

# The Impact of Green Consumerism on The Chinese Commodity Market

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**Abstract.** Recently, the idea of sustainable products has gained popularity all around the world. The market for environmental protection products is expanding as a result of the weakening of the economy, the worsening of global environmental issues, and the increase in public awareness of environmental protection. Environmental consciousness is growing in China, and the government has boosted the promotion of green products. The commodity markets in China are being impacted by green consumerism. This report, based on literature research, evaluates the influences of green consumerism on consumer behavior, the second-hand market, and individual firms in China. The findings indicate that China's commodity market has undergone a significant transformation as a result of eco-friendly consumerism. The second-hand market has grown a lot; the green management of companies has accelerated; social media and government policies have played a huge role in promoting the concept of environmentally friendly consumption among individuals and companies. However, the market for sustainable consumption in China is still in its infancy. There are still numerous issues that need to be resolved, such as green premiums and false environmental propaganda. In the future, as environmental consumerism intensifies, the commodity market in China will experience more significant adjustments.

**Keywords:** Green consumerism; China's eco-friendly products market; second-hand market.

## 1. Introduction

Since 2022, due to the Ukraine crisis and the fluctuation of the Federal Reserve interest rate, the global economy has grown slowly and facing downward economic pressure [1]. Since this economic condition, sustainable products occupy a larger market in the world, and more people have started to buy eco-friendly and durable products like clothes and furniture to save money. The second-hand or vintage market become more mature nowadays. The products they sell are often authenticated by professionals, and they even develop apps to sell them online. China's second-hand market came relatively late, the reason is more because of people's ideas. Many people hold a conservative attitude towards second-hand goods, worried about the quality of the goods and the safety of the transaction. However, in recent years, due to the deepening of green consumerism, more and more people are trading second-hand goods through online apps such as Xianyu. Major second-hand trading platforms have also established a sound management system, including online communication with buyers and the subsequent return and exchange process, which has built up a lot of confidence for consumers in second-hand trading [2]. Meanwhile, due to the pandemic and lockdown policy in some countries like China, most restaurants shift from eating in-store to taking away food. The delivery service increases a lot, which boosts the demand for packaging [3]. In the case of the demand for disposable daily necessities and packaging surged a lot, in order to cut costs and reduce waste pollution, the biodegradable plastic and environmentally friendly tableware market is growing.

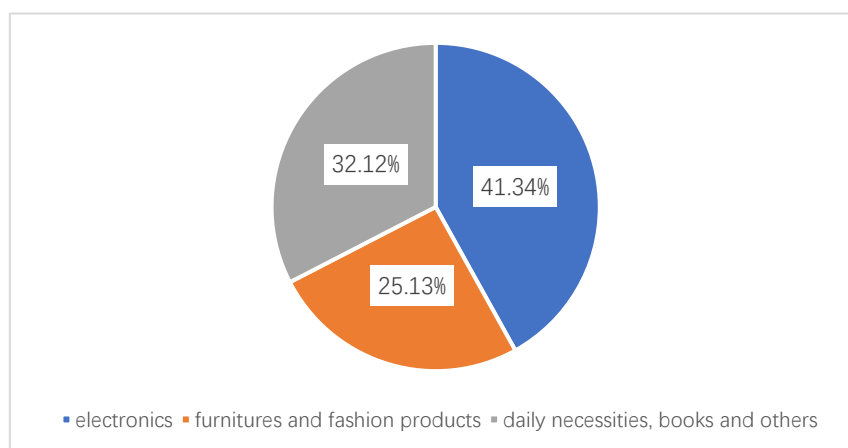
Moreover, under the global warming problem, people from all over the world have increased their awareness of developing eco-friendly lifestyles and green production functions. More people start to choose eco-friendly modes of transportation like riding bikes; using environmental protection tableware instead of disposable cutlery; buy second-hand products. For young people, buying environmental protection products is not only an action of environmental protection but also an expression of personality and feelings. More young people join the team of environmental protection consumption [4]. Aside from the economic pressure and the environmentalist consensus, media dissemination, and government regulations are also facilitating the development of the green product

market. Government policies in China have played a key role in green consumption. Through the issuance of various policies and requirements, people's awareness of environmental protection is awakened, and the production behavior of enterprises is more environmentally friendly. In addition, under the influence of the media, green consumption has become the better choice for more people. Green consumption has become the inevitable trend of the future global market. China's commodity market has also vigorously developed green consumption in the footsteps of the world. Second-hand commodity becomes more attractive among China's consumers, individual companies begin to use more eco-friendly packaging and develop green management. Social media and the government are also developing suitable environments for the development of green consumption markets. This report aims to evaluate the impacts of green consumerism on consumer behavior, the second-hand market, and the companies in China's commodity market, which will help to deeply understand the changes in China's commodity market driven by environmental protection consumption and predict the development of China's green consumption market in the future.

## 2. Green Consumerism Boosts the Development of the Second-hand Market

Driven by government policies and consumer perceptions, the volume of second-hand transactions in China has grown significantly, contributing to sustainable development. According to experts, in 2022, there are 20,000 thousand people are trading second-hand goods online, reducing carbon emissions by 668,000 tons [2].

Recently, under the challenge of environmental issues, green consumerism has taken root. People are forming a new sustainable consumption behavior, which has injected vitality into China's second-hand market. In China, the rapid development of the internet boosts the online second-hand market. According to the data, from 2015 to 2021, The market transaction scale of the second-hand e-commerce industry has increased significantly, reaching 40.17 billion yuan in 2021 [5]. In the secondary market trading platform, most users are young people aged from 18 to 34, with richer education experiences [6]. Financial consideration is a reason that more people choose second-hand commodities. According to the author, the main traders of the second-hand market have less disposable income, and sustainable and durable second-hand products like Furniture and daily necessities are the most economical options for them. In addition, the constantly updated fashion trend has increased the demand for clothing among young people, and the concept of sharing and parting has become a new pursuit for many people. Because second-hand clothes are cheap and can contribute to environmental protection and carbon emissions, the market for second-hand clothes is gradually expanding, becoming a new way of life and attitude [6]. Among the second-hand market, electronic appliances accounted for the largest proportion of products, followed by furniture and clothing, books, and daily necessities [7], which is shown in Fig. 1 below.



**Fig. 1:** The proportion of transaction number of second-hand products by type [7]

Photo credit: Original

The second-hand market is expanding and gradually occupies a large part of the commodity market in recent years not only due to the change of consumer behavior but also insuperable from the policy support. In July 2021, the National Development and Reform Commission issued the "14th Five-Year Plan" for the development of a circular economy, encouraging the development mode of the combination of Internet and second-hand products, standardizing the regulations on second-hand trading, and emphasizing the standardization of the second-hand trading market [8]. Additionally, in January 2022, the National Development and Reform Commission issued the Guiding Opinions on Accelerating the Construction of the Recycling System of Waste Materials, proposing to promote the development of second-hand commodity trading and remanufacturing [5]. Under the influence of government policy intervention and the concept of sustainable consumption, China's second-hand market has been constantly standardized and developed steadily.

### **3. Green Consumerism Accelerates the Green Management of Industries**

During these years, as China pays more attention to environmental protection, and consumers' environmental requirements for companies have increased, brands and restaurants are starting to go green. Green management for enterprises is the inevitable way of development. For most consumers, products with green production are more attractive. According to Xiong, the stronger the green value of the product is, the stronger the consumer's purchase desire is [9]. Eco-friendly products can not only satisfy the functional requirement of consumers but also provide feelings of satisfaction and pleasure, making consumers a sense of pride in participating in global ecological protection.

In addition, the government and society attach great importance to the challenge of global climate change. On The one hand, the government strictly manages the green development of enterprises; on the other hand, it rewards and subsidizes green enterprises [10]. Facing the sustainable requirement of society, enterprises need to continue green innovation and establish a brand image of sustainable development. Avoiding green barriers is also a significant way for enterprises to improve export competitiveness due to the global awareness of environmental protection [11].

Chinese beauty industry, the food and beverage (F and B) industry, and the fashion industry are the main sustainable industries with green management. For example, the top three eco-friendly F and B companies KFC, McDonald's, and Starbucks China ditched plastic straws, innovated green supply chains, and provided sustainable packaging [12]. Compared to the beauty industries in foreign countries, for instance, Lancom and Estee Lauder, China's green beauty brands are still under exploration due to their weak competitiveness and small market share. Only a few beauty brands like Dabao and Pechoin provide cleaner ingredients and sustainable packaging.

The green development of Chinese enterprises is in its infancy. Green industries in China are facing a number of obstacles, such as huge inputs on innovation, lower consumer enthusiasm due to the green premium, and the low market share of domestic green products. According to Wu, the green transformation of enterprises is an all-round and systematic project, which requires a huge financial input on innovation and production [12]. Additionally, because of the high cost, eco-friendly products with lower or zero carbon emissions are more expensive than the traditional ones; it is the concept of green premium. The higher prices become a barrier for consumers. Although most Chinese consumers are supportive of green goods, there is still a big gap between willingness and actual purchase [13]. Lowering the green premium is significant in the development of green consumption [14]. In addition, a significant number of China's leading green businesses are foreign chains, such as KFC and Nike. Domestic green products have a smaller market share, so eco-friendly products are still in the exploratory phase in the Chinese market.

#### 4. Social Media Influences Chinese Green Product Market

With the popularity of the internet, social media has become a significant platform for value exchange, lifestyle sharing, and advertising of green consumerism. Social media has a direct and positive impact on green consumerism, as stated by Sun and Zhao. Social media facilitates a pattern of participatory discourse that encourages people to express their opinions openly and to be more receptive to participating in and embracing green consumerism [15]. The content posted by some environmental agencies on social media will let people think more about environmental issues and promote the practice of green consumption. For instance, a YouTube video by the Worldwide Fund for Nature depicting the tragic state of the environment drew attention to environmental issues and induced consumer remorse. It fostered the expansion of the green consumption concept [16]. In addition, as a result of the celebrity effect, consumers are willing to adopt the lifestyle and consumption patterns of trusted influencers. Some influencers' green lifestyle encourages consumers to purchase eco-friendly products. In China, live product broadcasting is extremely popular. When influencers highlight the importance of a product for environmental protection and recommend it, individuals will purchase it, thereby increasing the sales of environmental products.

The majority of environmental companies advertise via social media. Companies establish their brand image by filming brief films and sharing images and texts that demonstrate their green business philosophy and the eco-friendly materials used in their products for the purpose of winning the hearts of consumers [16]. There is no doubt that the majority of brands generate enormous sales of sustainable products and a positive brand image through social media marketing. However, "greenwashing" continues to emerge, which has a great negative impact on the market.

The term "greenwash," coined by environmentalist Jay Westerveld, refers to deceptive environmental propaganda [17]. With the rise of eco-friendly consumerism, greenwashing has spread globally. In order to reap the benefits of green marketing, many businesses disseminate false propaganda and deceive consumers through misleading advertisements. In China, businesses such as Zijin Mining and Wal-Mart have created a deceptive image of environmental protection and made false promises to deceive the public [17]. Greenwashing jeopardizes not only market security, consumer rights, and purchasing intentions, but also the environment and the corporate image [18]. In contrast to developed nations, China needs to issue further policies and regulations to combat greenwashing. Society should pay more attention to the veracity of advertising, and the next mission for the government and social media platforms is to further regulate false propaganda of green products.

#### 5. Conclusion

In summary, the landscape of China's commodity market has undergone a significant transformation due to the growing influence of green consumerism, manifesting through several pivotal dimensions. Firstly, the surge in the popularity of second-hand goods transactions in China is indicative of the multifaceted impact of green consumerism. Fueled by the trifecta of affordability, heightened environmental consciousness, and robust governmental backing, the country's second-hand market has witnessed a remarkable uptick in transaction volumes. This phenomenon underscores a shifting consumer ethos that values sustainability and mindful consumption, culminating in an undeniable reshaping of market dynamics. Secondly, the ascendancy of green consumerism has propelled enterprises towards greener operational paradigms. A surging number of businesses are embracing eco-friendly practices, reflecting a burgeoning convergence between economic pursuits and environmental stewardship. As more enterprises embrace environmentally responsible management practices, the locus of green consumerism extends beyond the individual level to encompass a wider systemic transformation. However, it's essential to note that China's environmental protection sector is still in its nascent stages, indicating the untapped potential that awaits further development. Moreover, the catalytic role of social media in propagating the tenets of green consumption cannot be overstated. Social media platforms have emerged as powerful conduits

for disseminating the values underpinning environmentally conscious choices. This rapid dissemination of eco-friendly ideals has led to an enthusiastic uptake of green products, thereby bolstering their market traction. Nevertheless, despite these strides, the green consumption market in China remains in its formative phases. A growing number of individuals have embraced the concept of green consumption, while due to the green premium, the actual adoption rate remains relatively modest. Moreover, the persistent issue of misleading advertising and unsubstantiated claims regarding green products on online platforms poses a formidable obstacle to the market's continued evolution.

Looking ahead, it is foreseeable that the Chinese government will continue aligning its policies with the prevailing environmental ethos, thereby ushering in targeted measures to reinforce green consumption practices. Collaborative efforts between the media and governmental bodies are poised to amplify the promotion of eco-friendly consumption trends, ultimately shaping a landscape where sustainability is integral. This trajectory undoubtedly positions the sustainable market as the veritable lodestar of China's future commodity landscape, underscoring an irreversible shift towards conscientious consumerism that harmonizes economic aspirations with ecological imperatives. As these factors converge, the Chinese commodity market is inexorably marching towards a future defined by sustainable principles.

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