Thoughtful Consumption: The “Last Mile” in Well-Being and Sustainability

By Hilke Plassmann and Subramanian Rangan, INSEAD; and Ebba Hansmeyer, Society for Progress

Understanding consumer behaviour is key to making fashion more sustainable.

Fashion, one of the most unsustainable industries on Earth, has long grappled with its damaging environmental and social impact. Consumers, on the other hand, tend to act like passive bystanders at a crime scene, placing the blame solely on brands and producers. While companies and executives face mounting pressure to adopt sustainable practices, consumers need to recognise that they are actively complicit in the very same crime.

The evolution of the modern economy from output to outcome-centric cannot solely be driven by supply-side actors. The demand side, including consumers, households and communities, also has a significant role to play in promoting sustainability. However, sustainability efforts are largely concentrated on the initial stages of the production process, under the assumption that everybody wants to make greener choices. The same was
true for Covid-19 vaccinations, yet not everyone wanted to be vaccinated.

To create a more sustainable future, we need to shift our focus beyond the initial stages of production and address the crucial "last mile" – where consumers also adopt sustainable practices. Understanding the motivations and decision-making processes behind consumer choices is paramount in driving significant change.

**What consumers can do: Understanding why we consume**

While the effects of consuming alcohol, for instance, are visibly and immediately noticeable, the direct impact of fast-fashion consumption on animals and the environment is not immediately apparent. Recognising the connection between such behaviour and the broader, often invisible consequences related to labour exploitation, environmental dumping, animal cruelty and climate change requires reasoning and logical thinking.

Furthermore, consumers often lack insight into their consumption patterns, including when consumption shifts from being a necessity to a choice, and how behaviour is influenced by the desire for social status and the addictive environments fostered by the fast-fashion industry. Generation Z, for example, is widely recognised for its commitment to sustainability, however this consumer group plays a significant role in driving the growth of fast-fashion giants.

Sustainable choices often involve forgoing a short-term benefit for a longer-term one. For instance, choosing to invest in higher-priced, durable clothing instead of fast-fashion items may cost more upfront – and not be accessible to all – but ultimately results in reduced waste and environmental impact in the long term.

The science of intertemporal choice – deciding between smaller, sooner and larger, later rewards – can be applied here. Part of the reason we prefer the immediate reward is because the future is uncertain, more abstract and less concrete. It is easy for consumers to think about the here and now, and spending money on new, shiny things in the moment is rewarding and tangible.

However, thinking about delaying gratification – such as reusing old clothes or buying vintage ones – for the sake of the planet and future generations can be abstract and difficult. This is where firms can play an important role.
The power of self-control: Pre-commitment and good habits

Then there is the concept of self-control. It is not an easy task to exercise willpower and always choose the better option – such as supporting sustainable brands – and resist the temptation to purchase the latest trendy item. The most efficient way to practice self-control is by avoiding temptation in the first place, by practicing pre-commitment and forming good habits.

Pre-commitment refers to making a decision or taking action in advance to reinforce self-discipline and ensure adherence to a particular course of action. It entails avoiding tempting situations, similar to how one would steer clear of the junk food aisle at the supermarket. An illustration of this strategy can be seen in Ulysses' command for his crew to plug their ears with wax and bind him tightly to the ship's mast to resist the irresistible allure of the Sirens' song. This pre-commitment technique allowed them to safely navigate past dangerous temptations.

Forming good habits revolves around establishing routines that become second nature, akin to brushing your teeth every morning. In her book, Good Habits, Bad Habits: The Science of Making Positive Changes That Stick, psychologist Wendy Wood outlines how people can effectively form and maintain desired habits. According to Wood, the key is to restructure environments to support and sustain good behaviours and make bad habits more inconvenient.

What marketers can do: Educate and assist decision-making by understanding psychological barriers

Personal commitment and individual habits may not be sufficient to drive widespread change. To further encourage thoughtful consumption, firms need to incorporate ways to best support consumers in their marketing efforts.

Returning to the concept of intertemporal choice, consumer research demonstrates how companies can help people see their future in a more concrete way – for example by referring to specific events such as their 50th birthday, or by using visuals to imagine their future selves, such as showing a photo of how they might look like in 25 years. These tools can help consumers see the future more clearly and choose the larger, later reward.
The main reason why it’s challenging for people to control their temptations and form good habits to practice moderation is that there is no one-size-fits-all approach. What works for one individual may not work for another, as everyone has different motivators. Marketers usually target specific groups based on their shared characteristics, a practice known as market segmentation. While this approach is typically aimed at encouraging people to buy more, it could also be used to promote moderation through a deep understanding of individual goals and consumers needs and environments.

For example, some consumers might simply lack adequate knowledge about what contributes to their carbon footprint. (If you think you have a good understanding, you can test your knowledge here.) For such a group, education is critical.

Another approach is to harness the influence of sports stars, teen idols and influencers, as they have the power to significantly influence desired consumption patterns and behaviours. In this way, marketing can shift its focus from enticing and seducing consumers to educating and empowering them.

**What producers can do: The “Stella McCartney” effect**

Fashion designer Stella McCartney provides a noteworthy example of incorporating solutions into a company's offering from the outset, rather than resorting to post-hoc corporate social responsibility initiatives. Visionary leaders focus on being part of the solution right from the start, and McCartney’s whole business philosophy centres around ethical and sustainable practices.

In a discussion with us at the **INSEAD Alumni Forum Europe** in London, McCartney said: “The biggest thing for me is don't sacrifice style for sustainability.” She added: “Making timeless, incredibly well-made designs is a business in itself, because there's value added for resale or rental.”

She also stressed the need for greater equality and kindness. “Animals should not be slaughtered for the sake of fashion,” she said. “For a handbag, it’s not worth it.”

The fashion designer added that she was afforded the privilege to be conscious and authentic from the beginning and followed through by consistently challenging and questioning every single touch point. Through
this process, she has developed sustainable materials such as “mushroom leather” or synthetic spider silk with the aim to transform the industry from within. She is currently urging US President Joe Biden’s team to change tax structures that disadvantage importing vegan leather compared to animal leather.

McCartney recognises the power she has and the responsibility to support and advocate for emerging designers who are fighting for the same cause. The pressing question is how other fashion companies, including those in the non-luxury sector, or even companies outside the fashion industry, can learn from her approach.

The supply side has really started moving. If all of us on the demand side also begin taking action by becoming more caring and thoughtful in our consumption habits, we can bring ourselves and the planet significantly closer to well-being and sustainability.

Find article at
https://knowledge.insead.edu/responsibility/thoughtful-consumption-last-mile-well-being-and-sustainability

About the author(s)

Hilke Plassmann is INSEAD’s Octapharma Chaired Professor of Decision Neuroscience and Associate Professor of Marketing at INSEAD. She is he Co-Director of the Business Foundations Certificate (BFC) a programme INSEAD offers in collaboration with Sorbonne Université and Principal Investigator in the Social Affective Neuroscience Team at the Brain and Spine Institute (ICM) of Sorbonne University.

Subramanian Rangan is a Professor of Strategy and Management at INSEAD. He is the Abu Dhabi Crown Prince Court Endowed Chair in Societal Progress.

Ebba Hansmeyer is Founding Director of the Society for Progress.