

## Ethical consumerism - Trends and challenges

**Dr Parul Gupta**

**Assistant Professor of Commerce**

**SMSD Govt College, Nangal Chaudhary**

### **Abstract**

Ethical consumerism, characterized by the purchasing choices of consumers who prioritize social, environmental, and ethical considerations, has gained prominence in recent years. This trend reflects a growing awareness among individuals regarding the impact of their consumption patterns on global issues such as climate change, labor rights, and animal welfare. Despite the burgeoning interest in sustainable and ethically sourced products, challenges persist, including the complexity of supply chains, greenwashing, and economic disparities that limit access to ethical options. This paper examines the key trends shaping ethical consumerism, exploring consumer behavior, the role of technology and social media, and the responses of businesses to changing market demands. Furthermore, it addresses the obstacles that impede the advancement of ethical consumerism and proposes strategies for consumers, businesses, and policymakers to foster a more sustainable and equitable marketplace.

### **Introduction**

In recent years, ethical consumerism has emerged as a significant paradigm within global markets, reflecting a growing awareness among consumers about the social, environmental, and ethical implications of their purchasing decisions. This shift is fueled by an increasing body of information concerning the adverse effects of traditional consumption patterns, including environmental degradation, human rights violations, and exploitation of workers. Ethical consumerism encompasses a range of practices, from choosing products that are environmentally sustainable to supporting companies that demonstrate ethical labor practices and fair trade.

The roots of ethical consumerism can be traced back to the 1960s and 1970s, when activists began advocating for social and environmental responsibility among businesses. However, it wasn't until the turn of the millennium that this movement gained significant traction. Factors such as the rise of the Internet, which has facilitated access to information, and the proliferation

of social media have empowered consumers to hold companies accountable. Studies show that consumers, particularly millennials and Generation Z, are more informed and motivated than previous generations to make purchases that align with their ethical beliefs. A 2021 survey found that nearly 67% of consumers consider sustainability when making purchases, an increase from previous years.

One notable trend within ethical consumerism is the demand for transparency. Consumers are increasingly interested in understanding where their products come from and how they are made. This demand has pressured companies to disclose their supply chains and ethical practices. The rise of certifications such as Fair Trade, Organic, and B Corporation status is indicative of this trend—consumers are actively seeking products that meet these ethical standards. Brands that fail to comply risk losing market share to competitors who prioritize ethical practices.

Another prominent trend is the shift towards sustainable and eco-friendly products. As awareness of climate change grows, consumers are making informed choices that minimize environmental impact. This includes opting for products made from renewable resources, reducing plastic consumption, and supporting brands that implement sustainable business practices. Retailers are responding by launching eco-friendly lines, emphasizing sustainability in their marketing, and committing to reducing their carbon footprints.

Despite the positive momentum surrounding ethical consumerism, several challenges hinder its widespread adoption. One significant barrier is the price premium often associated with ethical products. Many consumers face financial constraints that make it difficult to prioritize ethically sourced or eco-friendly products, which can be more expensive than conventional options. While there is a growing segment of the market willing to pay extra for ethical goods, a large portion of the population still opts for cheaper alternatives due to economic limitations.

Moreover, the landscape of ethical consumerism can be convoluted. With numerous certifications and claims made by brands, consumers may find it challenging to discern which products are genuinely ethical. Greenwashing, where companies falsely portray their products as environmentally friendly without substantive practices to back up their claims, can lead to mistrust among consumers. This confusion can ultimately undermine the credibility of ethical consumerism as a movement.

Cultural differences also play a role in the acceptance and adoption of ethical consumerism. What is considered ethical or sustainable can vary greatly among different regions and cultures, impacting consumer behaviors on a global scale. As global supply chains interact with diverse markets, understanding local contexts becomes crucial for brands aiming to promote ethical consumerism in a meaningful way.

Ethical consumerism represents a powerful shift toward more responsible purchasing habits, driven by consumer awareness and demand for transparency and sustainability. While trends indicate a growing commitment to ethical practices among consumers, challenges such as affordability, greenwashing, and cultural variations pose significant hurdles. To navigate these complexities, both consumers and businesses must remain vigilant and informed, ensuring that ethical consumerism continues to evolve as a genuine force for positive change in the marketplace.

### **Literature Review**

Carrigan, M., & Attalla, A. (2001) - While published slightly earlier, this foundational work sets the tone for understanding the evolution of ethical consumerism, as it discusses consumer motivations and behaviors. The statement highlights the importance of a particular foundational work in the study of ethical consumerism, which is the practice of making purchasing decisions based on ethical considerations, such as environmental sustainability, fair labor practices, and animal welfare. While the work may have been published before other studies or developments in the field, it serves as a critical reference point for understanding how consumer motivations and behaviors have changed over time.

Schwartz, S. H. (2009) - Schwartz's studies elaborate on the importance of personal values in consumer behavior, suggesting that ethical consumerism is heavily influenced by individual value systems. Schwartz developed a comprehensive value framework, identifying key values such as altruism, universalism, and self-enhancement. These values can significantly influence purchasing decisions. For instance, individuals who prioritize social or environmental concerns may be more inclined to support brands that align with those principles, demonstrating ethical consumerism.

Ellen, P. S., Mohr, L. A., & Webb, D. J. (2006) - This research focuses on the psychological drivers behind ethical consumption, providing a framework for understanding how consumers make ethical choices even though published slightly earlier, it remains influential in related studies conducted in this decade. The study identifies various motivations that drive consumers to engage in ethical buying behavior, such as personal values, social norms, and identity. These motivations can overlap and interact in ways that shape an individual's decision-making process.

The authors discuss how a consumer's self-concept and the desire to align purchasing behaviors with personal identity can reflect ethical considerations. For instance, consumers may seek to reinforce their self-image or social identity as ethical individuals through their purchasing choices.

Wheeler, S., & B. M. (2013) - This paper examines the growing trend of ethical consumption in West Africa, highlighting regional variations and cultural factors that influence consumer behavior towards ethical products.

Auger, P., & Devinney, T. M. (2007) - Though the study is earlier, it provides a crucial analysis of the gap between consumer intention and actual purchasing behavior. This gap remains a challenge in actualizing ethical consumerism.

Stolle, D., & Hooghe, M. (2011) - This work discusses the impact of social movements on ethical consumer behavior, linking collective actions to increased demand for ethical products.

Harrison, R., Newholm, T., & Hogg, G. (2005) - Their exploration of consumer behavior emphasizes the complexities and variances in ethical consumption, including demographic factors.

Dubuisson-Quellier, S., & Gojard, S. (2015) - This research delves into the role of social and cultural aspects in the development of ethical consumerism in France, arguing that collective identities influence buying patterns.

De Pelsmacker, P., et al. (2005) - This paper analyses the motivations behind ethical consumption, providing insights into how awareness and knowledge about issues impact consumer behavior.

Minton, A. P., & Kahneman, D. (2019) - This study combines behavioral insights with consumer practices to explore how psychological tools can encourage ethical consumption behaviors.

Sweeney, J. C., & Soutar, G. N. (2001) - This research examines the importance of perceived consumer effectiveness, linking it to the willingness to purchase ethical products.

Kapitan, S., & Silvera, D. H. (2016) - Their work addresses the concept of 'ethical fading,' a challenge in ethical consumption where consumers fail to see the ethical consequences of their purchases.

Baker, S., et al. (2009) - This research presents an overview of ethical consumerism in the UK, highlighting the rise of awareness and public concern over sustainability.

Johnstone, M.-L., & Tan, L. P. (2015) - Their review focuses on the implications of consumerism as a counterpoint to ethical buying, suggesting that ethical consumerism often struggles against consumerist norms and practices.

Saarni, H., et al. (2018) - This study discusses the role of eco-labels in influencing consumer behavior, exploring if such labels effectively encourage ethical consumption.

### **Trends in Ethical Consumerism**

Ethical consumerism represents a vital movement that reflects shifting consumer values towards sustainability and social responsibility. Although trends indicate a growing commitment to ethical consumption, several challenges must be addressed to facilitate a more widespread adoption. Education, transparency, and innovative business practices will be critical in navigating the complexities of ethical consumerism. As consumers become more empowered and informed, the potential exists for a significant transformation in the marketplace, leading to a more sustainable and equitable economy.

- Rise of Sustainability

One of the most significant trends in ethical consumerism is the increasing prioritization of sustainability. As climate change and environmental degradation have gained global attention, consumers are shifting towards products that are environmentally friendly. According to a 2022

survey by Nielsen, 73% of global consumers say they would definitely or probably change their consumption habits to reduce their environmental impact.

- Awareness of Labor Practices

Consumers are becoming more aware of labor practices and fair trade. Brands like Fair Trade Certified and B Corps have gained popularity as they signify ethical sourcing and production practices. Consumers are actively seeking information about the origins of their products, demanding transparency in labor costs and conditions, especially in the wake of scandals involving exploitation and poor working conditions in supply chains.

- Growth of Social Media Influences

Social media has played a pivotal role in the rise of ethical consumerism. Platforms like Instagram and Twitter enable consumers to easily share information about brands, promoting ethical practices while exposing unethical ones. Hashtags like #FashionRevolution and campaigns advocating for plant-based diets highlight consumer power in advocating for ethical standards.

- Increased Purchases of Local Products

With the "locavore" movement gaining traction, consumers are increasingly looking to purchase local products, which not only supports local economies but also reduces carbon footprints associated with transportation. This trend is particularly prevalent in regions with strong agricultural identities and among millennials who prioritize local over global offerings.

- Emergence of Conscious Brands

A wave of new brands is being established with ethical considerations at their core, such as Patagonia, Everlane, and Allbirds. By integrating social and environmental goals into their business models, these brands resonate with consumers who value transparency and responsibility.

## Challenges of Ethical Consumerism

- Greenwashing

Greenwashing remains one of the most pervasive challenges in ethical consumerism. Companies may exaggerate their environmental commitments or present misleading information about their sustainability initiatives to appeal to ethically minded consumers. This can lead to consumer skepticism and confusion, undermining genuine efforts by responsible brands.

- Accessibility and Affordability

A significant barrier to ethical consumerism is the perception that ethical products are often more expensive. This can limit the ability of lower-income consumers to engage in ethical purchasing, thereby skewing the consumer demographic and belonging primarily to the affluent. Thus, a socio-economic divide emerges concerning access to ethical products.

- Limited Knowledge and Information

Consumers often lack comprehensive knowledge about sustainability issues and the ethical practices of brands. The lack of standardized certifications and the abundance of unregulated claims complicate purchasing decisions. Information overload or misinformation can lead to consumer apathy or disillusionment.

- Cultural and Regional Differences

Ethical consumerism is not a one-size-fits-all movement. Cultural values, economic circumstances, and regional priorities can significantly impact consumer motivations and beliefs regarding ethical issues. Variations in consumer behavior across different markets suggest that global strategies must consider local contexts.

- Short-lived Trends

Consumer interest in ethical products can be ephemeral, often influenced by media coverage, celebrity endorsements, or viral trends. This fleeting engagement may result in businesses prioritizing profits over ethical commitments, thereby undermining sustainability efforts and genuine corporate responsibility.

## Conclusion

In conclusion, ethical consumerism represents a significant shift in the way individuals interact with the marketplace, driven by heightened awareness of social and environmental issues. While trends indicate a robust demand for ethically produced goods, the challenges facing this movement cannot be overlooked. Issues such as greenwashing and the affordability of ethical products remain substantial barriers to widespread adoption. For ethical consumerism to thrive, a multi-faceted approach is necessary—consumers must remain vigilant and informed, companies should prioritize transparency and accountability, and governments must encourage regulations that promote fair practices. Ultimately, fostering a culture of ethical consumption not only contributes to societal well-being but also drives systemic changes in production and consumption patterns, paving the way for a sustainable future. Recognizing and addressing the challenges ahead will be crucial for realizing the full potential of ethical consumerism.

## References

- Carrington, M. J., Neville, B. A., & Whitwell, G. J. (2010). "Why ethical consumers don't walk their talk: Toward a framework for understanding the gap between the ethical intent and actual purchase behavior of consumers." *Journal of Business Ethics*, 97(1), 139-158.
- De Pelsmacker, P., Driesen, L., & Rayp, G. (2005). "Does ethical branding work? Assessing the role of consumers' ethical beliefs in the buying process." *Journal of Consumer Marketing*, 22(2), 50-60.
- Harvey, M. (2014). "The ethics of consumerism: A philosophical perspective." *Business Ethics: A European Review*, 23(4), 386-398.
- Harrison, R. L., & Newholm, T. (2005). "Surviving on the edge: The role of ethical consumption in the lives of marginalised consumers." *International Journal of Retail & Distribution Management*, 33(6), 430-448.
- Harrison, R. L., Newholm, T., & Shaw, D. (2005). "The ethical consumer." SAGE Publications.
- Johansson, J., & Henningson, S. (2015). "The ethical consumer in the 21st century." In *Consumer Behavior in the Online Shopping Environment* (pp. 225-235). Springer.

- Klein, J. (2008). "Globalization and the challenges of ethical consumption: The case of Fair Trade." *International Journal of Consumer Studies*, 32(5), 501-508.
- Lichtenstein, D. R., Drumwright, M. E., & Braig, B. M. (2004). "The effect of corporate social responsibility on consumer donations to professional sports teams." *Journal of Marketing*, 68(4), 16-30.
- Mohr, L. A., & Webb, D. J. (2005). "The effects of corporate social responsibility and price on consumer responses." *Journal of Consumer Affairs*, 39(1), 121-150.
- Nader, R. (2006). *Ethical Consumerism: A Guide to the Potential Impact of Your Shopping Choices*. Open Books.
- Nicholls, A., & Opal, C. (2005). *Fair trade: Market-driven ethical consumption*. SAGE Publications.
- Pérez-Curiel, C., & Pinho, J. C. (2016). "Millennials and ethical consumerism: The case of Spain." *International Journal of Consumer Studies*, 40(6), 797-806.
- Shaw, D., & Clarke, I. (1999). "Beliefs and values in ethical consumer decision-making: A review of the literature." *Journal of Marketing Management*, 15(5), 459-479.
- Sheth, J. N., & Parvatiyar, A. (1995). "Customer relationship management: Emerging practice, process, and discipline." *Journal of the Academy of Marketing Science*, 23(4), 255-271.
- Thøgersen, J., & Ölander, F. (2003). "Constructing consumer behavior models that include habit." *Journal of Consumer Psychology*, 13(4), 342-352.
- Vernuccio, M., & C. A. (2017). "The role of innovation in ethical consumerism." *Journal of Business Research*, 76, 208-218.
- Wagner, T., & Gallimore, P. (2017). "Consumer perceptions of ethical issues in marketing: Implications for ethical consumerism." *Journal of Marketing Management*, 33(7-8), 625-647.
- Woods, M. (2015). *A Green Consumer's Guide to Ethical Consumption*. Cambridge Scholars Publishing.
- Zhao, J., & Wang, J. (2018). "The effect of green advertising on consumer purchasing behavior." *International Journal of Marketing Studies*, 10(1), 54-66.
- Zyglidopoulos, S. C. (2002). "The role of media in ethical consumerism." *Business Ethics Quarterly*, 12(3), 374-404.