

Episode # 22	Resource
Title	Embracing ethical consumerism
Resource section	Marketing

SYNOPSIS* [short description to be used in "Resource Centre" short list on Bread. **Approx 30 words**]

The rise of ethical consumerism points to a business landscape where companies are responsive to community and environmental needs as well as their bottom-line.

ARTICLE [variable length]

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The rise of consumer awareness parallels the growth of environmental movements and the desire by society as a whole for a more sustainable future. The implications for businesses don't have to be negative if they listen to their consumer base and understand the paradigm shift towards ethical consumerism.

Indeed, businesses that ride the wave of public sentiment and change their practices to reflect the new community mood might also find better work practices translate not only to community acceptance, but a streamlined and more profitable business.

What is ethical purchasing?

Ethical purchasing is simply buying things that are made by companies that act and manufacture ethically. The term 'ethical' is, of course, a subjective one that can be interpreted widely according to the agendas of those involved. For the purposes of this article we will define 'ethical' as actions that do not harm or exploit humans, animals or the environment.

History

Ethical consumerism isn't a new phenomenon. Witness large-scale product boycotts like those practised by Gandhi and millions of Indians in the struggle for Indian independence in the first half of the 20th Century. The wave of consumer power rose dramatically in the 70s and 80s as a range of organisations promoting free trade, the ethical use of animals and environmental responsibilities campaigned heavily to raise greater community awareness. Mintel, a market research company, says that ethical consumerism is "becoming more mainstream, more spread across the socio-economic range and less concentrated among the professional classes."

Why are consumers concerned about ethical business?

The British based Ethical Consumer Organisation <http://www.ethicalconsumer.org/philosophy/riserise.htm> says that "survey after survey has shown that it isn't just a small minority of eccentrics who understand the need for corporate ethics but between 40 and 70% of all consumers." The driving force behind ethical consumerism is the belief that individuals can make a difference, especially through small actions like the products they choose. This consumer empowerment strikes to the heart of The shifting manufacturer/ consumer relationship and points the way towards an appropriate business response.

Ethical Businesses

Aligning with sustainable business practices and ethical production of products is now seen as desirable with the public at large and directly affects their product choice. Manufacturers

that hold to ethical standards will not only see renewed sales, but the potential to increase their market share through buzz and word of mouth from consumer to consumer over ethical products.

Advertising and marketing become easier as the public mood embraces ethical products and companies, like the international chain 'The Body Shop'. But beware – a consumer backlash will result if the marketing is shallow or superficial 'greenwash' that doesn't match what it claims. The development of GM (genetically modified) free and 'green' based product labels also helps customers feel morally validated whilst supporting ethical products and should be embraced as a new brand in itself to be marketed to.

The Future

As large blocks of consumers band together to use their buying power as weapon to influence how things are made companies will increasingly have to listen. Those early adopters who find economical ways to continue their business will thrive whilst unresponsive businesses will fall by the wayside. As the internet helps spread information rapidly consumer boycotts can sweep the globe and mobilise hundreds of thousands of people to a common cause in a short amount of time.

The challenge for business is in shifting to an ethical and sustainable model economically. And the sooner it's done the better for all involved.