

ETHICAL CONSUMER BEHAVIOUR IN MARKETING

PROF. RUŽICA KOVAČ ŽNIDERŠIĆ, PHD, FULL PROFESSOR
FACULTY OF ECONOMICS
SUBOTICA, UNIVERSITY OF
NOVI SAD
SUBOTICA, SERBIA
znikor@ef.uns.ac.rs

PROF. SUZANA SALAI, PHD, FULL PROFESSOR
FACULTY OF ECONOMICS
SUBOTICA, UNIVERSITY OF
NOVI SAD
SUBOTICA, SERBIA
salais@ef.uns.ac.rs

PROF. ALEKSANDAR GRUBOR, PHD, ASSOCIATE PROFESSOR
FACULTY OF ECONOMICS
SUBOTICA, UNIVERSITY OF
NOVI SAD
SUBOTICA, SERBIA
agrubor@ef.uns.ac.rs

DRAŽEN MARIĆ, MSC, ASSISTANT LECTURER
FACULTY OF ECONOMICS
SUBOTICA, UNIVERSITY OF
NOVI SAD
SUBOTICA, SERBIA
drdrazen75@yahoo.com

ABSTRACT

Over the past few decades, marketing theory and practice have paid increasing attention to the phenomenon of ethical consumer behaviour. There is no doubt that the modern consumers are sophisticated and prepared for different types of actions to protect rights which are considered to belong to them. On the other hand, numerous reports on sales trends of so-called ethical products and services do not record significant growth and participation in the total consumption. As this issue still contains many controversies as to whether declarative nature of ethical demands of consumers in the market are supported with their actual behaviour and purchase decisions, this article attempts to point out some directions of thinking and future research, based on experience from the Republic of Serbia.

KEYWORDS: Ethics, ethical consumer, consumer behaviour, consumer activism

1. INTRODUCTION

Turbulent changes of technological, economic, political, legal, sociologic and cultural nature, which continually occur in the market on a daily basis, result in significant changes in consumer behaviour. Regardless of how hard theory and the practice of marketing try to proactively generate these changes, they are still faced with the necessity of constant adaptation to the changed business environment, both in terms of application of their tools, methods and techniques, and in terms of their own definitions.

The evolution of marketing definitions (Brenkert, 2011, p. 25) moved back and forth between two approaches. The first one considered marketing solely as a business concept, i.e. as a vast number of interrelated business activities involved in delivering goods and services to the consumers from the manufacturer – specifically, activities related to distribution, promotion and transfer of property. However, the practice has identified this approach as too constricted, henceforth came the development of the second – general approach to marketing, as the application of marketing functions and techniques in both economic (commercial) and social (non-commercial) processes. The famous Phillip Kotler, who is considered to be one of the creators of this approach, argues that the essence of marketing concept is the transaction, i.e.

the exchange of value between two parties, whereas value is not limited only to money, goods and services (Brenkert, 2011, p. 25). With the adoption of such approach to marketing, it is no longer distinguished by merely economic exchanges that are motivated solely by profit, but by a wide array of transactions in which different values are transferred from one party to another, for the purpose of satisfying more than just economic goals, needs and wants.

Within this broad general understanding of marketing, in parallel with the development of consumerism as a worldwide consumer movement, theorists and practitioners became interested in studying the phenomenon of ethical consumer and his behaviour.

Numerous experts in the field of social and humanitarian sciences believe that consumerism triumphed in the ideological battle of the 20th century, ahead of democracy and capitalism, and as such, represents the fundamental characteristic of modern societies and nations (Flavin, 2004, p. xvii). Consumerism can be defined as a social movement seeking to augment the rights and powers of consumers and buyers in relation to manufacturers and sellers (Kotler, 2000). Consumerism proved to be equally useful to an individual consumer and the economy and state as a whole. Growing interest in issues and practical application of marketing ethics is the outcome of the

worldwide development of consumerism. Marketing ethics are concerned with the moral assessment of corporate and individual marketing-related behaviour in commercial activities. In market economies, corporate marketing behaviour is strongly associated with consumer behaviour; therefore, many social critics believe that every enterprise has the consumers it deserves and vice versa (Brinkmann & Peattie, 2008, p. 22).

Over the past years, there has been a proliferation of research on ethical consumer behaviour, which has, on one hand, progressively been surpassing solely cultural aspects of observation and become more multidisciplinary in its nature on the other. Researchers have put significant efforts into identifying the model of consumers' ethical behaviour, so that it could be fully understood, predicted and influenced. Majority of these models are based on Ajzen's Theory of Planned Behaviour (TPB) (Carrington, Neville & Whithwell, 2010, p. 139), which states that purchase intentions of ethical consumers are motivated and generated by personal value systems, moral norms, intrapersonal ethics and other similar factors. In reality, however, one inconsistency with the above stated stands out. Although there is a noticeable rise in consumers' interest and demand for ethical products and services for the reason that their overall behaviour is governed by ethical factors to a greater extent, it is not followed by the actual purchase of demanded products and services.

Since the actual consumer behaviour in purchasing does not change with the same intensity as their intended behaviour, there is a so-called gap in ethical consumer behaviour. Hence, the goals of this article can be stated as follows:

- to research and highlight shortcomings of the previous research on the phenomenon of ethical consumer behaviour
- to raise comprehension of incongruities between actual and intended ethical consumer behaviour
- to highlight some of possible future challenges in researching ethical aspects of consumer behaviour
- This paper is intended to invite scientists for further research and discussion in this area

2. CONSUMER ETHICS AND ETHICAL CONSUMPTION

Among many definitions of the term consumer ethics, one stands out for its simplicity and comprehensiveness. It states that consumer ethics is "the moral principles and standards that guide behaviour of individuals or groups as they obtain and dispose of goods and services" (Muncy & Vitell, 1992, p. 297). Consumer ethics is basically deals with rectitude or incorrect-

ness of certain actions of individuals or groups as potential or actual customers, during the search for and purchase of products and services.

Any debate on consumer ethics necessitates delineating consumers' ethical conduct guided by respect for moral principles of good one the one hand and rectitude and consumer ethics that rooted in consumers' personal interests, that is, the calculation of benefits and costs from the prospective application of moral principles on the other. Many authors highlight the 'morality vs. prudence' dilemma as significant, because they believe that a motive for an action is essential for distinguishing an action as ethical, and that this can be applied to both enterprises and individual consumers (Beauchamp, Bowie, Arnold, 2009, page 3). Essentially, this dilemma can be observed in the light of the everlasting debate on the theory of science and ethics between the consequentialists and deontologists.

Research into ethics in consumer behaviour is further burdened with problems of divergence in use and meanings of terms such as 'ethical behaviour', 'ethical shopping' and 'ethical consumption'. Since many studies were rated as overly subjective concerning interpretations by the authors, most of them however agree that the term 'ethical consumer behaviour' is the most extensive one, and that it encompasses the following two. Ethical consumer behaviour can be interpreted as "decision-making, purchases and other consumption experiences that are affected by the consumer's ethical concerns" (Bray, Johns & Kilburn, 2011, p. 597).

Analogous to this definition, 'ethical consumption' can be understood as "the purchase and use of a products and services chosen freely by an individual consumer that concern a certain ethical issue, such as human rights, labour conditions, animal well-being, environment, etc." (De Pelsmacker, Driesen & Rayp, 2005, p. 363). Some forms of ethical consumption contribute to the improvement of natural environment, while others are focused on benefits for people.

Since the first decades of the 21st century can be distinguished by the growing significance of the application of ethics, not only in business, but also in consumers behaviour and purchases, it is necessary to highlight the fact that the term 'ethical consumption' relates to a wide array of activities – from ethical investments, that is, ethically motivated purchase of shares securities, to purchases of fair-trade products and organized consumer boycotts. Despite being very complex and diverse, ethical consumption can be classified into five groups shown in Table 1.

Table 1. Types of ethical consumption

Type:	Product-oriented purchasing	Company-oriented purchasing
BOYCOTTS	Aerosols; timber from unsustainable forestry	Philip Morris, Nike, Nestle
POSITIVE BUYING	Fair-Trade mark; Blue Angel Eco label; Green Apple	Body Shop against animal testing
FULLY SCREENED-ethical ratings across whole product area	Green Consumers Guide	Ethical screening of investments
RELATIONSHIP PURCHASING-consumers seek to educate sellers about their ethical needs	Community Supported Agriculture USA, UK	Individual consumer building relationship with shopkeepers
ANTICONSUMERISM / SUSTAINABLE CONSUMERISM	Avoiding unsustainable products (cars)	Adbusters

Source: Harrison R., Newholm T. & Shaw D., *THE ETHICAL CONSUMER*, London: Sage Publications Ltd., 2005, p 3.

Many researchers into ethics of consumer behaviour invested substantial efforts into their attempts to identify causal factors which influenced the proliferation of ethical consumer behaviour and the increase of ethical consumption worldwide. Harrison, Newholm & Shaw (2005, p. 56) provided the most comprehensive overview, where they identified seven complex factors that are more or less correlated:

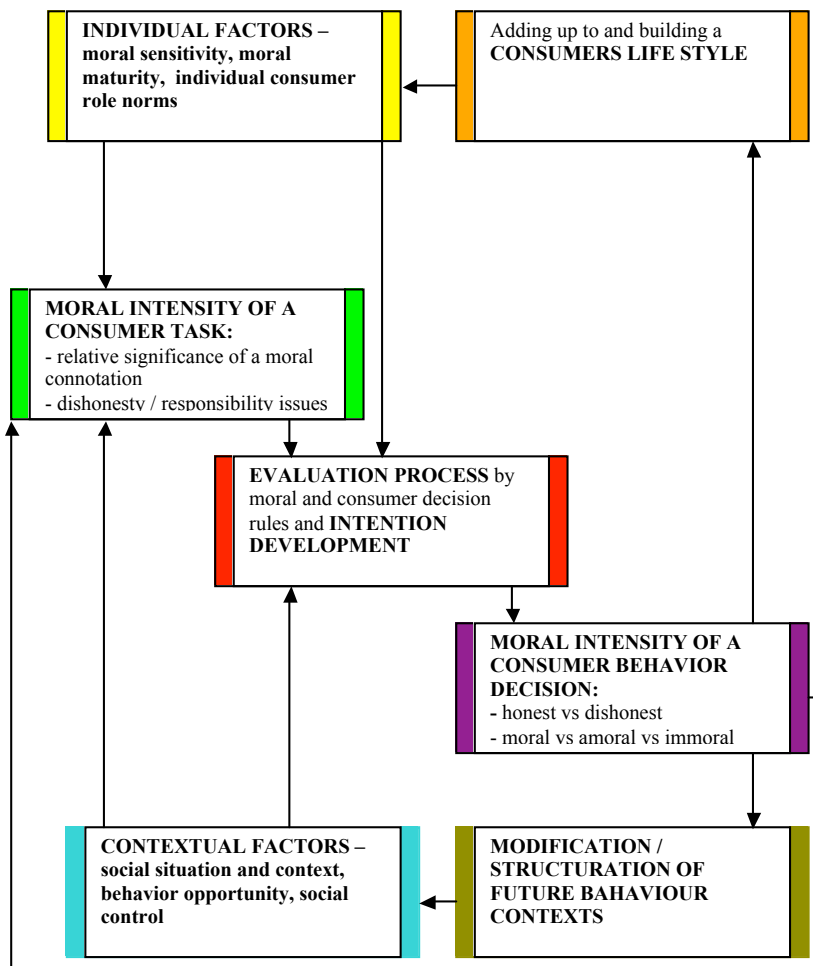
1. Globalisation of the markets and the weakening of national governments – there has been a rapid globalisation of markets in the second half of the twentieth century. One consequence of this is that the ability of national governments to regulate company behaviour has weakened. This weakening occurs: a) directly – through ceding rights to regulate markets to supranational institutions (WTO, EU, NAFTA); b) indirectly – through competitive pressures of FDI – governments offering fewer regulations to be able to attract greater levels of capital investments.
2. The rise of transnational corporations – profit seeking businesses have grown to become dominant global institutions, with financial resources far exceeding those of national governments in many instances. Despite their great financial power, those companies with brands in consumer markets are both highly visible and vulnerable to attacks from organisations objecting to particular activities.
3. The rise of single-issue pressure groups – in the past, analysts viewed pressure groups as seeking primarily to promote their members interests. Such groups have been described using variety of terms including ‘cause groups’, ‘public interests groups’, ‘promotional pressure groups’, ‘NGOs’, ‘expressive interest groups’, and usually ‘single-issue pressure groups’. These groups are trying to pursue quality of life concerns as well as to address new issues resulting from globalisation and technological change.
4. Technological change – this factor is moving at its own pace, independent of other factors. The introduction of powerful new technologies can yield enormous benefits and, at the same time, threaten social relationships, environments, animal welfare and human health. In modern societies, it is quite right that public debate should focus on the extent to which new technologies benefits the common good. And where technologies-such as human cloning-are found to be generally unacceptable, it is inevitable that societies will reject and prohibit their use.
5. A shift in market power towards consumers – it has been commonly recognised that there has been a tilt in market power from producer to consumer over the last three decades or so. Ironically, perhaps, the very forces of economic globalisation and deregulation which are disempowering national governments have significantly increased choice and competition, which, in turn, is shifting the balance of power away from companies toward consumers. Digital technology also plays a part in accelerating this power shift by providing consumers with comprehensive and instantly available information about products, services, companies, prices etc.
6. The effectiveness of market campaigns – one reason for the increase in market campaigning has been its demonstrable effectiveness in achieving campaign goals. Pressure groups can observe other groups wresting significant concessions from corporations and can identify the potential for similar actions in their sphere of interest. The modern consumer is primarily characterized as a well educated and informed (Žnideršić, Marić, 2007., pg. 211.).
7. The corporate accountability movement – the corporate accountability movement has not only been able to share information quickly on specific campaigns against specific companies, but also to marshal and develop powerful intellectual arguments for corporate responsibility generally. All activities within the

corporate accountability movement help to provide an intellectual framework for ethical consumer action and further help to encourage its use.

Every study of the phenomenon of consumer ethics and ethical behaviour involves proposing various models of ethical consumer behaviour and decision-making process-

es, within which effects of many factors, such as freedom of choice, access and flow of information, criteria for the selection, lifestyle, etc. are explained. One of the more complex and comprehensive models, proposed by Brinkmann & Peattie (2008, p. 25) is shown in Figure 1.

Figure 1. Model of ethical consumer behaviour



Source: Brinkmann J. & Peattie K., CONSUMERS ETHICS RESEARCH: REFRAMING THE DEBATE ABOUT CONSUMPTION FOR GOOD, EJBO Electronic Journal of Business Ethics and Organization Studies 2008, Vol. 13. No 1, p 25

The key problem that burdens the researchers into the phenomenon of ethical consumer behaviour and ethical consumption does not lie entirely in providing an answer to the question: "Is ethical consumption, that is, consumption of goods and services recognized as ethical in rise, stagnation or decline?" The answer to this question is very simple and positive. It is furthermore supported by very specific figures from the various reports. One of the most comprehensive and most frequently analyzed reports on the development of ethical consumption is definitely The Ethical Consumerism Report, which has been produced and published since 1990 by two highly credible institutions – The Co-operative Group and ECRA (Ethical Consumer Research Association). According to their report for 2011, some of the most interesting facts concerning the United Kingdom market, as the representative sample, are:

- Despite the prevailing economic crisis, sales of ethical products and services continue to rise at a yearly rate of 9%;
- Average ethical consumption per household has risen from 291£ in 2000 to 868£ in 2010;
- The following figures illustrate the trends concerning five

basic categories of products and services observed in the report:

- Food and drinks – increase in consumption by 5.07%, within which recorded sales of products labelled 'fair-trade' exhibits the biggest rise (36%), while sales of organic food continues to decline by 10% for three consecutive years;
- Environmentally friendly dwelling, the so-called Green Home – increase in consumption by 13.91%, with the decline in consumption of rechargeable batteries by 17.07%;
- Eco Transport – increase in consumption by 17.87%, with the decline in use of public transportation by 6.96%, but an increase in purchases of ecological vehicles by 128.65%;
- Personal ethical products – increase in consumption by 7.76%, with a decline in consumption of clothing labelled as ethical of 7.76% and a decline in consumption of clothing fabricated from recycled materials by 17.05%;

- Ethical Money – recorded growth in consumption by 9.29%,
- Despite all positive trends regarding the increase in ethical consumption, its participation in overall consumption remains very low, just about 6%.

What analysts of ethical consumption find worrying, that is, the key problem of its slow growth rests in the trends in the behaviour of consumers, who, as is noted in the Report, reduce their activities regarding:

- recycling activities,
- providing recommendations and positive word-of-mouth for companies that operate in accordance with ethical principles,
- stagnation in choosing products and services based on criteria concerning corporate ethical reputation,

- stagnation regarding the feel of guilt for purchasing unethical products or services.

Such trends in ethical consumer behaviour can be aptly explained by the '30:3 phenomenon' (Bray, Johns & Kilburn, 2011, p. 597), which is related to the fact that 30% of consumers declare themselves as ethically-motivated shoppers, while 'fair-trade' labelled products make up just 3% of overall consumption. It is this incongruity between intentions and actual purchases that represents the most interesting topic for the theory and practice of marketing, regarding the application of ethics in consumption.

3. GAP BETWEEN THE ETHICAL PURCHASE INTENTIONS AND ACTUAL BUYING BEHAVIOUR

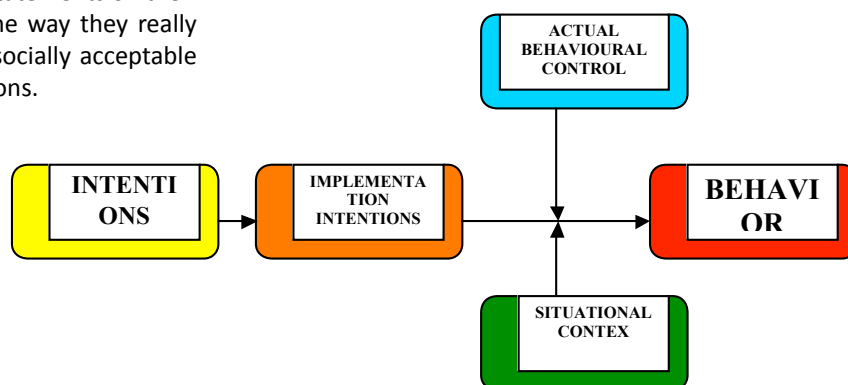
Inconsistencies between declarative statements on purchase intentions and actual purchasing decisions and choices have drawn attention of numerous researchers from various fields, such as marketing, psychology, sociology, and of course, ethics. Companies that experience repercussions of any inconsistencies between the behaviour of their consumers and their statements during marketing research activities, in terms of business performance, increase in sales and market growth, find this phenomenon particularly interesting.

A situation where actual consumer behaviour differs from their previously stated intentions is referred to as 'the attitude-behaviour gap', 'the intentions-behaviour gap', or 'the word-deed gap' in professional literature. (Carrington, Neville & Whitwell, 2010, p. 141). Explanation of the origin of the behaviour gap is based on two contemplations (De Pelsmacker, Driesen & Rayp, 2005, p. 364). The first one states that consumers' attitudes and perceptions unquestionably determine their intentions and purchase behaviour. Accordingly, a certain number of ethical behaviour models were proposed. The second states that it has been confirmed on numerous occasions that attitudes and statements on consumer intentions represent very unreliable sources for predicting their actual purchases, especially in the domain of social marketing. The latter is an outcome of the so-called 'consumer dissonance', which reflects the situation where consumers do not make statements on their behaviour, preferences or intentions the way they really feel, but the way they consider to be socially acceptable and presents themselves as better persons.

At present, an increasing number of consumers refuse to purchase products with any unethical attributes. However, most consumers in the market make their purchase decisions based on the overall analysis of all relevant product qualities, not just ethical. Price, quality, availability, brand, service, terms of payment etc. are still dominant factors in deciding on a purchase, compared to ethical factors. Sometimes, the reasons for not purchasing ethical products, although that was the original intention, are trivial in nature and include: insufficient amount of money at the time of purchase, shortage of the wanted ethical product at the particular retail outlet, or substantial discounts and aggressive proportion of competing unethical products present at the particular retail outlet.

The above stated implies the importance and the complexity of understanding the gap between intentions and actual behaviour. Carrington, Neville & Whitwell (2010) provided one of most comprehensive holistic approaches to the explanation of the 'intentions-behaviour gap', using all advantages and avoiding all shortcomings of three previous, most frequently used concepts for explaining these inconsistencies – 'implementation intention', 'actual behaviour control' (ABC), and 'situational context' (SC).

Figure 2. Intention-behaviour mediation and moderation model of the ethically minded consumer



Source: Carrington, M.J., Neville, B.A. & Whitwell G.J. (2010.), WHY ETHICAL CONSUMERS DON'T WALK THEIR TALK: TOWARDS A FRAMEWORK FOR UNDERSTANDING THE GAP BETWEEN ACTUAL BUYING BEHAVIOUR OF ETHICALLY MINDED CONSUMERS, Journal of Business Ethics 2010, Vol. 97. No 2., p. 144

Almost all models for understanding and analyzing the decision-making process and overall behaviour of ethical consumers provided by this theory, as stated by Carrington, Neville & Whitwell (201, p. 142), are based on the foundations of the Reasoned Action Theory and Planned Behaviour Theory. As such, most of these models are essentially based on cognitive progression:

- Beliefs determine attitudes,
- Attitudes lead to intentions,
- Intentions influence behaviour.

This reasoning should be complemented by the fact that social norms, as well as individual behaviour control, influence the ethical consumer behaviour.

Criticism directed at the presented models of ethical consumer behaviour was mostly concerned with insufficient distinction between the attitudes-behaviour gap and the intentions-behaviour gap. Additionally, the criticism was directed towards the belief that purchase intentions are often not transformed into actual purchases, although extensions of proposed models encompassed the analysis of the impact of consumer's personal value system and their internal ethics.

However, the greatest criticism was directed at the complete disregard of the influence of external factors and situational context (physical environment of the purchase, social environment, objectives of purchase, time of purchase and antecedent states) on ethical consumer behav-

iour, as well as for the influence of consumer's individual control of their own behaviour and decision-making in the course of purchasing. This control refers to individuals' skills and capabilities to direct their behaviour and control it, as well as to their moment of will, disposable time, financial position, other people's support, knowledge, habits, dependencies and weaknesses that impact the purchasing decision.

Model presented by the authors, shown in Figure 2, represents an innovated, integrated and holistic approach to analyzing the issues of ethical consumer behaviour, which upgrades all mentioned shortcomings of present models of behaviour. This model incorporates and displays the combined simultaneous influence of all factors that cause the gap in the behaviour of ethical consumers, that is, the inconsistency existing primarily between intentions and actual ethical behaviour.

The model points out that the purchase intention, as an individual's single deliberation, is generated under the influence of various factors, such as attitudes, beliefs, social norms etc. However, if a consumer is under the influence of situational factors, and/or consumer behaviour control factor that differ from their attitudes and intentions in terms of direction and intensity, these factors can often prevail and result in consumer's adaptation to these factors, that is, divergence of actual behaviour from the intended behaviour.

4. ETHICAL CONSUMER BEHAVIOUR – SOME SERBIAN EXPERIENCES

Following the practices present within developed market economies, ethical consumer behaviour captures more interest within academic and business milieus of transition countries like Serbia. Economic crisis (although crisis has been a normal state of living and doing business in Serbia for 20 years now) and painful social and economic reforms implied by the transitional period have caused significant changes in consumers' value systems, attitudes, intentions and (un)ethical behaviour. Data provided by the Association of Serbian Insurers stating that the yearly value of frauds, that is, false damage reports and claims, surpasses 4 million euros seems both disturbing and alarming (Retrieved from <http://www.reosiguranje.com/vesti/1483-prevare-u-osiguranju-u-ekspanziji.html> 10.07.2012, 10:15), as well as the fact that there is an increase in thefts at convenience stores at a yearly rate of 10%. (Retrieved from <http://www.economy.rs/vesti/17275/U-porastu-broj-kradja-u-trgovinama-u-svetu-i-kod-nas.html> 20.07.2012, 12:00). Problem concerning deviant and inappropriate (unethical) consumer behaviour are also present in developed countries, which adds to the severity of this issue.

Research conducted at the University of Novi Sad, Faculty of Economics Subotica and its Novi Sad branch attempted to determine general attitudes towards ethical behaviour in purchasing and particular intentions related to purchasing a product recognized as ethical, depending whether the survey is public or anonymous. Research included 120 respondents from the student population, divided into two equal groups. One group filled out an anonymous questionnaire, while the other had to state their name. It was assumed that there were no significant differences between two observed groups and that student were randomly divided into these groups. On only parts of the conducted research are presented, due to conference limitations.

Q1: To what extent would you describe yourself as an 'ethical consumer'?

GROUP 1– Anonymous

	Number of respondents	%
Great deal	4	7%
Fair amount	12	20%
Not very much	28	47%
Not at all	9	15%
Don't know	7	11%
Σ	60	100%

GROUP 2– Identified

	Number of respondents	%
Great deal	9	15%
Fair amount	19	32%
Not very much	22	37%
Not at all	2	3%
Don't know	8	13%
Σ	60	100%

The structure of given responses emphasized the obvious problem concerning the lack of awareness on ethical consumer behaviour. The problem is additionally deepened by the fact that these were students, who represent the intellectual potential of each country. Divergences between structures of answers by the two groups are also evident – the anonymous group provided much more negative answers. This can be ascribed to a greater level of sincerity, but also to the greater level of indifference to the survey. The issue of respondents' comprehension of the term 'ethical consumer' also remains open.

Q2: As a consumer, can I make a difference to how responsibly a company behaves?

GROUP 1– Anonymous

	Number of respondents	%
Strongly agree	6	10%
Tend to agree	19	32%
No opinion	8	13%
Tend to disagree	20	34%
Strongly disagree	7	11%
Σ	60	100%

GROUP 2– Identified

	Number of respondents	%
Strongly agree	10	17%
Tend to agree	24	40%
No opinion	11	18%
Tend to disagree	9	15%
Strongly disagree	6	10%
Σ	60	100%

The analysis of respondents' answers has exposed a tendency of growth in positive answers within the group of identified respondents, which can be interpreted by the fact that respondents feel that they are expected to be aware of their role and power as consumers. Answers given by anonymous respondents were clearly diverged and fairly balanced. It can be concluded that respondents do not make use of their consumer power over the corporate conduct, since they themselves do not behave ethically enough.

Q3: Do you find ethical consumption and ethical consumer behaviour very important and good for:

GROUP 1– Anonymous

	YES	NO	Σ
My own sake	60 / 100%	0 / 0%	60 / 100%
My family	58 / 97%	2 / 3%	60 / 100%
The environment	60 / 100%	0 / 0%	60 / 100%
Generally good for my country	60 / 100%	0 / 0%	60 / 100%
Only companies that produces such products	18 / 30%	42 / 70%	60 / 100%

GROUP 2 – Identified

	YES	NO	Σ
My own sake	60 / 100%	0 / 0%	60 / 100%
My family	60 / 100%	0 / 0%	60 / 100%
The environment	60 / 100%	0 / 0%	60 / 100%
Generally good for my country	60 / 100%	0 / 0%	60 / 100%
Only companies that produces such products	11 / 18%	49 / 82%	60 / 100%

The question was formulated with the purpose of revealing respondents' general attitudes towards the importance and benefits of ethical consumption and ethical behaviour. The structure of answers confirms that their attitudes are nearly identical – affirmative. This further emphasizes the issue of the gap described above, that is to say, disparity in behaviour and consumer attitudes and intentions, which is typical for both transition and highly developed countries. A significant number of answers suggesting that respondents believe only certain companies receive benefits from ethical consumption must not be overlooked. This may be the partial reason why consumers do not transform their attitudes and intentions into actual purchases of ethical products.

Q4: How often, if at all, have you done each of the following in the last 12 months?

GROUP 1– Anonymous

	Done at least once	Done 5+ times	Haven't done	Σ
Recycled waste	23 / 38%	6 / 10%	31 / 52%	60 / 100%
Bought primarily for ethical reasons	21 / 35%	32 / 53%	7 / 12%	60 / 100%
Actively campaigned about an environmental / social issue	4 / 7%	0 / 0%	56 / 93%	60 / 100%
Recommended a company because of ethical reputation	29 / 48%	16 / 27%	15 / 25%	60 / 100%
Avoided products because of a company's ethical reputation	34 / 57%	21 / 35%	5 / 8%	60 / 100%
Returned damaged products when the damage was your own fault	16 / 27%	0	44 / 73%	60 / 100%
Said nothing when a waiter miscalculated the bill in your favour	23 / 38%	0	37 / 62%	60 / 100%
Got too much change and not say anything	19 / 32%	0	41 / 68%	60 / 100%
Lied about your age or status in order to get a discount	21 / 35%	12 / 20%	27 / 45%	60 / 100%
Tested food and drinks in supermarket and not bought anyway	19 / 32%	24 / 40%	17 / 28%	60 / 100%

GROUP 2 – Identified

	Done at least once	Done 5+ times	Haven't done	Σ
Recycled waste	31 / 52%	13 / 22%	16 / 26%	60 / 100%
Bought primarily for ethical reasons	23 / 38%	33 / 55%	4 / 7%	60 / 100%
Actively campaigned about an environmental / social issue	7 / 12%	1 / 2%	52 / 86%	60 / 100%
Recommended a company because of ethical reputation	30 / 50%	24 / 40%	6 / 10%	60 / 100%
Avoided products because of a company's ethical reputation	35 / 58%	21 / 35%	4 / 7%	60 / 100%
Returned damaged products when the damage was your own fault	13 / 22%	0	47 / 78%	60 / 100%
Said nothing when a waiter miscalculated the bill in your favour	19 / 32%	0	41 / 68%	60 / 100%
Got too much change and not say anything	17 / 28%	3 / 5%	40 / 67%	60 / 100%
Lied about your age or status in order to get a discount	23 / 38%	13 / 22%	24 / 40%	60 / 100%
Tested food and drinks in supermarket and not bought anyway	17 / 28%	14 / 23%	29 / 49%	60 / 100%

By analyzing the structure of responses associated with performing and forbearing ethical actions in situations when a conditional justification for such forbearing exists, since the action was not initiated by the consumer, it can be noticed that, with an already present divergence between groups of anonymous and identified respondents, many of the anonymous decide not to take action if the circumstances suggest that they can benefit from such forbearing. This can be ascribed to mindsets of respondents, who

recognize actions in such situations as resourcefulness. The data suggesting respondents' impassiveness towards ecological behaviour and waste recycling also appears alarming, since this can be a source of a large amount of savings, and is therefore exceptionally important for weak economies, as is Serbian.

Q5: Are you planning to behave ethical in future and buy primarily ethical products?

	No	I shall do my best	Certainly
Group 1 – Anonymous	1 / 2%	38 / 63%	21 / 35%
Group 2 – Identified	0	32 / 53%	28 / 47%

The structure of responses to the question on future intentions associated with ethical behaviour and consumption further supports the acknowledged assertion that consumers have clearly devised, predominantly affirmative,

attitudes towards ethical behaviour that they translate into positive purchase intentions and behavioural intentions in general. However, these intentions are frequently not transformed into their actual ethical behaviour.

4. CONCLUSIONS

Contemporary trends in the business environment, technological development and general human existence address many issues concerning sustainability of economic and overall social development. Challenges of intensive growth in the world's population amid limited natural resources have led to the widespread affirmation of problems related to environmental protection and sustainability, specifically, the role of economy in this process. On the other hand, market globalization and intensive competition for each consumer have developed consciousness among consumers that their voice can be heard on the market, and that their bargaining position becomes more powerful, as a result of consumer organization in the consumerism movement. Growing demands imposed on

companies by consumers not only reflect the satisfaction of their personal needs and wants, but also increasingly address general needs of the society. Under such circumstances, ethical issues of business and marketing are becoming more significant. However, the subject of research is expanding to the consumers, that is, ethical attributes of their behaviour. Present discoveries have identified different models of ethical consumer behaviour, as well as the incongruity of their attitudes and intentions on the one hand, and their behaviour on the other. The future brings challenges associated with improving the understanding of causes of the behavioural gap and, above all, preventing it from occurring, or reducing it substantially.

LITERATURE:

1. Beauchamp T.L., Bowie N.E., Arnold D.G. (2009.), *Ethical Theory and Business*, Pearsons: Pretince Hall
2. Bray J., Johns N., Kilburn D. (2011.), An Exploratory Study into the Factors Impeding Ethical Consumption, *Journal of Business Ethics* 2011, Vol 98. No 4., pg 597-608
3. Brenkert Dž. Dž. (2011.), *Marketinška Etika*, JP Službeni Glasnik
4. Brinkmann J., Peattie K. (2008.), Consumers Ethics Research: Reframing the Debate about Consumption for Good, *EJBO Electronic Journal of Business Ethics and Organization Studies* 2008, Vol 13. No 1., pg 22-31
5. Carrington M.J., Neville B.A., Whitwell G.J. (2010.), Why ethical Consumers Don't Walk Their Talk: Towards a Framework for Understanding the Gap Between Actual Buying Behavior of Ethically Minded Consumers, *Journal of Business Ethics* 2010, Vol 97. No 2., pg 139-158
6. De Pelsmacker P., Driesen L., Rayp G. (2005.), Do Consumers Care about Ethics? Willingness to pay for fair-trade coffee, *The Journal of Consumer Affairs* 2005, Vol 39. No 2., pg 363-385
7. Flavin C. (2004.), *State of the World 2004: A worldwatch institute report on progress toward a sustainable society (preface)*, New York: W.W.Norton & Company Inc.
8. Harrison R., Newholm T., Shaw D. (2005.), *The Ethical Consumer*, London: Sage Publications Ltd.
9. Kotler P. (2000.), *Marketing Management*, New York: Pretince Hall
10. Muncy J.A., Vitell S.J. (1992.), Consumer Ethics: An empirical investigation of the ethical beliefs of the final consumer, *Journal of Business Research* 1992, Vol 24. No 1., pg 297-312
11. Salai S., Grubor A.: *Etika i marketing istraživanje*, *Marketing* 2006, Vol. 37. No 2., pg 65-71
12. Žnideršić Kovač R., Marić D. (2007.), *Društvene determinante ponašanja potrošača*, Ekonomski fakultet Subotica

Internet:

1. **Ethical Consumerism Report 2011.** Retrieved from <http://www.co-operative.coop/PageFiles/416561607/Ethical-Consumerism-Report-2011.pdf> 22.04.2012. u 14h
2. **Yearly value of frauds**, Retrieved from <http://www.reosiguranje.com/vesti/1483-prevare-u-osiguranju-u-ekspanziji.html> 10.07.2012, 10:15
3. **Increase in thefts at convenience stores**, Retrieved from <http://www.economy.rs/vesti/17275/U-porastu-broj-kradja-u-trgovinama-u-svetu-i-kod-nas.html> 20.07.2012, 12:00