

Fair Trade Purchasers: How Are They Different From Non-Purchasers?

Su Yun Bae, Ohio State University, USA

Ruoh-Nan (Terry) Yan, Colorado State University, USA

Leslie Stoel, Ohio State University, USA

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Introduction and Justification The fair trade concept has received great attention from consumers due to its role in developing "sustainable and people-oriented business models" (Ma & Lee, 2012, p. 1). It was reported that more than 1.2 million marginalized producers in 58 developing countries benefited by fair trade certified sales in 2009 which represented approximately 4.4 billion USD (Fairtrade International, 2013). In spite of the growing demand for fair trade products, there is little understanding about what distinguishes fair trade consumers from non fair trade consumers. Specifically, understanding the fair trade purchase behaviors of two cohorts like Generation X and Y is important considering their buying power and socially conscious attitudes. The purpose of this study is to examine how fair trade apparel buyers differ from non buyers in terms of their demographics, ethical traits, and individual characteristics.

Literature Review Researchers have investigated socio-demographics such as age, gender, education, and income as factors that differentiate ethical consumers from other consumer groups. Even though the empirical findings have not been consistent, the influence of demographics on fair trade purchases has reflected some consistency. Fair trade buyers have tended to be older and well educated, and have higher income (Ma & Lee, 2012). The theory of value-attitude-behavior hierarchy explains the flow from abstract values to midrange attitudes to specific behavior within a given situation (Homer & Kahle, 1988). For the purpose of the study, trait was referenced instead of value. Researchers have investigated whether ethical traits like altruism, ethical concerns, and ethical obligations determine specific attitudes that consequently impact ethical consumption decisions. Individual characteristics such as price sensitivity (McGoldrick & Freestone, 2008), materialism (Banerjee & McKeage, 1994), and clothing involvement (Halepete, Littrell, & Park, 2009) have also been examined in predicting ethical purchase behavior. Based on the literature, these hypotheses were developed:

H1: Fair trade buyers differ from non-buyers in gender, generational cohort, education, and income.

H2: Fair trade buyers differ from non-buyers in terms of altruism, ethical concern, ethical obligation, and attitudes toward social responsibility in the apparel and textiles industry.

H3: Fair trade buyers differ from non-buyers in terms of price sensitivity, materialism, and clothing involvement.

Method Data were collected through a store intercept survey from 290 apparel consumers ($M = 24.6$ years, 60% female and 40% male) in the western United States. Seventy-nine participants answered that they had purchased fair trade apparel products and 211 participants answered that they had not. All constructs emerged as one factor, except for ethical concern (i.e., concern for environment and concern for production) and ethical obligation (i.e., personal contribution and

self obligation). Factor analyses results showed that all multi-item scales have acceptable reliabilities ranging from .76 to .92.

Findings Hierarchical binary logistic regression was conducted. The binary dependent variable was buyer/non-buyer. Demographic variables were entered in the first block, ethical traits in the second block, and individual characteristics in the third block. The fair trade apparel buyers were more likely to be female ($p < .05$), from Generation X ($p < .01$), with higher levels of education (graduate or professional degree, $p < .05$), and income (\$65,000~\$100,000, $p < .05$). Thus, H1 was supported. When controlling for the demographic factors, fair-trade buyers showed higher levels of altruism ($p < .01$), concern for environment ($p < .01$), personal contribution ($p < .05$), and socially responsible attitudes ($p < .01$). H2 was partially supported. After controlling for the demographics and ethical traits, fair-trade buyers were found to be more involved with clothing than non-buyers ($p < .05$), but no differences were identified with price sensitivity and materialism. Therefore, H3 was also partially supported.

Conclusions and Implications The results indicate that fair trade buyers are altruistic, have concerns about the environment, and believe that they can contribute to the improvement of ethical problems through their personal efforts. However, buyers and non-buyers have no differences with their concern for the negative impact of apparel production processes on the environment and society, or their obligation to improve ethical problems. Based on these findings, it is suggested that fair trade retailers should advertise producers' environmentally friendly production process with a message of how the purchases can help environmental sustainability and marginalized producers in developing countries. Similar to previous research (Ma & Lee, 2012), this study recognized fair trade consumers to be female with higher education and income. The new finding with Generation X as fair trade buyers may broaden the insights of marketers of fair trade companies. Different from the finding of Halepete et al. (2009), the study identified clothing involvement as an important individual characteristic that influences consumers who purchase fair trade products. Fair trade companies may need to make greater efforts to find or produce fair trade apparel that appeals to Generation X consumers.

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