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### Current Status of Green Consumption Development in Vietnam

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#### Abstract

Green consumption is already quite popular in developed countries and has made initial progress in developing countries as personal income and consumer awareness are increasing. Not an exception to that trend, in Vietnam, green consumption is one of the important contents in the National Strategy on Green Growth for the period 2021 - 2030, with a vision to 2050. Strengthening implementation and application applying green consumption policies in Vietnam is considered an effective solution to protect the environment and public health, towards sustainable development. Environmental experts view green consumption as a measure to "save the earth" from negative changes in the global living environment. Therefore, the trend of producing and using environmentally friendly

products is expected to grow strongly in the near future. The article aims to clarify the connotation of the concept of green consumption, factors affecting green consumption and evaluate the current status of green consumption in Vietnam and from there offer solutions to enhance consumption activities. Green use in Vietnam. To move towards green production and sustainable consumption models, it is necessary to carry out synchronous solutions from many parts of the economy, which requires efforts from manufacturing enterprises, suppliers as well as suppliers. as changes in consumer shopping habits. In addition, appropriate mechanisms, policies, and support programs from authorities and localities are needed to encourage green and sustainable production and consumption models.

**Keywords:** Influence Factor, Green Consumption, Green Products

#### 1. Introduction

Green consumption comes from the desire to protect resources for future generations and improve people's quality of life. Like many countries around the world, in Vietnam, green consumption is gradually becoming a new trend and consumer awareness of green consumption and green products has also been raised. It can be said that as the economy is increasingly developing and people's living standards are increasingly improving, the demand for good quality and safe products and services is also increasing, especially products that directly serve people's daily lives. A recent survey by Nielsen Vietnam shows that 80% of Vietnamese consumers are willing to pay more for products with a "green" and "clean" commitment, produced from environmentally friendly materials. This shows that there has been a strong change in the perception of Vietnamese consumers. Currently, consumers around the world are gradually moving towards green, environmentally friendly products and consider it as a standard for high quality products and services. Consumers are willing to pay higher prices for goods labeled as meeting sustainable production standards. Stemming from the increasing interest in green products globally, many companies have started to produce environmentally friendly green products and demonstrate their efforts to protect the environment. Governments of many countries are also trying to introduce many policies to promote green consumption. Most developing countries in Asia have developed environmental protection laws. The recent number of people willing to pay more for eco-friendly products shows that the market for eco-friendly products is expanding.

It can be said that it will take a long time to change consumption habits, but with the readiness of consumers, the participation of state management agencies and the joint commitment of businesses, it will surely take place. The green consumption trend will certainly spread and grow stronger. Thereby, it not only brings many benefits to consumers and green businesses, but also actively contributes to the fight against plastic waste and protects our living environment.

For a greener, cleaner and safer planet for our families, children and future generations, we need to work together to upgrade the quality of life for ourselves and our families by using eco-friendly products. Environmentally friendly now.

**2. Research overview**

**Concept and role of green consumption**

The concept of green consumption emphasizes incorporating environmental awareness into the consumption process or green consumption is a form of consumption that allows people to participate in environmental protection (Sun *et al.*, 2019) [6]. The 1998 United Nations Human Development Report suggested that on the basis of satisfying human needs and pursuing a higher quality of life, people should reduce resource use and pollutant emissions to form sustainable consumption model so as not to affect the development of future generations. After that, the concept of green consumption has been continuously revised and supplemented. According to Jonge *et al.* (2018) [7], green consumption is often referred to 5R consumption, including: Reduction, Reevaluate), Reuse, Recycle and Rescue.

Green consumption is understood as part of sustainable consumption, which is the purchase and use of environmentally friendly products that do not harm human health and do not threaten the natural ecosystem.

"Green" products include all industries such as household appliances, food, cosmetics, etc. They are all made from natural ingredients, organic products or simple, less harmful ingredients. To health and living environment.

In addition, these "green" products also include factors such as environmentally friendly production processes that do not contain toxic chemicals. Or those products help each person become a green consumer saving energy and other resources.

The role of green consumption is very clear. The first role of green consumption that must be mentioned is: green consumption contributes to reducing the negative effects of consumption on the environment and ecosystem (OECD, 2008) [4]. In addition, green consumption also encourages the development of green product markets (OECD, 2008) [4]. In terms of sustainable development, green consumption can help maintain a balance between satisfying needs and protecting the environment by influencing the entire consumption process, including the selection, use and product handling. In other words, in the long run, green consumption plays an important role in the sustainable development of the economy and society (Sun *et al.*, 2019) [6].

**Benefits of green consumption**

*Environmental friendliness:*

Green consumers are those who buy products that are friendly to the environment and nature. At the same time, limit the use of products that have a lot of packaging, or that cause environmental pollution during the production process.

*Safe and economical:*

Things made from nature and environmentally friendly are always safe for users. Recycling and reusing products such as paper and bamboo bags instead of single-use products will help save maximum costs. At the same time, limit the purchase of unnecessary or unfriendly products, contributing to reducing family spending.

*Protect natural resources:*

Recycled products help us save and protect natural resources in the best way. Meet sustainable development in the present without affecting the future.

*Production incentives:*

Using organic and natural products will help businesses enjoy many preferential policies from the State and penetrate difficult markets around the world, thereby encouraging production. Develop.

**Factors affecting green consumption**

**Table 1:** Factors affecting green consumption

Numerical order	Factor	Research and impact direction	
		Relationship	Study
1	Premium price of green products/ Level of acceptance to pay for green products	Opposite direction	Stern <i>et al</i> (1993) Stern (2000)
2	Consumer demographic characteristics: Age/Gender Income Level	Favorable	Olive <i>et al</i> (2011) Saphores <i>et al</i> (2007) Wang and Xu (2004) Laroche <i>et al</i> (2001) Dainantopoulos <i>et al</i> (2003) Li <i>et al</i> (2016)
3	Consumers' personal values: Personal understanding Positive attitude towards the environment Personal value orientation	Favorable	Chan (2001) Ramayah <i>et al</i> (2010) Sun <i>et al</i> (2019) [6]
4	External factors		
	Convenient location for green products store	Favorable	Leary <i>et al</i> (2014)
	Interest rate	Favorable	Rylander and Allen (2001) Zrnikau (2003)
	GDP	Favorable	World Bank (2003) Li <i>et al</i> (2016)
	Level of environmental pollution	Favorable	Sun <i>et al</i> (2019) [6]
	Environmental trends	Favorable	Sun <i>et al</i> (2019) [6]
	Consumption level, green coverage rate of the country	Unclear	Sun <i>et al</i> (2019) [6]
	Urbanization	Favorable	Sun <i>et al</i> (2019) [6]

Source: Author's compilation

**3. Current status of implementing green consumption in Vietnam**

Vietnam has been implementing a number of activities related to sustainable production and consumption, in which green consumption is also starting to receive more attention. Many related documents have been signed, such as: International Declaration and National Action Plan on Sustainable Production and Consumption (1999), legal documents related to protecting consumer rights; Law on Economical and Efficient Use of Energy; International Declaration on Cleaner Production (1999)... Programs

related to green products, such as: Eco-label program (Ministry of Natural Resources and Environment); Along with that Energy Saving Label (Ministry of Industry and Trade); Ecolabels for the tourism industry are also deployed. The "green" element was first mentioned in Vietnam's Socio-Economic Development Strategy for the period 2011 - 2020, whereby Vietnam determined to transform consumption methods towards sustainability to protect and improving environmental quality and proactively responding to climate change is an urgent requirement. The strategy emphasizes the following contents: (i) Raising awareness of environmental protection, linking environmental protection tasks and goals with socio-economic development; (ii) Focus on developing a green, environmentally friendly economy; (iii) Implement sustainable production and consumption; (iv) Gradually develop clean energy, clean production, and clean consumption. On September 25, 2012, the Prime Minister signed Decision No. 1393/QĐ-TTg approving the national strategy on green growth. In this decision, for the first time the term "sustainable consumption" was raised, which emphasized promoting eco-labeling and disseminating information about environmentally friendly products to the entire society. Public sector must be exemplary in following green economic standards, encouraging sustainable consumption in the corporate sector and sustainable consumption in the residential sector. Greening lifestyles and promoting sustainable consumption is one of three important tasks that need to be done as outlined by the National Green Growth Strategy. In addition, green consumption is also mentioned in a number of documents related to protecting consumer rights; Law on economical and efficient use of energy (Hoang, 2016) <sup>[1]</sup>.

Guidelines, policies, and action programs on green consumption have been developed in many localities across the country, initially achieving good results, attracting a large number of people to participate. Especially, after the pandemic, many consumers said they prioritize buying Organic foods, BiOrganic foods, non-GMO foods, etc. because they use traditional methods of growing and raising livestock, which do not impact consumption. Extremely harmful to the environment. Although the cost of these products has increased, users still accept them because they are aware of health and ecological issues.

Consumer Habits Survey - December 2021, PWC surveyed 9,370 employees living in 26 territories and countries including Vietnam. The results show that today's consumers are more interested in more about the environment. More than 47% of survey participants said they prioritize using biodegradable products. Previously, the investigation results of Nielsen Vietnam Company announced at the Workshop "Brand Strategy associated with green development" organized by the Department of Trade Promotion - Ministry of Industry and Trade in 2017 showed that consumers Vietnam is increasingly concerned about "green" and "clean" issues, they are willing to pay more for brands with "green" and "clean" commitments. Specifically, up to 86% of Vietnamese consumers are willing to pay more for products from brands that have a positive impact on society and the environment. Businesses' commitment to environmental responsibility also affects the purchasing decisions of 62% of Vietnamese consumers, and up to 80% of consumers are concerned about the long-term harmful effects of artificial materials.

It can be seen that the green consumption trend is growing rapidly in the world and Vietnam is no exception to that trend. To compete in the market, the "greening" trend in branding is increasingly popular, many businesses have made efforts to invest in production to produce products that ensure "green" and "clean" elements. ", building a green brand associated with sustainable development.

In Vietnam, many units are implementing programs to stimulate green consumption, especially efforts to reduce plastic waste and limit the use of plastic bags. Many large supermarkets in Vietnam have taken specific and practical actions to reduce plastic bags, as well as encourage the use of reusable bags and program to accumulate points when not using plastic bags. Accordingly, businesses such as Co.op mart Vietnam, Ho Chi Minh City Trade Cooperative Union, Big C Da Nang supermarket, Big C Hanoi... Have made efforts to minimize the use of nylon bags., plastic waste by using banana leaves to wrap vegetables and food instead of nylon bags; using and distributing environmentally friendly packaging products, etc. At Lotte Mart Vietnam, there have been preparations in recent years to give away reusable environmental bags to consumers, encouraging customers to when shopping at Lotte Mart, bring reusable environmental bags. At Mega Market, instead of offering single-use plastic bags, Mega Market sells multi-use bags at affordable prices, provides cartons, tape for customers, etc.

Many milk tea and coffee shops have switched to green business trends by using bamboo or stainless steel straws instead of plastic straws; Limit the use of bottled water with non-degradable packaging; only use paper bags instead of nylon bags, etc. Along with that, Vietjet and Bamboo airlines have focused on plans to use environmentally friendly products on flights. Many organizations and private units across the country have mobilized people to exchange plastic bottles for trees. The green consumption trend also leads to the flourishing development of clean food store chains such as Soi Bien, Uncle Tom, Home Food, Hano Farm... To meet people's need to buy clean products with clear origins. People. Vinamilk has developed a chain of green farms, or Vinamit has "transformed" Vietnamese agricultural products into green, clean, safe products for export or domestic consumption.

From a consumer perspective, it is easy to see that Vietnamese consumers are increasingly concerned about the environment, about "green" and "clean" issues, and value environmentally friendly purchasing behavior. Most households have heard of green products and green consumption. General understanding of the causes of global warming, green products and green consumption among household groups is also relatively complete (Ngo T. D., Pham T. N., 2019) <sup>[3]</sup>. The green consumption campaign held in Ho Chi Minh City recorded the participation of more than 70,000 volunteers, more than 4 million people committed to responding to green consumption and product consumption of businesses. Green increased from 40%-60% in the month of the campaign at the Co.opmart supermarket system (Ho, 2017) <sup>[2]</sup>. Vietnamese consumers are willing to pay more for brands with "green" and "clean" commitments (Industry and Trade Information Center, 2017). 80% of consumers are concerned about the long-term harmful effects of artificial ingredients and 79% are willing to pay more to buy products that do not contain unwanted ingredients.

### Challenges in developing green consumption in Vietnam

Although green consumption brings many benefits to consumers and the living environment, for green products to completely replace conventional consumer products that cause pollution, there are still many difficulties, specifically as follows:

**Firstly**, the sense of responsibility for environmental protection issues on the part of businesses is still limited. Currently, many businesses have not adequately resolved the conflict between profit goals and green growth, especially for small and medium-sized enterprises. Besides, although green technology is very developed in the world, it is not easily applied in Vietnam. Enterprises can be transferred advanced and modern technology, but human factors and capacity levels have not kept up. The investment and large initial costs have greatly impacted access to green technology. The number of businesses proactively investing and innovating production models towards modernity still faces many difficulties in mobilizing resources and choosing appropriate technology. The inspection of green goods, clean goods, and goods that meet certification standards for businesses is often not done seriously. Counterfeit goods, counterfeit goods, and poor-quality goods are still circulating in the market, reducing consumer confidence.

**Second**, there is a lack of policies to support green development, and policies aimed at developing green consumption are not consistent. Policies to promote the production of green products and services have not created strong motivation for businesses. Support policies have not attracted businesses to invest in changing technology lines, and have not created significant changes for businesses to innovate technology and production processes. Mechanisms and policies to encourage and support businesses to invest in developing green product production still reveal many shortcomings. Funding from the State budget to support businesses in investing in technological innovation to produce environmentally friendly goods is limited and the level of support is low. Support policy regulations often focus on the production stage and are not strongly oriented towards consumers.

**Third**, the income level of many Vietnamese people is medium and low, and consumer awareness of green products is limited. The cost to produce a unit of green product is often much greater than similar goods, so the price is high and unable to compete in the market (the average price of green goods is often high). 20 - 40% more than other consumer goods of the same type). Customer complaints about the quality of goods not meeting the manufacturer's commitment also contribute to reducing trust in green products circulating on the market.

**Fourth**, consumer awareness is still limited. Consumers, especially in rural areas, are still not fully aware of environmental protection issues when consuming goods and their level of understanding about green consumption is still limited (nearly 72% of people are asked if he had heard about, but did not understand clearly about, environmentally friendly products). Consumption of eco-labeled goods is also mainly concentrated among people with high levels of education, good income, knowledge, and more concern about environmental friendliness than other people. Other groups.

### 4. Solutions to develop green consumption in Vietnam

#### *On the part of the State and local authorities*

Studies emphasize changing people's awareness of environmental issues such as research by Ngo and Pham (2019) <sup>[3]</sup>, Ho (2017) <sup>[2]</sup>. Local governments, State management agencies and businesses need to promote propaganda about the benefits of green products, the quality and competitive prices of green products in the market as well as the practical benefits of green products. Practices in environmental protection to the community, consumers, and producers to attract consumers of green products and raise awareness of green consumption. In addition, Vietnamplus.vn (2019) believes that "the state needs to build and perfect the legal framework on green consumption to create incentives and supply sources for the demand for "green consumption in the market." At the same time, it is necessary to introduce policies to encourage manufacturers of green products and services." Consumers themselves also need to be aware of the meaning and importance of green consumption for the environment, health of individuals and communities for sustainable development for eternity and actively mobilize their loved ones., families practice green consumption behavior, considering this a great responsibility and honor of every person in society.

The Government needs to identify key industries/areas that are capable of development. First of all, it is necessary to focus on goods in which Vietnam currently has strengths. Provide policies to encourage the production of green products and services; develop industries and fields that apply clean technology; Promote greening production, prioritize the development of renewable energy, economically and effectively use resources, and develop green technology. Along with that, it is necessary to develop and replicate green business models, and at the same time, support prices for green products and services to promote consumer demand for these products. Strengthen professional training to support businesses, including management methods, practices in specific technical fields, and technologies to reduce greenhouse gas emissions. Preferential and support policies are not only for goods certified with the Vietnam Green Label, but need to be extended to projects producing environmentally friendly goods at many different levels.

#### *On the part of businesses*

Need to comply well with regulations on environmental protection; proactively improve production processes, innovate technology, develop clean energy sources, renewable energy, and production technology to save resources and consume less energy; Prioritize the use of environmentally friendly input materials. In particular, consumer health must always be the focus of product development and have a product development strategy associated with a commitment to sustainability. Require manufacturers to responsibly manage products after they become waste. For businesses with little capital, to achieve green development goals, it is not necessary to invest in modern equipment, but can be through simple actions such as: good compliance with environmental protection regulations, improving production processes to reduce fuel and electricity and prioritize the use of environmentally

friendly input materials. Green development will be a strategic path for businesses to develop sustainably in increasingly fierce competitive conditions.

## 5. Conclusion

The connotation of green consumption is very broad and the green consumption behavior of individuals, households and businesses depends on many factors. In recent times, although the concept of green consumption has not been specifically mentioned, it is easy to see that in Vietnam there have been many activities and programs to raise awareness of green consumption for people. As a result, Vietnam recorded a change in consumer awareness and actions regarding green products and environmental protection behaviors. For Vietnam, catching up with this trend will create opportunities for rapid development, expanding market share, as well as taking advantage of the Government's support for businesses. However, green consumption is also facing challenges such as resolving the relationship between profit and green growth, State policies in promoting green production and consumption, and people's habits. Consumption. Therefore, there needs to be synchronous solutions to promote green consumption, ensure sustainable development, and keep pace with the world's development trends.

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