

# Ethical Consumption and Happiness: Evidence from Pakistan

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#### **Abstract**

Today's customers are ethically conscious and prefer those products that are ethically produced without using child labor and harm to animals and nature. This study shows various factors that affect ethical consumption and happiness. We proposed a model explaining effect of ethical purchase on happiness and onwards to repurchase intention. For this purpose this research adopted (Hwang & Kim, 2016) model of factors affecting happiness and repurchase intention and added variables such as ethical consumption, altruism and ethical obligation from (Oh & Yoon, 2014). Using a questionnaire-based survey, the data were collected from 212 respondents to analyze their attitude towards ethical consumption and happiness. To analyze data and test the hypothesis, Structured Equation modeling, PLS algorithm and bootstapping were used. The results showed that guilt positively affects empathy. However, empathy does not affect ethical consumption. Narcissism positively affects self-actualization. While, Self-actualization negatively affect ethical consumption. Ethical obligation also inversely affect ethical consumption however the relationship seems to be insignificant. Surprisingly, Altruism and ethical consumption also seems to have a negative connection. Moreover, ethical consumers didn't draw happiness out of their purchase, however, happiness positively affected repurchase intention. The results of this study demonstrate the strong associations of the paths from happiness to repurchase intention, happiness to self-actualization, repurchase intention to happiness and self-actualization to happiness.

**Keywords:** Ethical Consumption, Happiness, Guilt, Empathy, Narcissism, Self Actualization, Ethical Obligation, Altruism, Repurchase Intention



#### 1. Introduction

#### 1.1 Background to the Study

While ethical consumerism has been in existence for centuries, it gained greater importance in the last few decades because of environmental issues such as global warming, flooding, landslides etc. Many companies are now realizing the importance and criticality of ethical consumption and shaping their policies according to it. For example in 2015, Dell became aware of the challenges facing our oceans, i.e. plastics that causes a serious threat to ocean ecosystems and started using polymer-clad silica plastics in their products. Furthermore in 2017, Dell sought to recycle ocean plastics for the tray packaging of the XPS 13 2-in-1 laptop. If we talk about Pakistani companies, there is very less awareness on ethical issues due to lack of government regulations and increased cost. As child labour is common in Asian countries and so in Pakistan, support of local industries and local artisans is also lacking. However government is working on production of alternative sources of energy. Companies that are on top to use green practices include Lucky Cement which initiate numerous sustainable projects like alternate fuel, energy conservations well as its "in-house" power generation units have been revamped to ensure environmental efficiency. Pak Suzuki also uses many sustainable practices to protect the environment such as banning the use of hexavalent chrome in the production, reducing sulphur-oxide (SO<sub>x</sub>) and nitrogen-oxide (NO<sub>x</sub>) emission amount, installing water waste treatment plants etc. Unilever Pakistan's sustainable practices include harvesting rain water, use of energy efficient compressors, upsizing containers for transportation etc. In recent days, the ethical consumption market is rapidly emerging in Western Europe and Great Britain. In case of Great Britain, despite economic downturn, the sales of ethical products and services in year 2011 have increased by 9% over 2010. MasterCard report has revealed that consumers in emerging markets across Asia/Pacific are more likely to choose a product based on whether it is perceived as more socially responsible than those in developed markets. There are many faux fur suppliers in Pakistan.

A co-operative named iCOOP initiated a 'community food safety life system' in 2007 in Korea, which promotes ethical consumption to save neighbours as well as the earth. These movements prominently illustrate that ethical consumption has become an iconic subject of global concerns and responsibility. The rising awareness on ethical consumption is having a great impact not only on marketing practices, but also on the business environment in general. Ethical consumption pursuades firms to engage in ethical management by actively promoting environmental protection and offering products and services in the fulfilment of social responsibility. This emerging business norm about running socially responsible firms is being widely recognized as a critical requirement for sustainable development and survival of the firm.Dr. Bautista said that "in the past decade consumers' attitudes towards ethical issues have become of increasing relevance to businesses, so much so that they are now considered a key aspect of business strategy (SOLIMAN, 2018).

# 1.2 Problem Statement

Whilst the moral 'problem' could be considered to be increasing in a consumer culture, the



potential for unhappiness is common (Hiller, Whysall, Woodall, & Painter-Morland). Whilst consumers may be morally guilty for their actions, they are faced with their consequences without the benefit of the guidance of "grand narratives." Ethical consumers are engaged in constant trading-off of macro concerns about a wider ethical agenda, with micro concerns of a personal nature. Often these trade-offs are based on the assumption that happiness can be reduced to a cognitive process directed at utilitarian outcomes which predominantly derive from self-interested behaviors and which necessarily involve sacrifice (Hiller, Whysall, Woodall, & Painter-Morland).

As ethical consumerism is an emerging concept and its awareness is increasing in developing countries, it is still in its infancy. In this case, awareness of customers about renewable sources of energy, knowledge that child labor is used or not in the products they use and supporting fair trade products and local artisans instead of capitalist companies is very important.

# 1.3 Gap Analysis

(Hwang & Kim, 2016) conducted a study to understand ethical consumers's moral emotions and self-orientation as motivations for fair-trade consumption and determine whether empathy and self-oriented motivations led to their happiness. This study was conducted in Seol, South Korea. They found that guilt was positively associated with empathy while empathy positively influenced self-actualization. Empathy was negatively associated with happiness. Empathy was positively associated with repurchase intention while narcissism was significantly associated with self-actualization. Self-actualization was positively associated with happiness. Self-actualization was positively associated with repurchase intention. Happiness was positively associated with repurchase intention. However, this study did not analyze healthy narcissists' social or interpersonal interests as motivations for their fair-trade purchase. There are several well-established guilt measurement scales that include the guilt state and disposition, which has the potential for pathology but it was difficult to find appropriate guilt scales for measuring ethical consumers' self-conscious emotions. (Oh & Yoon, Theory-based approach to factors affecting ethical consumption, 2014) also conducted a study in, South Korea. They used TRA as a theory to explain ethical consumption and tested the hypothesis on 343 respondents. They found ethical obligation had a positive influence on ethical consumption attitude. While self-identity have positive impact on attitude along with altruism. Ethical obligation had a positive influence on consumption intention and self-identity and altruism also had positive influences. Ethical obligation and self-identity had a bigger influence on attitude than on consumption intention. Altruism have a greater impact on consumption intention than on attitude. Attitude towards ethical consumption had a positive influence on ethical consumption intention. However, the subjective norm does not have a significant influence on ethical consumption intention, whereas positive anticipated affection had significantly positive influence.

(Mehrdadi, Sadeghian, Direkvand-Moghadam, & Hashemian, 2016) conducted a study to identify the factors influencing on happiness among young persons in Iran during 2014. They



found that there was a significant relationship between the happiness score and location in urban and rural, employment status and physical activity. There was not a significant relationship between gender, marital status and education level with happiness score among participants. However, other factors such as socioeconomic status and spiritual aptitude were not considered which might have an impact on people's happiness. (Abadi, Choiriyah, Sukmana, & Karuniawan, 2018) investigated the happiness levels of society and the factors that influence happiness. This study was conducted in Indonesia. They found that factors affecting of the life happiness are health, safety, family, harmony, use of leisure time, owned house and its assets, and affection.

(Jabeen & Khan, 2016) analyzed the determinants of individual happiness in Pakistan by using the data from World Values Survey (WVS) for three different waves, which are 1994-1998, 1999-2004, and 2010-2014. Total sample consists of 3,933 individuals with 733 individuals in the 1994-98 wave, 2000 individuals in the 1999-2004 wave and 1200 individuals in the recent wave of 2010-2014 (Jabeen & Khan, 2016). This happiness measure is regressed on socio-economic and demographic variables, namely, age, health status, gender, marital status, education, income, children, employment status, importance of religion, family saving during past year, trust and satisfaction with financial situation of household. Findings suggested that the percentage of "very happy" individuals has increased over time in Pakistan as in the 1994-98 wave the frequency of very happy individuals is 28% which increased to 45% in the recent wave. Moreover, happiness is lower for males, married persons and for age d people and for persons, having children. Results suggested the need for policy makers to adopt social programs to increase income of the people and to improve health status of individuals.

(Shah, Tahir, Soomro, & Amjad, 2018) conducted study in Rawalpindi, Pakistan empirically examined the link with moral intensity and behavioral intention. The results of the study indicated that the role of moral intensity and gender is found positively associated with consumer situations that result in harmful outcomes. Highly educated consumers showed sensitivity towards questionable behaviors even though they may seem to contain harmless outcomes. The size of the family negatively influences the harmless ethical beliefs.

There were studies investigating factors affecting happiness or ethical consumption separately that include moral, psychological and demographic, however, literature linking happiness derived from ethical purchase still remained inconclusive. Hence, the above mentioned review clearly indicated a lack of research linking the factor of happiness with ethical purchase. Moreover, this area remained largely ignored in developing countries. Their unique culture and settings could influence ethics perception differently as compared to developed region moreover, their satisfaction and happiness derived from ethical purchase should also be explored separately. Hence this study filled the gap linking ethical purchased with happiness in setting of a developing country like Pakistan.

# 1.4 Research Objectives

The main objective of this research is to test various factors that affect ethical consumption



and happiness and explore the link between them. For this purpose this research adopted (Hwang & Kim, 2016) model of factors affecting happiness and repurchase intention and added variables such as ethical consumption, altruism and ethical obligation from (Oh & Yoon, 2014) model regarding factors affecting ethical consumption. We included factors such as guilt, empathy, narcissism, self-actualization, altruism, ethical obligation and tested their impact on ethical consumption. Then we tested the impact of ethical consumption on happiness and then happiness on repurchase intention.

# 1.5 Research Question

What are the different factors that influence happiness and ethical consumption in the Pakistani context.

# 1.6 Significance

This study will add a new addition to research in the field of ethical consumption. Secondly, this research will help producers of ethical products to choose the right strategy for marketing these products. As ethical appeal is a very strong marketing tactic, firms can increase their market share by using it. Awareness on ethical concepts is very crucial thing for Pakistani consumers as labor exploitation, child labor and capitalization are common in developing countries like Pakistan. So having immense awareness will benefit them to understand and promote ethical products as well as including those in their regular purchasing habits.

In Pakistan, people are unaware of the word ethics and related words like ethical consumption, green consumption, ethical products etc. Therefore their attitude and behavior towards consumption of food, necessities etc. and method of production remain unchanged. One more thing for the factor for unchanged behavior of producers towards green supply chain is the increased cost because green raw material is costly as compared to conventional raw material and recycling of waste and use of renewable energy and converting supply chain to green etc also increase cost of production. Therefore, they don't want to change their behavior. However, after regulations imposed by government of Pakistan, companies are adopting some green practices.

Moreover, a study conducted in Pakistan for exploring the behavior of Pakistani people towards green products revealed that Pakistani people are ready to buy green/ethical products but they are not ready to pay increased price of them. Because green products are costly as compared to normal products. Therefore, it's our obligation as a responsible human being to spread awareness on green/ethical behavior for the sake of our earth.



## 2. Literature Review

#### 2.1 Ethical Consumption

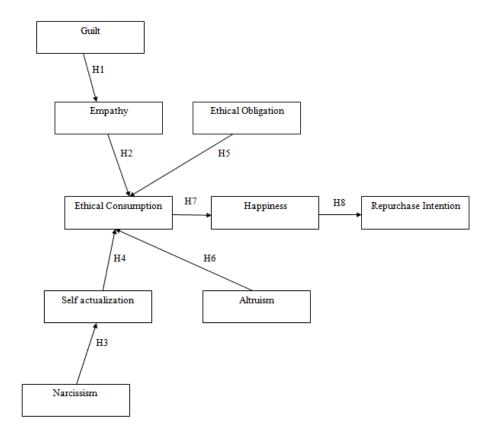


Figure 1. Research model

Ethical consumerism (alternatively called ethical consumption, ethical purchasing, moral purchasing, ethical sourcing, ethical shopping or green consumerism) is a type of consumer activism that is based on the concept of dollar voting. It is practiced through 'positive buying' in that ethical products are favoured, or 'moral boycott', that is negative purchasing and company-based purchasing. Many authors have defined ethical consumption. (Christopher Kirchhoff) defined ethical consumerism as a form of political activism based on the premise that purchasers in markets consume not only goods but also, implicitly, the process used to produce them. (Delistavrou, Katrandjiev, & Tilikidou, 2017) categorized ethical consumption into three categories. First one is Positive Ethical Consumption which is purchasing of ethical products and the post-purchasing activities in favor of the environment. Second one is Negative Ethical Consumption which is the consumers' boycott against unethical products. Third one is Discursive Ethical Consumption which include all activities that aim at the formulation of the public opinion through social debate either in favor of ethical or against unethical products, services or firms. (Bray, Johns, & Kilburn, 2011) conducted three focus group interviews including participants from fifteen to seventy eight years of age in counties of the southern UK i.e. Sussex, Hampshire and Dorset and to explore the factors that impede ethical consumption. They found that the most important factor that impede ethical consumption was price. Because participants cared more about financial than ethical values. The second hurdle was that individuals did not recognise the ethical consequences of their



purchasing choices, That's why they were receptive to their changes in purchasing choices. Third hurdle was Lack of information. Participants said that they did not have enough information to make an ethical decision. Quality perception was the fourth impeding factor as participants perceived ethical products as of bad quality. Purchasing inertia was the fifth impeding factor as it was ultimately this that prevented any change, or even consideration of change, in consumption patterns. Cynicism was the sixth factor as participants expressed cynicism about retailers' ethical claims in order to justify their reluctance to purchase on a more ethical basis. And finally guilt was the last impeding factor as participants tended to suppress their feelings of guilt, for instance by expressing doubt whether their purchase would have actually made a difference. (Long, 2010) explored who participates in ethical consumption and why they choose to do so by collecting data from 463 respondents's mail survey and four focus groups. He demonstrated that ethical consumption is prevalent in Colorado. His bivariate and multivariate analyses of survey data and focus group discussions showed that liberal political affiliation, higher levels of education and holding postmateralist values are significantly related to higher levels of participation in ethical consumption (Long, 2010). A recent study reports that 88% of Americans identify themselves as "conscious consumers" and 88% also self-identified as "socially responsible". In the United Kingdom, the Cooperative Bank (2003) estimates sales of ethically produced goods to be \$5.6 billion and of that \$3.2 billion in sales derives from food products. The US market for sustainable products is very large at \$118 billion. This figure translates to roughly 35 million US shoppers that now consider health and sustainability issues when making shopping decisions. A survey of Minnesota college students finds that 79% buy Fair Trade items when available and moreover, 49% are willing to pay more than conventional products for these items. (Holt, 2012) argued that we should reallocate the vast government, NGO, and foundation sustainability investments from promoting consumer value transformations toward a federation of market-focused social movements aimed at leapfrogging the ideological lock-in in key unsustainable markets. The growth of contemporary capitalism is producing a broad sweep of environmental and social ills, such as environmental degradation, exploitative labor conditions, social and economic inequity and mental and physical illness (Carrington, Zwick, & Neville, 2015). A growing awareness of these significant consequences by an "ethical" consumer segment has catalyzed a field of research dedicated to investigating ethical consumerism. Of particular academic and practitioner focus is the general failure of this ethical consumer segment to "walk their talk" the ethical consumption attitude-behavior 'gap'. (Carrington, Zwick, & Neville, 2015) critically analyzed the ideological functioning of the ethical consumption gap and argued that this focus inadvertently promotes erroneous notions of consumer sovereignty and responsibilization. They concluded with a call to reimagine the gap as a construct that paradoxically preserves rather than undermines dominant and destructive consumerist capitalism.

# 2.2 Factors Affecting Ethical Consumption

(Hwang & Kim, 2016) collected data from 471 respondents who were regular purchasers of fair trade coffee from fair-trade coffee specialty shops including Beautiful Store, Think Coffee, and The Kind Coffee in Seoul, South Korea. They tested their hypothesis using Partial Least Squares (PLS) Method. They concluded that guilt was positively associated with



empathy while empathy positively influenced self-actualization. Empathy was negatively associated with happiness. Empathy was positively associated with repurchase intention while narcissism was significantly associated with self-actualization. Self-actualization was positively associated with happiness. Self-actualization was positively associated with repurchase intention. Happiness was positively associated with repurchase intention. The respondents of that research who were regular buyers of fair-trade coffee were noted to had both empathetic and narcissist propensities. (Gutsche, 2016) conducted fifty interviews in the semi-ethnographic setting of a high street coffee shop in UK. Soft-laddering methodology was used and semi-structured interviews were conducted. They concluded that ethical consumption is largely not altruistic, low cognition and not driven by knowledgeable, information rich consumers. While an information vacuum is a positive thing for ethical retailing as it allows scope for consumers to invent self-meaning and find greater satisfaction for self in the augmentation of ethical products. Participants interviewed were not aware of the ethical concepts like fair trade and eco products. According to them, three values motivate fair trade consumption i.e. health and well-being, social guilt and self-satisfaction. (TOTI & MOULINS, 2016) conducted fourteen interviews for qualitative study to define the contours of the ethical consumption behavior concept and then quantitative study was conducted on items obtained from qualitative study by collecting data from 551 French consumers. Conclusions were that ethical consumption is a way of living together. It creates a social link between individuals, whereas today's consumers are pushed to become more individualist. The social dimension of ethical consumption puts solidarity at the heart of exchanges between individuals. On the basis of their research, they defined ethical consumption behavior as a way of acquiring and using products and brands as much as possible marrying consumers' moral principles and values. Ethical consumption cannot be reduced solely to social and environmental dimensions. They divided ethical consumption into three categories i.e. social, political and environmental/ecological. The social dimension includes solidarity, sharing, interest for others and altruism. The political dimension includes consumer willingness to be active and to change things. While environmental / ecological dimension focuses on consumers' concern for the environment and uncertainty about the future of human life on the planet. (Perchla-Włosik & Raciniewska, 2017) conducted six focus group interviews in the three Polish urban agglomerations of Poznań, Warsaw and Wrocław to discover consumers' opinion on and awareness of ethical fashion. Consumers were less aware of the concepts of ethical fashion and corporate social responsibility arising from it. They were interested in fashionable clothes available at low prices. Although they were aware of the problems that afflict the fashion industry, they chose not to have their consumer choices guided by ethical reasons. Moreover, they did not believe that ethical fashion exist. They believed ethical issues were important, although they had not followed such principles in their everyday lives. Clothing companies' becoming increasingly socially responsible can be seen as a response to the negative image of the fast fashion industry associated with the exploitation of cheap workforce in developing countries, toxic clothes production process, and degradation of the natural environment. Today's consumers pay little attention to the issue and operate on the fashion market using a variety of behavior strategies. Only selected groups of consumers aged 25+ were aware of the existing problems. (Hamzah, Othman, Hassan, Ahmad, & Aziz, 2018) proposed a cohesive model of consumer ethical consumption



behaviour based on the existing empirical research works on the area. The model hypothesized that emotions moderates the relationship between ethical consumption intention and ethical consumption behaviour. While moral judgement and self-efficacy mediate the relationship between the antecedents (religiosity and subjective norms) and ethical consumption intention.

#### 2.2.1 Guilt

(Wikipedia contributors) guilt as a cognitive or an emotional experience that occurs when a person believes or realizes accurately or not that they have compromised their own standards of conduct or have violated a universal moral standard and bear significant responsibility for that violation. Shame and guilt seem to be two synonymous moral emotions but actually lead to contrasting human behaviors. Shame drives people to hide or deny their wrongdoings while guilt drives people to amend their mistakes. Shame is more adaptive at the individual level while guilt is more advantageous in the context of intergroup competition (Shen, 2018). (Day & Bobocel, 2013) conducted four studies to reveal how actions that inspire feelings of guilt may be embodied and can affect judgments, These studies demonstrated that immoral acts led to reports of increased subjective body weight compared to control conditions. Furthermore they also concluded that increased feelings of guilt can explain greater subjective weight, rather than feelings of disgust, pride, or sadness. (Torstveit, Sütterlin, & Lugo, 2016) demonstrated how guilt proneness combined with empathy explained additional variance in prosocial behavior. The findings were that there are gender differences in guilt proneness explaining prosocial behaviour. While women tend to be more guilt prone but the model works better on males. Furthermore, there is an association between guilt proneness and prosocial behaviour.

#### 2.2.2 Empathy

Empathy is the experience of understanding another person's thoughts, feelings, and condition from his or her point of view, rather than from one's own. Empathy facilitates prosocial or helping behaviors that come from within, rather than being forced, so that people behave in a more compassionate manner. (Psychology Today).

Particularly in the literature concerning service, empathy is regarded as an essential element for fruitful employee and customer communications that commonly lead to altruistic motivation and pro-social and altruistic behavior (Bahadur, Aziz, & Zulfiqar, 2018). Empathy and moral identity are related to negative beliefs regarding the passive and the active/legal dimensions of consumer ethics and are related to positive beliefs regarding the 'doing-good'/recycling dimension. (Chowdhury & Fernando, 2014). Now businesses realize the need to consider ecological and human welfare implications when adopting sustainable development principles. Also at the same time, ethical consumer behavior, which incorporates the consideration of ecological and human welfare issues, is increasing dramatically (Sudbury-Riley & Kohlbacher, 2016). Studies show that green consumers appear to be opinion leaders and careful shoppers, innovative, extroverted and guided by self-fulfillment values.



#### 2.2.3 Narcissism

Narcissism is defined by (Wikipedia contributors) as 'the pursuit of gratification from vanity or egotistic admiration of one's idealised self image and attributes'. (Vasudha & Prasad, 2017) found that higher level of self-actualization led to lower level of narcissism. Also, narcissism and happiness are negatively related to each other, while self-actualization is positively related with happiness. Psychologists believe narcissism to be an unhealthy quality. It is known to be as a personality disorder and breeds chronic frustration and unhappiness to oneself and to the people with whom one is related. On the other hand,self-actualization enhances psychological health and happiness.

#### 2.2.4 Self-Actualization

Self-actualization has been defined as the psychological process aimed at maximizing the use of a person's abilities and resources. This process may vary from one person to another (SELVA, 2017). Since self-actualization is based on leveraging one's abilities to reach their potential, it is a very personal process and can greatly differ from person-to-person. It is known in the context of Abraham Maslow's hierarchy of needs. Maslow's hierarchy of needs is made up of five needs i.e physiological needs, safety needs, love needs, self- esteem needs, and self-actualization arranged form bottom to top. (Fetzer, 2003) investigated self-actualization and work experience as possible antecedents to the development of professional attitudes, values, and behaviors of associate degree nurses. Findings indicated that self-actualization was positively and significantly related to the degree of professionalism. The need to reevaluate the induction model of professional socialization and consider a reactive approach was considered.

# 2.2.5 Ethical Obligation

Ethical obligation is defined as consumer's perception or behaviour that transforms consumption behaviour from personal concern into a societal one (Oh & Yoon, 2014). (Lohrey) defined ethical obligations as a set of "ought to" standards that define a moral course of action and draw a line between right and wrong. (Shaw & Shiu, 2002) found significant independent effect of ethical obligation and self identity in the prediction of ethical consumption intention. (Oh & Yoon, Theory-based approach to factors affecting ethical consumption, 2014) stated that personal(ethical) norm is based on internal norm and values adhered to by others and that it reflects one's own opinion regarding moral judgments that are acquired over the course of life. Morever ethical obligation also reflects the personal belief about value judgment that takes place when internalizing the ethical rules. (Oh & Yoon, 2014) used TRA as a theory to explain ethical consumption and tested the hypothesis on 343 respondents. According to him, ethical obligation had a positive influence on ethical consumption attitude. While self-identity have positive impact on attitude along with altruism. Ethical obligation had a positive influence on consumption intention and self-identity and altruism also had positive influences. Ethical obligation and self-identity had a bigger influence on attitude than on consumption intention.



#### 2.2.6 Altruism

The sociobiologist Wilson defines altruism as "self-destructive behavior performed for the benefit of others." Sociobiologists call behavior altruistic if it benefits the actor less than the recipient. Most of the people who emphasize the motivational aspect of altruism agree that altruistic behavior (a) must benefit another person, (b) must be performed voluntarily, (c) must be performed intentionally, (d) the benefit must be the goal by itself, and (e) must be performed without expecting any external reward (Piliavin & Charng, 1990). Altruism have a greater impact on consumption intention than on attitude. Attitude towards ethical consumption had a positive influence on ethical consumption intention. However, the subjective norm does not have a significant influence on ethical consumption intention, whereas positive anticipated affection had significantly positive influence. (Kim & Kwon, 2016) conducted semi-structured interviews from participants who bought faux fur to know if ethical consumption is altruistic or egoistic. As a result, two themes emerged in regards to consuming faux fur, altruistic and egoistic orientation. As per altruistic orientation, participants showed sympathy to animals and considered consumption as part of practicing social responsibility. While for egoistic orientation, participants isolated themselves from ethical issues in order to be free from guilt. Despite the preference for actual fur, they compromised between their desire and social criticism. (Long & Krause, 2017) evaluated the extent to which an individual's stated altruistic sentiments could be influenced by context-most importantly, by the age and social proximity of the other person and by the nature of what is being sacrificed. They measured willingness to sacrifice own health for another person's health and willingness to sacrifice own wealth for another person's wealth. To evaluate those sentiments, two surveys were administered to representative samples of Americans which contained hypothetical scenarios with context randomly assigned; the first survey posed a dictator game question and the second survey was designed to elicit marginal rates of substitution between own and other's health/wealth. They found less altruism towards those who were more socially distant (e.g., strangers relative to family). They found that individuals were more health altruistic towards young children and more wealth altruistic towards adults, and health altruism tended to be lowest for survey respondents near retirement age. Moreover, they found no relationship between levels of altruism and the distance between the respondent's state of birth and state of current residence. These findings improve society's understanding of situational altruism and kinship and reciprocity as motivations for altruism, and they have practical implications concerning the economic valuation of human lives used to guide public policy-making.

# 2.3 Happiness

The word 'happiness' is used in several ways. It is an umbrella term for all that is good. It is often used interchangeably with terms like 'wellbeing' or 'quality of life' and denotes both individual and social welfare. During the last decades, survey-research methods introduced by the social sciences have brought a breakthrough. Until now, indicators have been categorized in one of three ways: (1) those that adjust economic indicators to include social and environmental aspects, (2) those that measure quality of life or life satisfaction directly through surveys, and (3) those that are composite indicators bringing together a multitude of



aspects (Kubiszewski, Jarvis, & Zakariyya, 2019).

Past researches have demonstrated a strong relationship between happiness and workplace success (Gupta, 2012). It suggests that happy and satisfied individuals are relatively more successful in the workplace as compared to their unhappy peers. Researches have revealed that the attainment of factors such as social support from peers and supervisors, favorable evaluations by a superior and helping fellow workers in the workplace etc causes a person to be happy.

One of the reasons for promoting sustainable consumption is that it may give rise to greater happiness for a greater number in the long run. (Veenhoven, 2004) took stock of the assumed effects of sustainable consumption on happiness and then reviewed the empirical evidence for such effects on the present generation. The evidence suggested that a shift to sustainable consumption involve a minor reduction in happiness, at least temporarily, but that we can live quite happily with less luxury.

# 2.4 Repurchase Intention

(Elbeltagi & Agag, 2016) found that several researchers have found satisfaction and attitude to be major antecedents of customer repurchase intention. Also a direct positive relationship between customer satisfaction and repurchase intention is supported by a wide variety of product and service studies (Elbeltagi & Agag, 2016). These studies prove that overall customer satisfaction with a service is strongly associated with the behavioural intention to return to the same service provider. (Ariffin, Yusof, Putit, & Shah, 2016) found that green value has significant relationship with both perceived quality and repurchase intention. While Emotional value has significant relationship with perceived quality. However, its relationship with repurchase intention is insignificant. For environment conscious, though its relationship with perceived quality is insignificant, when paired against repurchased intention, the relationship is found to be significant (Ariffin, Yusof, Putit, & Shah, 2016).

# 2.5 Conceptual Framework

Based on these critical observations, this study aims to extend (Hwang & Kim, 2016) model by adding new variables from (Oh & Yoon, 2014) model of factors affecting ethical consumption. Finally, the main purpose of this paper is to add a new work into existing literature of ethical consumption and happiness. This study sets forth the research model shown in Fig. 1 and based on this, develops the research hypotheses.

# Research Hypothesis:

**Hypothesis 1:** Guilt positively affects empathy.

**Hypothesis 2:** Empathy positively affects ethical consumption.

**Hypothesis 3:** Narcissism positively affects self actualization.

**Hypothesis 4:** Self-actualization positively affects ethical consumption.

**Hypothesis 5:** Ethical Obligation positively affects Ethical Consumption.



Hypothesis 6: Altruism positively affects Ethical Consumption.

**Hypothesis 7:** Ethical consumption positively affects Happiness.

**Hypothesis 8:** Happiness positively affects Repurchase Intention.

# 3. Methodology

#### 3.1 Measures

Scale items for guilt, empathy, narcissism, self actualization, ethical obligation, altruism, happiness and repurchase intention were measured on a five-point likert scale ranging from "strongly agree" (1) to "strongly disagree" (5). While likert scale for ethical consumption was different. We used three scale items for measurement of ethical consumption. First item was "How often do you buy any of the following ethical products? i.e fair trade coffee, energy saver bulbs, clothes, craft products, others." Five-point likert scale of "never, seldom, sometimes, often, always" was used to measure each option. The second item used was "How often do you take part in a trade boycott of products from a country with an oppressive regime?" and the same likert scale was used. While for the third item, "How concerned are you about bribery and corruption in global business", we used four-point likert scale of "taking some action or campaigning about it, somewhat concerned, not very concerned and not at all concerned." We adopted scale items for narcissism, self-actualization, happiness and repurchase intention from (Hwang & Kim, 2016) with slight modification. While items for ethical obligation and altruism were taken from (Oh & Yoon, 2014). Items for ethical consumption were taken from (Ethical Consumerism November 2015, 2015). Scale items for empathy were taken from (Hwang & Kim, 2016) and (Toronto Empathy Questionnaire). Finally scale items for guilt were taken from (Hwang & Kim, 2016) and (Burnett & Lunsford, 1994).

### 3.2 Data Collection

A survey questionnaire was distributed to 212 people in Karachi, Pakistan between April and June, 2019. Sample respondents were selected from university students and salaried workers located in different areas of Karachi. The sample was collected based on convenience sampling. Respondents' demographic characteristics are shown in Table 1.



Table 1. Demographic Characteristics of Respondents

Description	Frequency	Composition	Description		Composition
	Trequency	(%)		Frequency	(%)
Gender:			Age(Years)		
Male	118	56	15-20	20	9
Female	94	44	21-25	106	50
			26-30	62	29
Monthly income(PKR):			31-35	12	6
			36-40	9	4
20000 or below	70	33	Above 40	3	1
21000-40000	82	39	<b>Educational Level:</b>		
41000-60000	30	14	Below Graduation	25	12
61000-80000	13	6	Graduation	63	30
81000-100000	8	4	M.Phil	23	11
Above 100000	9	4	PHD	1	0.5
Total	212				
	(100%)				

## 3.3 Descriptive Statistic

As per the results, we can see that 56% males and 44% females participated in the survey. Whereas 33% people had monthly income of 20000 PKR and below. While 39% people had income at the range of 21000 to 40000 PKR. 14% people had income at the range of 41000 to 60000 PKR. 6% people had income at the range of 61000 to 80000. 4% people had income at the range of 81000 to 100000. While 4% people had income above 100000. As per as age is concerned, 9% people were 15 to 20 years old. While 50% people were 21 to 25 years old. 29% people were 26 to 30 years old. 6% people were 31 to 35 years old. 4% people were 36 to 40 years old. While 1% people were of above 40 age. As per as educational level is concerned, 12% people had qualification below graduation, 30% people were undergraduate, 11% people were in MPhil class and 0.5% people were in PHD class.

As per as the first question asked; "It is extremely hard for me to buy non-ethical products", 29% people strongly agreed about that, and 48% people agreed, 15% people were neutral, 7% people were disagreed, while 1% people were strongly disagreed. It means that people have empathy towards ethical products and they feel it while buying non-ethical products. As per as last question asked "How often do you take part in a trade boycott of products from a country with an oppressive regime", 20% people were strongly agreed, 17% people agreed, 29% people were neutral, 15% people were disagreed while 16% people were strongly disagreed. The item loading and mean and standard deviation for the question, "I have tender, concerned feelings for people less fortunate than me" were 0.34, 2.18 and 0.91 respectively. Item loadings, mean and standard deviation of each construct is given in Table 2.



Table 2. Item loadings, mean and standard deviation and Standard Error

		Item	Mea	Standard	Standar
Constructs	Items	Loading	n	Deviation	d Error
	It is extremely hard for me to buy non-ethical products	0.89	2.01	0.89	0.06
Guilt	I can't stand the idea of buying non-ethical products	0.75	2.29	0.9	0.06
	I don't regret making purchases that I am unable to logically satisfy	0.05	2.88	1.02	0.07
	While consuming ethical products,I perceive that the ethical	0.06	2.24	0.82	0.06
	products's laborer's life to be the same as mine	0.86	2.34	0.82	0.06
Empathy	While consuming ethical products,I experienced feeling as if the	0.74	2.40	0.70	0.05
	ethical products laborer's events were really happening to me	0.74	2.48	0.79	0.05
	I have tender, concerned feelings for people less fortunate than me	0.34	2.18	0.91	0.06
	I am more capable than other people	0.63	2.58	0.95	0.06
N::	I know that I am good because everybody keeps telling me so	0.73	2.73	1.03	0.07
Narcissism I a I a	I am an extraordinary person	0.61	3.03	1	0.07
	I am going to be a great person	0.68	2.08	0.81	0.05
	Buying ethical products gives me an opportunity for personal progress	0.89	2.18	0.82	0.05
Self-actuali	Buying ethical products gives me an opportunity for personal	0.94	2 17	0.75	0.05
zation	development	0.84	2.17	0.75	0.05
	Buying ethical products increases my feeling of self-fulfillment	0.86	2.08	0.77	0.05
	I achieved happiness from ethical purchasing	0.81	2.17	0.83	0.06
Happiness	Ethical purchasing fits my personality traits	0.86	2.24	0.84	0.06
Happiness	I buy ethical products as a rule	0.71	2.69	1.03	0.07
Damumahaaa	I will repurchase ethical products	0.78	2.24	0.81	0.05
Repurchase Intention	I will recommend ethical products to a friend	0.85	2	0.72	0.05
	I will persuade my family to buy ethical products	0.87	2.05	0.81	0.05
Ethical	I take responsibility for ethical obligation of consumption	0.9	2.4	0.9	0.06
	I buy ethical products as a rule  I will repurchase ethical products  I will recommend ethical products to a friend  I will persuade my family to buy ethical products  I take responsibility for ethical obligation of consumption  I take responsibility for the support of ethical consumption  I do the public good through consumption as a societal member	0.81	2.25	0.87	0.06
Intention  I will persuade my family to buy ethical products  I take responsibility for ethical obligation of consumption  Ethical  I take responsibility for the support of ethical consumption	0.67	2.35	0.85	0.06	
	Sales benefit should go to others	0.52	2.29	0.82	0.06
Altruism	Economic gains should be shared with others	0.72	2.02	0.79	0.05
Aluuisiii	I try to understand the mood and feelings of others	0.73	2	0.75	0.05
	I prefer actions that help others more than myself	0.79	2.05	0.88	0.06
	How concerned are you about bribery and corruption in global	-0.25	1.79	0.78	0.05
	business.	-0.23	1./9	0.76	0.03
	How often do you buy any of the following ethical products:				
Ethical	a) Fair trade coffee	0.67	2.47	1.16	0.08
	b) Energy saver bulbs	0.72	3.43	1.24	0.08
Consumptio	c) Clothes	0.71	3.46	1.21	0.08
n	d) Craft products	0.76	2.73	1.13	0.08
	e) Others	0.72	2.94	1.1	0.07
	How often do you take part in a trade boycott of products from a	0.31	2.9	1.35	0.09
	country with an oppressive regime	0.51	۷.)	1.55	U.U.



Items related to guilt have mean score in range 2.01 to 2.29 while these items deviate in range 0.89 to 1.02. Items related to empathy have mean score in range 2.18 to 2.48 while these items deviate in range 0.79 to 0.91. Items related to narcissism have mean score in range 2.08 to 3.03 while these items deviate in range 0.81 to 1.03. Items related to self-actualization have mean score in range 2.08 to 2.18 while these items deviate in range 0.75 to 0.82. Items related to happiness have mean score in range 2.17 to 2.69 while these items deviate in range to 0.83 to 1.03. Items related to repurchase intention have mean score in range 2.00 to 2.24 while these items deviate in range to 0.72 to 0.81. Items related to ethical obligation have mean score in range 2.25 to 2.40 while these items deviate in range to 0.85 to 0.90. Items related to altruism have mean score in range 2.00 to 2.29 while these items deviate in range to 0.75 to 0.88. Items related to ethical consumption have mean score in range 1.79 to 3.46 while these items deviate in range to 0.78 to 1.35.

# 3.4 Empirical Analysis

To test the study hypothesis we have used the structural equation model (SEM) whereas the testing has been gone through Smart PLS software. Moreover, to evaluate the indirect and direct effects of all the constructs the testing was done. The use of (SEM) structural equation model has been observed to be a foremost procedure that has been used below different regression models and methods (Barron & Kenny, 1986). It used to evaluate the structural relationship between exogenous and endogenous variables. It includes factor analysis and multivariate analysis. Moreover, the equation of regression targets at explaining each construct to assess the cause and effect relationship while all of the factors in the causal model could demonstrate their cause and effect at exact time. Likewise, the idea of using this model ensures to apply technique of bootstrapping which has been viewed as reasonable for both small and large sample size and does not require any kind of indirect effect (Hayes, 2013). In order to check the all direct and indirect effects, a technique has been implemented which is known as bootstrapping (Shrout & Bolger, 2002).

The study's hypotheses were tested using the partial least squares (PLS) method (Version 3.2.8). According to (Hwang & Kim, 2016), PLS is useful when the research goal is to predict or identify key target constructs, while structural equation modeling (SEM) is more suitable when the research goal is testing or confirming theories. Very few studies have empirically tested the relationships among ethical consumers' narcissism, self-actualization, and happiness and the relationships among guilt, empathy, and happiness. As PLS allows us to compare the strengths of various paths, it can be useful for comparing the relationships among ethical consumers' guilt, empathy, and happiness with the relationships among ethical consumers' narcissism, self-actualization, and happiness (Hwang & Kim, 2016). PLS was used because the study's hypotheses measured the strength of the relationship between the independent variables and the criterion variables.

# 3.5 Measurement of Outer Model

The goal of measure of fit in the measurement model is to study about the reliability and validity of the instrument and to check its reliabity and validity we perform test of convergent validity and discriminant validity in software naming Smart PLS.



# 3.6 Composite Reliability

Reliability of the measurement instruments was evaluated using composite reliability. All the values were above the normally used threshold value i.e. 0.70. This is the accepted reliability value range. Estimation of reliability can be done by degree of constancy that lies amongst various variables (Hair, 2010). Below is the table of composite reliability.

Table 3. Composite Reliability

Variables	Composite Reliability
Guilt	0.637
Empathy	0.701
Narcissism	0.757
Self-actualization	0.897
Ethical Consumption	0.758
Ethical Obligation	0.838
Altruism	0.789
Happiness	0.838
Repurchase Intention	0.876

# 3.7 Factor Loadings Significant

Below is the mentioned table of (CFA) confirmatory factor analysis with the loadings. Construct with the loading of .5 are consider as strong loading variables whereas the constructs with the loading of below .5 are considered as less are better to be removed from the table. The exogeneous variable item loadings along with their means and standard deviations are shown in table (numbr).

# 3.8 Convergent Validity

Table 4. Construct Reliability and Validity

	Cronbach's	Rho_	Composite	Average	Variance	Extracted
	Alpha	A	Reliability	(AVE)	(AVE)	
Guilt	0.330	0.590	0.637	0.454		
Empathy	0.405	0.536	0.701	0.467		
Narcissism	0.587	0.582	0.757	0.440		
Self-actualization	0.828	0.838	0.897	0.743		
Ethical Consumption	0.639	0.761	0.758	0.392		
<b>Ethical Obligation</b>	0.727	0.871	0.838	0.636		
Altruism	0.654	0.698	0.789	0.489		
Happiness	0.711	0.727	0.838	0.635		
Repurchase Intention	0.786	0.789	0.876	0.702		



Convergent validity is the level of agreement in at least two measures of a similar construct (Carmines and Zeller, 1979). Convergent validity was assessed by inspection of variance mined for each factor (Fornell and Larcker, 1981). Conferring to Fornell and Larcker (1981), if the, variance extracted value is greater than 0.5 then convergent validity is established and the result is drawn that the loadings are good but less than 0.5 are termed as less effective for the study.

#### Table 4 displays the result.

Table 4 shows the results of the reliability analysis with the Cronbach's alpha ranging from 0.330 to 0.828, which are all were within the acceptable range except guilt and empathy with values of 0.330 and 0.405 respectively which is unacceptable (Stephanie, Cronbach's Alpha: Simple Definition, Use and Interpretation, 2014). The constructs' convergent validity was calculated by average variance extracted (AVE), whose values range from 0.392 to 0.743. But composite reliability values were greater than 0.6 that's why these all AVE values were acceptable (Saeed, 2018). Composite reliability values ranged from 0.637 to 0.897 which were all acceptable (Stephanie, Composite Reliability: Definition, 2019). Rho\_A values ranged from 0.536 to 0.871 in which guilt, empathy and narcissism were below acceptable range i.e. 0.590, 0.536 and 0.582 respectively.

# 3.9 Discriminant Validity

Discriminate validity can be defined as any single construct when differs from other constructs in the model (Carmines & Zeller, 1979). Discriminate validity results are satisfactory when the constructs are having an AVE loading more than 0.5 which means that minimum 50% of variance was took by the construct (Chin, 1998). Discriminate validity is established if the elements which are in diagonal are significantly higher than those values in off-diagonal in the parallel rows and columns.

For assessing the discriminant validity of the model, heterotrait-monotrait (HTMT) ratio was used (Table 5). All values were below 0.90, which means that discriminant validity had been established.

Table 5. Heterotrait-Monotrait Ratio (HTMT)

	Altruism	Empathy	Ethical	Ethical	Guilt	Happiness	Narcissism	Repurchase	Self
	Aitruisiii	Empathy	Obligation		riappiness	Ivarcissisiii	Intention	actualization	
Altruism									
Empathy	0.5								
Ethical Obligation	0.466	0.375							
Ethical Consumption	0.321	0.252	0.288						
Guilt	0.587	0.614	0.386	0.293					
Happiness	0.589	0.47	0.506	0.381	0.425				
Narcissism	0.27	0.426	0.174	0.246	0.623	0.26			
Repurchase Intention	0.486	0.212	0.588	0.331	0.444	0.757	0.166		
Self actualization	0.358	0.353	0.432	0.319	0.37	0.701	0.376	0.558	



# 3.10 Hypothesis Testing

After validation of measures, the effects proposed in the model and their significance using PLS were analyzed. The PLS method produces loadings and weights in the measurement model, where loading represents the reflective indicators and weights represent the formative indicators (Hwang & Kim, 2016). Table 6 presents the loadings and significance of the path coefficients and t values to analyze the structural model .Bootstrap and PLS Algorithm methods were used to assess the path.

Table 6. Testing results of the Structured Model

	Structured Model Path	β	T Statistics	P values
H1	Guilt Empathy	0.274	3.393	0.001
H2	Empathy — Ethical Consumption	0.007	0.085	0.932
Н3	Narcissism Self-actualization	0.276	4.751	0
H4	Self-actualization	-0.162	2.122	0.034
H5	Ethical Obligation    Ethical Consumption	-0.122	1.507	0.133
Н6	Altruism> Ethical Consumption	-0.149	2.023	0.044
H7	Ethical Consumption   Happiness	-0.29	4.21	0
Н8	Happiness — Repurchase Intention	0.565	10.769	0

Bootstrapping is one of the key steps in PLS-SEM, which provides the information of stability of coefficient estimate. In this process, a large number of sub-samples are drawn from the original sample with replacement. After running the bootstrap routine, SmartPLS shows the t-values for structural model estimates derived from the bootstrapping procedure. The results of path coefficients for all the hypothesis are shown in the following table. The t-value greater than 1.96 (p < .005) shows that the relationship is significant at 95% confidence level ( $\alpha = 0.05$ ). Paths showing whether the relationship between measured and latent variables are significant or not. The path diagram showed in Figure 2.



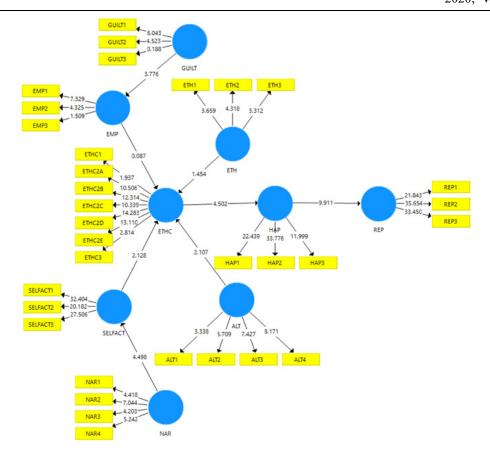


Figure 2. Path Diagram

Hypothesis 1 (Guilt positively affects empathy) is supported with  $\beta$ =0.274 and t=3.393. Hypothesis 2 (Empathy positively affects ethical consumption) is not supported with  $\beta$ =0.007 and t=0.085. Hypothesis 3 (Narcissism positively affects self actualization) is supported with  $\beta$ =0.276 and t=4.751. Hypothesis 4 (Self-actualization positively affects ethical consumption) is not supported with  $\beta$ = -0.162 and t=2.122. Hypothesis 5 (Ethical obligation positively affects ethical consumption) is not supported by  $\beta$ =-0.122 and t=1.507. Hypothesis 6 (Altruism positively affects ethical consumption) is not supported by  $\beta$ = -0.149 and t=2.023. Hypothesis 7 (Ethical consumption positively affects happiness) is not supported by  $\beta$ = -0.29 and t=4.21. Hypothesis 8 (Happiness positively affects repurchase intention) is supported by  $\beta$ = 0.565 and t=10.769.

#### 3.11 Model Fit Measues

The fitness of the model in SEM-PLS is defined by various measures such as standardised root-mean-square residual (SRMR), and the exact model fits like d\_ULS and d\_G, Normed Fit Index (NFI), and  $\chi 2$  (Chi-square). The model fit measures consisting the measured value of both saturated model as well as the estimated model is reported in the Table 7. The saturated model assesses the correlation between all constructs. The estimated model, on the other hand, takes model structure into account and is based on total effect scheme.



Table 7. Fit Summary

Fit Summary						
	Saturated Model	<b>Estimated Model</b>				
SRMR	0.076	0.126				
d_ULS	3.238	8.900				
d_G	0.915	1.115				
Chi-Square	1125.158	1282.591				
NFI	0.523	0.456				

#### 4. Discussions

Results showed that guilt influences empathy which was also proved by (Hwang & Kim, 2016). Guilt and empathy have a complex relationship with our brain and emotions (contributors, 2018). The relationship between guilt and empathy is not clearly understood but is complex due to the large number of factors involved (contributors, 2018). Exploring prosocial behaviour can help resolve the complexities of the relationship between guilt and empathy (contributors, 2018). Feelings of empathy are also likely to occur as an outcome of guilt. Increased levels of guilt are likely to result in increased prosocial behaviour, with empathy also increasing the likelihood of this behaviour when brought on by guilt (contributors, 2018). Empathy does not affect ethical consumption contrary to findings of (Hwang & Kim, 2016). Narcissism positively influences self-actualization. As proved by (Vasudha & Prasad, 2017) that self-actualization is a very useful construct when it comes to checking the level of narcissism. It has been proved that high degree of self-actualization is likely to reduce narcissism, which in turn may enhance happiness with life. It would be advisable to make our workplaces conducive for greater degrees of self-actualization (Vasudha & Prasad, 2017). It would suggest the importance of finding the right people for the right job in terms of motivational fit, and encouraging them to attain excellence in their job which is what ultimately leads to self-actualization (Vasudha & Prasad, 2017). Interventions may be made to make people aware of consequences of narcissism on their happiness with life (Vasudha & Prasad, 2017). Self-actualization negatively affects ethical consumption. Ethical obligation negatively affects ethical consumption which is contrary to the results of (Oh & Yoon, 2014). According to (Morgan, Croney, & Widmar, 2016), women, younger respondents and more educated respondents are more likely to value and support environmental protection aspects of social responsibility in their consumption behaviors. Women and younger respondents are also more sensitive to animal welfare concerns, as are vegetarians and vegans, who also strongly support environmental protection through consumption (Morgan, Croney, & Widmar, 2016). Those who travel, volunteer or engage in charitable giving also report more highly valuing the environmental, animal welfare, corporate responsibility and philanthropic dimensions of social responsibility (Morgan, Croney, & Widmar, 2016). Altruism also negatively affects ethical consumption. Philosopher Kate Soper in 2008 said that "We must engage peoples' self-interest in a utopian environment otherwise they will not respond". Psychologist, John Thøgersen (1999) said that we must engage peoples' altruism to ensure they continue their good (consumer) practices. According to (Taylor, 2019), pure altruism is rooted in empathy. Empathy is often described as the



ability to see things from another person's perspective. But in the deepest sense, empathy is the ability to feel, not just to imagine, what others are experiencing (Taylor, 2019). It is the ability to actually enter the mind space of another person so that you can sense their feelings and emotions (Taylor, 2019). In this way, empathy can be seen as the source of compassion and altruism (Taylor, 2019). There is a sense in which we are part of a shared network of consciousness (Taylor, 2019). It is this which makes it possible for us to identify with other people, to sense their suffering and respond to it with altruistic acts (Taylor, 2019). We can sense other people's suffering because, in a sense, we are them (Taylor, 2019). So we feel the urge to alleviate other people's suffering and to protect and promote their well-being just as we would our own (Taylor, 2019). German philosopher Arthur Schopenhauer said:

"My own true inner being actually exists in every living creature [This] is the ground of compassion ... and whose expression is in every good deed."

In other words, there is no need to make excuses for altruism. Instead, we should celebrate it as a transcendence of seeming separateness (Taylor, 2019). Rather than being unnatural, altruism is an expression of our most fundamental nature – connection (Taylor, 2019). Ethical consumption negatively affects happiness. According to (Hiller, Whysall, Woodall, & Painter-Morland) whilst the moral 'problem' could be considered to be increasing the chances of everyone to start life with an equal chance of achieving happiness. In a consumer culture in which ethical consumption is both a part and a consequence, the potential for unhappiness is rife. Research suggests that the percentage of people engaging in ethical consumption is increasing. Yet extant literature demonstrates that there is "attitude-intention-behaviour gap" in ethical consumption whereby consumers who hold ethical attitudes and intentions rarely purchase ethical products (Spiteri-Cornish, 2013). Yet, ethical products have multiple attributes and are likely to be purchased for a diverse and complex set of motivations in addition to moral satisfaction (Spiteri-Cornish, 2013). Lara Spiteri Cornish of University of Coventry, UK said that the focus on bridging the "attitude-behavior gap" (i.e. persuading 'ethical' consumers to buy ethically) may not be the best way to increase consumption of ethical products (Spiteri-Cornish, 2013). These products often have multiple attributes, and we argue that highlighting such attributes may encourage consumption by both ethically and non-ethically minded consumers (Spiteri-Cornish, 2013). Happiness positively affects repurchase intention. (Elbeltagi & Agag, 2016) found that several researchers have found satisfaction and attitude to be major antecedents of customer repurchase intention. Also a direct positive relationship between customer satisfaction and repurchase intention is supported by a wide variety of product and service studies (Elbeltagi & Agag, 2016). According to (Lee, Eze, & Ndubisi, 2011) an individual is more likely to undertake continued usage when such usage is perceived to be useful. Customers who have accomplished the shopping task of product acquisition in an efficient manner will be more likely to exhibit stronger repurchase intentions (Lee, Eze, & Ndubisi, 2011). Previous research shows that perceived usefulness has a significant effect on customer loyalty intention (Lee, Eze, & Ndubisi, 2011). Perceived value is the most important indicator of repurchase intention. If a purchase offer a high level of value, this would improve the customer's level of return and repurchase in future. In the context of retailing, merchandise value perceptions mediate the impact of store environmental cues and store choice criteria



(e.g. merchandise quality) on store patronage intentions. Similarly perceived value affects loyalty intentions. To assure the sustainable development, e-retailers have to attire new consumers and encourage them to become loyalty consumers (Yang, Ngo, Chen, Nguyen, & Hoang, 2019). With the fast development of e-commerce, the competition in this field is more and more cutthroat that requires managers to understand what factors influence consumer behaviors in general, and repurchase intention, in particular (Yang, Ngo, Chen, Nguyen, & Hoang, 2019). Consumers' perception regarding the ethics of online retailers indirectly influences repurchase intention through the mediation of consumer trust and perceived uncertainty (Yang, Ngo, Chen, Nguyen, & Hoang, 2019). As confirmed by previous marketing scholars, repurchase intention and word-of-mouth are two main components of consumer loyalty in e-commerce (Yang, Ngo, Chen, Nguyen, & Hoang, 2019). The results of this study demonstrate the strong associations of the paths from happiness to repurchase intention, happiness to self-actualization, repurchase intention to happiness and self-actualization to happiness.

#### 5. Conclusion

As ethical consumerism is an emerging concept and its awareness is increasing in developing countries, it is still in its infancy. In this case, awareness of customers about renewable sources of energy, knowledge that child labor is used or not in the products they use and supporting fair trade products and local artisans instead of capitalist companies is very important. The main objective of this research was to test various factors that affect ethical consumption and happiness and explore the link between them. For this purpose we collected data from 212 respondents from Karachi. During our data collection tenure, we observed that ethical consumption is a new and strange concept for consumers in Pakistan. Respondents were not familiar of the word "ethical product". An explanation of this was also provided in the questionnaire, but still many people could not understand. After analysis of data, it is concluded that guilt positively affects empathy. While empathy does not affect ethical consumption. Narcissism positively affects self actualization. Self-actualization does not affect ethical consumption. Ethical obligation does not affect ethical consumption. Altruism does not affect ethical consumption. While ethical consumption also does not affect happiness. While happiness positively affects repurchase intention. There is a strong association of path from happiness to repurchase intention, happiness to self-actualization, repurchase intention to happiness and self-actualization to happiness.

There were studies investigating factors affecting happiness or ethical consumption separately that include moral, psychological and demographic. However, literature linking happiness derived from ethical purchase still remained inconclusive. Moreover, ethical consumerism remains largely ignored in developing countries. Their unique culture and settings could influence ethics perception differently as compared to developed region moreover, their satisfaction and happiness derived from ethical purchase should also be explored separately. Hence this study filled the gap linking ethical purchased with happiness in setting of a developing country like Pakistan.

This study has many theoretical and practical implications. Firstly, there is very few research work on ethical consumption in Pakistan and outside Pakistan also. This study will add a new



addition to research in this field. Secondly, this research will help producers of ethical products to choose the right strategy for marketing these products. As ethical appeal is a very strong marketing tactic, firms can increase their market share by using this. Awareness on ethical concepts is very crucial thing for Pakistani consumers as labor exploitation, child labor and capitalization are common in developing countries like Pakistan. So having immense awareness will benefit them to understand and promote ethical products as well as including those in their regular purchasing habits. Pakistani government should impose regulations governing ethical issues to implement green and ecological business practices. As Pakistani producers are not ready to implement green practices due to increased cost. Child labor and labour exploitation are very drastic realities of Pakistan. Moreover due to energy crisis, use of alternative sources of energy has become crucial. Government should spread awareness on ethical products through advertisement on television and social media, so that people support local artisans, child labor free products, and fair trade products.

This study has some limitations. First of all, this study may be influenced by the self-report bias. Secondly, the data was collected from university students and salaried workers from Karachi, mostly aged between 20 and 25. Future researchers should choose their respondents aged 35+ to know their behavior about ethical consumption. As people of this age are observed as more socially responsible and socially awarded. Also they can choose respondents from different sectors i.e. FMCG, Textile, Cement etc. to know their behavior about ethical consumption. Also convenience sampling was used due to limited financial resources and time. Further researchers can also use different cities as their sample to get a more strong result. Accordingly, as it may be difficult to directly compare findings of guilt across studies, guilt measurement scales for ethical consumers should be developed. However, as the wording of questions about guilt, which may elicit negative affective states, is susceptible to cultural contexts, the cultural issues concerning the measurement scales for guilt should be considered. Finally, other self-conscious moral emotions such as shame, embarrassment, and pride as well as other self-oriented constructs should be used for more interesting and meaningful findings.

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# **Appendix**

Survey Questions for Ethical Consumption and Happiness: Evidence from Pakistan

# Questionnaire

We are conducting research about factors affecting ethical consumption and happiness. Ethical products are those products which are ethically produced or which are not harmful to the environment and society or not produced using child labour, or smuggled goods. E.g. Organic products, fair trade goods, energy-efficient light bulbs, electricity from renewable energy. Please give your opinions to the questions below:

Disclaimer: This questionnaire is for academic purpose and your response will be kept confidentional. Gender Male Female Monthly Below 21,000-40, 41,000-60, income 20,000 000 000 (PKR) 61000-80 81,000-100, above 000 000 100,000 Age 36-15-20 21-25 26-30 31-35 above 40 40 (Years) Below Education PΗ Mast Graduation M Phil graduat al level ion Section A: Guilt (2) (3) (4) (1) (5) 1. It is extremely hard for me to buy Strongly Agree Strongly Neither Disagree non-ethical products Agree Disagree (1)(2) (3) (4)(5) 2. I can't stand the idea of buying Strongly Strongly Agree Neither Disagree non-ethical products. Agree Disagree (2)(3) (1)(4) (5) 3. I don't regret making purchases that I Strongly Strongly Agree Neither Disagree am unable to logically satisfy. Agree Disagree



Section B: Empathy					
4. While consuming ethical products,I perceive that the ethical products's laborer's life to be the same as mine.	Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree
5. While consuming ethical products,I experienced feeling as if the ethical products laborer's events were really happening to me.	Strongly Agree	2 Agree	3 Neither	4 Disagree	Strongly Disagree
6. I have tender, concerned feelings for people less fortunate than me.	Strongly Agree	2 Agree	3 Neither	4 Disagree	Strongly Disagree
Section C: Narcissism					
7. I am more capable than other people.	1 Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree
8. I know that I am good because everybody keeps telling me so.	Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree
9. I am an extraordinary person.	Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree
10. I am going to be a great person.	1 Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree
Section D: Self-actualization					
11. Buying ethical products gives me an opportunity for personal progress.	1 Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree
12. Buying ethical products gives me an opportunity for personal development.	1 Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree
13. Buying ethical products increases my feeling of self-fulfillment.	Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree



Section E: Happiness					
14. I achieved happiness from ethical purchasing.	1 Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree
15. Ethical purchasing fits my personality traits.	1 Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree
16. I buy ethical products as a rule.	1 Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree
Section F: Repurchase Intention					
17. I will repurchase ethical products.	1 Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree
18. I will recommend ethical products to a friend.	1 Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree
19. I will persuade my family to buy ethical products.	Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree
Section G: Ethical Obligation					
20. I take responsibility for ethical obligation of consumption.	1 Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree
21. I take responsibility for the support of ethical consumption.	Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree
22. I do the public good through consumption as a societal member.	Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree



Section H: Altruism

23. Sales benefit should go to others.	Strongly Agree	2 Agree	3 Neither	4 Disagree	Strongly Disagree
24. Economic gains should be shared with others.	Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree
25. I try to understand the mood and feelings of others.	Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree
26. I prefer actions that help others more than myself.	Strongly Agree	2 Agree	3 Neither	4 Disagree	5 Strongly Disagree

# Section I: Ethical Consumption

See Man I. Edinear Consumption									
27. How concerned	are you about	bribery and	corruption	n in globa	l busin	ess.			
taking some ac campaigning a		$\circ$	somewhat concerned						
O not very conce	rned	$\bigcirc$	not	at all con-	cerned				
28. How often do yo	28. How often do you buy any of the following ethical products?								
Fair trade coffee		Never		Seldom	Sometin	nes	Often	Always	
		-	-						
Energy saver bulbs		Never		Seldom	Sometimes		Often	Always	
			-						
Clothes		Never		Seldom	Sometimes		Often	Always	
			-						
Craft products		Never		Seldom	Sometimes		Often	Always	
								•	_
Others		Never		Seldom	Sometin	nes	Often	Always	
29. How often do you take part in a trade boycott of products from a country with an oppressive regime?									
	Never	Seldom	Sometimes	Often	Al	ways			
				-					



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