

GENESIS MANAGEMENT CONSULTING

“Improving lives through better decisions”

“Values versus value.”

Commentary on an S + B article by Devinney, Augur and Eckhardt considering the gap between what shoppers say is important in the purchase decision (re ethics and social responsibility) and what happens when the purchase is made.

Although not covered in the article, the conclusions do make one consider the broader aspects of policies such as affirmative action, socially responsible corporate practices and the advancement of women in business – to name a few!



Many consumers claim to be “ethically responsible” shoppers. When surveys are conducted and they are asked about issues such as the labour practices of the manufacturers (sweat-shop-style shoe producers for instance) or cosmetics produced without animal-testing – then they say these issues are important when making purchase decisions.

However, what consumers say and what they do are not necessarily the same in practice. The article discusses research that was conducted across a number of countries over a period of time that tested the concept. The results of the research bring to question the conclusions of the surveys and should make us think about how best to implement socially responsible programmes and sell environmentally friendly products.

The key findings were that:

- Ethical products in the market-place have had limited success in most cases.
- Many consumers believe that it is not their responsibility to worry about these issues – it should be someone else, such as government or the “overall system”.
- Consumers generally will not sacrifice product function (or pay a higher price) for ethics.
- Furthermore, these practices do not vary much across regions, gender, education or income.



And so, the emergence of a truly ethical customer base is a long way from reality.

The conclusions do raise questions about the efficacy of wider corporate practices around social responsibility, ethics and the environment. For instance:

- Will corporates undertake actions such as increasing the number of women in senior management without an enforced quota system?
- Would Black Economic Empowerment have been as effective in South Africa if it were not for legislation and Government pressure?
- Does it make good economic sense to launch an investment fund focussed only on socially responsible companies?



We are not, in any way suggesting that we believe these aspects should be the role of government not corporates or individuals. Nor are we saying that social responsibility is unimportant. On the contrary, we at Genesis believe these issues are absolutely critical and must be taken seriously by every person and every institution.

However, to be really effective, we need to get inside the decision making processes of individuals and organisations and work at finding, and proving, the true value of these actions and products – to make them acceptable at all levels to all parties. That is the only way to get the necessary changes to happen naturally and without resistance.

Contact Simon Gifford (details below) if you would like to discuss this issue and the impact on your organisation.

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