

An Emerging Model for Ethical Consumer Behaviour

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Abstract

Ethically minded consumer behaviour is a strategic weapon to reach to the goal of sustainable consumption. In the international scenario, ethical consumption is more of consumer's choice. However, from the purview of a developing economy like India ethical purchase intention is not turned out into actual behaviour. More often decision making environment turns out to be a barrier in this regard. Thereby, the present study proposes a conceptual model exploring the novel concept of ethically minded consumer behaviour reducing the ethical purchase intention-behaviour gap. The study also conceptually visualizes sustainable production and consumption by drawing insights from the broader perspective of sustainable development. The conceptual model thus paves way for the policy makers to adopt policy measures enhancing sustainability through production and consumption patterns.

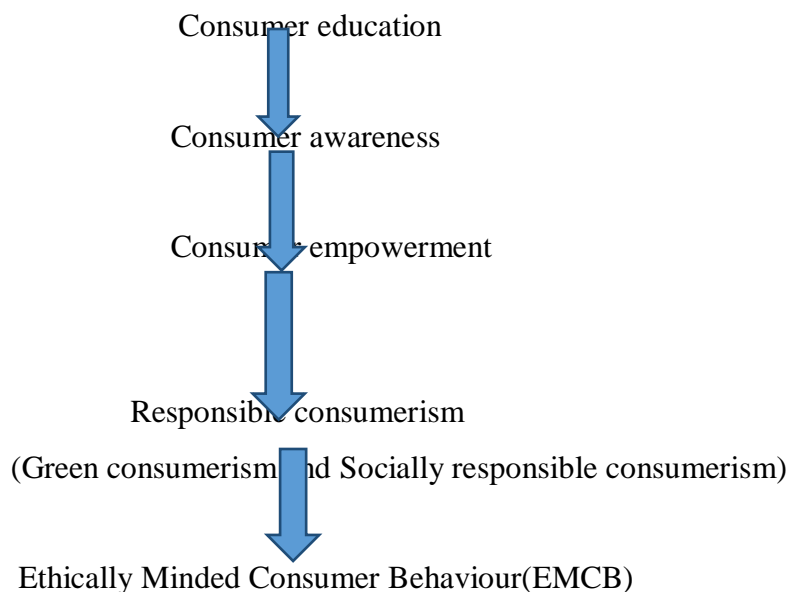
Key words: Ethically minded consumer behaviour, green consumerism, socially responsible consumerism, sustainable consumption

Introduction

An emerging economy is often characterized by poverty and social marginalization and thereby, often subjected to exploitation. When they take up the role of a consumer too they are being exploited. Here consumer protection stands out to be the need of the hour. Therefore, policy makers and businesses should take up a lead role in enhancing consumer protection as consumers hold up a weaker position in the society. At this juncture, consumers often get

confused in exercising Ethically Minded Consumer Behaviour (EMCB) though they exhibit an ethical purchase intention.

Decision making environment by itself may turn out to be a barrier. It is thereby important to educate consumers about their rights, responsibilities and consumer laws in force in the country for enhancing their protection in the market place. At the same time inculcation of ethics education can do wonders which will end up with ethical consumption decision. Consumer education thus generates consumer awareness on ethical business conduct as also when subjected to exploitation they are aware of the unethical business conduct and raise their voice seeking justice. This paves way in creating an empowered society exercising responsible consumerism leading to Ethically Minded Consumer Behaviour (EMCB). The study thereby, proposes a conceptual model exploring Ethically Minded Consumer Behaviour (EMCB) for reaching to the all-time goal of an emerging economy ie) sustainable consumption and production.



Consumer Education including Ethics Education

Consumers should exhibit external manifestation of his responsibilities (including ethical act) as also enforce his rights. It is in this context; consumer education plays a vivid role. Consumer education is the act of gaining knowledge on consumer rights, consumer responsibilities and consumer laws so as to act as an informed consumer. In other words, it is the act of gaining knowledge which elevates him to an ethical consumer. A consumer in his purchase decision should ensure value for money, planet and prosperity. It thus results in the creation of an ethical consumer. Self-initiative by the consumer, initiatives by voluntary consumer associations, manufacturers, retailers, government, schools and colleges should encourage the process of inculcating consumer education. Ethics education can do wonders by making critical analysis on why people end up with ethical or unethical decisions. This will subsequently enhance and enrich their ethical behaviour. Fulfillment of economic benefits is the primary concern for any consumer where he often forgets the important aspects of ethics and social responsibility in consumption.

Consumer Education and consumer empowerment

An educated consumer develops an ability to decide and choose products intelligently as they are empowered to demand safe, reliable and good quality products for reasonable price. Here, a consumer is turned out to be more socially responsible thereby looking into the environmental impacts and social benefits of the purchase made. They are thus elevated to be alert, well informed and vigilant against corrupt practices in the market. Also when faced with a problem they are empowered to take a suitable action.

Consumer Awareness

For being an enlightened consumer, awareness on consumer rights are absolutely essential. These rights are well defined under law and various agencies including government, consumer courts and voluntary organizations put forth various measures for protecting the interest of consumers. Lack of education is the root cause of lack of awareness regarding social responsibility, pro-environmental behaviour and animal welfare.

Consumer education must also inculcate the responsibilities of consumers. Thereby, creating a responsible consumer. Educational institutions can mark a remarkable role in this regard and therefore government should establish link with educational institutions. Consumer education can be imparted by parents, teachers, media, government and non- governmental organizations. It can be made at home, class rooms or even at work place.

Consumer clubs can be instituted in educational institutions. Business houses can establish consumer affairs cell. This should be made compulsory by the concerned ministry.

An enlightened business community shall be fulfilling its ethical and legal obligations thereby reaching out to provide quality goods to its consumers and elevating the consumer to be more socially responsible through his consumption behaviour.

Awareness on Ethical marketing practices

Fair marketing practices, green marketing strategies, animal friendly measures and socially responsible marketing practices depicts ethics in marketing. Societal concept of marketing elevates business houses to engage in ethical marketing activities. Once business succeeds in creating a satisfied consumer, the objective of achieving profitability is attained. Then the business explores higher levels of marketing ie) green marketing initiatives and socially responsible marketing initiatives. Thereby, reaching to the goal of ethical marketing practices ie) sustainable production. Here, consumers should enforce the right to assure by making a wise choice of ethical products. This will enable them to boycott unethical brands or products. An ethical act enforced through consumption behaviour paves way towards sustainable consumption.

Ethical aspects in a product

- Recyclable packaging
- Avoiding wrapping of product packages in plastics
- Ensuring quality of products through quality certifications

- Proper labelling of a product focusing on product content, manufacturing date, expiry date, net weight etc
- Ensuring labour standards in production
- Use of non- polluting ingredients
- Environmentally safe production
- Cruelty free
- Societal initiatives made by the brands for the poor and disadvantaged

Ethics and Marketing

Marketers are expected to embrace the highest professional ethical norms and the ethical values implied by their responsibility towards multiple stakeholders. ie) customers, employees, investors, peers, community (AMA). Marketing ethics can be defined as the basic principles and values that govern the business practices of those engaged in promoting products or services to consumers. Good marketing ethics results in consumer satisfaction and enhances the two folded objectives of sustainable production and consumption.

Marketing is the link of a business with the outside world. As far as consumers are concerned they look up to the functioning of the marketing department so as to analyze whether the business meets the ethical standards. Marketing aims to increase sales. Marketing has become the platform for both fair and unfair practices. Trustworthy customers are the assets of any business. Customer trust can be created by providing them with safe and reliable products, honest information, fair treatment and protection from product harm. If unfair trade practices are adopted, the dissatisfied consumer will go for law suits which will in turn affect the reputation of the firm.

In this era of consumers, they always prefer products of business with ethical norms and value. Adopting ethical practices in business is therefore considered as a tactic to attract consumers and thereby increase sales. It is also considered as a strategy to build up corporate image.

To behave ethically means to make all marketing decisions and efforts to meet the needs of its stakeholders. Thereby, success of any business is measured in terms of the ethical code of conduct towards its different stakeholders. Healthy competition helps in generating marketing ethics by offering products of high quality, adequate quantity and reasonable price at one end, environment friendly, cruelty free and socially beneficial to the poor and disadvantaged at the other end.

In general, ethics is the way of doing things rightly. It is easy to be ethical when there is no hardship ie) when life is going well. Business develops code of ethics which describes the standards employees are expected to keep up. This will be a general guideline to the employees to meet the ethical standards framed by the business. Thus ethical standards can be established by making it part of the system of performance evaluation of employees. They should be educated on the code of ethics because it is the employees who create public image for any firm. They in fact represent the business itself.

Ethical consumerism/ Responsible consumerism- Operational Definition

It measures ethical consumption pattern or sustainable consumption pattern focusing on to fair business practices, environmental protection or preservation of natural resources and addressing to the social development issues through their consumption behaviour benefitting themselves and society at large on one hand (present generation) and at the same time benefitting the future generations as well.

Consumer education is an important aspect in sustainable consumption pattern. It is a higher level of consumerism which plays an important role in constructing **consumer's identity**. A consumer who ensures economic efficiency in his every purchase is elevated to higher levels of consumption. However, they may even give undue weightage to the ethical contributions of a company or to an ethical product. In fact, there are several factors which a consumer considers while making a purchase. Ethical attributes too will turn out to be an important tool while making a purchase decision.

Responsible consumerism is a conglomeration of green consumerism and socially responsible consumerism. Green consumerism/ Environmentally Conscious Consumer Behaviour (ECCB)/Pro-environmental behaviour highlights environmentally sound purchasing habits. Socially responsible consumerism/ Socially Responsible Consumer Behaviour (SRCB)/Pro-social behaviour is a wider concept which exhibits an ethical consumer who promotes sustainability ie) by elevating him as a socially responsible consumer through his consumption behaviour. Social initiatives are undertaken by a business or a brand either as a voluntary or a compulsory affair. India is the only country wherein CSR is brought into a legal structure under Companies Act 2013, Schedule VII, Clause 135.

A socially minded consumer focuses on the development and sustainability of his society through his consumption behaviour. The modern market offers a wide variety of choices and alternatives to a consumer. Ethical buying behaviour is the promotion of an ethical product or a company or a brand who makes investment in different sectors of society including primary education to rural children, women empowerment in backward societies, employability to rural youth, afforestation, poverty eradication initiatives and so on. Green and socially responsible consumerism is an action of Ethically Minded Consumer Behaviour(EMCB).

Dimensions of Responsible consumerism

Business perspective	Consumer perspective
Fair marketing practices	Value for money
Green marketing	Green consumerism
Socially responsible marketing	Socially responsible consumerism

Consumer awareness on ethical marketing aspects and Responsible consumerism

Lack of information is identified as the major hindrance in EMCB. Though awareness raising campaigns are depicted as a remedial measure previous researches have revealed that just by providing information we cannot make any change in the consumption pattern (Oksana Mont and Eva Heiskanen,2014). Development strategies of every nation focus on inclusive

development and thereby, under the domain of consumer policy, consumer protection measures are strengthened. Thereby the consumer policy concern of a developing nation like India can also reinforce sustainability by adopting consumer protection measures.

Today, philanthropic or citizenship activities are being initiated in India as part of legal abidance to clause 135, schedule VII of Companies Act 2013. India is the only country where CSR is being made mandatory with the enactment of act under law. The clause narrates the companies mandated to undergo the process as also the social initiatives to be undertaken. Owing to the growing requirements of the global consumers beyond economic goals paves way for rise in consumer interest towards ethical products (Ruzica Kovac and etal). The law thus provides a platform for the business to exhibit their ethical conduct.

With the advent of LPG, it is likely a fact that consumers exercise wide choice of products. When there is a wide choice of products with the same attributes, it may be appropriate to shower an insight of sustainability. Sustainability is the key to development. 21st century consumers worldwide should transform their consumption style from merely transactional to transformational.

Consumers are willing to punish unethical companies while their readiness to reward an ethical company is limited.

Ethics in marketing on its first hand ensures ethics in marketing mix including production ethics, pricing ethics, advertisement ethics and distribution ethics. These ethical aspects ensure protection of consumers in the market place. Other areas of ethical dimensions include environmental concern and promotion of social equity through the company's social initiatives. Ethical marketing thereby, ensures ethical production of goods which influences consumers towards ethical consumption. Ethical production and consumption opens up the door towards sustainable development.

Ethics in marketing can be ensured when business adopt societal concept of marketing. It is a modern concept of marketing where consumer's needs are met, businesses achieve profitability and the company meets environmental and social concerns.

Ethical consumerism is a movement by which consumers ensure and promote environment friendly products and also willfully make contribution to a social cause promoted by its company/brand. Consumer education is an important aspect in this regard (UNCTAD). An educated consumer will be aware of his rights and responsibilities in the market place and thereby, play a leading role in exercising responsible consumerism in his purchasing behaviour. Consumer awareness on consumer responsibilities should elevate him to ensure as also to promote ethics in marketing. Responsible consumerism will promote Ethical marketing practices in business.

Green consumerism and socially responsible consumerism

Green consumerism is the purchase and use of products that which minimizes the damage to natural environment while socially responsible marketing promotes socially responsible consumerism.

There are several factors which a consumer considers before his purchase. As far as a developing nation like India is concerned the consumers lay emphasis on product attributes over its ethical attributes. Lack of insight or ignorance is a hindrance in the exercise of Ethically Minded Consumer Behaviour (EMCB). Power of habits and established social norms too act as hindrances in this path. However, it is the responsibility of every consumer to ensure eco-marks on the products purchased, its package and labelling emphasizing on its green initiatives and cruelty free aspects as also making themselves equipped with all necessary information relating to the Corporate Social Responsibility (CSR) initiatives of the preferred brand. These are those forms of ethical consumption which entitles the improvement of our natural environment on the one hand and benefitting the society at the other end (Ruzica Kovac Znidarsic etal). This is the act of ethical consumerism. Ethical consumerism is thus revamping consumption behaviour in

the light of sustainability. This responsible act of consumers challenge corporates to reinforce ethical aspects in their marketing efforts too. This is evidenced by the fact that market economies always lay emphasis on the fact that corporate marketing behaviour is strongly related to consumer behaviour

The major beneficiaries of ethical marketing practices are the consumers. However, ethics in marketing will turn out to be advantageous for all stakeholders in business. A responsible act or behaviour of a consumer in wise selection of a product will definitely be fruitful to all other stakeholders in business and will promote ethics in marketing.

Green consumerism embodies pro-environmental motivation and self interest in sustainable behavior. This in true sense is a reflection of Ethically Minded Consumer Behaviour (EMCB). Pro social behavior is otherwise referred to as the intent of a person to benefit others. Thus pro social behavior is a social behavior that benefits other people or society at large. However, abiding to rules and conforming to socially accepted behaviors are also categorized as a pro social behavior.

Sustainable consumption

Sustainable consumption is the consumption of goods or services that have minimal impact upon the environment, are socially equitable and economically viable whilst meeting the basic needs of humans worldwide(GDRC).

The characteristic of world consumer is that they demand economic value for their purchases (Singh S.S.). A rational consumer tries at enhancing economic efficiency in his every purchase while a responsible consumer exhibits environmental accountability and promote social equity too through his consumption behaviour.

The study thereby concludes the three dimensions of sustainable development from business perspective and consumer perspective, thereby conceptually visualizing sustainable production

and consumption by drawing insights from the broader perspective of sustainable development put forth by the Organization for Economic Council & Development.

Dimensions of Sustainable Development	Business perspective	Consumer Perspective
Economic efficiency	Profitability	Consumers need are met
Environmental accountability	Green marketing	Green consumerism(ECCB)
Social equity	Socially responsible marketing	Socially responsible consumerism(SRCB)

Sustainable production and consumption are like two sides of a coin that they co-exists. It is the need of the hour that consumers should be empowered to exercise Ethically Minded Consumer Behaviour and businesses should be elevated to higher realms of ethical code of conduct. This conceptual model paves way for the policy makers to adopt policy measures enhancing sustainability through production and consumption patterns.

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