

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"Ethics have become increasingly important to a company's reputation. Due to a nearly ceaseless stream of information, consumers are bombarded with issues to care about, and many do feel that they should take a stance in support of or against differing opinions. How they go about showing or demonstrating a commitment, however, varies from passive avoidance to zealous evangelism." - Lauren Bonetto, Lifestyles & Leisure Analyst

This report looks at the following areas:

- People expect ethical behavior What is the best way to communicate the message?
- · Confusion over ethical terms and icons may lead to rejection
- Taking a stance on a polarizing issue can attract and repel
- Big companies struggle with an image problem
- Consumers more likely to punish the bad than to reward the good

Marketing to the ethical consumer can be difficult due to wavering interest and skepticism. Though investing in the "ethical-ization" of a business may not offer a return on investment, it is increasingly necessary to protect the company from being criticized by the media and boycotted by consumers who find business practices or company ethics unsatisfactory.

For the purposes of this Report, Mintel has used the following definitions:

"Ethical consumer" is defined as someone whose purchasing decisions are at least sometimes influenced by a company's ethics.

"Ethical actions" are defined as efforts by a company to be honest, fair, and responsible. Examples include, but are not limited to, efforts to be green, to treat animals humanely, and to treat employees well.

BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533

> Brazil 0800 095 9094

Americas +1 (312) 943 5250

арас +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

| | hat you need to know |
|------|---|
| D | efinitions |
| Exec | sutive Summary |
| TI | ne issues |
| Pe | cople expect ethical behavior – What is the best way to communicate the message? Figure 1: How often ethics influence purchasing decisions, April 2015 |
| C | onfusion over ethical terms and icons may lead to rejection Figure 2: Attitudes toward ethical claims, icons, and terms, April 2015 |
| Та | aking a stance on a polarizing issue can attract and repel |
| В | g companies struggle with an image problem |
| C | pnsumers more likely to punish the bad than to reward the good Figure 3: Actions taken related to company ethics, April 2015 |
| TI | ne opportunities |
| Et | hics matter – and people feel they're becoming even more important |
| С | earer marketing messages can boost the positive effect of ethics |
| А | misstep can be used to demonstrate commitments toward improving |
| W | hat it means |
| The | Market – What You Need to Know |
| Et | hical claims grow significantly over past 10 years |
| Et | hics stand to become even more important in the future |
| Ethi | cal Product Launches |
| Et | hical claims attached to nearly one third of products Figure 4: Share of total US product launches with an ethical claim, 2006-15* |
| Έ | nvironmentally friendly package' accounts for more than half of ethical claims Figure 5: Share of US product launches with an ethical claim, by ethical claim type, 2006-15* |
| W | hile most categories see growth, BPC and health somewhat stagnant Figure 6: Share of US product launches with an ethical claim, by product category, 2006-15* |
| Marl | xet Factors |
| A | s Millennials become full-fledged adults, ethics become increasingly important |

The 'connected' consumer may be a more 'concerned' consumer

Median household income slowly begins to rise

Figure 8: Median household income, in inflation-adjusted dollars, 2003-13

Key Players – What You Need to Know

BUY THIS REPORT NOW

VISIT: store.mintel.com CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100 EMAIL: reports@mintel.com



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

What's working: Putting people ahead of profits

What's struggling: BIG - Big companies, big box retailers, big banks, big oil

What's next: LGBT rights, living wage, gender equality

What's Working?

Putting people ahead of profits

Promoting the brand over the product

Case Studies

Chipotle

Marketing efforts promote ethics, education, engagement

Figure 9: "Farmed and Dangerous Official Trailer," online video, 2014

Whole Foods Market

Figure 10: "Values Matter Anthem," online video, 2014

What's Struggling?

Big companies struggle to cultivate an ethical image

Big box retailers both loved and loathed

Fast food restaurants continue to be served with blame

Big banks and big oil

What's Next?

In wake of Supreme Court ruling, LGBT community cannot be dismissed

Minimum wage increasingly thought of as unliveable

Feminism enjoys renaissance

The Consumer – What You Need to Know

Majority of consumers area at least somewhat influenced by ethics

Top concerns include employee treatment, provenance, sustainability

Big companies make big targets

Consumers more inclined to punish "bad" companies than to reward "good" ones

Bouncing back after an ethical dilemma

Influence of Ethics on Purchasing Decisions

Seven in 10 consumers at least somewhat influenced by company ethics

Figure 11: How often ethics influence purchasing decisions, April 2015

Men, higher income, younger consumers most impacted by ethics

Figure 12: Purchasing decisions are often/always influenced by ethics, by gender and age and by parental status, April 2015

Ethical Factors Considered

Top concerns include employee treatment, provenance, sustainability

Figure 13: Factors considered to determine how ethical a company is, April 2015

Those who are influenced may seek to reward or punish companies based on ethics

Figure 14: Top factors considered to determine how ethical a company is, by those who say company ethics influence their purchasing decisions, April 2015

BUY THIS REPORT NOW

VISIT: store.mintel.com CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100 EMAIL: reports@mintel.com



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Notorious and Noted Companies

Big companies make big targets

Figure 15: Top 20 companies mentioned as especially ethical or especially unethical, April 2015

Consumers want to believe the best of brands they often use

In their words – The most ethical companies

"Unethical companies" reputations influenced by well-publicized scandal

In their words - The least ethical companies

Actions Taken in Response to Company Ethics

Consumers prefer to support ethical companies without spending money

Figure 16: Actions taken related to ethical/unethical companies - Telling others, April 2015

Consumers more inclined to punish the bad than reward the good

Figure 17: Actions taken related to ethical/unethical companies – Purchasing, April 2015

Young men especially engaged, Millennials least likely to 'do nothing,' parents set an example through ethical purchases

Figure 18: Actions taken related to ethical/unethical companies – Social media and purchasing, by gender, young age, generation, parent status, April 2015

In their words

Ethical Icon Recognition

Using icons to communicate ethics may not be effective

Figure 19: Icon recognition, April 2015

Icons speak more to Millennials

Attitudes toward claims, icons, terms reveal skepticism and confusion

Figure 20: Attitudes toward ethical claims, icons, and terms, April 2015

In their words

Attitudes and Opinions toward Ethics

Size matters - Large companies thought of as unethical

Figure 21: Attitudes toward company size, by gender and age, April 2015

Bouncing back after a scandal

Figure 22: Skepticism toward company ethics, by gender and age, April 2015

Supporting ethical companies makes consumers feel good

In their words

Figure 23: Personal feelings about company ethics, by gender and age, April 2015

Consumer Segmentation

Figure 24: Ethical Consumer segmentation, April 2015

Ethics and the City (35%) – The young, urban, and influenced

Lost Causes (39%) – Ethics on the outs with older, suburban consumers

Wanting to be Won (26%) – Selective but dedicated

Figure 25: Attitudes toward company ethics, by ethical consumer segments, April 2015

Appendix – Data Sources and Abbreviations

BUY THIS REPORT NOW

VISIT: store.mintel.com CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100 EMAIL: reports@mintel.com



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

| | Data sources |
|----|--|
| | Consumer survey data |
| | Consumer qualitative research |
| | Abbreviations and terms |
| | Abbreviations |
| Ap | opendix – The Market |
| | Figure 26: Share of US product launches with an ethical claim, by ethical claim type, 2006-15* |
| | Figure 27: Share of US product launches with an ethical claim, by product category, 2006-15* |
| | Figure 28: Share of US product launches with an ethical claim, by product category and by ethical claim type, 2014-15* |
| Ap | opendix – Qualitative Research |
| | The most ethical companies |
| | The least ethical companies |
| | Consumers who are influenced by ethical efforts |
| | Consumers who are not influenced by (or are averse to) ethical efforts |
| | Attitudes toward company size |

BUY THIS REPORT NOW

VISIT: store.mintel.com CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100 EMALL: reports@mintel.com