THE SUSTAINABILITY EFFECT AND THE INTENTION BEHAVIOR GAP IN ETHICAL GREEN AND SUSTAINABLE PURCHASE DECISIONS: AN ANALYSIS OF ETHICAL CONSUMER DECISION-MAKING

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ABSTRACT

This research empirically studies the current body of academic literature claims that consumers want and are demanding more ethically sourced, sustainable products or green products. The research claims consumers will not support companies that behave unethically and produce unsustainable products. A second body of literature states there is a sustainability liability effect that devalues sustainable products and may enhance an intention behavior gap in sustainable purchases.

***Keywords**: green products, reasoning model, consumers*

1. INTRODUCTION

This research explores the intention behavior gap (Auger and Devinney, 2007; Carrigan and Attalla 2001). The 2013 Flash Eurobarometer (2013) reports that 80% of consumers purchase ethical, sustainable products. A 2020 McKinsey US consumer sentiment survey found more than 60 percent of respondents said they would pay more for a product with sustainable packaging. A recent 2022 study by NielsenIQ found that 78 percent of US consumers say that a sustainable lifestyle is important to them. Mohr and Webb (2005) discuss how consumers' purchase intentions are higher resulting in increasing companies' profit when companies have a focus on sustainability and ethical practices. Trudel and Cotte (2009) suggest that consumers are increasingly interested in ethical, socially conscious product options. Harrison, Newholm, and Shaw (2005) discussed that consumers are increasingly engaging in ethical, sustainable consumption. Trudel and Cotte (2009) found that consumers will punish companies promoting unethical goods.

McKinsey (2023) suggests that many executives in the consumer packaged goods industry's biggest challenge to their company's sustainability initiatives is the insufficiency of consumer demand for these sustainable products.

Ethical, Green or Sustainable Products
Ethical, green, or sustainable products refer to goods or services that have been designed, produced, or used in a manner that minimizes their negative impact on the environment and promotes sustainability (Hu and Wang, 2019; Choi and Kwon, 2020). These products are often characterized by their reduced carbon footprint, energy efficiency, use of renewable resources, and adherence to eco-friendly practices throughout their life cycle (Schaltegger and Wagner, 2011; Xu & Gupta, 2020). The concept of ethical, green, or sustainable products has gained significance as societies worldwide recognize the need to address environmental challenges and transition toward a more sustainable future (Vermeulen and Seuring, 2009).

Sustainable green products are products designed to have a lower environmental impact than traditional products. They are often marketed as being better for the environment and for consumers' health. Compensatory reasoning is a theory that suggests that individuals may be more likely to engage in ethical, environmentally friendly behaviors if they can offset their negative impact in other areas of their life. In consumer decision theory, compensatory reasoning can be seen as a way for consumers to balance the costs and benefits of purchasing green products. (Zhang, Zhao, and Zhao, 2019; Young, 2018; Nielson, 2019; Truecar Adviser, 2020).