

What Are The Social And Ethical Considerations Concerning Consumer Behaviour In The Distribution And Implementation Of Sustainable Technologies?

Amay Dhingra

Date of Submission: 27-01-2025

Date of Acceptance: 07-02-2025

I. Introduction

Adopting sustainable technologies is a transformative effort to tackle global issues like climate change, resource depletion, and environmental degradation. As society increasingly seeks innovative solutions to reduce its ecological footprint, it's crucial to consider the social and ethical implications of the distribution and implementation of these technologies.

II. Understanding Consumer Behavior And Sustainability:

Consumer behavior encompasses the study of individuals' purchasing patterns, decision-making processes, and preferences. When it comes to sustainability, it involves the examination of how consumers' choices can align with the broader goals of sustainable development. Consumer behavior drives the consumption and patterns and as more and more consumer start to take the social and ethical factors in the decision making, more and more corporations are also taking these considerations in their business decisions. There are also many factors which influence the consumer behavior towards sustainability and we will focus on that in this paper as key axis of our discussion.

III. Understanding Corporations/Business View Towards Sustainability:

While sustainable technologies offer a greener and more resilient future, the potential impact on human societies, communities, and individuals must be carefully considered. Almost all major businesses are focusing on ESG which stands for Environment, Social and Governance. Although reporting of ESG isn't mandatory but more and more organisations are adopting ESG as a key input to their disclosure. It shows that organisations understand the changing patterns in consumer behaviour, although, many organisations still haven't found the real business impact of ESG. Accurately assessing demand for products that make these claims is vital as companies think about where to make ESG-related investments across their businesses. Companies should therefore be eager to better understand whether and how these types of claims influence consumers' purchasing decisions. This is another of the key point which we will delve into this study.

My paper delves into the complex web of social and ethical considerations entwined with the adoption of sustainable technologies, emphasizing the importance of a holistic and inclusive approach that prioritizes equity, community engagement, and ethical responsibility.

Striking a balance between environmental imperatives and social justice concerns is vital to ensure that the transition to sustainable technologies is not only ecologically sound but also socially equitable and ethically responsible.

IV. List Of Hypothesis For Research

For the purpose of the research, we will start with some key hypotheses which we will help us in understanding the interdependencies and correlations.

- Hypothesis 1 – Consumers Are Including Social And Environmental Considerations In Their Buying Decisions
- Hypothesis 2 – Consumers Are Shifting Their Spending Toward Products With ESG-Related Claims
- Hypothesis 3 – Social (Media) Factors Have An Influence On Consumer Trend Towards Environmental Factors
- Hypothesis 4 – Products Making Esg Claims See Higher Growth
- Hypothesis 5 – Generic Esg Claims Don't See Differentiated Growth

Hypothesis 1 – Understanding Consumer Trends

Consumers continue to become more environmentally conscious. However, given inflationary pressures, the increasing adoption of sustainable lifestyles may be more about saving money than saving the planet. Every year, more consumers are adopting sustainable lifestyles by choosing goods that are more durable or that can be

reused or repaired easily. A recent study by NielsenIQ found that 78 percent of US consumers say that a sustainable lifestyle is important to them. With economic uncertainty continuing, the question is: how much of this behavioural change will become permanent?

V. What Is Sustainable?

However, the very first step for us is to understand what makes a product sustainable for consumers. When consumers are asked what makes a product sustainable, the most common answer is that it is biodegradable or made from recycled material, followed by being responsibly sourced, having minimal packaging, carbon neutrality and supporting biodiversity.

As per a research conducted by Deloitte in UK¹, the top 3 factors which define sustainable in consumer eyes are

- If it is made from natural materials or a renewable resource
- If it is made from recycled or repurposed resources or materials
- If it is responsibly sourced or harvested

Pls refer to Exhibit below

Exhibit 1: What Is Sustainable?



As per the exhibit above, not only that these factors are the highest in eyes of consumers but have remained top 3 for last 2 years.

VI. Have Consumers Adopted More Sustainable Behaviours?

For most consumers, adopting a more sustainable lifestyle starts at home, recycling products or reducing waste. Next consumers are reconsidering how they shop and consume, including limiting their consumption of single-use plastic, reducing the number of new products they buy, or buying more seasonal products.

In a sign that the cost of living crisis is having an impact, behaviours with the largest increase in adoption this year include buying more second-hand items, paying more for longer-lasting products, repairing more, and using the car less. In contrast, our data shows that fewer consumers have reduced their amount of air travel. With the recovery of the travel sector this year, more consumers have been spending on holidays after years of pandemic travel restrictions.

However, the data, in Deloitte study on Sustainable consumer trends, also points to some encouraging emerging trends around attitudes to sustainability. For instance, 16% of consumers claim to have purchased carbon offsets in the last 12 months, such as paying for tree planting to compensate for carbon emissions, and close to one in four (23%) said they have switched to what they believe is a renewable energy supplier. Pls refer to exhibit below for more details

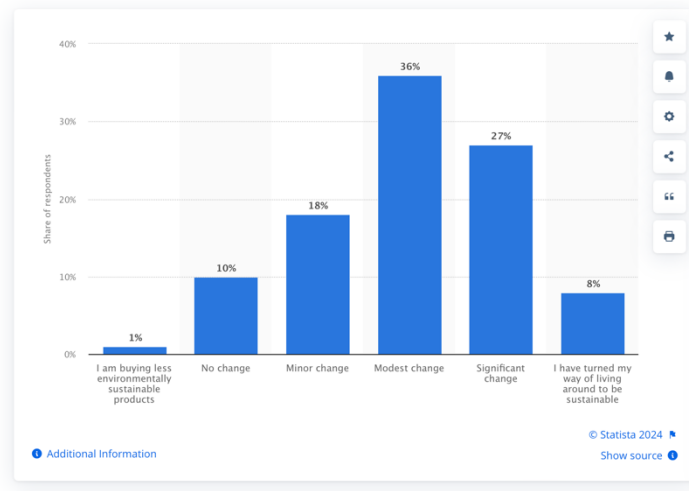
Exhibit 2: Deloitte Research On The Adoption Of Sustainable Behaviour



The same trend is also noticed globally and in a research conducted by Statista on shopping behaviors of consumers, approx. 70% consumers agree to changing their purchasing behaviours. Pls refer to exhibit 3 below.

¹ For the purpose of this study, we are assuming similar trends in consumer behavior exist across boundaries

Exhibit 3: Degree To Which Consumers' Purchasing Behavior And Choices Shifted Towards Buying More Sustainable Products Over The Past Five Years Worldwide In 2022



VII. Results Of Primary Research

We conducted primary research to ascertain that these trends are global in nature and below are the key results of the primary research

Basis the results of the study and data from different sources, we can state that majority of consumers (more than 60-70%) are taking social and environmental factors in decision making and this is increasing year on year as well.

Hypothesis 2 – Consumers are shifting their spending

On the surface, there has seemingly never been a better time to launch a sustainable offering. Consumers—particularly Millennials—increasingly say they want brands that embrace purpose and sustainability. Indeed, one recent report revealed that certain categories of products with sustainability claims showed twice the growth of their traditional counterparts.

Yet a frustrating paradox remains at the heart of green business: Few consumers who report positive attitudes toward eco-friendly products and services follow through with their wallets. In one recent survey 65% said they want to buy purpose-driven brands that advocate sustainability, yet only about 26% actually do so – as per study reported in HBR article on The Elusive Green Consumer.

Bibliography

- [1] Mckinsey Article On Consumers Care About Sustainability—And Back It Up With Their Wallets
- [2] Deloitte Study On What Consumers Care About When It Comes To Sustainability - Sustainable Consumer 2023
- [3] Forbes Study On Sustainability Trends 2023
- [4] HBR Article On The Elusive Green Consumer
- [5] Statista - <https://www.statista.com/statistics/1377869/global-shift-to-buying-sustainable-products/>