

ETHICAL CONSUMERISM AND THE RISE OF CONSCIOUS BUYING IN THE FMCG SECTOR

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ABSTRACT

Ethical consumerism and the rise of conscious buying have emerged as transformative trends in the Fast-Moving Consumer Goods (FMCG) sector. Increasing awareness of environmental sustainability, social responsibility, and corporate ethics has shifted consumer preferences beyond price and convenience toward values-driven purchasing decisions. The consumers are evaluating products not only on their quality and affordability but also on their impact on society and the planet. This shift has prompted FMCG companies to adopt sustainable sourcing practices, eco-friendly packaging, fair-trade policies, and transparent supply chains. The rise of digital platforms and social media has further empowered consumers to make informed choices, amplifying the demand for accountability and authenticity. Ethical consumerism is no longer a niche phenomenon but a mainstream force reshaping brand strategies, innovation, and competitive advantage in the FMCG industry. This paper explores the drivers of conscious buying, its implications for businesses and consumers, and the challenges companies face in balancing profitability with responsibility. Ultimately, the study underscores that

integrating ethics into consumer markets is not only a moral imperative but also a strategic necessity for long-term growth and resilience in the FMCG sector.

Keywords: Ethical Consumerism, Conscious Buying, Sustainability, Fair Trade, Corporate Social Responsibility (CSR), Green Marketing, Sustainable Packaging, Consumer Awareness, Responsible Consumption.

1. INTRODUCTION

In the 21st century, consumer markets are undergoing a paradigm shift, driven by heightened awareness of social, ethical, and environmental responsibilities. Traditional consumption patterns, once dominated by affordability, convenience, and brand recognition, are now increasingly influenced by ethical considerations such as sustainability, fair labour practices, and ecological impact. This shift has given rise to the concept of ethical consumerism, where purchasing behaviour is consciously shaped by moral values, and to the broader phenomenon of conscious buying, in which consumers actively seek products that align with their principles.

The Fast-Moving Consumer Goods (FMCG) sector plays a central role in this transformation. Being one of the most dynamic and competitive industries, FMCG encompasses essential everyday products ranging from food and beverages to personal care and household items. Its vast global reach and reliance on complex supply chains mean that decisions made within this sector have profound implications for labor rights, resource use, waste management, and climate change. For instance, issues such as single-use plastics, child labor in raw material sourcing, and carbon emissions have sparked global debates, putting FMCG companies under growing scrutiny from both regulators and consumers.

The rise of digital technologies and social media platforms has further accelerated the growth of ethical consumerism. Consumers are now empowered with instant access to information regarding a company's sourcing practices, labor policies, environmental footprint, and overall corporate governance. Social media activism and online campaigns can quickly amplify consumer concerns, compelling brands to act responsibly and transparently. As a result, many FMCG companies are adopting strategies such as sustainable packaging, carbon-neutral manufacturing, cruelty-free product testing, and fair-trade certification to align with evolving consumer expectations.

Ethical consumerism is also influenced by generational values. Younger consumers, particularly Millennials and Gen Z, exhibit stronger preferences for brands that demonstrate authentic commitments to sustainability and corporate social responsibility (CSR). Surveys consistently reveal that these demographic groups are more willing

to pay premium prices for ethically produced goods, making ethical branding a source of competitive advantage. Conversely, companies that fail to address these concerns risk reputational damage and consumer boycotts.

Despite its promise, the movement toward ethical consumerism in the FMCG sector is not without challenges. Firms must navigate higher production costs, supply chain complexities, and accusations of greenwashing, where sustainability claims are exaggerated or misleading. Moreover, consumer behavior itself often reflects a “value-action gap,” where intentions to buy ethically may not always translate into actual purchase decisions due to price sensitivity or lack of availability.

This study seeks to examine the drivers, implications, and challenges of ethical consumerism and conscious buying within the FMCG industry. Specifically, it aims to:

1. Identify the key factors motivating consumers to adopt conscious buying behaviors.
2. Analyze how FMCG firms are responding through innovation, sustainable practices, and CSR initiatives.
3. Explore the tensions between profitability, authenticity, and responsibility in the implementation of ethical strategies.

Ultimately, the discussion highlights that ethical consumerism is not a passing trend but a structural shift in global consumption patterns. For FMCG companies, embracing ethics and sustainability is no longer optional—it has become a strategic necessity to ensure competitiveness, brand loyalty, and long-term growth in an era defined by conscious consumer choices.

2. REVIEW OF LITERATURE

Shaw et., al (2021) provide a broad interdisciplinary review of consumption ethics, synthesizing moral, sociological, and marketing perspectives. They map research streams (e.g., fair trade, animal welfare, environmentalism) and call for integrative approaches that link values, institutions, and market structures—an agenda highly relevant to FMCG firms seeking systemic change. Their review highlights persistent conceptual fragmentation and recommends more cross-disciplinary and longitudinal work to capture evolving consumer ethics. **Whitwell et., al (2010)** examine why ethically minded consumers frequently fail to translate intentions into purchases—a key issue for FMCG where choice frequency and price sensitivity are high. They outline psychological (e.g., moral licensing), structural (availability, price), and informational (label trust) barriers and propose a multi-level framework to study the gap. Their work is foundational for studies testing interventions (e.g., nudges, certification) in FMCG contexts. **Kutaula et al. (2024)** introduce a Journal of Business Ethics

special issue on ethical consumerism in emerging markets and provide a thematic literature review emphasizing context dependence (culture, affluence, institutional quality). They show that drivers and constraints of ethical buying differ markedly between emerging and developed markets—an essential caveat for FMCG brands operating across geographies. Their review also highlights methodological gaps (overreliance on cross-sectional surveys) and future directions. **Malik, G. (2025)** comprehensive systematic review synthesizes findings on consumer ethics, linking ethical sensitivity and judgment with consumption behaviors (Malik, recent). The paper aggregates evidence that ethical awareness alone is insufficient; contextual moderators (price, trust in labels, social norms) often determine whether values become action—insights directly applicable to FMCG product positioning and pricing strategies. **Agu, & Ijomah (2024)** review case studies of sustainable packaging, waste reduction, renewable energy use, and ethical sourcing within FMCG. They document successes (recyclable packaging pilots, supplier transparency programs) and recurring challenges (cost, supply chain integration, consumer acceptance), offering practical recommendations for scaling circular practices. This industry-focused review is valuable for managers designing operational sustainability roadmaps. Larranaga et al. (2022) synthesize research on how consumers perceive and categorize eco-friendly products, showing that heterogeneity in label comprehension and category expectations strongly affects choice. For FMCG, where rapid in-store decisions are common, clear categorization and consistent labelling are crucial to convert ethical intent into purchase. The review suggests standardized labels and retailer support to reduce cognitive load at point of sale. **Rouf, M. A. (2025)** recent work on reverse logistics links consumer willingness to participate in product take-back and recycling programs to firm capabilities and product characteristics. The study argues that designing FMCG products for end-of-life return and communicating convenience benefits increases ethical uptake—an operational angle often overlooked in behavioural studies. This line of research bridges consumer ethics and supply-chain design, providing actionable insights for circular FMCG models.

3. OBJECTIVES OF THE STUDY

- To analyse the level of ethical awareness among FMCG consumers.
- To assess the challenges and opportunities faced by FMCG companies in promoting ethical products.

4. SCOPE OF THE STUDY

This study focuses on understanding the dynamics of ethical consumerism and the growing trend of conscious buying within the Fast-Moving Consumer Goods (FMCG) sector. It aims to explore the attitudes, motivations, and behavioural patterns of consumers who prioritize ethical considerations—such as environmental

sustainability, fair trade, cruelty-free products, and corporate social responsibility—when making purchasing decisions.

5. METHODOLOGY

The research adopts a descriptive and exploratory design to understand consumer attitudes, motivations, and actual purchase behaviours related to ethical consumption. The study aims to measure key factors influencing consumer choices and evaluate the strategic responses of FMCG companies.

Sampling Technique: A **stratified random sampling** method is used to ensure representation across various age groups, income levels, and educational backgrounds.

Sample Size: The sample size is 385 **respondents** for this study.

Data Collection Methods: Structured Questionnaire: A self-administered online and offline survey with Likert- scale items to assess ethical awareness, purchase intent, influencing factors, and buying behaviour. Relevant academic literature, market research reports, sustainability initiatives of FMCG brands, and consumer behaviour studies.

6. DATA ANALYSIS AND INTERPRETATION

Table.1 Descriptive Statistics of Consumer Profiles and Ethical Buying Behaviour

Variable	Measure	Frequency (n)	Percentage (%)
Gender	Male	170	44.2%
	Female	215	55.8%
Age Group	18–25 years	110	28.6%
	26–35 years	140	36.4%
	36–45 years	85	22.1%
	46 and above	50	13.0%
Education Level	Undergraduate	150	39.0%
	Postgraduate	170	44.2%

	Others (Diploma/High School)	65	16.8%
Monthly Household Income	Below 1000	90	23.4
	1000-3000	160	41.6
	Above 3000	135	35

Source: Primary Data

Interpretation

From the table.1 show that Gender of the respondent's higher proportion of respondents were female (55.8%). Most participants were in the 26–35 age range (36.4%), indicating a young adult dominance in ethical buying engagement. A significant number (44.2%) held a postgraduate degree, suggesting a relatively well-educated sample, which may influence ethical awareness. The majority of participants earned between Rs.1000–Rs.3000 per month (41.6%), representing middle-income consumers.

6.1 CHI-SQUARE TEST

The association between personal factors and level of ethical awareness among FMCG consumers.

H₀: There is no association between personal factors and level of ethical awareness among FMCG consumers.

H₁: There is association between personal factors and level of ethical awareness among FMCG consumers.

Table. 2 Association between Personal factors and level of ethical awareness among FMCG consumers

S. No	Variables	Calculated value	DF	Sig.	Result
1.	Gender	19.670	19	.415	Accepted
2.	Age	63.030	57	.272	Accepted
3.	Education Qualification	44.090 ^a	57	.895	Accepted
4.	Occupation	39.095 ^a	38	.420	Accepted
5.	Marital status	14.735 ^a	19	.739	Accepted
6.	Family Income	84.888 ^a	76	.227	Accepted
7.	Size of family	31.796 ^a	38	.751	Accepted

8.	Area of Residence	16.614 ^a	19	.616	Accepted
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Source: Primary Data

As the p values of all eight personal factors are more than 0.05, it is concluded that there is no association between personal factors and level of ethical awareness among FMCG consumers. The null hypothesis is accepted.

6.2 WEIGHTED AVERAGE RANK

The challenges and opportunities faced by FMCG companies in promoting ethical products. The weight age 7th for 1st rank, 6th for 2nd rank, 5th for 3rd rank, 4th for 4th rank, 3rd for 5th rank, 2nd for 6th rank, 1st for 7th rank.

Table.3 Weighted Average Rank

S. No	Factors	Weight							Total	Weighted Average Rank	Rank
		7	6	5	4	3	2	1			
		Weighted Score									
1.	Increased Costs	553	408	375	240	150	60	23	1809	4.69	I
2.	Consumer Scepticism	581	354	215	120	150	100	70	1590	4.13	II
3.	Transparency in Supply Chains	441	240	285	260	120	120	60	1526	3.96	IV
4.	Competition	532	300	295	268	87	82	63	1627	4.23	III
5.	Regulatory Compliance	224	288	265	160	177	114	96	1324	3.43	VII
6.	Enhanced Brand Image	420	180	250	92	204	150	79	1375	3.57	VI
7.	Competitive Advantage	266	288	290	172	147	134	82	1379	3.58	V

Weight Score= Weight* No. of respondents Weighted average rank= Total/ sum of weight

Table.3 shows that nearness has got first rank in the increased costs FMCG followed by consumer scepticism. The competition has got third rank, transparency in supply chains have got fourth rank, competitive advantage has got fifth rank, enhanced brand image has got sixth rank, and regulatory compliance have got seventh rank in the challenges and opportunities faced by FMCG companies in promoting ethical products.

7. FINDINGS OF THE STUDY

Demographic Profile

- A higher proportion of respondents were female (55.8%), suggesting that women are more engaged in ethical consumerism within the FMCG sector.
- The 26–35 age group (36.4%) formed the largest segment, indicating that young adults are the dominant participants in ethical buying practices.
- A significant portion of respondents held postgraduate degrees (44.2%), showing that education level may contribute to heightened ethical awareness.
- Many participants belonged to the middle-income group (Rs.1000–Rs.3000 per month, 41.6%), highlighting affordability as a critical factor in ethical purchasing decisions.

Association Between Personal Factors and Ethical Awareness

- Statistical analysis revealed that p-values of all eight personal factors exceeded 0.05, confirming no significant association between personal factors (such as gender, age, education, and income) and the level of ethical awareness.
- Thus, the null hypothesis is accepted, suggesting that ethical awareness is relatively uniform across different demographic segments.

Challenges and Opportunities in Promoting Ethical FMCG Products

- Nearness (convenience/availability) was ranked first, highlighting that product accessibility is the most crucial factor influencing consumer ethical buying.
- Competition ranked third, indicating market rivalry as a significant challenge.
- Transparency in supply chains secured the fourth rank, suggesting moderate importance but a key area for improvement.
- Competitive advantage (fifth) and enhanced brand image (sixth) were seen as moderate opportunities for firms.
- Regulatory compliance was ranked the lowest (seventh), showing that consumers perceive legal obligations as less influential compared to other factors.

8. SUGGESTION

- Companies should improve the availability and distribution channels of ethical products to ensure they are easily accessible to consumers.
- Partnering with local retailers and e-commerce platforms can help bridge the gap in product nearness.
- Transparent labelling, third-party certifications, and clear communication about ethical practices can reduce doubts about authenticity.
- Regular awareness campaigns can educate consumers about the company's sustainability and ethical initiatives.
- Since young adults dominate ethical buying, FMCG firms should design campaigns targeting this demographic, using digital marketing and social media strategies.
- Well-educated consumers can act as ethical brand ambassadors. Companies should involve them in promotional drives, panel discussions, or feedback forums to build trust.
- Ethical practices should be positioned not just as compliance, but as a unique selling proposition (USP) that differentiates brands from competitors.
- Companies should adopt traceability technologies like blockchain or QR-code-based product information to enhance consumer trust.
- While compliance is essential, companies must go beyond legal requirements to genuinely embrace ethical practices, which will gradually enhance their brand image and customer loyalty.

9. CONCLUSION

The study reveals that ethical consumerism in the FMCG sector is gaining momentum, particularly among young, educated, and middle-income consumers, with women showing higher participation. However, statistical analysis confirms that personal factors such as gender, age, education, and income do not significantly influence the level of ethical awareness, indicating that ethical buying behavior is shaped more by collective values and perceptions than by demographics.

The ranking analysis highlights that product accessibility (nearness) is the foremost driver influencing ethical purchases, followed closely by consumer skepticism, while regulatory compliance ranks the lowest, suggesting that consumers prioritize convenience and trust over legal enforcement.

For FMCG companies, this presents both challenges and opportunities. By ensuring product availability, enhancing transparency, and addressing consumer doubts, businesses can strengthen trust and loyalty. Ethical practices, when positioned as a competitive differentiator rather than mere compliance, can help firms gain an edge in the market while simultaneously contributing to social and environmental sustainability.

Thus, it can be concluded that ethical consumerism is not just a passing trend but a growing movement that FMCG companies must embrace strategically to remain relevant and competitive in the future marketplace.

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