

A Study in the Societal Shift Towards Ethically Conscious Consumption

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## Preparing for the Festival

The Governors Ball Music festival is coming up in June. Music fans ages 21 to 34 can hardly conceal their excitement to see their favorite artists, from Kid Cudi to J.Cole at Citi Field in NYC. With the festival just two months away, ticket holders are already on the hunt for the perfect looks for this three-day event. With social pressure rising and the standards of social media content through the roof, the outfit you choose can potentially make or break you. After watching your bank account take a hit post ticket purchase, the remaining budget is looking pretty slim. There is a choice to be made here; will you shop fast fashion to get the latest trends for the lowest prices or will you spend more by making a more ethical consumer decision? Fast Fashion brands such as Shein or Wish are known for serving hot looks at low prices. They are also known for their poor ethics, be it underpaying garment workers or their contribution to climate change. Fashion Brands like Reformation and Everlane can guarantee proper working conditions and sustainability, but are the prices worth it?

Ethical business practices are a prominent topic discussed in the classrooms of business students. Businesses are to be socially responsible and maintain certain standards when it comes to things such as environmental impact, human rights, and integrity in their marketing. But what happens outside of the classroom? Are businesses actually upholding these standards, and does the answer to this question have any effect on consumer behavior? Now, there is no debate as to whether a business should perform ethically or not, however, the question at hand is when it comes time for a consumer to make a purchase decision, are they taking ethics into account? As society brings ethics centerstage with an increased focus on issues such as climate change and fair labor as well as several other ethical dilemmas, the answer to the question is yes. Forbes

finds that “more than six in ten younger consumers closely consider a company's ethical values and authenticity before buying their products” (Forbes, 2018). Major companies are being exposed through media and activism for unethical practices, and people are listening. The ethicality of a brand and the processes by which its products and services are produced are determinants of the purchase behavior of today’s consumer. Due to heightened awareness of ethical dilemmas in businesses such as climate change and inequality in the workplace, consumer behavior will continue to shift to making more conscious purchase decisions. From start to end, this essay will support this thesis. To begin, background knowledge on business ethics and consumer behavior will be provided. This essay will define the importance of information availability and the role of advocacy groups and social media. Then it will dive into the neurological response of being an ethically conscious consumer. After providing thought on the counterargument of the thesis, the essay will conclude with final thought, reflection, and wrapping up the Governors ball anecdote.

### **Business Ethics and Consumer Behavior: Foundational Considerations**

The primary function of a business is to buy or sell products and services for profit. Businesses cannot produce, sell, or purchase, and therefore cannot make a profit, without relationships. Because relationships play a major role in business, ethics comes into play, as ethics determines how to behave in a relationship (Dimmock et al., 143). Philosopher and business ethicist Robert C Soloman states, “The first principle of business ethics is that the corporation itself is a citizen, a member of the larger community, and inconceivable without it” (Stiltner, 203). While a business’s primary goal may be to make a profit, businesses also have social responsibility as a major contributor in society. A business has a responsibility to society

as a whole in addition to its own members inside the business including employees, owners, customers, and other stakeholders; stakeholders being anyone affected by a business and its operations (Stiltner,208). Responsibility is one of the foundational elements of business ethics, obligating businesses to take moral action and ensure that they are providing quality products and services, obeying laws, and treating the environment with care. All members of society have a responsibility to respond to ethical dilemmas in a certain way, businesses as a larger more influential member of society should set an example for the community and do all they can in support of what is morally just.

The moral responsibilities of a business consist of different segments in which they have obligations. The responsibilities owed to these segments include law binding regulations as well as other moral justices which should be assured without force by law. One segment is the employees and all people who work for the business. The business is to provide a safe work environment for their employees. Under the Occupational Safety and Health Administration (OSHA),workplace inspections are mandated to ensure employers “provide their employees with work and a workplace free from recognized, serious hazards” (U.S. Department of Labor). Employers are also expected to follow other fair labor laws regarding hours, compensation, benefits, etc.

Another segment to which businesses owe responsibility is the environment. A business is to work towards fostering eco-friendly habits. If a business is a major contributor to pollution, ethically, they should contribute investments toward finding more eco-friendly options (Stiltner, 217). The Environmental Protection Agency (EPA) has put many regulations in place regarding how businesses are to treat the environment.

Another segment to which businesses owe a responsibility is the consumers. Under the Direct Selling Association code of ethics, “Promotional literature, advertisements and mailings shall not contain product descriptions, claims, photos or illustrations that are false, deceptive or misleading” (Direct Selling Association). Businesses are to provide the consumers with transparency and honesty in their marketing tactics, a consumer should never be tricked and misled by a product's packaging or promotional descriptions. The business is to provide accurate ingredient lists on physical products and advise the customer of any hazards of the product as well. Also, the products and services a business provides should be safe for the consumer to use.

An important part of the business to consumer relationship is the transaction and exchange that occurs between the two. The consumer's behavior is affected by several factors including situational factors, personal factors, psychological factors, economic factors, and social factors. Before making a purchase, the consumer goes through the five step buyer decision process (Principles of Marketing, 175). The process begins with need, or problem, recognition. The consumer realizes they are in need of making a purchase to fulfill a need or desire, be it a physiological need or at some other point on Maslow's hierarchy of needs. They then move on to the information search stage. The consumer performs research on the product or service they are looking for and all of the available brands and options. The third step is evaluation of alternatives. This is a vital stage in the decision process because this is where the consumer will evaluate and compare competitors based on price, quantity, quality, and most importantly to this essay, the ethicality of the brand. Stage four is when the consumer makes the final decision of which product to purchase. They make this decision based on the comparative analysis performed in the prior step. The final and most important step is the fifth, post-purchase evaluation. Whether the consumer is or is not satisfied with the product will determine if they

become a loyal customer and are willing to repurchase or test out other products by the same brand, or if they will never make another purchase and tell others to avoid the brand as well.

Alongside the third step of the buyer decision process, the consumer is said to go through an “ethical decision-making process” as well. One theory of the ethical-decision making process is made up of these four steps:

“It begins with individuals' recognition that a situation or action may conflict with one or more moral standards, thus endowing it with an ethical component, that is, ethical awareness. After a moral issue is acknowledged, individuals make judgments or choices among the potential alternatives about the ethically correct course of action, that is, ethical judgment. Intentions are then established to carry out the ethical action, that is, ethical intentions; and, finally, individuals engage in ethical behaviors supported by one or more moral standards, that is, ethical behaviors.” (Escadas et al. 410)

This framework of the consumer's ethical-decision making process continues to be one of the most used and tested theoretical step by step explanations of the process. If the consumer is in the ethical judgment stage and is faced with the decision between an ethical option and a more affordable alternative, one may expect the consumer to prefer affordability. This assumption, however, has been proven false according to “stated preferences in questionnaires and hypothetical consumption decisions indicate that a substantial fraction of consumers would honor socially responsible or environmentally friendly production even by paying higher prices” (Pigors et al. 3123). This goes to show that when today's consumer is making a purchase decision, cost may not be the only determinant.

### **But How Much Influence Do Consumers Really Have?**

In the digital era we live in today, it is no shock that the shift towards more ethically conscious consumption is occurring in a time of expedited information availability. Through platforms like social media, televised news, and blogs, information can travel faster today than ever before. Media is a valuable tool activists use to expose businesses for poor practices that may be happening behind closed doors. Apple Inc. is one example of a company who has been exposed by the media for unethical behavior. According to the media, Apple was accused of having extremely poor work conditions at their Foxconn factory in China where iPhone's were being manufactured, which directly lead to a drastic increase in the suicide rates of Apple employees. Statistics of this spike in 2010 revealed that "There were 18 reported suicide attempts that year alone and 14 confirmed deaths. Twenty more workers were talked down by Foxconn officials" according to The Guardian (Merchant, 2017). To combat the issue, suicide nets were installed at the factory and employees had to sign pledges agreeing that they would not try to kill themselves.

Apple tried to make a quick fix to their ethical issue, but safety nets couldn't hide the statistics from the press. Once reporters gained headlines on what was going on inside the Foxconn factory it sparked "a media sensation" (Merchant, 2017). According to journalists covering the story, even the people they passed on the street were aware of the working conditions in the Apple factories. In response to media coverage coming out about the malpractices of Apple at Foxconn, as well as several other major companies also abusing workers, "the public as well as politicians call for stronger regulations on the producer side." (Pigors et al. 3123). The public is unhappy with the ugly truth of how their favorite products are

made and will not rest until something is done to alleviate the issue. It has also been unveiled that when the customer is aware of a company's poor business practices, they are less likely to support it over companies that are known to be socially responsible (Hosta et al. 273).

The fashion industry, major luxury brands, as well as more affordable high demand brands, are also being exploited by social media for utilizing sweatshops in their production process. These sweatshops are commonly found in underdeveloped countries and are known for the abusive treatment of employees, often children, forcing them to work long hours for a very low wage. Shein, for example, has been exposed and shared with the masses by many social media users such as @tennistaboo on twitter saying passionately, “**SHEIN IS BAD. STOP BEING SELFISH. THIS IS ONE OF THE BIGGEST CONTRIBUTORS TO CLIMATE CHANGE. AND FAST FASHION EXPLOITS LOWER INCOME COMMUNITIES. HAVE SOME SENSE. HAVE SOME EMPATHY.**” Consumers obtain such information from their social media feeds and begin to boycott these brands. Now that consumers are discovering the truth behind their favorite fashion providers, “the increasing involvement of consumer activist groups, media and availability of ethical products are some of the determinants that are changing consumers’ consumption and purchasing behaviour.” (Phau et al.). The consumption of a society has always been dependent in part on the trends of popularity, and now with influencers and activists speaking strongly for or against certain brands, society as a whole is likely to follow the pack.

When an individual opens up Tik Tok, twitter, Instagram, or Facebook, and sees influencers sharing the ugly truth of fast fashion, they are likely to change their own purchase behavior to align with the more sustainable fashion options encouraged by influencers. Activists

and influencers hold power in not only turning consumers off from unethical brands, but also in advising towards socially responsible brands because:

“the more consumers understand about the ethical dimensions of the product, the more likely they are to purchase the product. Therefore, the higher the degree of favorableness on purchase intention of ethical products would increase their willingness to pay a higher price for it. Consumers are increasingly aware of ethical implications of the products that they buy and consume, hence they are adapting their behaviours as a result.”(Phau et al.).

One sustainable fashion influencer who is taking Instagram by storm is Aja Barber. Aja has 254K followers on Instagram and has recently come out with her own book. In her book title *Consumed*, Aja discusses “the endemic injustices in our consumer industries and the uncomfortable history of the textile industry; one which brokers slavery, racism and today’s wealth inequality. And how oppressive systems have bled into the fashion industry and its lack of diversity and equality” and also encourages the reader to consume more ethically ([ajabarber.com](http://ajabarber.com)). Influencers like Aja Barber provide the information necessary for the consumer to be able to make informed ethical purchase decisions.

Influencers and advocacy groups strive to take down unethical companies by exposing them for their immorality and depleting profitability of those businesses, and help sustainable brands to thrive by spreading awareness and boosting sales. Businesses are directly affected by conscious consumerism. With more and more consumers demanding ethically produced goods, such companies will continue to thrive and grow and more companies will follow suit to meet demand. The unethical companies however will perish in consequence to consumers denying their product as an option due to their immorality. Extensive studies have shown however, that it

is not only the businesses that are immediately affected by the shift towards ethically conscious consumption. The consumers themselves are soon to experience positive emotions as a result of making ethical purchase decisions. Through experiments and analysis, it has been discovered, “that consumers have feelings about their purchases and feel pride when they buy responsible products, and guilt when choosing unethical products” (Escadas et al. 412). Though it may cost a bit more in comparison to the product made in a sweatshop with the sale tag, choosing the product that was made in an ethical way leaves the customer feeling their simple decision made a positive impact. When the consumer makes ethical buyer decisions, they find themselves experiencing brighter moods and positivity whilst in stage five, the post-purchase evaluation. The consumer then remembers this positive encounter and is likely to repeat the action, repurchasing the sustainable product, or performing informational searches for other ethically made goods expecting to feel that same positive and prideful emotion again. This emotion driven purchase and repurchase process is referred to as the “virtuous ethical cycle” (Escadas et al. 418). Once the influencers and ethical consumption advocates are able to provide other consumers with information on the background of the products on the shelves, the consumer is then led by their emotions and desire for happiness and pride to select, and continue to select ethically made goods.

### **Playing the Ignorance Card: A Counterargument**

Despite sizable evidence that the purchase behavior of today’s consumer is driven by the ethics behind the product, there is argument on the validity of the statement. A counter argument would be that perhaps the customer simply does not care enough to follow through with their advocacy. Not many individuals would openly say they believe sweatshops and pollution are

great, but when it comes to making the purchase decision, however, will their actions reflect that opinion? The dissonance between thoughts and action in terms of ethical consumption is referred to as the “value-action gap” (Pickett-Baker et al. 282). This theory supports that values do not always lead to aligning behaviors. There is also evidence to support that some consumers will willfully choose to “forget” about the unethical production of a product if it is truly something they desire. The customer avoids retaining knowledge of a company’s immorality because “consumers judge forgetting negative ethical information as more morally acceptable than remembering but ignoring it, suggesting that willfully ignorant memory is a more morally acceptable form of coping with want/should conflict” (Reczek et al. 185 ). This ties back to the effect ethical decision making has on one’s feelings and emotions. To avoid the guilt that comes with choosing the less moralistic option, this theory would believe the customer would play the ignorance card. Taking the easy way out however is becoming more and more challenging as the voice of activists in the media rises in volume.

Another argument of why consumers behavior is not determined by business ethics is, as alluded to earlier, lack of information. While some people may willingly forget information, others may actually be completely unaware of a business’s unethical practices. A lot of the unethical businesses are the big companies that can afford to advertise their products in abundant ways on social media. Pop-up and banner ads are designed to reel in your attention, showing the consumer products that appeal to them based on their search history and behavior online. If the consumer is not following social advocates, influencers, or doesn’t scroll down to the review section before moving an item to their shopping cart, they are likely to partake in unethical consumption against their own knowledge. Tying back to an earlier topic, influencers, media, and advocacy groups are passionate about addressing this issue and have a growing presence on

the web that is hard to avoid, even if you're trying. Regulations have also been put in place to ensure companies are being transparent in their marketing and packaging to avoid consumer ignorance to eradicate the issue of ignorance.

### **Back to the Festival**

Let's return to the Governors Ball Music Festival. While scrolling through Instagram looking for outfit inspiration, you come across an influencer sharing the truth of the unethical practices behind H&M, one of your favorite, affordable fashion destinations. Hearing about the negative effects this company is having on the environment inspires you to take a deep dive. You find yourself engrossed in research, discovering the cruel reality of sweatshops, pollution, and fraudulent marketing strategies used by several of your favorite brands. Next you find yourself spreading the word, making the truth heard, and advocating for sustainable fashion. Instead of resorting to H&M, Shein, or Wish as you would have before coming across that informational post, you decide to check out some ethically sound small businesses for your concert outfit. Learning more about ethical consumption and making an intentional purchase has left you feeling like you've truly done something right! Never again will you make a purchase without checking in on the company's footprint.

The ever-growing shift of conscious consumerism motivated by information availability gives the consumer society the tools necessary to fight back against unethical business practices. This societal shift is what it takes for this earth to someday be a place where children are no longer dying in sweatshops and where women get equal pay to men. This is the change that can save our planet from climate change for generations to come. Stop choosing ignorance, recognize the truth, and be an activist for the greater good.

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