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978-0-521-74755-4 - The Myth of the Ethical Consumer

Timothy M. Devinney, Pat Auger and Giana M. Eckhardt

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The Myth of the Ethical Consumer

Do consumers really care where products come from and how they are made? Is there such a thing as an “ethical consumer”?

Corporations and policy makers are bombarded with international surveys purporting to show that most consumers want ethical products. When companies actually offer such products, though, they are often met with indifference and limited uptake. It seems that survey radicals turn into economic conservatives at the checkout. This book reveals not only why the search for the “ethical consumer” is futile but also why the social aspects of consumption cannot be ignored. Consumers are revealed to be much more deliberative and sophisticated in how they do or do not incorporate social factors into their decision making. Using first-hand findings and extensive research, *The Myth of the Ethical Consumer* provides academics, students, and leaders in corporations and NGOs with an enlightening picture of the interface between social causes and consumption.

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For our spouses:
Sandra Brandt Devinney
Daphne Ng
Worth Wagers

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By pursuing his own interest [the individual] frequently promotes that of the society more effectually than when he really intends to promote it. I have never known much good done by those who affected to trade for the public good.

Adam Smith, *The Wealth of Nations*, Book IV,
sect. I, chap. 2, para. 9.

How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it, except the pleasure of seeing it.

Adam Smith, *The Theory of Moral Sentiments*,
Part I, sect. I, chap. 1, para. 1.

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Preface

Any project like this one takes enormous efforts over an extended period of time. This project started in 1997 with what can be considered a random event: we were involved in an external project and a simple question was asked: “Do consumers really care?” Not having the answer at the time – and being surprised that there was nothing approaching an answer – we began what ended up becoming a quasi-systematic investigation of this question. None of us knew at the time that, ten years later, we would still be working out the answer.

No one in the team would characterize him- or herself as being involved in research on business ethics or in an academic area in which one would expect this question to be of interest. Timothy Devinney is trained as an economist (with a bit of psychology). Pat Auger is trained in management. Giana Eckhardt is a consumer behavior marketing scholar. However, what we bring to bear on this topic (along with our many collaborators) is a perspective that is untainted by a normative predisposition. It is our concern only to try and understand the phenomenon, not to change it. This book is not an advocate’s manifesto, except in wanting to bring clarity to a contentious topic. We do not deny the importance of many of the issues that we are investigating, nor that advocates for these issues have a justification in promoting them as a natural process of social, cultural, and political debate and change. However, we are operating under the belief that to understand the facts about individual social consumption behavior and to attempt to do so via the use of multiple methods in different locations is important to inform that debate. It is our role to be independent observers and arbiters.

Over the years we have had much support and many collaborators. First and foremost, the major portions of this work involved collaboration with Jordan Louviere and Paul Burke at the University of Technology, Sydney, and Russell Belk at the Schulich School of Business, York University, Toronto, without whom the work would

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have been less scientifically rigorous and certainly less interesting. In addition, individuals such as Joachim Schwalbach and Anja Schwerk played a part in helping our thinking and giving us outlets through involvement with their conferences in Berlin and a home at Humboldt University. Grahame Dowling and various colleagues played a part in reading many drafts of the chapters and related materials, honing our thinking and making sure that we did not digress too far from the important points. Many individual research assistants were involved at different stages: Thomas Birtchnell, Carolyn Dorrian, Omer Konacki, Christina Li, Maria Mikirtumova, Sandra Peter, Michal Ulrych, and Verena Vellmer. Michael McGee, Steve Cook, and Joelle Baudet from Future and Simple provided programming support and were also involved in the making of the documentary film *The Social Construction of Consumption*, by Belk, Devinney, and Eckhardt. A copy of this documentary is included with the book. Anne Fitzsimmons, Pauline Olive, Fran Prior, and Linda Camilleri were there to keep the administration working, and also keep the administration off our backs (and warn us about money!). Rachael Weiss provided a much-needed literary and human addition to our academic prose. Paula Parish and the team at Cambridge University Press were very patient, as one must be, with academic writers such as us, who have a very different perception of time and deadlines. We would also be remiss if we did not mention the – literally – thousands of academic, student, and corporate colleagues who sparked our interest and contested our thinking at what has amounted to over 100 presentations given on this research in the last ten years. There are also the many individuals who helped with this work by simply answering our questions, being interviewed by us, and being involved in our experiments.

As will be evident, it is also the case that it is impossible to conduct the sort of research exhibited here without financial and other support. The project began with a small grant from the Research Grants Council of Hong Kong and City University, Hong Kong. Over the years we have received generous financial support from the Discovery program of the Australian Research Council, which funded the bulk of the work and continues to fund it today. In addition, the Australian Graduate School of Management and its Centre for Corporate Change provided infrastructure and people that allowed the projects to run smoothly. Timothy Devinney was also supported by the Alexander von Humboldt Foundation, which named him a Research Awardee in

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2008 and allowed him to spend time in Germany at Humboldt University working on extensions of the project, and the Rockefeller Foundation, which gave him release to work on the early stages of the book and related projects at its Bellagio Center in Italy. He has special memories of his time there and the gracious care of Ms Pilar Palacia and her team.

Finally, our greatest thanks go to our families, without whom any such project is impossible and to whom we dedicate the volume.

Timothy M. Devinney, Sydney
Pat Auger, Melbourne
Giana M. Eckhardt, Boston