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Exploring Fair Trade Attitude and Fair Trade Behavior of Turkish Consumers

Özge Kirezli[a*], Zeynep Kabadayı Kuşcu[b]

[a,b] *Istanbul Bilgi University, Istanbul, Turkey*

Abstract

The consumption of fair trade goods in the developed world has gained in popularity over the last years, however in Turkey it is not a well-known concept yet. Within this paper, we focused on Turkish consumers' understanding of fair trade, trying to analyze the triggering factors forming attitude and behavioral outcomes as intention to buy and willingness to pay more for those fair trade products. Fair trade attitude and behavioral dimensions had been studied on 139 participants (n=139). Our results indicated that fair trade attitude can be empowered by widening access to fair trade products, which can be accepted as a basic marketing principle. On the other hand, fair trade purchasing intention seemed linked to the fair trade attitude. Therefore, in order to increase consumers' likelihood to purchase these products, it is vital to establish a sense of understanding in the consumers' minds. Since, fair trade products are at average %10 more expensive than normal products; willingness to pay more for those products can be explained by their sense of price acceptability.

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Keywords: Fair Trade; Fair Trade Attitude; Fair Trade Intention to buy; Fair Trade Accessibility; Fair Trade Price Acceptability; Willingness to Pay More

* *Corresponding author. Tel. + 90-262-605-1426 fax. +90-262-654-3224*
Email address: ozge.kirezli@bilgi.edu.tr

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1. INTRODUCTION

The aim of this study is to investigate fair trade (hereafter, FT) concept in the eyes of consumers and explore dimensions that are dominant in attitude formation towards FT. Although FT movement has been active for 50 years and interest for FT labeled products has been growing rapidly, very little is known about consumers' response towards these companies or products (Loureiro and Lotade, 2005). It will be interesting to know at the first glance consumers' awareness level about FT practices, their perceptions and overall attitudes toward FT concept. Previous literature draws attention to linkage between personal values, information, price accessibility, and attitudes towards FT. We briefly review the literature regarding FT within consumer perspective and focus on the variables which may have a significant influence on the attitude of Turkish customers towards FT. Next, we identify variables and explain methodological foundations of our research. At the end, besides recommendations for further research, we present research findings, managerial implications and restrictions of our study.

2. RELATED LITERATURE

Over the last two decades, growing interest for business ethics and corporate social responsibility issues stimulated consumers, producers and legal authorities to provide a more sustainable and more ethically oriented production and consumption. As major decision makers, ethical consumers increasingly perceive the influence of their buying behavior on companies' ethical practices, and thus they express their sense of responsibility and ethics in the form of ethical consumption behavior, which in return push producers to adopt their offerings according to changing consumer demands (Pelsmacker et al, 2005). Mintel (1994) used the term 'ethical consumer' to describe those consumers who considered environmental, animal and ethical issues; this term is now widely used to describe such a consumer group. These ethical consumers state that there are two main obstacles to make ethical choices: huge amount of effort needed to process information about the products and premium prices of ethically sound products. 'Ethical consumption' is the purchase of a product that concerns a certain ethical issue like human rights or labor conditions and is chosen freely by consumer (Pelsmacker and Janssens, 2006; Doane, 2001; Mintel,1994). In a parallel view, Uusitalo and Oksanen (2003) define ethical consumerism as addressing 'the social and environmental consequences of global trade'. Purchasing environmentally friendly and fairly traded products are the two most well-known and typical examples of ethical consumption (Shaw and Newholm, 2002; Tallontire et al., 2001).

In a broad sense, "Fair Trade" can be described as an alternative approach to trading partnership that aims for sustainable development of disadvantaged producers by providing better trading conditions, raising awareness, and campaigning (Pelsmacker et al,2005; Krier,2001). In other words FT concept incorporates social issues as well as environmental issues. Littrell and Dickinson (1999) define FT as encompassing development of sustainable businesses, empowerment of small scale artisans, establishing political and social justice and developing equitable trade. As for a more focused perspective, FT means buying products from farmers in developing countries on terms that are relatively more favorable than commercial terms and marketing them in developed countries at an ethical premium (Bird and Hughes, 1997).

FT buying behavior had been conceptualized in different dimensions in the related literature. Table 1 indicates the most recent articles about FT consumption behavior.

Authors	Year	Article	Studied Variables
Patrick De Pelsmacker, Liesbeth Driesen, And Glenn Rayp	2005	Do Consumers Care about Ethics? Willingness to Pay for Fair-Trade Coffee	Personal Values; Product Attributes; Willingness to Pay More for FT products; Socio-demographic Characteristics
Nil Ozcaglar-Toulouse, Edward Shiu and Deirdre Shaw	2006	In Search of Fair Trade: Ethical Consumer Decision Making in France	Attitudes; Subjective Norm; Percieved Behavioral Control; Self-identity; Ethical Obligation; Intention; Behavior
Patrick De Pelsmacker Wim Janssens	2007	A Model for Fair Trade Buying Behaviour: The Role of Perceived Quantity and Quality of Information and of Product-specific Attitudes	FT Knowledge; Information Quality; Information Quantity; Skepticism; Concern; Product Interest; Product Likability; Price Acceptability; Convenience
Alain d'Astous and Suzanne	2008	Inciting Consumers to Buy Fairly-traded	Attitude Toward Buying FT Products;

Mathieu		Products: A Field Experiment	Familiarity with FT products; Intention to Buy FT products; Effectiveness of Provided Information; Socio-demographics.
Patrice Cailleba and Herbert Casteran	2010	Do Ethical Values Work? A Quantitative Study of the Impact of Fair Trade Coffee on Consumer Behavior	Purchase Quantity; Loyalty; Recency
Noureddin Driouech, Hamid El Bilali, Sinisa Berjan, Mirjana Radovic, Aleksandra Despotovic	2011	Exploring Serbian Consumers' Attitude Towards Ethical Values of Organic, Fair-trade and Typical/Traditional Products	Knowledge; Reasons for buying FT products; Sources of information; Places Where Consumers Buy FT products; Ethical Contribution
Kathyrn Gomersall and Mark Yaolin Wang	2012	Expansion of Fair Trade Products in Chinese Market	Awareness; Knowledge and Understanding; Participation in Ethical Activity

Table 1 Fair Trade Related Studies in the Literature

Most of the studies relate FT consumption to cognitive approach as Fishbein and Ajzen(1974) suggests, behaviors stem from attitudes which are results of explicit and implicit knowledge and beliefs. However, we believe that sense of social responsibility is not the sole criterion but has an interaction with situational factors. In other words customers' sense of responsibility towards society or ethical values may not be the only stimulators that shape FT consumption behavior. To a degree, intrinsic values and social responsibility might construct a certain awareness or attitude, but the gap between attitude and behavior can only be described with the help of situational factors. Therefore, we included FT product accessibility and price acceptability as situational variables in our initial model. Low price acceptability reflect a desire for FT products to be cheaper, whereas high product accessibility refers people's expectation of the FT goods to be available without requiring additional effort to buy them (Pelsmacker and Janssens, 2006).

Willingness to pay more (hereafter WTP) refers to consumers' consent on paying more for FT goods. WTP is an important variable as FT goods are usually more expensive. The level of WTP can be associated to higher income levels; however there are some reverse findings as well (Gomersall and Wang, 2012). In our research, we will try to explain WTP through attitudes lead by these two factors.

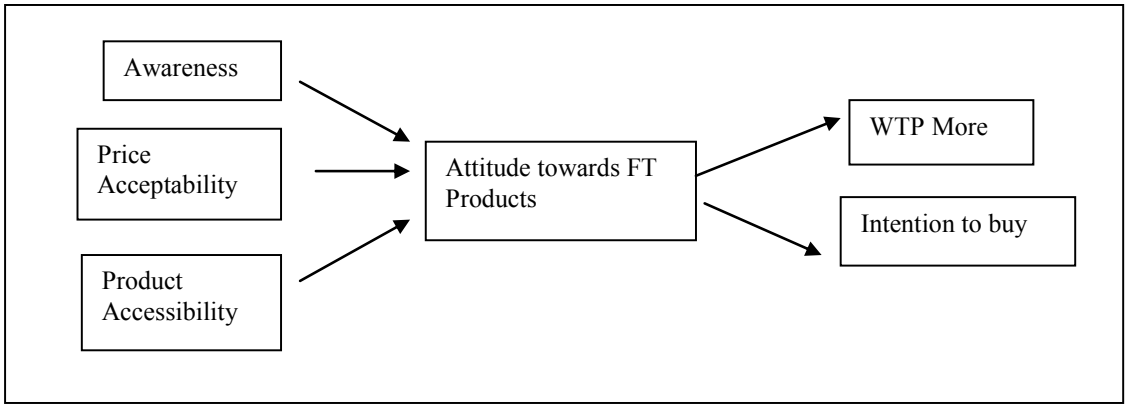

Figure 1 Proposed Model for Fair Trade Attitude and Fair Trade Behavior Linkages

3. METHODOLOGY

The data used in this study were collected through survey that was applied on a face to face basis. Questionnaire was distributed in January 2012 to 155 participants, 145 of them filled out, but only 139 of them was useful for our analysis. Hence, response rate can be computed as %89. On the other hand, convenient sampling had been used to gather data from undergraduate students.

The variables of our study were either adopted from previous studies or developed by researchers that are listed through Table 2. All constructs except FT awareness were measured using 6 point agreeability scale strongly disagree (1) and strongly agree(6). First of all, it is essential to ensure the reliability of scales that had been used in the study, hence Table 2 summarizes reliability scores of our Price Acceptability (0,773), Accessibility (0,775), Attitude (0,718) and Willingness to pay more (WTP More) (0,584) scales. All of them are above 0,70 which indicates a relatively good reliability score, but only WTP More scale seem at average level.

Scale	Reliability Score (Cronbach Alpha)	Number of Items	Source
Price Acceptability	0,773	4	De Pelsmacker and Janssens,2006
Accessibility	0,775	2	Developed by the researchers
Attitude	0,718	7	Ozcaglar-Toulouse,2006 and De Pelsmacker and Janssens,2006
WTP More	0,584	2	De Pelsmacker et al,2005
Intention	-	1	Ozcaglar-Toulouse,2006
Awareness	-	1	Developed by the researchers

Table 2 Scales used in the study

4. FINDINGS

The responses had been divided into 3 subsections. Firstly, sample composition (age, gender, income), awareness of FT products (Yes /No) and type of industries that consumers' are willing to buy(food/beverage/cleaning/textile/furniture) was examined to get descriptive nature of the sample. Second part is related to the descriptive analysis of the variables in terms of mean scores. In the final part, due to researchers' aim to indicate the effect and the weight of independent factors (price acceptability, product accessibility and attitude toward FT) on dependent variables (intention to buy and WTP More), regression analyses had been performed. Also, attitude toward FT had been separately examined within a regression analysis to find out effect of price acceptability and accessibility as situational factors.

Our sample consisted of 72 male participants (%51) and 67 female participants (%48). In terms of age composition 77 participants is between 18-22; 60 participants is between 23-27; 1 participant is between 28-32 and 1 participant is between 33-37.

According to the results, only 35% of our sample is aware of fair trade concept. Among the aware students, %55 percent is male and the rest is female.

According to literature, intention to buy FT products may differ according to industry type, hence within our study we included alternative industries as; food, beverage, textile, furniture and cleaning. Frequencies for the most frequent diverse industries are given below;

INDUSTRY TYPES	Number of Participants	Percentage
All industry types(Food-beverage-cleaning-textile-furniture)	29	23,97%
Food-beverage	14	11,57%
Food-beverage-cleaning	12	9,92%
Food beverage-textile	11	9,09%
Beverage-Textile	6	4,96%
Food-Textile-Furniture	5	4,13%

Table 3 Preferred FT products in diverse industries

Second part is related to descriptive nature of the variables. Accessibility had been identified with the highest mean score (4,8885 out of 6), so convenience can be said as a must for FT products. The second weighted factor is attitude as 4,3546 average score, meaning that respondents have favorable and positive attitude towards FT products, which provides a reasonable basis to nurture positive feelings and beliefs about FT. WTP is at the average level (3,0468), unlike our expectations respondents are not closed to paying for more for that special kind of products. Lastly, price acceptability seemed below average (2,90) meaning that there exist some problematic issues about price level of products although respondents are WTP, they still find prices expensive.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ACCESS	139	2,00	6,00	4,8885	,98732
ATTITUDE	139	2,00	6,00	4,3546	,71869
WTP	139	1,00	6,00	3,0468	1,26390
PRICE_ACC	138	1,00	6,00	2,9022	1,00293
Valid N (listwise)	138				

In the final part to test the initial model that aimed to clarify general attitude towards FT products, intention to buy FT products and willingness to pay more for FT products (as dependent variables) with price acceptability and accessibility of products (independent variables). However attitude also took place as independent variable within models. Hence as first dependent variable, intention to buy FT products had been proposed to stem from attitude towards FT, accessibility of products and price acceptability. As ANOVA table proves, our model makes sense (level of significance < 0,05).

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	73,803	3	24,601	30,723	,000[a]
	Residual	107,298	134	,801		
	Total	181,101	137			

a. Predictors: (Constant), PRICE_ACC, ATTITUDE, ACCESS

b. Dependent Variable: Intention

After examining significance of regression model, the next quest is to clarify whether all independent variables are effective on dependent variable or not. According to coefficients' table's significance figures (0,885:0,000:0,715), only one variable had significant effect on intention to buy with respective to its level of significance as lower than 0,05. Consumer attitude towards FT products seemed influential on intention to buy formation. Rather than market specific dimensions such as product accessibility or price acceptability, general view towards FT products is the sole determinant in building intention to buy.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,200	,607		-,330	,742
	ACCESS	,014	,099	,012	,145	,885
	ATTITUDE	1,000	,131	,626	7,617	,000
	PRICE_ACC	-,029	,080	-,026	-,365	,715

a. Dependent Variable: Intention

$$\text{Intention} = -0{,}200 + 0{,}626(\text{Attitude})$$

The power of regression equation is about coefficient of determination (R^2). Model summary table showed that price acceptability, attitude and accessibility dimensions only explained %40,8 of variance in intention to buy FT products. In other words, only %40,8 of intention to buy FT products are formed by joint effect of accessibility of products, price acceptability level perceived by consumers and consumers attitude towards FT products, the rest is still unclear.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,638[a]	,408	,394	,895

a. Predictors: (Constant), PRICE_ACC, ATTITUDE, ACCESS

b. Dependent Variable: Intention

Another behavioral dimension had been set as "Willingness to pay more for FT products". When we analyze the validity of the model, level of significance indicated that this model is applicable with its significance level (0,000).

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41,231	3	13,744	10,400	,000[a]
	Residual	177,088	134	1,322		
	Total	218,319	137			

a. Predictors: (Constant), PRICE_ACC, ATTITUDE, ACCESS

b. Dependent Variable: WTP

However during construction of regression model on WTP, only price acceptability was found to have significant effect (p value 0,000). This shows that only if the price acceptability of the consumers are high, they would be willing to pay more. Attitude and product accessibility were not found to be as significant. Our sample thought that FT products are relatively expensive and they should be cheaper, willingness to pay more for this special products can only be explained by that variable.

WTP More = -0,872 + 0,403Price Acceptability

Moreover, price acceptability can only explain %18,9 of the Willingness to pay more action. (R2 is %18,9)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,435[a]	,189	,171	1,14959

a. Predictors: (Constant), PRICE_ACC, ATTITUDE, ACCESS

b. Dependent Variable: WTP

Lastly, influential factors that contribute to attitude towards FT products had been analyzed. The overall model is significant in terms of describing FT attitude (level of significance <0,05).

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24,414	2	12,207	35,477	,000[a]
	Residual	46,452	135	,344		
	Total	70,867	137			

a. Predictors: (Constant), ACCESS, PRICE_ACC

b. Dependent Variable: ATTITUDE

When we consider the effect of product accessibility and price acceptability, the only factor that explained the change in attitude for FT products appeared as accessibility (sig 0,000), whereas it explained only %34,5 of the variance in attitude towards FT products. In other words, as we claimed situational factors seem influential in attitude formation, hence marketing decisions such as intensifying distribution might have effect on general attitude towards FT products.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,289	,346		6,619	,000
	PRICE_ACC	-,007	,053	-,010	-,135	,893
	ACCESS	,427	,054	,584	7,964	,000

a. Dependent Variable: ATTITUDE

Attitude = 2.289 + 0,584(Accessibility)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,587[a]	,345	,335	,58659

a. Predictors: (Constant), ACCESS, PRICE_ACC

b. Dependent Variable: ATTITUDE

Regression analysis results had been summarized via Table 4. The significant factors are in bold and also significance levels, beta scores, explanatory power had been included in the table.

Dependent Variable	Independent Variables	R Square	Standardized Coefficients (Beta)	Significance
Intention	**Attitude**	%40,8	0,626	0,000
	Accessibility			
	Price Acceptability			
WTP More	**Price Acceptability**	%18,9	0,403	0,000
	Accessibility			
	Attitude			
Attitude	**Accessibility**	%34,5	0,584	0,000
	Price Acceptability			

Table 4 Regression Scores Summary Table

5. CONCLUSION AND DISCUSSION

Fair trade concept is a rapidly growing trend in recent market conditions that had considerable effect on producer and consumer behavior. However in Turkey, it is not a well-known concept yet. According to our results, only 35% of our sample is aware of fair trade concept. This rate is considerably low when it is compared to the countries such as UK in which awareness rate is around 70%. Within this paper, we focused on Turkish consumer perspective, trying to analyze the triggering factors forming attitude and behavioral outcomes as intention to buy and willingness to pay more for those fair trade products. In the literature, substantial studies focused on ethical judgmental of consumers, such as whether their sense of social responsibility and ethical values can be reflected into purchasing behavior. However as researchers, we believe FT behavioral dimension cannot be explained only by these intrinsic factors, thus we analyzed situational factors which were the accessibility of products and premium price acceptability.

Our findings indicated that consumer intention to buy FT products can be shaped by general FT attitude, whereas willingness to pay more can be affected by consumers' judgement on acceptable price level. In other words, if consumers have positive attitude towards FT, then they are more inclined to purchase these kinds of products. However, price acceptability determines at what level this intention will result in purchasing behavior if the price for FT product is higher than the regular product. Whereas, what forms consumer attitude towards FT has been stated as convenience of products. According to results, consumer claimed that they should find FT products in convenience stores and also they should reach the products through internet.

According to the results of our research, we can conclude some managerial implications. Firstly, awareness of FT should be increased through mediums such as mass media, product labels etc. Secondly, in order to increase the

product accessibility, companies should work on visibility and intensive distribution of products. Lastly, since consumers' consent to pay premium prices is low even among above average income level students, there should not be too much price difference between a regular and FT good.

One of the major restrictions of our study is that our sample is restricted by limited sampling that is composed of above average income level undergraduate students. Therefore, in future researches sample should be extended and selected on a more representative manner. Also for future studies, other determinants such as personal values, subjective norm, and scepticism should be analysed together with the socio-demographic determinants such as age, income and education level.

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