studying their awareness of green finance can help identify whether environmental considerations are becoming part of their investment decision making process.

Background of The Study

Green finance has emerged as an important concept in the modern financial system, focusing on financial activities that support environmental protection and sustainable development. It includes financial products and services such as green bonds, green mutual funds, sustainable investment funds, and loans for environmentally friendly projects. Green finance encourages individuals, businesses,

and financial institutions to invest in activities that reduce environmental damage, promote renewable energy, conserve natural resources, and support a sustainable economy.

In recent years, environmental concerns such as climate change, global warming, pollution, and the depletion of natural resources have increased the importance of sustainable financial practices. Governments, financial institutions, and businesses are increasingly promoting green finance to encourage investments that generate financial returns while contributing to environmental sustainability.

Young consumers represent an important group in the development of green finance and sustainable investment. They are increasingly exposed to information about environmental protection, climate change, sustainable lifestyles, and responsible financial practices through social media, educational institutions, digital platforms, and financial awareness programmes.

However, awareness of green finance among young consumers may vary according to their educational background, income level, financial knowledge, environmental consciousness, and access to investment information. Although young consumers may understand the importance of environmental protection, they may not be fully aware of green financial products, their benefits, associated risks, and investment opportunities.

Sustainable investment intention refers to an individual's willingness or plan to invest in financial products that support environmental sustainability and responsible business practices. This intention may be influenced by several factors, including awareness of green finance, expected financial returns, environmental concern, perceived investment risk, trust in financial institutions, and the availability of suitable investment products

Statement of Problem

The growing concerns about climate change, environmental degradation, pollution, and resource depletion have increased the importance of sustainable financial practices. Green finance provides an opportunity for individuals to support environmentally responsible projects through their investment decisions. However, many young consumers may have limited awareness and understanding of green financial products and their environmental benefits. Although young consumers are increasingly interested in sustainability, their awareness may not always translate into an intention to make sustainable investments. Factors such as lack of financial knowledge, uncertainty about returns, perceived investment risk, lack of reliable information, and limited trust in green financial products may influence their investment decisions. In Coimbatore, there is a need to understand how young consumers perceive green finance and whether awareness influences their willingness to choose sustainable investment options. The absence of adequate awareness may limit the participation of young consumers in sustainable investments.

Need of The Study

To assess awareness of green finance and to understand how far young consumers are aware of green financial products, sustainable investment options, and environmentally responsible financial practices. To examine the willingness of young consumers to invest in financial products that support environmental protection and sustainable development. To study the influence of financial literacy, environmental awareness, expected returns, perceived risk, and trust on sustainable investment intention.

To examine the relationship between awareness and investment intention. To determine whether greater awareness of green finance is associated with a stronger intention to invest in sustainable financial products. To identify whether knowledge of financial products and investment opportunities influences young consumers' interest in green finance. To understand how concern about climate change, pollution, and environmental protection influences young consumers' investment preferences.

Scope of The Study

The study focuses on understanding the impact of green finance awareness on sustainable investment intention among young consumers in Coimbatore. It examines the level of awareness and knowledge that young consumers have regarding green finance and sustainable

financial products. The study covers their understanding of environmentally responsible investment options such as green bonds, sustainable mutual funds, renewable energy investments, and other green financial instruments. It also examines the willingness of young consumers to choose sustainable investment opportunities while making financial decisions.

The study considers factors such as environmental concern, financial knowledge, perceived benefits, risk, expected returns, and trust that may influence sustainable investment intention. The geographical scope of the study is limited to Coimbatore, and the respondents are young consumers who are potential or existing investors. The findings are intended to provide useful insights for financial institutions, investment companies, policymakers, and researchers to understand young consumers' attitudes towards green finance and encourage sustainable investment practices.

Objectives of The Study

- To assess the level of green finance awareness among young consumers in Coimbatore.
- To examine the sustainable investment intention of young consumers in Coimbatore.
- To identify the factors influencing young consumers' intention towards sustainable investments.
- To analyse the relationship between green finance awareness and sustainable investment intention.
- To determine the impact of green finance awareness on sustainable investment intention among young consumers in Coimbatore.

Hypothesis of The Study

A hypothesis is a tentative assumption formulated for the purpose of testing the relationship between variables. It helps the researcher examine the association between green finance awareness and sustainable investment intention among young consumers.

The following hypotheses are formulated for the present study on awareness of green finance and sustainable investment intention among young consumers in Coimbatore city.

Null Hypothesis (H_0)

- **H01:** There is no significant difference in green finance awareness between male and female respondents.

- **H02:** There is no significant relationship between the age of young consumers and their awareness of green finance.
- **H03:** There is no significant relationship between the level of financial literacy and sustainable investment intention among young consumers.
- **H04:** There is no significant relationship between environmental awareness and sustainable investment intention among young consumers.

Alternative Hypothesis (H_1)
- **H11:** There is a significant difference in green finance awareness between male and female respondents.
- **H12:** There is a significant relationship between the age of young consumers and their awareness of green finance.
- **H13:** There is a significant relationship between the level of financial literacy and sustainable investment intention among young consumers.
- **H14:** There is a significant relationship between environmental awareness and sustainable investment intention among young consumers.

Research Methodology
Research methodology refers to the systematic approach used to conduct a study. It includes the research design, sources of data, sampling techniques, data collection methods, and statistical tools used for analysis.
The present study focuses on assessing awareness of green finance and examining its relationship with sustainable investment intention among young consumers in Coimbatore city.

Research Design
The study adopts a descriptive research design, as it aims to describe and analyse the level of awareness of green finance and the factors influencing sustainable investment intention among young consumers.
The research design helps the researcher understand consumer awareness, investment preferences, environmental consciousness, and attitudes towards sustainable financial products.

Sources of Data
Primary Data
Primary data will be collected directly from respondents through a structured questionnaire. The questionnaire will gather information about green finance awareness, financial literacy, environmental awareness, investment preferences, and sustainable investment intention.

Sampling Design
The sampling design explains the method used to select respondents for the study.
- **Sample Size:** 50 respondents.
- **Sampling Technique:** Convenience sampling.
- **Sampling Unit:** Young consumers residing in Coimbatore city.
- **Area of Study:** Coimbatore city, Tamil Nadu.

Tools for Data Analysis
The following statistical tools may be used to analyse the collected data.
- **Percentage Analysis:** To analyse the demographic characteristics and level of green finance awareness among respondents.
- **Chi-Square Test:** To examine the association between categorical variables, such as gender and awareness of green finance.
- **Weighted Ranking Method:** To rank the factors influencing sustainable investment intention, such as expected returns, environmental concern, risk, and trust.

Period of Study
- The study will be conducted during the academic year **2026–2027**.
- The study period will cover questionnaire preparation, data collection, data analysis, interpretation, and preparation of the final research report.

Limitations of the Study
- **Limited Sample Size:** The study is based on 100 respondents, which may not represent all young consumers in Coimbatore city.
- **Geographical Limitation:** The study is restricted to Coimbatore city.
- **Limited Awareness:** Some respondents may have limited knowledge of green finance and sustainable investment products.
- **Subjective Opinions:** The findings are based on respondents' opinions and selfreported investment intentions.

REVIEW OF LITERATURE (2021–2026)
Topic: A Study on Awareness of Green Finance on Sustainable Investment Intention Among Young Consumers in Coimbatore City

1. Aggarwal, Shalini, Lone, Farhat Aziz, and Paliwal, Manisha (2025) [1]
Aggarwal, Lone, and Paliwal (2025) [1], in their study titled "Green Bonds: A Demographic Study of Retail Investors in India," examined the influence of demographic characteristics and personal values on retail investors' perceptions of green bonds. The study collected data from 406 respondents and analysed factors such as age, gender, education, occupation, environmental consciousness, and concern for well-being. The findings indicated that environmental consciousness and concern for well-being influenced green bond investment intention. Age and gender also played a role in investor perceptions, while green bonds remained relatively unfamiliar to many retail investors. The study highlights the importance of increasing awareness of green financial products among potential investors.

2. Auriellia, Anggun Nabila Tri, and Gunarsih, Tri (2025) [2]
Auriellia and Gunarsih (2025) [2], in their study titled "Does Financial Literacy Mediate the Effect of Sustainable Investment Awareness and Risk Perception on Students' Interest in
Green Finance Instruments Investment?", investigated the influence of sustainable investment awareness, risk perception, and financial literacy on students' interest in green finance instruments. The researchers collected questionnaire responses from 180 students in the Special Region of Yogyakarta, Indonesia, and analysed the data using the PLS-SEM method. The findings indicated that sustainable investment awareness, risk perception, and financial literacy positively influenced students' interest in green finance investment. Financial literacy also played a mediating role in the relationship between awareness, risk perception, and investment interest. The study demonstrates

the importance of financial education in encouraging young people to consider sustainable financial products.

3. Azad, Shivam, Tulasi Devi, S. L., and Mishra, Anand Kumar (2024) [3]

Azad, Tulasi Devi, and Mishra (2024) [3], in their study titled "Investing in Our Planet: Examining Retail Investors' Preference for Green Bond Investment," examined the factors influencing Indian retail investors' attitudes and intentions towards green bond investment. The researchers collected data from 506 retail investors across India and used the Theory of Planned Behaviour to understand investment decisions. The findings showed that investors' attitudes and perceived behavioural control were important predictors of investment intention. Environmental concerns and perceived risk also influenced investors' attitudes towards green bonds. The study emphasised that green investments should offer credible environmental benefits along with satisfactory financial performance. It is relevant to the present study because it explains how attitudes, environmental concerns, and perceived risks can influence sustainable investment intention.

4. Decoding Consumer Perceptions Toward Green Financial Products Using Analytical Hierarchy Process (2025) [1]

This study, published in the Indian Journal of Marketing, examined the major factors influencing consumer preferences for green financial products. The researchers used expert opinions and the Analytical Hierarchy Process to rank factors such as environmental impact, consumer awareness, trust, cost-effectiveness, and perceived risk. The findings identified environmental impact as the most influential factor, followed by trust in green financial products. The study highlighted the importance of communicating the environmental benefits of financial products and strengthening consumer confidence through transparency. These findings are relevant to the present research because awareness and trust may influence young consumers' willingness to consider sustainable investment options.

Theoretical Framework

Green finance refers to financial activities that support environmental protection and sustainable development. It involves providing financial resources for projects and investments that promote renewable energy, energy efficiency, pollution control, and the conservation of natural resources.

Green finance includes financial products such as green bonds, green loans, sustainable mutual funds, and other investment instruments that support environmental objectives.

In recent years, green finance has gained importance as individuals, businesses, and financial institutions increasingly recognise the need to address environmental challenges. Awareness of these financial products may influence the investment preferences of young consumers.

Data Analysis and Interpretation

- **Overall demographic distribution of respondents**

Variables	Category	No of respondents (Frequency)	Percentage %
Gender	Male	15	30%
	Female	35	70%
Age	18-21 years	17	34%
	22-25 years	16	32%
	26-29 years	10	20%
	30-35 years	7	14%
Education	Higher secondary	7	14%
	Undergraduate	23	46%
	Post graduate	12	24%
	Professional/other qualification	8	16%
Occupation	Student	20	40%
	Salaried employee	16	32%
	Self-employed	5	10%
	Other	9	18%
Monthly income	No personal income	28	56%
	Below Rs 20000	14	28%
	Rs 20001- 40000	4	8%
	Above 40000	4	8%
Total		50	100%

Interpretation

It is found that the majority of respondents (70%) are female, indicating higher female participation in the study. With regard to age, 34% of respondents belong to the 18–21 years age group. In terms of education, most respondents (46%) are undergraduates. Further, the occupational distribution reveals that 40% of respondents are students. With respect to monthly income, the majority (56%) have no personal income, indicating that students and young adults constitute the primary respondent group.

- **Overall Awareness and Attitude Towards Green Financ and Sustainable Investment Intention**

Factors / Questions	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean Score
Importance of Environmental Factors	44.9	32.71	16.3	0.0	6.1	4.10
Importance of Expected Financial Returns	28.6	49.0	0.0	16.3	6.1	3.78
Influence of trust in Financial Institutions	27.1	43.8	0.0	22.9	6.2	3.62
Effect of Clear Information on Investment Intention	33.3	29.2	8.3	29.2	0.0	3.67
Concern About Environmental Impact of Investments	38.3	31.9	0.0	17.0	12.8	3.66

Interpretation

It is found that young consumers show a positive attitude towards green finance and sustainable investment. Environmental factors recorded the highest mean score of 4.10, followed by expected financial returns (3.78), clear information (3.67), environmental concern (3.66), and trust in financial institutions (3.62). The findings indicate that environmental awareness plays an important role in investment decisions. Clear information, financial benefits, and trust are also important in encouraging young consumers to choose sustainable investments.

- **Overall Ranking of Factors Influencing Green Investment Decisions**

Factors	Rank 1	Rank 2	Rank 3	Rank4	Rank5	Total	Rank
Environmental factors(Q10)	21	14	8	4	2	195	I
Expected Return (Q15)	15	18	10	5	1	188	II
Environmental concern (Q20)	10	15	14	7	3	169	III
Product understanding(Q9)	5	10	15	12	6	143	IV
Willingness to Choose Green (Q13)	2	8	12	14	12	118	V

Method Used: Weighted Ranking Method Weights assigned to ranks:
Rank 1 =5 points
Rank 2 =4 points
Rank 3 =3 points
Rank 4 =2 points
Rank 5 =1 point

Interpretation

It is found from Table No. 4.3 that Environmental Factors (Q10) has secured the first rank with the highest total score of 195, indicating that it is the primary consideration influencing investors when choosing green financial products. Expected Return (Q15) is ranked second with a score of 188, showing that financial profitability remains a vital co-criterion alongside sustainability. Environmental Concern (Q20) holds the third rank with a score of 169, reflecting strong ethical awareness. Product Understanding (Q9) and Willingness to Choose Green (Q13) rank fourth and fifth with scores of 143 and 118 respectively, suggesting that knowledge gaps and hesitation regarding sustainable alternatives continue to impact wider market adoption.

Findings of The Study

The study on awareness of green finance and sustainable investment intention among young consumers in Coimbatore city reveals several important insights. The study focuses on young consumers' awareness of environmentally friendly financial products and their willingness to invest in sustainable investment options. Young consumers with higher educational qualifications and financial awareness are likely to show greater interest in green finance. Environmental protection, social responsibility, and long-term financial benefits are important factors influencing sustainable investment intention. However, limited knowledge about green financial products, lack of clear information, and concerns regarding investment returns may affect their willingness to invest. The findings also highlight the importance of financial literacy and awareness programmes in helping young consumers understand green bonds, sustainable mutual funds, and other environmentally responsible investment opportunities. Overall, increasing awareness of green finance can encourage young consumers to make informed investment decisions and contribute to sustainable development.

Suggestions

Based on the findings, several measures are recommended to improve green finance awareness and sustainable investment intention among young consumers in Coimbatore city. Financial institutions should conduct awareness campaigns to explain the benefits and features of green financial products. Colleges and educational institutions can organise seminars, workshops, and financial literacy programmes to educate young consumers about sustainable investment opportunities. Banks and investment companies should provide simple, transparent, and reliable information about green investment products, including their risks, returns, and
environmental benefits. Digital platforms and social media can be used to share educational content and reach young investors effectively. The government and financial institutions should encourage responsible investment practices and strengthen consumer confidence through appropriate transparency and regulatory measures. These initiatives can help young consumers make informed investment decisions while supporting environmental protection and sustainable economic development.

Conclusion

The study concludes that awareness of green finance plays an important role in encouraging sustainable investment intention among young consumers in Coimbatore city. Understanding green financial products and their environmental benefits can motivate young consumers to consider investments that support sustainable development.

However, limited financial knowledge, uncertainty about returns, and a lack of reliable information may create barriers to adoption. Improving financial literacy, increasing awareness, and providing transparent information about sustainable investment opportunities can help overcome these challenges. Therefore, promoting green finance awareness among young consumers can support responsible investment decisions and contribute to a greener and more sustainable future.

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