

Covid and Online Shopping: Were Consumers Forced to Compromise on Ethics?

Abstract

The restrictions imposed on retailing at the onset of the Covid 19 Pandemic in early 2020 left many consumers with little option other than to shop online, which for some, represented a significant change to their purchasing behaviour. As consumers have voiced ethical concerns about both online shopping and online retailers in the past, for many consumers, this sudden shift to online shopping caused by the pandemic may also have involved compromising their ethical values.

Such compromises are of concern as both ethical and sustainability issues have been found to have a significant impact upon consumer purchasing behaviour, particularly amongst younger generations, who believe that both they and the businesses they transact with have a duty to make the world a better place.

This developmental paper represents the first step in investigating the impact of ethical concerns upon consumer purchasing behaviour relating to online shopping during the pandemic and whether consumers were forced to compromise on ethical issues due to the restrictions imposed to control the pandemic. This paper will also investigate if consumers will revert to their previous purchasing behaviour for ethical reasons once those restrictions are lifted.

In doing so this research aims to contribute to both the retailing and ethical consumption literature, and, by means of developing a typology for consumers in these circumstances, to the consumer behaviour literature.

Track: Marketing and Retail

Word Count: 2000 (Excluding Abstract and References)

1.0 Purpose of the research

Recent years have seen a steep increase in ethical consumerism (Parsons, et al, 2018) defined as conscious decisions to make certain consumption choices due to personal moral beliefs and values (Crane and Matten, 2004), resulting in ethical and sustainability issues becoming of greater concern to brands and retailers as such issues are known to significantly impact consumer purchasing behaviour. A growing trend towards ethical spending resulting from better informed and more socially responsive consumers has been identified (Harrison *et al*, 2005; Sheahan, 2005; Cheng *et al.*, 2011; Sharma and Lijuan, 2014) which is particularly prominent in younger generations such as Millennials who believe they have a responsibility to make the world a better place and consequently feel that businesses should do the same (McGlone *et al.*, 2011).

From the organisational perspective, businesses that maintain high ethical standards have been shown to have better relationships with customers (Cheng *et al.*, 2011; Sharma and Lijuan 2014) which carries implications for future trade and profitability. Maintaining high ethical standards is also of importance for organisations as the failure to address consumer concerns over ethical issues such as privacy have been found to have an adverse impact upon brand loyalty (Hasan *et al.*, 2020).

Such ethical concern amongst consumers not only relates to the traditional High Street where, for example, consumer concerns over employment practices by suppliers to high street retailers such as Primark have been raised (BBC, 2014), but also relates to the practices of online retailers such as Amazon, where concerns have also been raised about employment practices (TUC, 2020). These consumer ethical concerns with online retailers extend to issues such as the depopulation of High Streets (The Guardian, 2021) and the consequent reduction in jobs and increasing numbers of vacant retail units in town and centres caused by the expansion of online shopping (The Guardian, 2020). Significant numbers of consumers have also indicated increasing concern over other ethical issues such as privacy relating to their online shopping activity (Customer Think, 2019; Statista, 2021).

However, since the start of the Covid-19 pandemic in March 2020 the need to control the spread of infection through measures such as social distancing, the closure of non-essential shops and, for more vulnerable members of society, the need for isolation, has meant that many consumers have had no alternative but to undertake more if not all their shopping online. This 'enforced' switch to online shopping is reflected in the growth of online retailing during the pandemic with online retail sales increasing by 74.7% in value between November 2019 and November 2020 (ONS, 2020) and online retailing now accounting for 35.2% of all retail (ONS, 2021).

Many predict this switch to online shopping will be permanent (Retail Times, 2020), however no account has been taken of consumer ethical concerns when making such predictions. Many consumers had little if any choice other than to shop online irrelevant of any ethical concerns about online retailers or online shopping that they may have had due to the restrictions imposed because of the pandemic. There is always the possibility that consumers may revert to previous shopping behaviours for ethical reasons once the restrictions imposed to control the pandemic are relaxed or lifted.

Given this, and the significant impact that ethical concerns have been shown to have upon consumer purchasing behaviour (Harrison *et al*, 2005; Sheahan, 2005; Cheng *et al.*, 2011; Sharma and Lijuan, 2013), this study therefore seeks to identify and examine the impact that ethical issues had upon consumer decisions relating to online shopping behaviour during the pandemic and to identify if those issues will cause consumers to modify their shopping behaviour again once restrictions relating to the pandemic are lifted.

2.0 Literature Review

2.1 Ethics

For the purposes of this research, 'ethics' is defined as philosophical morality (as opposed to religious or legal morality) and what is deemed to be 'right' or 'wrong' voluntary behaviour that influences others based upon issues such as fairness, justice and widely recognised social norms such as honesty and fair play with sanctions for those that breach ethical standards being socially focussed such as disapproval or ostracism (Robertson and Anderson, 1993; Jackson *et al.*, 1997; Tavani, 2007; Cheng *et al.*, 2011; Sharma and Lijuan 2014).

There are many philosophical ethical theories which are diverse and well established, including deontological (duty-based) where standards are defined by rules, utilitarianism (consequential-based) where the goal is to minimise harm and maximise good, contract or rights-based and virtue (character-based) acts where the focus is upon the kind of person we should be and what type of character traits we should exhibit (Roman, 2007; Roman 2010; Taylor 2014). Dependent upon which theory is followed, philosophical 'ethics' can therefore be described as either rules governing conduct, the identification of goals and values worth pursuing, or the pursuit of character traits worthy of development (De George, 1995).

Parsons (2007) developed a framework for ethical consideration related to communication with the public based upon long standing ethical principles which reflects many of the arguments given above:

1. Non-Maleficence i.e. do no harm. One should avoid doing intentional harm to others and avoid foreseeable harm
2. Beneficence i.e. to do good. One should work in the best interests of others and seek opportunities to do good
3. Veracity i.e. tell the truth. One should not lie in order to persuade someone to act in a desired manner
4. Confidentiality i.e. maintain others privacy. One should not disclose private matters
5. Fairness and social responsibility. One should treat people equitably and be socially responsible

In many ways these five principles reflect the utilitarian theory of philosophical ethics which, as noted earlier, is based upon minimising harm and maximising good. This link to the utilitarian theory of philosophical ethics is further emphasised when the issue of sustainability, i.e. the avoidance of depletion of natural resources in order to maintain an ecological balance, is taken into consideration given the nature of Elkington's (1994) Triple Bottom Line for sustainable marketing i.e.:

1. Avoiding harm to the environment
2. Avoiding the promotion of social inequality
3. Encouraging long term development

This research can therefore be seen to be grounded in the utilitarian theory of philosophical ethics.

2.2 Ethical Issues Related to Online Shopping

Various authors have identified ethical issues related to the use of digital technology by consumers. For example, Royakkers *et al.*, (2018) identified the following six issues of potential ethical concern:

1. Privacy
2. Autonomy
3. Safety and security
4. Balance of power
5. Human dignity
6. Justice

Other issues identified as being of potential ethical concern to consumers include fraud, access to information, intellectual property, unsolicited e-mail, trustfulness, advertising targeting children, false advertising, product warranty and fulfilment (Cheng *et al.*, 2011).

Any of these issues could impact upon the decision by a consumer to purchase goods online. It is therefore proposed to examine the effect they may have had upon consumer purchasing behaviour during the pandemic, and whether consumers were prepared to compromise on such issue due to the restrictions imposed to control the pandemic. In addition, it is also proposed to examine if consumers are prepared to compromise their ethical standards on an ongoing basis due to the perceived benefits they gained by changing their purchasing behaviour during the pandemic, or if they will revert to their previous purchasing behaviour for ethical reasons.

2.3 Research Question Aim and Objectives

The aim of this research will be to identify and examine the impact that ethical issues had upon consumer decisions relating to online shopping behaviour during the pandemic, with the research question therefore being 'what impact did ethical issues have upon consumer purchasing behaviour relating to online shopping during the covid 19 pandemic?'

The objectives are therefore:

- i. To identify ethical issues that may have impacted a consumer's decision to shop online during the pandemic
- ii. To establish if the circumstances of the pandemic moderated the effect of relevant ethical issues on a consumer's decision to shop online during the pandemic
- iii. To establish if consumers compromised on ethical issues due to restrictions imposed during the pandemic
- iv. To identify why consumers may have compromised on ethical issues during the pandemic
- v. To establish if consumers will modify their shopping behaviour on ethical grounds once the restrictions imposed during the pandemic are eased.

3.0 Methodology

A mono-method design using qualitative methodology will be used utilising semi-structured qualitative interviews to collect data.

Semi-structured interviews allow research participants to share rich descriptions of phenomenon of interest with a researcher, are an established means of investigating a complex area, and an appropriate technique for exploratory studies (Mason, 2002; DiCicco-Bloom and Crabtree, 2006; Hughes, 2006; Saunders *et al.*, 2009).

As current literature indicates that ethical values are influenced by different environmental, cultural and personal development backgrounds (Sharma and Lijuan, 2013) and generational influences (McGlone *et al.*, 2011), a wide sample of individuals representing different generations and backgrounds will be included in the research with participants selected on a purposive convenience basis. The use of such purposive samples is typical of qualitative research (Miles and Huberman, 1994). Whilst academic literature suggests sample sizes of around 12 to 15 for such research (Miles and Huberman, 1994; Madden and Perry, 2003), this research will follow the principle of saturation whereby interviews will be conducted until no further significantly different insights are emerging (Saunders *et al.*, 2009).

The qualitative data will be analysed using thematic analysis, which is a flexible means of analysing data that is independent of any particular ontological or epistemological perspective and provides a detailed and rich account of qualitative data (Coffey and Atkinson, 1996; Braun and Clarke, 2006).

4.0 Anticipated Results

It is anticipated that the results of this research will show that many consumers compromised on their ethical standards as they had few if any choices available to them because of the restrictions imposed to control the pandemic. It is anticipated that many of these consumers will find that the benefits of online shopping such as convenience outweigh their ethical concerns with both online shopping and online retailers, and that they will therefore continue to shop online in the future. Some consumers however will revert to their former shopping behaviour for ethical reasons as conditions allow.

5.0 Discussion

5.1 Implications

This research will contribute to the academic literature relating to online retailing by identifying why consumers may be prepared to compromise their ethical stance in a crisis situation such as the Covid pandemic and by identifying changes to their ongoing purchasing behaviour that arose as a result of such compromises. This in turn will allow a typology of consumers to be developed based upon their ethical stance and their reactions to such a crisis which would also allow this research to contribute to the consumer behaviour literature and the ethical consumption literature.

This research will enable managers to tailor communications messages to different groups of consumers to attract their ongoing custom in both the immediate aftermath of the current crisis and in the event of similar crisis in the future. Managers of online retailers could highlight benefits such as convenience to consumers prepared to compromise their ethical standards to retain their custom while managers of other organisations could highlight their ethical values to regain customers who would prefer not to compromise on ethical issues.

5.2 Proposals for next research steps

A thorough literature review will be carried out to prepare a suitable research instrument for use when collecting data. A suitable sampling methodology will then be identified to allow data collection to begin in the summer of 2021. It is hoped initial results will be available for the BAM 2021 online conference.

5.3 Advice sought

Advice is sought on suitable theoretical underpinning or appropriate conceptual framework for the study, possibly in relation to the disruptive nature of the Covid crisis.

In addition, advice is also sought on the advisability of conducting a quantitative phase of research to assist with the development of a typology for consumer behaviour relating to ethics in such crisis driven circumstances.

6.0 References

Braun, V. and Clarke, V. 2006. Using thematic analysis in psychology. *Qualitative Research in Psychology*. 3(2), pp. 77-101.

British Broadcasting Corporation 2014. Primark investigates 'cry for help' note in trousers. Available at <https://www.bbc.co.uk/news/uk-northern-ireland-28018137> [Accessed 4th June 2021].

Cheng, H. Yang, M. and Chen, K. 2011. Elucidating the ethical sales behavior in electronic commerce. *Journal of Computer Information Systems*. 52(1), pp. 87-95.

Coffey, A. and Atkinson, P. 1996. *Making sense of qualitative data*. London: Sage

Crane, A. and Matten, D. 2004. *Business Ethics: A European Perspective*. Oxford: University Press.

Customer Think 2019. The Rise of Online Privacy Concerns Inhibits Customer Online Shopping Experience. Available at <https://customerthink.com/the-rise-of-online-privacy-concerns-inhibits-the-customer-online-shopping-experience/> [Accessed 4th June 2021]

De George, R. 1995. *Business Ethics* (4ed). Englewood Cliffs, New Jersey: Prentice-Hall

DiCicco-Bloom, B. and Crabtree, B. 2006. The qualitative research interview. *Medical Education*. 40 (4), pp.314-321.

Elkington, J. 1994. Towards the sustainable corporation: Win-win-win business strategies for sustainable development. *California management review*. 36(2), pp. 90-100.

Harrison, R., Newholm, T., and Shaw D. 2005. *The Ethical Consumer*. London: Sage Publications.

Hasan, R., Shams, R. and Rahman, M, 2020. Consumer trust and perceived risk for voice-controlled artificial intelligence: The case of Siri. *Journal of Business Research*. 131, pp. 591-597.

Hughes, T. 2006. New channels/old channels: Customer management and multi-channels. *European Journal of Marketing*. 40(1), pp. 113-119.

Jackson, J., Miller, R., and Miller, S. 1997. *Business and Society Today: Managing Social Issues*. USA: West Publishing Company

Madden, K. and Perry, C. 2003. How do customers of a financial services institution judge its communications? *Journal of Marketing Communications*. 9(2), pp. 113-117.

Mason, J. 2002. *Qualitative Researching*. London: Sage

McGlone, T., Winters Spain, J. and McGlone, V. (2011) Corporate Social Responsibility and the Millennials. *Journal of Education for Business*. 86(4), pp. 195-200.

Miles, M. and Huberman, A. 1994. *Qualitative data analysis: An expanded sourcebook*. Thousand Oaks: Sage

Office of National Statistics 2020. Retail Sales, Great Britain. Available at <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/november2020> [Accessed 4 January 2021].

Office of National Statistics 2021. Retail Sales, Great Britain. Available at <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/january2021> [Accessed 4th June 2021].

Parsons, P. 2007. Integrating ethics with strategy: analyzing disease-branding. *Corporate Communications: An International Journal*. 12(3), pp. 267-279.

Retail Times 2020. Online Shopping Habit Brits have Adopted over Lockdown are here to Stay. Available at <https://www.retailtimes.co.uk/online-shopping-habits-brits-have-adopted-over-lockdown-are-here-to-stay-new-research-shows/> [Accessed 4 January 2021].

Robertson, D. and Anderson, E. 1993. Control system and task environment effects on ethical judgment: An exploratory study of industrial salespeople. *Organization Science*. 4(4), pp. 617-644.

Roman, S. 2007. The ethics of online retailing: a scale development and validation from the consumers' perspective. *Journal of Business Ethics*. 72(2), pp. 131-148.

Roman, S. 2010. Relational consequences of perceived deception in online shopping: the moderating roles of type of product, consumer's attitude toward the internet and consumer's demographics. *Journal of Business Ethics*. 95(3), pp. 373-391.

Royackers, L., Timmer, J., Kool, L. and van Est, R. 2018. Societal and ethical issues of digitization. *Ethics and Information Technology*. 20(2), pp. 127-142.

Saunders, M. Lewis, P, and Thornhill, A. 2009, *Research methods for business students*. Harlow: Pearson Education

Sharma, G. and Lijuan, W. 2014. Ethical perspectives on e-commerce: an empirical investigation. *Internet Research*. 24(4), pp. 414-435.

Sheahan, P. 2005. *Generation Y: Thriving and surviving with generation Y at work*. Prahan: Hardie Grant Books.

Statista 2021. Online privacy concerns in the UK. Available at <https://www.statista.com/statistics/1228227/online-privacy-concerns-uk/> [Accessed 4th June 2021]

Taylor, D. 2014. Defining ubuntu for business ethics—A deontological approach. *South African Journal of Philosophy*. 33(3), pp. 331-345.

Tavani, H. 2007. *Ethics Technology: Ethical Issues in an Age of Information and Communication Technology*, 2nd ed., John Wiley and Sons, Hoboken, NJ.

The Guardian 2020. Empty shops on UK high streets at highest level in six years. Available at <https://www.theguardian.com/business/2020/sep/03/empty-shops-on-uk-high-streets-at-highest-level-in-six-years> [Accessed 4th June 2021].

The Guardian 2021. We know Amazon is killing the high street so why do we keep clicking on 'buy now'? Available at <https://www.theguardian.com/commentisfree/2021/apr/26/amazon-killing-the-high-street-online-shopping> [Accessed 4th June 2021].

Trades Union Congress 2020. What can we do about Amazon's treatment of workers? Available at <https://www.tuc.org.uk/blogs/what-can-we-do-about-amazons-treatment-its-workers> [Accessed 4th June 2021].