Blind Obedience to Environmental Friendliness

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we borrow insights from the behavioral decision making literature on preference reversal to introduce an opposite phenomenon—that is, consumers buying an environmentally friendly product even though they do not evaluate it highly.

Keywords: behavioral decision making; environmentally friendly; choice—evaluation discrepancy; intention—action gap; preference reversal; goal

1. Introduction

Contemporary consumers may report positive attitudes towards an environmentally friendly product but they do not actually buy it, which raises the issue of the "intention—action gap." According to a McKinsey report, for instance, about 80% of Chinese and Indian respondents indicated that they were willing to pay more for sustainable packaging [1]. This report highlights that "environmental concerns are at the forefront of the minds of consumers in emerging Asia." However, another report published by the same company pointed out that "intentions expressed in surveys may not always translate into actual purchases because effective premiums for sustainable products often exceed 30 percent" [2]. Findings from the two reports were echoed in another survey which showed that 65% of the respondents wanted to buy purpose-driven brands that advocate sustainability, yet only 26% actually did so [3]. As a result, scholars focusing on environmentally friendly consumption devoted attention to closing the gap between intention and action. One proposed solution was to form a habit by making sustainable behavior the default and using prompt and feedback [3]. Another proposed solution was to activate status motives, based on experimental findings that among participants who read a story in which they have an opportunity to receive a desirable promotion their desire for a dishwasher with a recirculating water system that would save water increased [4]. The second solution was supported by a recent survey showing that the more strongly people sought status, the greater their purchase intention was for a 100%-recycled notebook [5].

Although prior research on the topic of the intention-action gap demonstrates exclusively that people's intentions to purchase environmentally friendly products are stronger than their actions, actions could be stronger than intentions. Take an example of free reusable cups distributed by Starbucks Korea to celebrate the 25th anniversary of the founding of global Starbucks. Starbucks cups have been hunted by resellers and appeared immediately on online second-hand marketplaces. According to a newspaper report of 28 September 2021, on Korean second-hand online markets, such as Carrot Market or Bungae Janger, "the cups are being offered for 4000 won (\$3.8) to 8000 won each. Cups offered at around 4000 won are already shown (https://koreajoongangdaily.joins.com/2021/09/28/business/industry/starbucks-reusablecups/20210928163611431.html, accessed on 4 November 2021). Criticism was being raised and the Green Washing controversy, which refers to the camouflage environmental movement, has been sparked by this reusable cup event because the reusable cup is made of PP (polypropylene) and emits the same amount of greenhouse gas as the material used to make plastic bottles during the manufacturing and disposal processes (https://koreajoongangdaily.joins.com/2019/07/23/features/Is-collectingecofriendly-items-really-helping-the-environment-In-an-effort-to-waste-less-we-may-be-doing-moredamage/3065855.html, accessed on 4 November 2021). Similar examples are Jil Sander's brown bag, which costs \$290 but is rendered from coated brown paper and features the logo on the bottom, and the Freitag messenger bag, which costs \$200 but is cut out of old truck tarpaulins with a second-hand car seatbelt as a carry belt and an old bicycle inner tube as an edging.

Note that the rarely documented but frequently observed phenomena that people act in spite of their intentions in the environmentally friendly consumption context could be attributed to so-called "choice–evaluation inconsistency." According to numerous experimental findings, researchers have reached a consensus that people do not have a well-defined set of preferences. Instead, they construct their preference on the spot. Therefore, their preferences are shaped depending on how the items they range over are presented ^[6]. This inconsistency has been much documented and extensively discussed since the 1970s ^[Z].

2. Theory and Hypotheses

2.1. Environmental Friendliness

Although environmentally friendly consumption includes several issues, such as involvement in environmental-caring activities (e.g., recycling packaging), one of the critical issues for consumers is that they have to sacrifice something to

pursue environmental friendliness. This is because consumers believe there is often a trade-off relationship between environmental friendliness and an attribute of a product [8].

The most frequently and regularly observed in the real world is the trade-off relationship between environmental friendliness and price. One experiment demonstrated that participants wanted to pay less for the computer manufactured by a company which discharges poisonous chemical waste [9]. Another experiment showed that participants were less incline to purchase a cheaper product when an environmentally friendly product was recommended [10].

In contrast, the trade-off relationship between environmental friendliness and performance has attracted relatively less attention. This relationship, however, is due to the fact that consumers often associate environmental friendliness with gentleness. Therefore, when they consider buying a product which needs strong performance (e.g., car wash), an environmentally friendly option is not considered [11]. Consumers also associate environmental friendliness with inefficiency. They tend to consume an environmentally friendly detergent more than a typical one [12]. Indeed, as Mostafa [8] stated, one of the five critical issues for environmentally friendly consumption is that consumers have to accept a lower technical performance for the products purchased in exchange for better eco-performance.

As prior literature suggests, we consider that a green product is superior on an environmentally friendly attribute while inferior on another aspect, such as quality, compared to a non-green product.

2.2. Preference Reversal

The classical theory of preference assumes that people have a well-defined preference set and their preferences do not depend on the method of preference elicitation ^[Z]. However, the growing belief among decision theorists is that people construct their preferences on the spot and preferences depend on methods of assessment, violating the assumption of procedure invariance ^[Z]. Early work in this area contrasted choice with bidding or matching. In Lichtenstein and Slovic's ^[S] original demonstration, for instance, participants were asked to indicate their preference between two bets of almost equal expected value. One (P-bet) has a higher probability of winning a modest amount and the other (\$-bet) has a smaller probability of winning a large amount. They found that, when asked to choose between two bets presented together, more participants chose P-bet. However, when asked to bid two bets presented separately, \$-bet received a higher bid amount.

Historically, researchers have explained preference reversal by relying on prominence effect. More specifically, when an option has a prominent attribute, people are more likely to choose it but do not evaluate it highly. Lichtenstein and Slovic [6] argue that choice is determined by probability, while bid is determined by winning amount, because participants made choice decisions in a non-compensatory way, whereas they made bidding decisions in a compensatory way. Tversky et al. [13] extended this argument and proposed that when choosing one option, people tend to select an option that is superior with respect to the prominent (most important) attribute, whereas, when matching two options, they tend to trade off the differences on the prominent attribute. Later, Fischer and Hawkins [14] generalized prominence effect to the strategy-compatibility hypothesis. According to them, people seek out the compatibility between the meta-property of response (qualitative vs. quantitative) and the meta-property of decision strategy (ordering attribute importance vs. making trade-off). Therefore, the qualitative response mode (e.g., choice) enhances the preference for the option that is superior on the most important attribute (e.g., price), which contrasts with the quantitative response mode (e.g., rating or pricing).

We propose that environmental friendliness is prominent (most important) and it is weighted more heavily when consumers make a choice than when they evaluate products, resulting in a choice–evaluation discrepancy. Consumers overweigh environmental friendliness in choice because it is emotion-laden and sacred, and therefore they avoid trading it off against other attributes $^{[15]}$. Luce $^{[15]}$ demonstrated in her study, for example, that participants were more likely to choose an expensive but very safe car instead of a cheap but appropriately safe one because safety was emotion-laden. Extending this idea, sacred or protected values were developed to express the idea that certain values and moral principles are non-negotiable and thus are protected from trade-offs with other values. A sacred value has been defined as "any value that a moral community implicitly or explicitly treats as possessing infinite or transcendental significance that precludes comparisons, trade-offs, or indeed any other mingling with bounded or secular values" ($^{[16]}$ p. 853). Trading sacred values (e.g., human life, health, or human rights) off against secular values (e.g., money) is considered taboo. For instance, people struggle to protect sacred values from trade-offs against other values and respond with strong moral outrage when faced with violations of taboo trade-offs $^{[17]}$.

Our proposition is supported by several recent experimental findings. For example, in an experiment, participants were less inclined to purchase an illegally manufactured thumbnail-sized plastic storage device when a legally manufactured one was recommended through online recommendation systems [10]. This suggests that when consumers make a choice between two products, a CSR product penalizes a competing non-CSR product. Another experiment demonstrated that local, fresh produce receives the highest preference ranking, while organic products received the highest price premium [18]. These findings confirm that consumer preference for sustainable food products shows a classic phenomenon of preference reversal.

Imagine that you have two powder compact foundations. One product has a recycled package but cannot cover the face thoroughly and the other product does not have a recycled package but covers the face thoroughly. The former product is superior on an environmentally friendly attribute and inferior on a quality attribute compared to the latter product. When

consumers are asked to choose between the two options, consumers will place greater weight on the environmentally friendly attribute because it is more prominent than the quality attribute. However, when consumers are asked to evaluate the two options, they will consider the two attributes equally important and then evaluate them in a graded pair comparison way. This suggests that the former option is more likely to be chosen even though it is not evaluated higher than the latter option.

Hypothesis 1.

Choice is greater than evaluation of environmentally friendly products.

2.3. Goals

Goals shape consumers' choice and evaluation. Consumers consider goal-relevant attributes important when they develop knowledge $^{[19]}$ or when they make a purchase decision $^{[20]}$. For example, Huffman and Houston $^{[19]}$ demonstrated that when participants learned how to carry a guitar comfortably, they recalled a goal-relevant attribute (e.g., body wood) better than a goal-irrelevant attribute (e.g., pickups). Similarly, people tend to pay attention to goal-relevant information. In one study, when participants were asked to gather information from a website, they concentrated on what will remain as the residue after reading. However, when they approached the same website to entertain, they enjoyed the rhythms and metaphors of the text $^{[21]}$.

We propose that when consumers pursue different goals, they will place weights on environmentally friendly attributes and quality attributes differently and thus make systematically different choices and evaluations. Imagine again that consumers consider buying one of two powder compact foundations. When they pursue environmentally friendly goals and consider the degree to which these options are environmentally friendly, environmentally friendly attributes are ranked highly regardless of whether options are chosen or evaluated, which removes the discrepancy between choice and evaluation. When consumers consider how strong two foundations work, they will place greater weight on quality attributes and thus a choice—evaluation discrepancy disappears again.

Hypothesis 2a.

When consumers pursue quality goals, choice is the same as the evaluation of environmentally friendly products.

Hypothesis 2b.

When consumers pursue environmentally friendly goals, choice is the same as the evaluation of environmentally friendly products.

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