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Lecture - 50

Consumer attitudes towards sustainable services

Changing consumer attitudes and preferences are driving the sustainability initiatives across the world. So let's see and explore how consumer attitudes towards sustainable services are driving these initiatives. What is sustainable service? Services that are designed, produced and delivered in a manner that minimizes negative environmental impact and social impact as well while maximizing positive outcomes are known as sustainable services. So what are the key characteristics and principles of sustainable services? Let's discuss one by one. First characteristic here is environmental responsibility. Sustainable services prioritize environmental responsibility by minimizing negative impacts on ecosystems, natural resources and the climate.

This includes reducing carbon emissions, conserving energy and water and promoting recycling and waste reduction. The second key characteristic of sustainable service involves social equity. Sustainable services uphold principles of social equity by ensuring fair treatment and opportunities for all stakeholders involved including employees, suppliers, customers and communities. This involves promoting diversity, equity and inclusion, respecting human rights and supporting local communities.

Third key characteristic is about economic viability. Sustainable services are economically viable and contribute to long-term prosperity by balancing financial profitability with social and environmental considerations. This includes optimizing resource use, reducing costs through efficiency improvements and fostering innovation and competitiveness. Fourth key characteristic is about transparency and accountability. Sustainable services prioritize transparency and accountability by openly disclosing information about their practices, impacts and performance.

This includes providing clear and accurate information to consumers, stakeholders and the public and holding themselves accountable for their actions. Another characteristic is stakeholder engagement, which means sustainable services actively engage with stakeholders to understand their needs, concerns and preferences and then incorporate their input into decision making processes. This involves building trust, posturing dialogue and collaborating with stakeholders to co-create sustainable solutions. Next key characteristic is continuous improvement. Sustainable services are committed to continuous improvement and strive to enhance their sustainability performance over time.

This includes setting goals, measuring progress and implementing initiatives to address emerging challenges and opportunities. Final key characteristic here is resilience and adaptability. Sustainable services are resilient and adaptable to changing social, environmental and economic conditions. This involves anticipating risks, building flexibility into operations and adapting strategies to address evolving sustainability issues and trends. Now let's understand how there is a growing importance of sustainability among customers and other key stakeholders.

What you are looking at here in this particular image is nothing but what are the reasons or some facts about the growing importance of sustainability. For example, more consumers are now taking sustainability into consideration when making a purchase. Then there is a huge rise in energy prices in 2023 that drove the majority of consumers to save energy wherever possible. Secondly, sustainable packaging and products and reducing waste are the two practices consumers value the most in today's era. Going forward, let's have another data from 7CleanC's website which says that there is a sustainable consumer trends that are happening in the market.

Consumers are becoming increasingly aware of the impact of their purchasing decisions on the environment and they are looking for more sustainable options. For example, 57% of consumers are willing to change their purchasing behavior to help the environment and 66% of consumers are willing to pay more for more sustainable brands which explains the rise in demand for products that are more sustainable. In one of the study conducted by Deloitte, they identified the most promising lifestyle changes that are happening in respect to consumers or customers. First, limited the use of single-use plastic. They are choosing brands that have environmentally sustainable practices.

They want to reduce the amount of new products and goods bought. They want to go for reduce meat and animal product consumption. They want to choose brands that have ethical practices and values and even opted for low carbon emission and shared mode of transport. So these things shows us what's trend in terms of sustainability among this new age customers. Now let's look at what are the reasons for this particular trend.

First here is increasing awareness and expectation. A significant majority of global consumers express strong sentiments towards environmental improvement indicating a growing awareness and expectation for businesses to prioritize sustainability. Second reason is a preference for purpose-driven brands. Consumers are increasingly inclined to support brands that align with their values with a large percentage willing to purchase products from companies advocating for causes they care about. Third reason is expanding sustainable investment market.

The sustainable investing market has been substantial growth reflecting a rising interest in environmentally and socially responsible investment opportunities among investors. Next, generational influence. Millennials and Gen Z cohorts comprising a significant portion of the consumer base consider a company's social and environmental commitments when making purchase decisions. This indicates that the influence of younger generation on market trends is huge. Next reason is because of impact on brand reputation.

Consumers expect companies to take a stance on relevant social and environmental issues with brand reputation being significantly influenced by a company's position on sustainability related matters. Another reason is demand for transparency is on rise. Transparency emerges as a key factor influencing consumer loyalty with the vast majority of consumers showing a preference for brands that offer complete transparency including environmental and social responsibility practices. And another reason is preference for sustainable packaging. There is a notable willingness among consumers to pay more for products packaged sustainably highlighting the growing importance of sustainable packaging in purchasing decisions.

Now let's understand what are the factors that influence consumers attitude towards sustainable services. The first factor here is environmental consciousness. Consumers who are environmentally conscious prioritize sustainability in their purchasing decisions. They are concerned about the impact of products and services on the environment including issues such as climate change, pollution and habitat destruction. Environmental

consciousness drives demand for eco-friendly services that minimize resource consumption, carbon emissions and environmental degradation.

 The second factor here is ethical considerations. Ethical considerations encompass a range of factors related to fair treatment, justice and integrity. Consumers who value ethics seek services from companies that demonstrate these ethical behavior such as fair labor practices, respect for human rights and transparency in business operations. They are more motivated to support businesses or service providers that uphold ethical standards and contribute positively to the society. Third reason of factor here is social responsibility.

 Consumers with a strong sense of social responsibility prioritize services from companies that demonstrate a commitment to social welfare and community engagement. They are concerned about issues such as poverty, inequality and social justice and seek services from companies that actively contribute to addressing these challenges. Socially responsible businesses and service providers that invest in community development, philanthropy and employee welfare resonate with socially conscious consumers. Next factor is health and well-being. Consumers prioritize their health and well-being when making service choices seeking options that promote physical, mental and emotional wellness.

 They are interested in services that prioritize health, safety and quality such as organic food delivery, eco-friendly cleaning services and even wellness retreats. Consumers are increasingly aware of the connection between environmental sustainability and personal health, driving demand for services that support both. Final factor here is personal values and beliefs. Personal values and beliefs play a significant role in shaping consumers attitude towards sustainable services. Individuals have unique value systems influenced by factors such as culture, religion, upbringing and even life experiences.

 These values guide consumer preferences and behaviors leading individuals to seek services that align with their beliefs whether it's supporting local businesses, preserving cultural heritage or even protecting animal rights. Now let's look at the benefits of sustainable services for consumers. The first benefit here is environmental impact reduction. Consumers benefit from knowing that their choices support efforts to preserve natural resources, protect ecosystems and mitigate climate change leading to a healthier planet for future generation. The second benefit here is with respect to healthier and safer products.

Sustainable services often prioritize the use of non-toxic eco-friendly materials and ingredients resulting in healthier and safer products for consumers. Third benefit of sustainable services is with respect to ethical and transparent practices. Consumers benefit from knowing that the services they choose uphold ethical labor standards, respect human rights and maintain transparency in business operations, fostering trust and confidence in the service provider. The fourth benefit of having sustainable services is its contribution to societal well-being. This includes supporting local businesses, creating job opportunities and investing in social welfare initiatives which enhance quality of life and strengthen social cohesion within communities.

And the final benefit here we can have is with respect to alignment with personal values and beliefs. Consumers benefit from knowing that the services they choose resonate with their values whether it is supporting environmental conservation or promoting social justice or even advocating for animal welfare. Overall these benefits of sustainable services for consumers extend beyond individual satisfaction to encompass broader societal and environmental impacts. By choosing sustainable services consumers can contribute to positive change and make a meaningful difference in creating a more sustainable and equitable world. Now let's look at some challenges and barriers to consumer adoption of sustainable services.

First here is perception of higher cost. One of the primary barriers to consumer adoption of sustainable services is the perception of higher cost associated with eco-friendly options. Consumers may be reluctant to invest in sustainable services if they pursue them to be more expensive upfront. Despite potential long-term savings the misconception that sustainable options are inherently cost prohibitive can deter consumers from making sustainable choices. The second challenge is with respect to lack of awareness or information.

Another significant barrier is the lack of awareness or information about sustainable services among consumers. Many individuals may be unaware of the environmental social and economic benefits of sustainable options or they may lack knowledge about where to find these particular products. Without access to accurate and comprehensive information consumers may struggle to make informed decisions about sustainability. Third challenge is with respect to limited availability of sustainable options. Limited availability of sustainable options can hinder consumer adoption of sustainable services.

In some cases sustainable alternatives may be less accessible or harder to find compared to conventional   options. Particularly in regions with limited market penetration or infrastructure for sustainable products and services. The lack of diverse and accessible sustainable option restricts consumer choice and adoption. Next challenge is skepticism about greenwashing. Greenwashing or the deceptive marketing practice of presenting a product or service as environmentally friendly when it is not undermines consumer trust and confidence in sustainability claims.

Consumers may be skeptical of greenwashing tactics used by businesses to capitalize on the growing demand for sustainable options leading to Zionism and reluctance to engage with sustainable services.   Another challenge is with respect to convenience and accessibility issues.   Convenience and accessibility issues pose additional challenges to consumer adoption of sustainable services. Consumers may prioritize convenience and accessibility when making purchasing decisions favoring options that are readily available easy to use and convenient to access. Sustainable services   that lack convenience or accessibility may struggle to compete with conventional alternatives limiting consumer uptake.

Addressing these challenges and barriers requires concerted efforts from businesses and service providers along with governments and other stakeholders. By addressing cost concerns, increasing awareness and accessibility, combating greenwashing and prioritizing convenience, service providers can encourage broader consumers uptake of sustainable options and drive positive change towards a more sustainable future. Now let's understand this particular concept of consumer attitudes and how a firm or service provider can change or alter these attitudes towards a particular service option. Let's discuss the case of the Body Shop. The Body Shop is a global beauty and cosmetics company known for its commitment to ethical sourcing, sustainability and social responsibility.

The Body Shop has implemented various sustainable services including number one community trade program. The company sources ingredients from community trade partners empowering local communities and supporting fair-drive practices. The second thing they are doing is refill station and installing these refill stations across the world. The Body Shop has introduced refill stations in select stores allowing customers to refill their empty bottles with products such as shampoo, conditioner and shower gel reducing packaging waste. Third thing they are doing is to go for cruelty-free and vegan products.

The Body Shop offers a wide range of cruelty-free and vegan products eliminating animal

testing and using plant-based ingredients to minimize environmental impact. Let's have a look at these three different strategies they are using through informative videos. The first video here is talking about their community trade program. Have a look at this video. When it comes to refill station practices this video talks about how they are installing these refill stations to minimize packaging waste.

Have a look at this video. I just want to invite everybody to um see our new bit of kit that we've got in store so it's our refill reuse what you do basically step one buy your bottle, buy your pump, refill it, paper it at the till, when you've used it bring it back nice and clean and washed and dry we refill it and you pay less than what you do when you buy the plastic bottle. Basically doing it to stop or to try and have some impact around virgin plastic and obviously stop plastic going to landfill and your aluminium bottle non-corrosive so it lasts as long as you last. And third with respect to cruelty-free and vegan products this particular video talks about change making beauty campaign. Have a look at this video. For long flights I need to look fresh and stay confident.

I use tea tree face paste. It keeps me fresh all day. It is sweat proof and lets me take the day head-on. To look radiant my go-to product is the lip and cheek stain. It adds subtle sheer color to my lips and cheeks. So what are the consumer response to this body shop efforts? First increase brand loyalty.

Consumers appreciate the body shops commitment to ethical sourcing and sustainability leading to increase brand loyalty and repeat purchases. Secondly the brand got stronger brand reputation. The body shops focus on sustainability has enhanced brand reputation positioning it as a leader in ethical and eco-conscious beauty segment. Thirdly they were able to attract new customers as well. The body shop sustainable services have attracted new customers including environmentally conscious consumers and those seeking cruelty-free and vegan products.

Source the impact of these particular things. First impact is on environmental impact. The body shops refill stations and use of cruelty-free and vegan ingredients have contributed to reducing packaging waste and minimizing harm to animals and environment. With respect to social impact the body shops community trade program has provided economic opportunities for marginalized communities and supported sustainable livelihoods. And third it also has some economic impact. Despite initial investment cost the body shop sustainable services have contributed to long-term profitability by attracting environmentally conscious consumers and enhancing brand reputation.

The body shop successful implementation of sustainable services demonstrates the business value of prioritizing ethical sourcing, sustainability and social responsibility. By aligning with consumer values and preferences the body shop has not only enhanced its brand reputation but also made a positive impact on society and the environment. So in this session we try to understand the impact of consumer attitudes towards sustainable services and the huge impact it has on overall environment. Thank you.