Do consumers give Fairtrade a fair chance in the supermarket?

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SUMMARY

How often have you walked around in the supermarket trying to decide what product by which brand to choose? The options are many. Some people look for the price tag while others are more influenced by the esthetic appeals of the packaging design. Some people might look for ethical or environmental aspects of the brand.

The area of corporate social responsibility (CSR) interests many people today and is a growing concern. We found that consumers consider companies acting ethically while also new jobs among the most important responsibilities by firms today. These factors are making the purchase decision process even harder for consumers. Sweden is one of the most socially responsible countries in the world, making it important for Swedish companies to integrate CSR into the core of their businesses. One example of such integration is Fairtrade, a concept that has grown tremendously during the last decade, while the attention focused on socially responsible behavior by firms has increased.

The purpose of this research is to investigate the relationship between Fairtrade and the purchase decision of consumers living in Sweden, to investigate the awareness and perception of Fairtrade and how that ultimately translates into making a purchasing decision. From this we developed the research question:

“What factors influence Swedish consumers purchase decision in buying products from Fairtrade Sweden?”

The target group of our research is young adults ages 18-30. The nature of our degree project is quantitative with a deductive approach. The research philosophy is objectivism since we do not intervene in any way as we observe the data collected from our survey. Furthermore a positivistic approach is used since we rely heavy on numbers and data rather than words. We received 158 participants in our survey.

The theoretical framework consists of theories within the areas of CSR, branding, consumer attitudes-behavior and finally previous empirical studies about Fairtrade. From the theories we have developed a series of hypotheses, which we test statistically using independent-samples t-test and bivariate correlation tests. Statistical support for gender differences between men and women were found and also positive correlations between willingness to pay for Fairtrade products and how often participants purchase Fairtrade products were found.

The findings from our research show that the 18-30 year old Swedish consumers find Fairtrade important and the general attitude towards Fairtrade is positive. Most consumers chose Fairtrade to help people and because it makes them feel good. The most common reasons why not to choose Fairtrade is because of the price or that the products simply cannot be found. Women are keener on purchasing and caring about Fairtrade products compared to men.
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1. Introduction

In this chapter we will firstly go through the problem background within CSR and Fairtrade to further discuss the choice of subject, research gap and purpose. This will lead to the research question, which our study is guided by, and finally we will discuss the delimitation of our research.

1.1 Problem background

1.1.1 Corporate Social Responsibility

Corporate social responsibility (CSR) has been studied extensively throughout the past few decades, and was firstly introduced during the 1960s. Even though it has been several studies in the field of CSR, there is no single definition. Milton Friedman (1962, cited in Cozmiuc, 2012, p. 166) has a famous quote stating, “The social responsibility of business is to increase the profits”, meaning that the only social responsibility that firm has to focus on is to maximize its profit. However, CSR activities by firms have generally been accepted into four different categories: economical, legal, ethical and philanthropic, whereas economic and legal responsibilities are required, while ethical and philanthropic are desired (He & Keung Lai, 2014, p. 251). There has been several debate regarding CSR in the past decades whether companies are taking their ethical responsibilities or not.

Throughout the 1990’s, the famous footwear company NIKE have been accused of (and admitted to several of the scandals they’ve been accused of) everything from child labor in Pakistan, where children were making NIKE footballs under horrible human rights, and the working conditions in their factories in Asia and mainly Indonesia (Culcasi et al., 2010, pp. 28-31). Culcasi et al. (2010, p. 32) also found that these scandals have terminated NIKE’s good reputation during the past decade and that NIKE has had troubles to establish a good reputation in some areas, still in present times because consumers have lost their brand trust.

There is a problem in many studies researching the link between CSR and purchase intentions, and that is the induced awareness of CSR. In fact, consumers generally have a low level of awareness about what CSR is. Nonetheless, when consumers are made aware of what it is, it leads to a positive attitude and a stronger behavioral intention towards buying products from a socially responsible company (Pomering & Dolnicar, 2009, p. 287).

1.1.2 Corporate Social Responsibility in Sweden

Sweden is one of the top countries when it comes to promote its CSR, and CSR is a core part of every company in Sweden whether it is relating to human rights, gender equality,
social causes (e.g. cancer research, donating money and gifts to children in Africa, local causes etc.), environmental causes and many more. (The Swedish Institute\(^1\), 2013).

According to Cozmiuc (2012, pp. 169-171), one of the reasons that Sweden is so successful in their use of CSR is because there is a close relationship between companies and the government, since the communication between the government and Swedish companies creates a win-win situation. This is because the government helps companies to reach their desired CSR goals and in return this helps Sweden to maintain its reputation as a socially responsible country.

According to the Swedish Trade and Invest Council\(^2\) (2013), Sweden has a comparably small home market, which makes Sweden very dependent on the international market which is one major reason why Swedish companies and Sweden as a brand promotes itself as a social responsible country. Swedish companies must follow the international CSR guidelines such as the guidelines for multinational companies set by the Organization for Economic Co-operation and Development (OECD), the guidelines set by the FN Global Compact and the international standard ISO 26000 for social responsibility. However, even though Sweden has such good CSR reputation and that all companies in Sweden practice CSR to some level, there are not sufficient studies that bring up the impact companies’ CSR practice have on the consumer behavior of their customers. This is important because in today’s society more and more people engage themselves in social causes (European Commission, 2011).

1.1.3 Fairtrade market

The reality of the world we live in is very different for many of us. Today, large quantities of foods are produced in unacceptable conditions for humans and the environment they work in. Long days without any rest or coffee breaks for a salary not high enough to support a reasonable living, forces 218 million kids to help support their families instead of going to school (Fairtrade Sweden, 2014). According to Fairtrade Sweden (2014), the reason for this can usually be found in a fierce price pressure in the first stage of the trade chain, where the raw material is produced, as well as tariff barriers and export subsidies that exclude developing countries from a more equal competitive position in the international market. Fairtrade products insure a fair-price instead of a free market price for commodities by excluded or disadvantageous producers in the third world. Fairtrade products are purchased under cooperative, rather than competitive trade principles, in order to improve working conditions and supplier conditions in developing countries (Fairtrade Sweden, 2014).

In the last decade, Fairtrade sales have increased dramatically, reaching €2,89bn in 2008. In line with increased sales, demand for studies demonstrating the changes in quality of life for the participating workers and producers has grown. In over 80 studies examined, in-depth information of the impact of Fairtrade on producers and producer organizations was found in only 23 studies made, which contained 33 separate case studies of Fairtrade certified producers. In 31 of the 33 case studies contained evidence

\(^1\) The Swedish Institute is a public agency that promotes interest and confidence in Sweden around the world

\(^2\) The Swedish Trade and Invest Council is an organization that aim to plan, coordinate and implement measures to promote Swedish export
of positive economic impacts. These families often enjoy higher returns and more stable incomes than comparable farmers selling to the conventional market (Nelson & Pound, 2009, pp.8-9).

Buyers are required to pay a minimum price calculated to cover the cost of sustainable production. This minimum price is important due to the volatile world commodity prices, which can force producers having to move during rough times. A thorough study of a coffee cooperative in Bolivia demonstrated that Fairtrade had helped the organizations members keeping their children in school as well as being able to create new sources of employment (Nelson & Pound, 2009, p. 8).

In a study made in Belgium, (De Pelsmacker & Janssens 2007, p. 374), the researcher found that two factors mainly affect Fairtrade buying behavior. Firstly, the quality and quantity of perceived information, and secondly the concerns and skepticism possessed by the consumer. They highlight the importance of a well communicated and visible marketing strategy made by the Fairtrade organization in order to reduce skepticism and raise concern for this matter. In their study focused on the population of Belgium they state the importance of further research to explore the differences in various European and Northern American markets. Further more De Pelsmacker et al. (2005, pp. 372-375) found that women feel the importance for packaging and flavor of Fairtrade coffee while men feel the importance for the ethical label itself. Moreover de Ferran & Grunert (2007, cited in Bezençon & Bili, 2011, p. 687) found that men women tend to purchase more Fairtrade coffee then men do. This will be developed further as a smaller part of our study as we want to see if there is a difference between the genders in regards to choosing/purchasing Fairtrade products.

Not everyone is convinced that the fair trade system is going to improve the working and living conditions in developing countries. The Fairtrade Foundation guarantee of; “A fair and stable price to farmers for their products” implies that, with the extra amount paid for the products, the farmers will receive higher prices and the salaries of the farmers will increase. If the extra amount paid reaches the farmers, the farmers have to impose costs of conforming to the Fairtrade regulations. Fairtrade does not monitor the costs to the farmer to achieve this certification (Griffiths, 2012, p. 359). Another widely spread notion is the question about how much of that extra amount we pay, will actually end up giving the farmers higher salaries. With Fairtrade, customers are paying an additional cost and it should be assumed that all of it would go to the farmers (Smith, 2009, pp. 31-32). The reasonable consumer might expect at least 80% to go all the way to the producers. But how can they ever know for sure, what if none of it goes to the consumer? How much goes in to added cost of the co-operative? If this money does not reach the farmers it has only one effect, and this is to harm the farmers of non-Fairtrade products. All charities have to report how much of their revenues are donated to their cause. Fairtrade has been set up in such a way that it is impossible to track down what the extra amount paid are being used for. This is unquestionably unfair trade (Griffiths, 2012, p. 358).

1.2 Choice of subject

According to Nya Veckans Affärer (2011), one of Sweden’s biggest business magazines, they bring up that CSR is going to change businesses the next 10 years as
Internet has done the past 10 years. Another important subject being discussed is that nowadays, it is not about “if” but rather “how” a company interacts with CSR practices (Nya Veckans Affärer, 2011). This shows that the impact of a company's CSR will continue to grow even more in the coming decade.

We have seen a dramatic increase in the total value of Fairtrade sold items in Sweden during the last decade, from 1B-1.5B SEK in 2010-2012 alone (Fairtrade Sweden, 2013). We have chosen to investigate the practice of Fairtrade Sweden and its impact on the Swedish market. In order to understand this relationship, we will explore how the consumer purchase decisions are affected by Fairtrade Sweden and its actions. In recent studies, Fairtrade impact on consumer behavior in Belgium has provided mainly two factors affecting buying behavior, awareness and skepticism (De Pelsmacker & Janssens 2007, p. 374). We will therefore measure the awareness of Fairtrade among consumers in Sweden and their level of trust. In addition to this we will explore other factors influencing the choices of their daily consumption. Our hope is to provide useful information for Fairtrade Sweden about the Swedish consumers, but also for retailers and producers interested in the Fairtrade licensing. It is especially important for a study like this to be performed in Sweden, since Sweden strives to be one of the most socially responsible countries in the world (Cozmiuc, 2012, p. 168-170; The Swedish Institute, 2013).

The Marketing Science Institute (MSI) first priority list argues that the already existing theories and methods of consumer behavior are outdated and the MSI feel the need for new research within the area of consumer behavior. Furthermore they argue if the insights in consumer behavior have gotten better or worse in recent times even though the technological advances have increased a lot. The MSI also brings up the need for a more in-depth research of an in-store consumer behavior (The Marketing Institute, 2014). Our study is meant to investigate if the labeling of Fairtrade products has an effect on consumers purchase decision when they go grocery shopping. More specific, the study will examine how consumers are aware of these products, how they receive and store this information and ultimately how this will affect their consumption behavior/attitudes. We believe, since there are many debates on TV, the Radio and in newspapers regarding the subject of CSR and Fairtrade, that we as business students will encounter matters regarding these subjects when starting our professional career. Hence this is a good opportunity to get a more deepened understanding on how the ethical and sustainable aspect of CSR correlates with consumers purchase decisions of Fairtrade products. Important to point out is that this degree project is written after our own curiosity of the subject, and it is not commissioned by the organization Fairtrade Sweden by any means.

Furthermore, we want our degree project to make a true contribution both theoretically as well as practically. The theoretical contribution will contain additional understanding of how Fairtrade efforts can be used to convince consumers to pay a premium price for a product. From the results of our survey we will contribute to the theory of consumer behavior, focused on understanding attitudes and shopping behavior. The practical contribution will exist of spreading awareness that can help consumers to get more enlightened of the issues of fair trade. We hope that our findings can be of help for Fairtrade Sweden to better understand consumers and their customers, and also provide this information for companies interested in the Fairtrade label.
1.3 Research gap

The field of research in CSR is extensive but not always in agreement. Studies have formed different consumer traits and found that rational consumers are less willing to sacrifice basic functional features of products for the ethical and philanthropic behavior of a brand (Becker-Olsen et al., 2006, pp. 46-49). Consumers are demanding more social obligations from companies, not only internal but also external involvement in society. Although there’s a paradox in this matter, where we on the one side have consumers demanding more, and on the other hand research indicates a considerable gap between consumers’ apparent interest in Fairtrade and the limited role of CSR in purchase behavior (Öberseder et al. 2011, p. 449). Despite the consumers higher demands and the increased level of interest in CSR, in reality, CSR is a small factor in the decision making process (Mohr et al., 2001, pp. 47-50). Studies have been made on the Fairtrade impact on consumer behavior in other countries, but little to no extensive study has been made exploring this relationship on the consumer purchase decisions of people living in Sweden. However, the studies in other countries have focused more on one Fairtrade product. One of the major criticisms of Fair Trade is that it has risen to notoriety despite a lack of universally supporting evidence that it works. At the same time, there is a lack of evidence to provide for the majority of the criticism towards it (Smith, 2009, pp. 31-32). Fairtrade is however a popular choice and a growing organization as more people turn towards it each year and becomes more and more positive towards it. Although, according to Andorfer & Lieber’s (2009) review of Fairtrade studies, they found that there is a gap between Fairtrade products and purchase decisions of consumers, and an attitude-behavior gap where consumers intentions to buy Fairtrade products not always correlates with their purchase decisions, as they do not always by Fairtrade labeled products.

The first thing we are going to do is to interview Fairtrade Sweden (O. Höiden, personal communication 28 March, 2014) to get a much deeper understanding about the organization and how they work to increase awareness. At the interview we discovered that they are conducting annual polls to measure consumer awareness of Fairtrade. They have witnessed an increased awareness, alongside with an increasing number of sales. However, they have not conducted exploratory studies with the aim to better understand their customers. They stated that one of the major enigmas is that even though some people have lots of money and are positive towards Fairtrade, they still never chose Fairtrade-labeled products. To their knowledge there is a gap in the Swedish consumers attitudes and intentions to buy Fairtrade products. Nelson & Pound (2009, p. 9), in their review of Fairtrade studies, shows that with the increase of Fairtrade sales a demand for studies on how Fairtrade affect the consumers has arisen.

1.5 Research question

From the background and research gap we have defined the following research question:

“What factors influences Swedish consumers purchase decision in buying products from Fairtrade Sweden?”
1.4 Purpose

The purpose of this degree project is to explore the relationship between Fairtrade and the purchase decision of consumers living in Sweden and to investigate the awareness and perception of Fairtrade, and how that ultimately translates into making a purchasing decision. Further this degree projects aim the see what influences Swedish consumers purchase decision when buying Fairtrade products by testing what attributes are the most important ones for our participants. Moreover we are going to test why people do not buy as much Fairtrade as they would like to in order to find what influences their purchase decisions. The target group of this degree project will be young adults ages 18-30 years old as De Pelsmacker et al. (2005) in their study about the willingness to pay for Fairtrade coffee argues that younger people are more socially conscious. Furthermore we will test to see if there is a gender difference in regards to the different factors that influences the purchase decision of Fairtrade products.

1.6 Objectives

In order to give an accurate and valid answer to our research question we have developed objectives to further help us answer our question.

- To investigate how Fairtrade Sweden work to build up the brand and increase their market share.
- To investigate the consumers’ knowledge and attitudes towards Fairtrade.
- To investigate how the labeling of Fairtrade products affect the consumer purchase decision
- To investigate if there is a gender difference in a purchase situation of Fairtrade products.

1.7 Delimitation

Because we have chosen to investigate the impact of Fairtrade on consumer purchase decisions, we have delimited our degree project to not regard any other aspect of corporate social responsibility by firms within the consumer goods industry. There are many organizations and various licenses of food products in the market space, which tells the consumer that the firm has been involved in some aspect of CSR. Corporate social responsibility is a wide concept, far too broad for us to explore in its entirety. We have so forth chosen to investigate the organization Fairtrade Sweden, and explore the relationship they have towards the Swedish consumers, how much they know of it, what is the general opinion of it and how it is changing their daily consumption behaviors.

By using an online survey, we will reach out to as many respondents as possible. Based on the analyzing of our data, we will draw some conclusions of how Fairtrade Sweden could act to raise awareness, expand their number of licensed products. The results can also be used as a guide for producers and wholesalers looking towards Fairtrade licensing of their products. However, we will delimit our study from the financial aspect of the various strategies and collaborative efforts that might exist. Our results and recommendations will be delimited to Fairtrade Sweden and cannot be generalized upon all CSR efforts by firms active in Sweden.
2. **Fairtrade**

In this chapter we will discuss the general idea of Fair Trade and compare it to Fairtrade followed by an expert-interview with Fairtrade Sweden in order to get more knowledge on how their organization works. Lastly we will bring up some criticism against Fairtrade.

### 2.1 The difference between Fairtrade and Fair Trade

The first thing people need to understand is that there is a difference between Fairtrade (no abbreviation) and Fair Trade. First lets discuss what Fair Trade is. There is no single definition what Fair Trade is, however, the World Fair Trade Organization (WFTO, 2013a), Fairtrade International (2014) and Fairtrade USA (2014) all share one common explanation to how to define Fairtrade and WFTO describes it best;

“Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seek greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade Organizations, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.” (World Fair Trade Organization, 2013a):

However, a Fair Trade organization is an corporation that has Fair Trade as one of its missions and core objectives. There are a lot of organizations that use Fair Trade (Figure 1) as their main objective. As mentioned above, there is a difference between Fair Trade and Fairtrade. Fair Trade is an alternative trading partnership to seek more equity in international trade while Fairtrade refers to any part of the Fairtrade labeling organizations (FLO) activities. The FLO request that every company/organization that wants to put the Fairtrade logo on their products need to fulfill ten principles that the WFTO has developed, which most of the Fair Trade organizations follow (World Fair Trade Organization, 2013b).

The ten principles that Fair Trade organizations must follow on a daily basis is as follow:

1. Creating Opportunities for Economically Disadvantaged Producers
2. Transparency and Accountability
3. Fair Trading Practices
4. Payment of a Fair Price
5. Ensuring no Child Labor and Forced Labor
6. Commitment to Non Discrimination, Gender Equity and Women’s Economic Empowerment and Freedom of Association
7. Ensuring Good Working Conditions
8. Providing Capacity Building
9. Promoting Fair Trade
10. Respect for the Environment

Figure 1. Different Fairtrade labels

Fairtrade Sweden, which products will be the focus in our degree project, is a non-profit organization that is one of the most globally recognized Fair trade organizations. In 2011 a survey was conducted in 24 countries to be able to measure the knowledge of Fairtrade and they found that about 6 out of 10 consumers knew of Fairtrade and 9 out of 10 trusted the purpose of Fairtrade (Globescan, 2011). Globescan (2011, p. 9) also found that Svanen is the most spontaneously recognized brand among Swedish Consumers and that Fairtrade and Krav are tie in second place. Below we will go deeper into the Fairtrade Sweden organization.

2.2 The Fairtrade Organization

When consumers choose to buy Fairtrade products they contribute to the benefits of farmers and producers involved in the process of growing the products in third world countries. The organization Fairtrade has a long-term trade union with their farmers and growers who might not have large profit margins to depend on during a low season. The slightly higher marginal prices for Fairtrade products could help them survive. Outside of this higher pay, the local growers and sellers receive an extra premium, which goes towards developing the community social and financially, e.g. a new school or health care. The manner of how this premium should be invested is a joint decision between the farmers. Fairtrade is not only about improving the financial situation among the farmers but also an act to develop democracy, environmental and social aspects. Child labor is one major aspect actively discriminated upon (Fairtrade Sweden, 2014).

Fairtrade International is working to increase the portfolio of Fairtrade-labeled products. For every new-labeled product there are certain protocols, which have to be followed. From the beginning, Fairtrade International focused solely on products within the food market industry. Recently, they have also managed to label non-foods such as footballs, cotton, gold and timber (Fairtrade International, 2014). There is a wide selection of Fairtrade products to be found in most Swedish stores, hotels and cafes. Among these products are coffee, tea, cocoa, chocolate, bananas, fresh fruit, juice, rice, quinoa, ice
cream, sugar, muesli, candy and honey. So, what does it take to become licensed to use the Fairtrade logo? The producer and retailers must qualify under the Fairtrade Internationals standards such as 20% of the combined ingredients in a product are Fairtrade. In addition to this they must pay a floating fee (about 1-2 % of the consumer good price). Fairtrade Sweden is the Swedish representative in Fairtrade International, who functions as a support for farmers and growers and work to improve relations and trade unions. Fairtrade Sweden has over 20 sister organizations in other countries (Fairtrade Sweden, 2014). In May 2010, Rättvisemärkt changed its name to start communicating the international name – Fairtrade – even in the Swedish market. The vision of Fairtrade is an international trade market dealing in fair terms, where the producers in developing countries has the possibilities of creating a safe and sustainable environment and the means to decide over their own future. Fairtrade Sweden consists by an association led by the general secretary Magdalena Streijffert and corporation led by CEO Morgan Zerne. Their common goal is to increase the supply and demand of Fairtrade products. They strive to do this through:

- Licensing of Fairtrade to companies whose products are certified after the international Fairtrade criteria
- Influence retail and whole sellers to expand and market their product lines of Fairtrade products.
- Increase the spread of information and knowledge of Fairtrade among the consumers.

In 2012, Fairtrade Sweden increased their sales by 28 percent to a little over 1.5 billion SEK. Coffee, ice cream and bananas have the highest sales values. Flowers and ice cream have the highest market shares (Fairtrade Sweden, 2013).

2.3 Expert-interview with Fairtrade Sweden

In order to get a much more deepened insight in the organization Fairtrade Sweden we contacted them to get an interview on March 28, 2014 with their communication manager. Fortunately they agreed to do the interview, as they usually do not assist students writing theses, as they are very careful about what is written about them. During an hour-long conversation with the Head of Communication, Ola Höiden, we received a better insight into the organization. We were of course curious to find out larger questions such as; how they work to combat skepticism towards Fairtrade and how they will get consumers to pay a premium price for groceries, and Ola successfully answered all our questions.

Fairtrade Sweden is an independent organization and encourages everyone that meets Fair Trade’s standards to apply for a license. They do not pick certain products or brands to fit into some overall strategy, or target a certain segment. They spend about as much effort into educating the consumers and raising awareness of the issues of traded goods, as well as they market themselves to companies and attracting new brands. However, luckily for Fairtrade Sweden, the stores and brands have historically been contacting Fairtrade wanting to achieve Fairtrade license status (O. Höiden, personal
communication 28 March, 2014). According to Ola (personal communication 28 March, 2014), even though many are aware of Fairtrade and show support of their cause, and might even be willing to purchase Fairtrade labeled products, everything comes down to what is happening in the store. In order to influence this final purchase decision, they have been working hard on having material and signs present to point out the location of Fairtrade labeled items in the store. The environment of grocery stores in Sweden is made up by a fierce competition. The products that do not sell will have to make room for competitor products. Ola Höiden (personal communication 28 March, 2014) goes on to describe this as another major problem for the organization. Since everyone else is promoting sales and cheaper prices, consumers tend to be less willing to pay extra for Fairtrade products. This is of course a problem since Fairtrade labeled products tend to be more expensive.

From an early point in the life span of Fairtrade Sweden, they used a marketing campaign which made them to be perceived as, “sort of a left wing organization”. They felt that this image was wrong for the vision of the organization and where they wanted to be, and has therefore been trying to alter this image since, by targeting facts and not emotions through the campaign “choose Fairtrade”, which is a more straightforward and educational approach. Lately however, they feel that there could be a need for targeting people’s emotions once again. Their recent campaign “goodbye poverty” is all about spreading their vision and the core of the organization, which is to fight poverty. The goal of the campaign is to make consumers understand that they are contributing to this fight by choosing Fairtrade labeled products (O. Höiden, personal communication, March 28, 2014).

Fairtrade Sweden is proud to be occurring in the media on a regular basis and use this as an opportunity to spread awareness for their cause. We asked about the possible skepticism that research have showed consumers to have, and further the criticism about the lack of proof that producers in fact are better off. Ola (personal communication 28 March, 2014) responded that in their own opinion polls they perceive about 10% of consumers would fit into this description and they are usually older men. They found that consumers sharing this view also commonly share a lack of knowledge about the conditions that many producers face from the standards set when trading their goods. They have also discovered that some consumers feel that their lack of knowledge about Fairtrade and other similar product licensing have caused confusion. Having too many options of different labels have ultimately led to the decision of not choosing any of them.

In their own previously made market research they have found that people are willing to pay 10-20% extra for Fairtrade labeled products. This is popularly the real price difference in stores. However, even in times when the prices are the same, not all consumers choose to buy the Fairtrade market product. Ola (personal communication 28 March, 2014) further explained how this is a big problem for them. Consumers are exposed to a large number of stimuli on a daily basis, and to make it easier for us when grocery shopping every other day, routine plays a big part into our purchase decisions. However, from previous market studies they found that most consumers agree that a Fairtrade licensing of their favorite brands, would add value to the product. Finally, Ola advised us to intercept consumers in grocery stores to conduct a quantitative questionnaire and give it to them when they are shopping and try to investigate their
reasoning behind choosing or not choosing Fairtrade. However we will proceed to collect answers through our quantitative survey on social media instead to be able to reach a larger sample. Approaching consumers in the store in the exact purchase situation would require more time, which we do now posses in this thesis as we have a constraint time limit (O. Höiden, personal communication 28 March, 2014).

2.4 Criticism against Fair Trade

One of the major criticisms of Fair Trade is that it has risen to notoriety despite a lack of universally supporting evidence that it works. At the same time, there is a lack of evidence to provide for the majority of the criticism towards it (Smith, 2009, pp. 31-32). Smith (2009, p. 32) further discusses that some of the critiques against Fairtrade are those of macroeconomic effects. Where guaranteed minimum prices above the level of the world market are paid, some believes it will lead to an intensification of production activities. Where the market equilibrium is pushed, the additional outputs that cannot be sold within the Fair Trade system will be placed in the conventional markets. By the laws of economics, the oversupply will lead to a decline in world market prices. Another widely spread notion is the question about how much of that extra amount we pay, will actually end up with the farmers. With Fairtrade customers paying an extra cost it should be assumed that all of it would go to the farmers (Smith, 2009, p. 33) The reasonable consumer might expect at least 80% to go all the way to the producers/farmers. But how can they ever know for sure, what if none of it goes to the consumer? How much goes in to added cost of the co-operative? If this money does not reach the farmers it has only one effect, and this is to harm the farmers of non-Fairtrade products. All charities have to report how much of their revenues are donated to their cause. Fairtrade has been set up in such a way that it is impossible to track down what the extra amount paid are being used for. According to Griffiths (2012, p. 358) this the very definition of unfair trade.

Retailers have the option to buy Fairtrade products and set their own prices. Therefore, it would be impossible for every product to acclaim for how much of the price for a general product is transferred to the farmers. In fact, companies are in a position to buy Fairtrade coffee at the world market price even though there is three times as much Fairtrade-certified coffee available as the market will take (Griffiths, 2012, p. 359). Therefore, the power lies with the buyer. If one supplier will not sell for the lower world market price, the buyer simply can move on and try the next one. There is evidence that companies do this (Griffiths, 2012, p. 360). Further Griffiths (2012, p. 360) discusses that in the 90s when the market started seeing a serious upswing in fair traded products, such as coffee, market share was stolen and more people wanted to get on the new trend. Several examples exist of companies introducing a new fair trade label with weaker criteria, in order to confuse customers and win back market share. The Fairtrade Foundation's guarantee of “A fair and stable price to farmers for their products” implies that, with the extra amount paid for the products, the farmers will receive higher prices and the salaries of the farmers will increase. If the extra amount paid reaches the farmers, the farmers have to impose costs of conforming to the Fairtrade regulations. Fairtrade does not monitor the costs to the farmer to achieve this certification (Griffiths, 2012, p. 358).
3. Scientific method

This chapter first starts with our practical and theoretical pre-understanding that might affect our degree project. Later it consists of an explanation of our scientific study design and choices followed by choice of theories and source of criticism.

3.1 Pre-understanding

3.1.1 Theoretical pre-understanding

Both authors of this degree project are students of the International Business Program at Umeå University, and during our years within this program we have been taking many business administration courses on different levels, both basic and advanced. This has enabled us to get a relevant and solid knowledge foundation within the area that we are focusing on in this degree project, which is marketing. At master level Robin Eckerblad chose to specialize himself in the area of marketing while Rasmus Nilsson chose a different specialization, which was Financial management. We are confident that our different areas of specialization will complement each other in our degree project, when we analyze and go through data. We believe that our academic background provides us with a solid base, to be relevant in our choice of subject, the theories explored, analysis of results and the conclusions of our findings. It will minimize the chance of us losing our focus on the subject in our discussions.

Not to be forgotten is that, even if the aim of this degree project is to be neutral in our discussions and conclusion, our academic background might have affected the way we analyze articles and models. Further it might have affected how we draw our conclusion as the courses we have been taking at the business school at Umeå University have funneled us to interpret and think about certain subjects and models in the field of marketing. On the other hand, we will consistently gain more knowledge throughout this degree project, which will enable us to get an even broader viewpoint in the field of marketing, as new theories and aspect of the marketing will be added to our pre-understanding of the area.

3.1.2 Practical pre-understanding

Both of the authors of this degree project have previous work experience in the field of marketing and customer relationship. Robin Eckerblad worked in the marketing department at the Swedish-American Chambers of Commerce in San Francisco for 6 months as an intern as part of his education, where he worked with questions regarding CSR and sustainability. Rasmus Nilsson on the other hand has been working several years within sales and customer service at Folksam and ABB. These experiences will have a positive effect on our degree project, as it will help us in our analysis and conclusion regarding consumer’s attitudes/purchase intentions and CSR.

Furthermore, since both of us are consumers that regularly go grocery shopping, it might affect how we think other consumers should answer our questions and how they
behave in certain situations since we would behave in a certain way. Important to keep in mind so our conclusion and discussion becomes as neutral as possible, without our own behavior and thoughts gets mixed in the results, is that all consumers do not behave in a conformed way. Objectivism is according to Bryman & Bell (2011, p. 21) an ontological stand where we are outside our own intellect and meet social experiences that we cannot influence. We understand that our practical as well as theoretical pre-understanding can have an effect on our degree project; therefore we will always critically evaluate our theories and discussions to be objective throughout our degree project.

3.2 Methodological awareness

3.2.1 Research philosophy

Business research is, according to Zikmund et al. (2010, p. 5), “the application of the scientific method in searching for the truth about business phenomena”. According to Saunders et al. (2009, p.107) research philosophy is the improvement of knowledge and the nature of that knowledge. In a broader view, there are two perceptions of research philosophy, ontology and epistemology.

The ontological approach is that the world exist and function independent of social actors and whether or not individuals should be considered objective entities, which have their reality external from social actors or if their environment is created from the observations and movements of individuals (Bryman & Bell, 2011, p. 20). The ontologies is often defined between two views, objectivism and constructionism, the former implies that social phenomena are external to individuals’ intellect and those individuals have no influence on it (Bryman & Bell, 2011, p. 21). The latter is constructionism, also called social subjectivism, which argues that the world is a formation of the perception and actions of social beings (Bryman & Bell, 2011, p. 21; Saunders et al., 2009, p. 110)

In our degree project we aim to be as neutral as possible and not mix in our own views and beliefs about the subject, therefore our ontological approach of this degree project is objectivism. We will use statistical measures of our results, as we will observe the answers of our quantitative method, which makes it possible to have an objective view. The subjectivist view would not fit this degree project as it relies on the reality of the researcher, which is not the aim of our project, as we will rely on the results and facts from our quantitative survey and not implement our own feelings in the result.

According to Saunders et al. (2009, p. 112) epistemology concerns the knowledge and the view to which all theses are going to contribute to knowledge itself. In other words it is what is to be considered suitable knowledge. In broad term epistemology is also divided into two different segments, positivism and interpretivism. Positivism regards the similarity of a natural scientist meaning that acceptable knowledge derives from “real” data meaning that it should be observational, measurable and its presence should be objective from the researcher and its social environment (Saunders et al., 2009, pp. 113-114). Interpretivism on the other hand argues that natural science is completely different from social science. What they argue is that researchers should deny empiricism when they conduct social research. Researchers need to understand the
interpretation that social actions have for the individuals involved in the study (Saunders et al., 2009, p. 115-16).

Since we are conducting a quantitative study where we rely on the observation of data from our survey, which is only part of the entire population and our aim is to be as value-free as possible, we will test our results to already existing theory and analyze it statistically, so an interpretivist approach would not be the best choice for our degree project. Therefore, our epistemological approach will be positivism.

3.2.2 Research approach

Bryman & Bell (2011, p. 11) describes two types of research approaches, which is deductive and inductive. Deductive theory approach is the most common view of the nature relationship between theory and research. Deductive theory is when you develop hypotheses form already existing theory, which later gets tested in an empirical scrutiny. To be able to test these hypotheses a selection of data needs to be collected and analyzed and if the deductive approach is applied, quantitative data is often used.

Bryman & Bell (2011, p. 11) illustrates this in a model, Theory → Hypothesis → Data collection → Findings → Hypotheses confirmed or rejected → Revision of theory. In our study we will rely heavily on quantitative data, as our main focus of the study is to investigate what factors influences Swedish consumers purchase decision in buying products from Fairtrade Sweden.

The other approach is induction. The inductive approach is less common in research and inductive theory, when developing the theory of your research from observation and findings when interviewing a sample of the population (Bryman & Bell, 2011, p. 13). In other words it’s the opposite from the deductive approach since you do observations and finding to create new theory instead of stating hypotheses in order to test the theory with empirical findings. Bryman & Bell (2011, p. 13) illustrate the differences like this;

With deduction; theory → Observations/findings, and with induction; observations/finding → theory. Induction is often linked with qualitative research approach.

We have chosen to use the deductive approach since it describes all the characteristics that fulfill our purpose of the degree project. We came up with our research question and objectives through existing theories and we will use a quantitative approach as our data selection choice and later analyze the observations to come up with further recommendations and conclusions.

3.2.3 Research design

There are two types of research designs, quantitative and qualitative (Bryman & Bell, 2011, p. 26). The quantitative research design is about measurement and the use of numbers and data rather than words and it is linked with the deductive theory and positivist objectivism where the data analysis tests the theory (Bryman & Bell, 2011, p. 27). Qualitative research on the other hand concerns the analysis of words rather than numbers and a usually connected with inductive theory approach, and interpretivist
subjectivism where the analysis of data relies more how the researcher interpret the observations (Bryman & Bell, 2011, p. 27).

In our degree project we will conduct a quantitative study to help us answer our research question by using a cross-sectional research design, often called social survey design where we will see the relationship between purchase decisions of groceries and Fairtrade labeled products (Bryman & Bell, 2011, p. 53). However we did discuss the possibility of conducting a qualitative study where we would interview consumers about their purchase decision process in regards to Fairtrade and non-Fairtrade products. Since we have a limited timespan to perform this degree project we felt that a qualitative would require to much time and as we aim to do a great degree project we chose a quantitative approach, which will allow us to collect a bigger sample and to see patterns in the consumers purchase decision behavior. Another aspect that affected our choice of research design is that most of the previous studies about Fairtrade in different countries are mostly quantitative studies. This affected our choice in the sense that, by developing a quantitative study ourselves will allow us to compare our findings to a greater distance with previous research as they also use quantitative data in their findings. In order to get as big of a sample as possible we have chosen to deliver our survey on the social media site Facebook since the majority of people active on Facebook are young adults, which is our target group.

Furthermore, Saunders et al. (2009, p. 138-141) describes three types of studies, exploratory, descriptive and explanatory, in order to answer the research question. Exploratory studies is when the researchers wants to see what is happening and find new insights which shows a subject in a new way (Saunders et al., 2009, p. 139). Descriptive studies are when you study characteristics of a population in order to answer you research question. Further descriptive studies answer more of “what”- questions rather than “how”, “when” and “if” questions (Saunders et al., 2009, p. 140). The last one Saunders et al. (2009, p. 140-41) describes is explanatory studies, which is studies where you want to test relationships between different variables.

Discussed in sections above we have described that we are conducting a quantitative survey in order to answer our research question. Therefore this degree project follows the exploratory study design, since we want to find out what factors influences Swedish consumers purchase decision in buying products from Fairtrade Sweden of young adults ages 18-30.

3.2.4 Choice of theory

In order to understand the consumers’ purchase decisions, and how firms influence this decision when purchasing Fairtrade products, we have included a number of theories to give us a deeper insight into these matters.

Consumer behavior consists of many theories and is defined by Hawkins and Mothersbaugh (2010, p. 6) as:

“The study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society ...”
Because consumer behavior is such a broad subject we have chosen to narrow it down to look at what factors influence the purchase of Fairtrade labeled products, which is only one part of consumer behavior. The first theory we apply in our degree project is the consumer proposition acquisition process, which consists of six stages to help explain the development of a consumer purchase decision, from motive development to information gathering to proposition selection and so forth. We chose this theory to be able to see what motivate consumers when they purchase Fairtrade products. Further we used it to observe their selection criteria as well as how they gather information in order to make the ultimate decision that satisfies their needs. We have a minor section about the willingness to pay, which we think is highly relevant since Fairtrade products in general are more expensive than non-Fairtrade products (O. Höiden, personal communication 28 March, 2014), and we use this concept to see how much the Swedish consumers are willing to pay extra for Fairtrade products.

The last theory we use in relation to peoples purchase decisions is the theory of planned behavior, which was developed in order to see the attitudes the consumer shows towards different products/services, the subjective norms in individuals lives, meaning if they are affected by what others think of them and how they should behave and also their perceived behavioral control. We have chosen this theory to be able to explore in our quantitative research what attitudes consumers have towards Fairtrade products, if their purchase decision of Fairtrade products are affected by other peoples assumptions and beliefs of how they should act, and if they feel like they have full control over their behavior, in order to further see their intentions of buying Fairtrade labeled products.

Branding efforts by firms can have a strong impact on consumer behavior. We as consumers are daily exposed to hundreds of stimuli, coming from the radio, TV, billboards, friends, packaging etc. Marketers have since long ago figured out that they can differentiate their products from competition, and challenge their market share based on other factors than product attributes. By creating a strong brand name like McDonalds, Nike or Apple, will surely give the firm an advantage when competing for the attention of a less known brand. In the more recent history of research in marketing, a concept of Emotional Branding and Brand Love have emerged and tries to define a deeper sense of relationship that customers are feeling towards brands. This relationship can grow into a long lasting continuous use of the brand and has even shown signs of remorse and separation anxiety (Batra et al. 2012, p. 4). This relationship can be built from various different aspects, but still contain the same solid ground. Customers using the same brand can also have a very different relationship with it. The challenge for marketers to be successful is go beyond the specific products and create feelings of love towards the brand that might not even be related to the attributes of its products. Fairtrade Sweden are not producing, manufacturing or offering a traditional service, but rather a chance of helping to support the financial development of communities in countries they will never see, we have chosen to use the theories of Emotional Branding, Brand Love and Consumer Brand Perception, in order to better understand the relationship consumers have to this intangible product offering.

We also use the Stakeholder Theory and the theory of The Triple Bottom Line. We chose these theories to explore the different views consumers have on the responsibilities of firms. Together, these theories provides an overview for the
relationship and ethical responsibilities firms have towards stakeholders in their surrounding business environment, as well as the relationship they have towards the environment and the sustainable future of our planet. Fairtrade International has a vision to, “Ensure fair trade conditions in developing countries, in order for them to build a sustainable future where they have the means to decide on their own future”. The theories we have chosen have helped us to better understand this vision, and to incorporate this knowledge into our survey in order to explore the underlying beliefs of our respondents. For us to explore the relationship consumers have towards Fairtrade Sweden, we need to first be aware of their overarching knowledge and attitudes towards the function of businesses in society and their responsibilities towards CSR.

3.3 Literature search and criticism of sources

Saunders et al. (2009, p. 68-69) argues that there are three categories of literature sources, the first one being primary sources, the second one is secondary sources and the last one is tertiary sources. When sources travel through the different categories, the content of the source becomes more misunderstood and less reliable. The articles we used were collected both from academic journals as well as professional journals. The articles we have used are mainly from primary sources as we have tried as much as possible to avoid secondary sources. To be able to understand the theories and to get a reliable thesis, Saunders et al. (2009 p. 70) argues that there are experts within the field that the article brings up who write academic journals.

Bryman & Bell (2011, p. 104) states that online bibliographic databases are valuable since most of them let you gain access to the full text of the journals. The main sources we have used to find articles are EBSCO Business Source Premier and EMERALD as we easily gained access to them through Umeå University library database. A minor part of the articles we used were taken from Google scholars if there were any articles we could not get access to through EBSCO or EMERALD.

To create a thesis that is as reliable as possible we have used more recent sources when possible. Even though the articles we have used range from 1960-2014, the majority of them are from the early 2000 up to present day. The two main arguments for why we have used older theories and models are, that they either are not time dependent or the more recent articles used also mention them, which we feel gives them strength and reliability.

Furthermore, part of our literature search have taken place on the Internet outside of the journal websites, but when using internet articles such as news articles or company websites we have critically evaluated what has been written, by whom and what the purpose of the website is (Bryman & Bell, 2011, p. 109).
4. Theoretical Framework

In this chapter we will explain the essential theories that we needed for the construction of our survey. Since we want to understand, what are the influencing factors behind choosing Fairtrade-labeled products, we have included a wide selection of theory. The theoretical framework we have developed below shows in what order the theories comes in, and consists of theories about CSR, Branding, Consumer attitude-behavior and Previous empirical studies about Fairtrade.

![Theoretical framework figure](image)

4.1 Corporate social responsibility

4.1.1 The Triple Bottom Line

From 1960 to the present there have been three great waves of public pressure that have shaped the environmental agenda of our society. Wave number one brought an understanding of our impact on this earth and that we have to be conscious in our extraction of natural resources, resulting in an initial outpouring of environmental legislation. Responses from businesses were defensive. Wave number two focused the attention towards new kinds of production technologies and processes of sustainability. This time the focus drifted towards businesses responsibility to take the lead. The response began to show more compliance. Wave number three recognized that sustainable development would require profound changes in the governance of corporations (Henriques & Richardson, 2004, p. 7).

In 1997 John Elkington developed the phrase, triple bottom line (1997, cited in Norman & McDonald, 2004, p. 3). It has since become increasingly accepted as a new way of corporate governance. The idea behind the phrase is that no more can the corporation be
measured merely by its traditional bottom line and financial success, but also its social & ethical impact on its stakeholders (Norman & McDonald, 2004, p. 22). The two new bottom lines hence refer to its social and environmental bottom lines, “profit, people and planet” (Norman & McDonald, 2004, p. 23). Norman & McDonald (2004, p. 23) states in that, “It is becoming clear that communicating effectively with stakeholders on progress towards economic prosperity, environmental quality and social justice, i.e. the triple bottom line, will become a defining characteristic of corporate responsibility in the 21st century...”

The concept spread rapidly, but by doing so it also became vague and misinterpreted. There are three different notions that can be seen in manager’s interpretation: One is that TBL is something which should be a sort of balanced scorecard idea, combining an entity’s values and practices towards economic achievement and environmental & social objectives. The second notion suggests that the two new bottom lines should be separately accounted for in the annual reports. The third notion entails that by implementing the idea of TBL into the corporate governance you have achieved sustainability (Milne & Gray, 2002, p. 18). Milne and Gray (2002, p. 18) further discuss the issue that TBL brings to the table since it is, in fact not, the same thing as sustainability. Legal restrictions have been forcing firms to pay attention to their environment and employees for many years now. In fact, implementing the TBL accounting practice does not necessarily mean change.

Organizations such as the Global Reporting Initiative and Accountability have promoted the TBL concept and corporations have been listening. AT&T, Dow Chemical, Shell and British Telecom are only but a few to have used TBL in their own press releases, annual reports and other documents (Norman & McDonald 2004, pp. 23-25). Many of the larger accounting firms are now using the concept to offer help to companies that wishes to measure, report or audit their two additional bottom lines. Investment firms are using the new accounting standard to screen companies based on their social and environmental performance. Governments and political parties are also well represented in the growing herds of advocates (Norman & McDonald, 2004, pp. 26-27).

The TBL advocates believe that social and environmental performance can be measured in fairly objective ways, and that firms should use this to account for their social and environmental impacts. If they are not doing well in these two new measures their stock price will eventually suffer (Henriques & Richardson, 2004, p. 10). However, Norman & McDonald (2004, p. 27) discusses that belief in CSR has been around for a long time and share the same belief that ethical attention towards social and environmental impact will help the firm sustain its long-term profits. As mentioned the TBL advocates believe that the reporting of the two new bottom lines will force companies to be more transcendent and provide stakeholders with a new opportunity of insight into the business. However, there is really no clear distinction of how to measure these fairly objective concepts can be found. In places where one is expecting a definition, the most that one usually finds are vague claims about the aims of the TBL approach. Nobody has actually proposed a way of using data on social performance to calculate some sort of net social bottom line (Norman & McDonald, 2004, p. 29).

The Triple Bottom Line theory has been growing in usage and popularity. We can conclude from this section that the importance of firms taking their social and
environmental responsibility is increasing in the eyes of the consumers. Therefore, we believe that the growing concern for these new bottom lines are connected to the parallel increase in sales of Fairtrade-labeled products. We will test this assumption by using regression analysis on the empirical findings from our survey.

4.1.2 The Stakeholder Theory

The idea that corporations have stakeholders is now a commonplace in the management literature. Stakeholder theory is essentially the notion of the relationship that firms have towards their stakeholders. If the firms loses touch with its customers and offer a product or a service, which is not in demand, the business would be in decline (Henriques & Richardson, 2004, p. 5). If the firms produce an environment where suppliers or employees no longer stands to gain from dealing with it, or chooses to leave for a competitor, the business would be stagnating. When having troubles of reimbursing its financiers, which is also a business in decline (Henriques & Richardson, 2004, p. 5).

The relationships between firms and their several stakeholders could be affecting each other, and that creates a challenge for managers (Phillips et al., 2003, pp. 405-406). Since the publication of Freeman's book *Strategic Management: A Stakeholder Approach*, about a dozen books and more than 100 articles with primary emphasis on the stakeholder concept have appeared. Since then, the evolving literature has developed into various authors using the concepts stakeholder, stakeholder model, stakeholder management and stakeholder theory in different ways often with contradictory evidence and arguments (Donaldson & Preston, 1995, p. 66).

In recent history the consumer beliefs in corporations have been shaken after stories like Enron, Tyco and WorldCom proving to care very little about ethics in their pursuit of profits. During the last 30 years “Stakeholder thinking” has emerged as a way of dealing with the growing challenges that today’s businesses are facing (Parmar et al., 2010, p. 404). The stakeholder theories tries to give answers to questions that can be summed up into three categories: the problem of understanding how value is created and traded, the problem of connecting ethics and capitalism and the problem of how corporate governance should act to address these first two (Parmar et al., 2010, p. 405). The stakeholder theories suggest that if the relationships between a business and the immediate groups related to it can be analyzed, and then there is a stronger chance to deal with these problems. It is the job of managers to tend to these relationships and nourish them. In order to understand the business and be successful it is vital to understand these relationships and how they change over time. When interests of different stakeholders collide, it is the role of managers to figure out a beneficial solution for all parties involved (Parmar et al., 2010, p. 405).

Scholars and practitioners have argued about what “stakeholder theory” really is. Some have argued that it is not theory at all, because theories are connected sets of testable propositions. There is too much ambiguity. Others claim that it is a framework, a set of ideas, from which a number of theories can be derived. Regardless, the stakeholder perspective has been used in a variety of disciplines including law, health care, ethics, environmental policy and public administration (Parmar et al., 2010, p. 412). Further Parmar et al. (2010, p. 412) discusses that the body of research in stakeholder theory has
suggested a distinction between various parts and how they may fit together. One of these suggestions entails the notion that stakeholder theory has four distinct parts: Descriptive, which consists of research that make actual claim about what managers and companies do. The second one is instrumental, which is research that looks to outcomes of specific managerial decisions. The third one is normative, which is research that focus on what managers and companies should do. The last one is managerial, which is research pointing out the need for practitioners to keep developing the field. Other ambiguities have concerned the fact of who is and who is not a stakeholder. Some have differentiated between primary and secondary stakeholders. Primary refers to the immediate groups whose support is necessary for the firm to exist. Secondary stakeholders have no formal claim on the firm and so managers should have no special duties towards them. Nevertheless, they may have moral duties, which they should not cause them any harm (Parmar et al. 2010, p. 413).

These different views are portrayed in the figures below. The conventional stakeholder theory model presents the corporation as a constellation of cooperative and competitive interests possessing intrinsic value (Figure 3). Stakeholders are people or groups with time and money invested in the business or are immediately affected by the outcomes of its actions. The model assumes that all groups are getting involved with the organization by intrinsic values and provide inputs, which will generate in output (Donaldson & Preston, 1995, p. 68). The input-output model comes to an end with the value to the customers. The stakeholder model (Figure 4) is in immediate contrast presenting several other relationships that the firm possesses. Stakeholder analysts argue that all people or groups with legitimate interests in the business all have some benefits at stake and should therefore be considered as equals. The stakeholders in this model are seen as living entities with constantly changing relationships towards the business. They have a give and take relationship and their values are depending on the state of this relationship, hence the arrows going back and forth (Donaldson & Preston, 1995, p. 70).

The two models contain a very different approach to the company as an entity and its place in the world in relation to its surroundings (Donaldson & Preston. 1995, pp. 68-70). The stakeholder theory and the different models can be used to describe how the company sees the world and its duties towards it. Depending on how the world see the firm, could determine the outcome of the company’s future. Some argue that business ethics are two concepts that mutually exclusive. But when thinking of the Stakeholder Theory, a stakeholder is not an account, or a liability or an asset, but a living creature with a name and a face. And so, thinking about stakeholders, is thinking about business, and thinking about stakeholders, is also thinking about ethics. They go hand in hand and therefore, managing the relationships to all stakeholders are equally important (Phillips et al., 2003, p. 493).

We can conclude that the traditional and the more modernized approach to firms, portrayed in the figures, are important to understand when analyzing the consumers’ attitudes towards corporate social responsibility. Since we want to explore the influencing factors behind choosing Fairtrade, we believe that these approaches could help us understand different attitudes consumers have towards Fairtrade.
4.1.3 CSR by Consumer Traits

According to Öberseder et al., (2011, p. 457) managers have two choices, either to not involve their businesses in CSR activities, or to do it well and communicate it in the right way. In the first scenario it is not recommended to focus on a positive corporate image, as consumers who are interested in CSR would deduct CSR associations with the overall corporate image. In the second scenario, the company must focus attention and point out in which way the certain product or the entire company is related to CSR activities.

Before the consumer is prepared to spend more money or effort to buy Fairtrade, or chose a socially responsible company, they need to be aware of the CSR efforts. Building awareness is arguably the key to a successful cause-related marketing strategy (Mohr et al., 2001, p. 45). Since CSR is a broad and complex concept, it has been difficult to measure the level of awareness among consumers. Only two studies were found measuring awareness in academic literature. They both used non-probability sampling and found that 53 percent of a sample could recall a cause-related campaign for a product. In the other one, 79 percent of the respondents could describe a specific advertisement campaign after having the concept explained to them. Lack of awareness is fairly low and it can be understood that efforts of companies might pass by unnoticed in today’s crowded market space (Mohr et al., 2001, pp. 46-47). However, survey results in the past have shown that most consumers say they appreciate and would reward firms that are socially and environmentally conscious or make charitable donations (Mohr et al., 2001, p. 48). Furthermore, Mohr et al. (2001, pp. 61-65) discusses that there is a problem of desirability response bias to consider in these surveys. When asked questions of the importance of social desirability, the cost of answering questions is much lower than choosing Fairtrade. In their analysis of previous case studies, four different categories were created:

1) Pre-contemplators. Consumers in this group do not care about CSR efforts by firms. In fact, they do not believe that companies must be socially and environmentally responsible or helping their communities. It was found that some are even opposed to CSR, in the light that it might interfere with their true purpose of business. The overall
view is that firms should be as responsible as they have to in order to create a great product, make a profit and maybe also treat their employees well.

2) **Contemplators.** Respondents within this group are not against CSR efforts by firms, rather they believe it has a limited impact on society that it is not worth basing their purchase decisions on it. They put some thought into CSR and hypothetically they believe that it is a good thing. However, they do not commit to buying Fairtrade products.

3) **The Action Group.** People that falls under this category have more knowledge about CSR efforts by firms and socially and environmental issues that exist. Most of them are actively boycotting some firms that have acted irresponsible and they also recycle. However, CSR is not a determinant factor of most their purchasing behavior. Two explanations came across respondents to provide for this. Firstly, many of them feel like they do not know enough about what specific companies and their specific behavior. Secondly, some of them were skeptical of the motives of CSR and media reporting their motives behind CSR. They found positive media reporting of cause-related marketing especially cynical.

4) **Maintainers.** The respondents in this group act responsible for the environment and community. They recycle and actively boycott socially and environmentally irresponsible firms. Many of them also buy organic food and are concerned about health issues. Overall, the strongest issue for this group is the environment. They are more knowledgeable of specific CSR behavior activities from companies. Some believe that large corporations have too much power and are often are too focused of their profits and stockholders.

In accordance with their study (Mohr et al., 2001) we will apply these four groups of consumer traits in our own research. When categorizing the participants of our survey, based on their characteristics in relation to Fairtrade, we can make assumptions about the general population of young adults living in Sweden.

### 4.2 Branding

#### 4.2.1 Emotional Branding

Emotional branding is the definition of an emotional attachment to a brand. More specifically, it can be defined as a strong usage relevant emotion, such as bonding, companionship or love (Rossiter & Bellman, 2012, p. 291). Since we want to understand the influencing factors behind choosing Fairtrade-labeled products, we have decided to look further in to this type of emotion. There has been an ongoing debate about rational and emotional appeals used in advertising. There has been an ongoing debate about rational and emotional appeals used in advertising. Rational advertising is based on the fact that consumers process and gather information during the stage of deciding between the select numbers of different brands (Panda et al., 2013, p. 9). Such messages could have persuasive power when directed to the right segment. In contrast to this, emotional brand messages are meant to create a favorable brand associations, and might not be as focused on the specific product. Emotional appeals attempt to stir
up either negative or positive emotions that eventually will translate into purchase motivation (Panda et al. 2013, pp. 14). In a Wall Street Journal article titled “So Long, Supply and Demand” the author discussed the hypercompetitive times we live in, when a product or service is no longer enough to compete. Emotional Branding provide the means to transcend material satisfaction and experience emotional fulfillment. Nor a product or a service, based on their attributes alone, has the power to tap into the underlying aspirations that drives us humans (Petzinger Jr., 2000). Nowadays, people tend to think more with their hearts and guts rather than with their head. Creating a brand gives you the tools (Gobe, 2009, p. 15). Fairtrade Sweden (2014), part of Fairtrade International, does not produce, manufacture or offer a service for their consumers. The value received by the end consumer is intangible. They will never know exactly where their money goes and the people who receive it will never thank them. However, this fact does not necessarily mean that the consumers will not be rewarded. After a successful emotional branding strategy, the consumer can feel satisfaction on many different levels from the actual purchase of the brand. This, of course, proposes a challenge for the organization that needs to be addressed by innovative thinking. Further discussed in his book, Emotional Branding, Gobe (2009, pp. 24-26) develops ten commandments of emotional branding that illustrate the difference between traditional concepts of brand awareness and the emotional dimensions that separates a brand to be loved.

1) From consumers – To People. Older marketing practitioners tend to treat customers as an alien enemy whose defense you need to break down, language you need to encrypt and finally lure into your trap. These sorts of strategies are still commonly used among marketers. Why practice such a mindset when the consumer is your best source of information? Try instead to communicate with them and understand them.

2) From Product – To Experience. “Buying a product fulfills a need, experience fulfills desires.” New and interesting ways of reaching out to and involving the consumers in the company can make a connection, which is far more interesting than consuming the product itself. For some people, the process of going to Ikea and having lunch and walking through the maze in order to come home and build your new couch, is just as interesting as the furniture of its own.

3) From Honesty – To Trust. Governments and consumer groups are increasingly demanding corporations to take their social responsibility. Trust does not come easy, it is intimate and it takes time to build. It takes a lot of effort from corporation but once trust is achieved, there is an emotional connection not easily neglected.

4) From Quality – To Preference. Quality is expected, and there needs to be quality in order to stay in business. However, to be successful you need to be preferred. Preference comes from a quality product made by an innovative company that the consumer feels a connection towards.

5) From Notoriety – To Aspiration. To be known is far from being loved. Notoriety is what gets you known. But if you want to be loved you must have something else, keeping in line with the consumers’ aspiration.
6) From Identity – To Personality. Identity is recognizable but personality is about character and charisma. Companies with character set themselves apart in the jungle of brands. Their personality makes them unique to consumers. American Airlines is identifiable but Virgin Airlines has a personality.

7) From function – To Feel. The functionality of a product keeps the customer satisfied using it, but the sensorial design turns it into an experience. The perfection of Apple computers does not stop at the programing or innovative commandos. It reaches out to the far end of the computer and the feel and color of the materials. Even to their physical stores.

8) From Ubiquity – To Presence. Everywhere you go in a densely populated area you can be sure to be overwhelmed by advertising. Most brands employ strategies based on quantity and not quality. To evoke feelings and presence you need a better strategy than to just outnumber your competitors with advertising billboards.

9) From Communication – To Dialogue. Traditional marketing practices have consisted by a huge budget for the construction of a communication bomb to be dropped on consumers. Dialogue is a two-way communication that can provide means for a connection and trust. The development of social media has given marketers the tools to easier engage in a dialogue with their customers.

10) From Service – To Relationship. Service is the financial exchange offered when we buy something from a company and offer them money. Relationship involves the brand representatives to understand and appreciate who their customers are. Most of the times, we as consumers, are sadly just a number.

4.2.2 Brand Love

The brand relationship paradigm has provided the means to better understand brand loyalty. It has been conceptualized as a long-lasting relationship relying on deep underlying feelings (Albert & Merunka, 2012, p. 258). More recent studies have also demonstrated the consumer’s ability to feelings of love towards brands. Brand love has emerged as an important consumer-brand relationship construct. Initially, researches adapted theories of interpersonal love, where brand love appeared as composed of three dimensions: passion, intimacy and commitment (Albert & Merunka, 2013, pp. 259-260). In the innovative research article Brand Love, Batra et al., (2012) attempt to construct a model of love that consumer feel for a brand. They base these theories of interpersonal love from psychology to build upon on when trying to understand the love that consumers experience from interacting with brands. The first step to understand this is to uncover the definition of love that consumer claim to feel for brands (Batra et al., 2012, p. 3). While interpersonal love is claimed to be unconditional, loved brands were praised for being the best available or the best on some important attribute. From three separate studies, qualitative and quantitative, their analysis yielded 10 major components (Batra et al., 2012, pp. 1-16):

1) Great Quality. When talking about loved brands the most common grounds where attributes such as good looking design, great performance and so on. The only
complaint that came up regularly was a high price for the high-end brands, but it seemed to be justified.

2) **Strongly Held Values and Existential Meaning.** Loved brands tend to provide a wide variety of benefits such as transportation, comfort, entertainment, joy and so on. They are more likely to be loved when connecting to the customer on a deeper level, such as religion or self-actualization.

3) **Intrinsic Rewards.** Performing an act because you want to get something is called an extrinsic rewards and doing it because you love it is commonly known as an intrinsic reward. Feeling happy from using a product and feeling, as you are part of a group is an intrinsic reward. Loved brands tend to provide this feeling to a larger extent.

4) **Self Identity.** The respondents strongly identified with the things they loved, either their own identities or a desired identity. Brands that manage to reach out to consumer self-actualization have a good chance of becoming loved.

5) **Positive Effect.** Respondents describing usage of loved brands reported feelings termed “affection,” such as warm-hearted.

6) **Emotional bonding and anticipated heartbreak.** Feeling emotionally connection towards a brand has been studied in the research of brand love. Scholars have found that consumers are eager to stay close to a loved brand and even show of feelings of separation distress when parted.

7) **Willingness to invest.** Respondents reported high levels of investment in the loved brands. More time invested in the brand contributes to the personal attachment and separation distress. Because respondents anticipated separation distress they are likely to be price insensitive.

8) **Frequent thought and use.** In order for the brand to be loved and trusted and make a real connection to the consumer, there need to be a frequent thought and use.

9) **Length of use.** As a frequent use lead to a longer history shared the relationship is strengthened over time.

10) **Facilitate Passion-Driven Behaviors.** Earlier discussed, one of the emotional dimensions that separate a brand is its ability to go beyond the constraints of certain attributes. In order to provide the consumer with an experience there has to be a personal connection made. Evoking the desire to invest resources into it and frequently interact with it requires a two-way communication. Respondents reported that while they loved brands provided them with a wide range of benefits, intrinsic rewards was the key factor that set them apart. It seemed, as this is an important part that separates a liked brand from a loved one. Brands that are successfully linking themselves to the consumer sense of self-actualization and deeper meaning should have a good chance of creating the need for a long and frequent usage.
4.2.3 Consumer Brand Perception

Communicating a brand image to the target market has for a long time been considered as an important aspect of marketing. Positioning the brand in relation to competitors is an important strategy to separate from the crowd (Park et al., 1986, p. 135). The majority of models made within the concept of brand image have been commonly categorized into functional and symbolic image (He & Keung Lai, 2014, p. 251). Further He & Keung Lai (2014, p. 251) discusses that the functional image is made up by tangible attributes. Based on these values the consumer will engage in repeat purchase behavior if they deem its monetary value to exceed its attributes. Due to a shift in consumer power of today’s environment, substitute brands are everywhere, and they are easily obtained. Brands are no longer competing on merely the basis of their attributes or price. When this is the case, the intangible symbolic image becomes vital for a brand to retain its customers. The theory of functional versus symbolic image is important to understand, since Fairtrade do not manufacture products or offer a service. The only way Fairtrade could control the attributes of their products offered is to be more restrictive when it comes to permit licensing, and that is not part of their mission (Fairtrade Sweden, 2014).

As previously discussed, the ability to connect with customers on a deeper level can lead to a long lasting and loving relationship of frequently usage of the product. The symbolic image is constructed by the efforts of a brand to build this relationship. Symbolic image is the intrinsic advantage of product consumption that is not directly linked to certain attributes, such as the basic need for social approval or individual expression (He & Keung Lai 2014, p. 252). Since the brand inhabits a positive symbolic image it can be transferred onto the user to experience a positive boost in self-enhancement, and this can result in a long lasting and trusting relationship. This is especially true in a collectivist culture where usage of a brand brings you a social status and acceptance within the group. Staying loyal to the brand and frequently using it can be seen as a sort of group membership (He & Keung Lai 2014, p. 253). Fairtrade is not a producer as they do not manufacture a product or offer a service that the customers can incorporate into the functional image of the brand. The only way Fairtrade can control the attributes of the products they offer is to be more restrictive when it comes to permit licensing, and that is not part of their mission (Fairtrade Sweden, 2014).

Fit is defined in a social marketing context as the linkage between firm offerings, brand image and positioning in their target market. When these components are in line the consumer will easier receive a coherent message, which can lead to a good fit and positive assessment (Becker-Olsen et al., 2006, p. 46). Thus, a good fit will require pre-existing knowledge and associations with a brand to match their current actions. Confusion can lead to a negative thoughts and a low fit (Becker-Olsen et al., 2006, pp. 47-48). In their study Becker-Olsen et al., (2006, p. 49) found that firms who engage in social initiatives to be perceived as doing good might not always succeed. In fact, when social initiatives are not aligned with the pre-existing assumptions and the rest of the components, a low-fit initiative can contribute to the demise of the overall perception of the brand and its credibility. What was remarkable in their findings is that when the firm is viewed as motivated by firm centered interests (profit) there was no reduction in perceived corporate credibility. This could be explained by the notion that skepticism is not driven by firms profit driven interests but rather the low-fit alignment between their
components, objectives vs. actions, if objectives are stated as purely social but is perceived as self-serving. Brand image is not simply a construct by the firm’s communication activities alone. It is the complete picture derived by consumers from the total set of brand-related activities engaged in by the firm (Park et al., 1986, p. 140).

Does consumer brand perception vary? In order to connect with the consumers on a deeper level one should assume that all consumers are not the same and that customers perceive messages differently (Ivens & Valta, 2012, pp. 1063-1064). There are various strategies used by firms in order to reach their target customers. Many firms chose to target a certain segment and the certain needs while others focus on their core capabilities and hope to attract consumers through providing an excellent service (Ivens & Valta, 2012, pp. 1065). Further Ivens & Valta (2012, p. 1065) discuss that marketer’s use positioning strategies in hope that consumers will perceive their brand in according with their strategy. For example, low-cost stores like Lidl wish that everyone perceive them as high quality but cheap. Whereas high-end luxury brand usually want to be perceived as expensive. From a study (Munn, 1960) respondents cross examined by age group, income and education on four different consumer good categories: low cost automobiles, non-instant coffee, television sets and cigarettes, 4-6 separate brands within each category, the results were statistically significant and varied in some matter. All respondents was inquired and made sure to be aware of the brands involved in the study. The findings showed that few differences in brand positioning were registered across socioeconomic classes. However, within the same socioeconomic class there were discrepancies among brands based on the perceived quality and pricing (Munn, 1960, p. 34).

Various tools and strategies have been mentioned for subjective values to complement tangible attributes of products in order to gain consumer loyalty. One of the key concepts is called “Customer Brand Personality Perception” (Ivens & Valta, 2012, p. 1065). The strategy relies on psychological studies made from human personality traits where five personality factors have been identified: sincerity, excitement, competence, sophistication, and ruggedness. Furthermore Ivens & Valta (2012, p. 1066) discuss that the study aims to identify comparable personality structures to brands and the rationale for studying a brand personality is that a significant link exists between a brand personality and the brand perception. Customers individually interpret the signals sent out by brands through their actions. Because each customer may perceive these signals in different ways, the challenge is for managers to achieve a low level of variance among customers perception of a brand. Consumers form brand attitudes based on their own past experiences and how they perceive messages from brands. Direct personal experience with the brand such as having purchased or consumed a product or service is not needed for developing an attitude. In their study they found that Aaker’s previous approach and the assumption of a homogeneous brand personality do not hold. Their analysis showed different levels on brand sincerity, excitement, competence and sophistication (Ivens & Valta, 2012, pp. 1085-1087).
4.3 Consumers attitude-behavior

According to Ajzen & Fishbein (2000, p. 4) attitude is the summary of evaluations towards psychological objects that people categorize as good or bad, beneficial or harmful, favorable or unfavorable etc. For example, two people with different background might or might not share the same feelings towards a product or service that is exactly alike, except the customer’s own personal feelings and believes. Daniel Katz described in 1960 that the attitude functions could help explain the existence of attitude behavior. Katz used four major functions that describes how attitudes form for individuals:

1. **The instrumental function**, in which people are concerned with reward and punishment. People want to increase their rewards and diminish their punishment. E.g. a worker that has a favorite political party because they will increase his economic situation and lower his taxes, are more prompt to vote for that party (Katz, 1960, pp.170-171).

2. **The ego-defensive function**, which is the function when people defend their self-image from their own emotions and feelings but also form the external danger that we face every day (Katz, 1960, p. 172). E.g. if a person desires to feel more empowered they might buy a more expensive car even though they get defensive when someone points it out.

3. **The value expressive function**, is the function where individuals reinforce their self-image, meaning that an individual expresses their true feelings that clearly reflects the true values oneself has (Katz, 1960, p.173). An example of this is if an individual sees him/herself as a Buddhist they can reinforce their values by engaging in Buddhist practices.

4. **The knowledge function**, describes the attitudes that reaches beyond just satisfying one selves needs and wants because it explains that individuals seek to get an organized and meaningful environment to be able to have some sort of order/clarity for their own personal frame of reference (Katz, 1960, pp. 175-176). E.g. in life people have stereotypes about someone else's culture, personal traits, the way they dress etc. trying to get some sort of clarity about the complexities of human life

Katz (1960, p. 177) also describes why and how individuals’ attitude changes. First of all, it is when the activities that creates a certain attitude no longer provides the same satisfaction that it once did, meaning that your current phone might not give you the same satisfaction as it did when you first bought it. Second is when an individual's ambition changes e.g. if your current car gives you full satisfaction but it no longer fulfill the ambition you are trying to have so you buy a more expensive car to show your new aspirations.

Baines et al. (2011, pp. 83-85) describe the model of the consumer proposition acquisition process, which consist of six distinct repetitive steps to help explain the purchase decision process of consumers. Each step of the model can lead back to the previous one (see figure 5). The first stage is the motive development, which is where the consumer acquires the need to purchase a certain product and it often occurs when
consumers finds a problem that needs to be solved. E.g. a coffee consumer wakes up early and finds out that they are out of coffee and they need to buy some. The second stage of this model is the information gathering; this speaks for itself and is where the consumer needs to find information on how to solve their problem. So in the example of the coffee consumer above, in this stage they gather information on how they fastest can get some coffee and from where.

The third stage is proposition evaluation, where the consumers, after gathering all the information, evaluate all the selections of product/services. It can be all from rational (based on cost) to irrational (based on desire). If you take the example above with the coffee, here they have different brand choices, they have cheaper brands, more expensive brands, more expensive brands that support Fairtrade etc. The fourth stage is proposition selection, which is where we make up our mind and make a choice, and usually consumers select the one that suits their needs and desires from beforehand. So the consumer considering different types of coffee is making their choice in this stage of the process. Fifth, we have the acquisition/purchase stage where the consumer actually purchases the product after the selection process is done. This stage is clear and this is where the coffee consumer purchases their selected coffee.

The last stage is the re-evaluation and this stage brings up the theory of cognitive dissonance, which is the internal excessive stress and discomfort that consumers feel sometimes after a purchase. This stage involves that you reevaluate your purchase, e.g. the consumer that went out to get more coffee and purchased the same coffee that they always select, but when returning home they watch a TV-commercial about the horrible conditions people endure of picking coffee beans in developing countries, which might make the purchaser to re-evaluate their decision.

Figure 5. The model of the consumer proposition acquisition process, adapted from Baines et al. (2011, pp. 83-85)

A common concept in purchase decisions that also relates to Fairtrade products is the willingness to pay concept (WTP), as they are in general more expensive than non-Fairtrade products (O. Höiden, personal communication 28 March, 2014). Research suggest that people are WTP more for Fairtrade coffee, as was the main focus of De Pelsmacker et al. research (2005, pp. 376-378), but they do not always buy Fairtrade products. De Pelsmacker et al. (2005, p. 365) further explain why this is, one major explanation to why consumers attitudes and WTP not always correlate with their behavior, is because in a real buying situation consumers are concerned with multi-attribute situations, such as price, taste, social perception etc. Furthermore, de Ferran & Grunert (2007, cited in Bezençon & Blili, 2011, p. 687) found that men women tend to purchase more Fairtrade coffee then men do. In our study we will develop this further as
we will test if there is a gender difference in different Fairtrade related questions of our quantitative study.

Furthermore we used a model to help explain the behavior of consumers, which is Ajzen's theory of planned behavior (figure 6), hereafter referred to as TPB, that he developed in 1988. Behavior of consumers (when the purchase takes place, e.g. when consumers buys Fairtrade coffee) comes from the intention of consumers (where the need for a product/service arises, e.g. when consumers read about Fairtrade and feel the need to start buying Fairtrade products). There are three different categories that Ajzen (1991, p. 185) describes that lead to someone's intentions. The first one is *attitude*, which is, as described above, an individual's positive or negative feelings towards a behavior. E.g. you really want the new BMW car but it will increase the carbon dioxide release. Second, you have the *subjective norm* which refers to an individual's estimation of the social pressure to act in a certain way, e.g. if someone close to the individual is expecting him/her to behave in a certain way, the individual creates a social pressure upon themselves to behave in a certain behavior. The last one is *perceived behavioral control*, which is how much an individual feel that they control and can enact their behavior, e.g. how confident an individual is about their behavior and how they perceive it (Ajzen & Fishbein 2000, pp. 17-18).

![Figure 6. The Theory of Planned Behavior, adapted from Ajzen (1991).](image)

More recent research has added two more dimensions to the TPB, which is used to explain the intentions of consumers, ethical obligation and self-identity. The former concerns a person's internal beliefs about right or wrong and reflects their internalized ethical behavior, and the latter is when an issue becomes important for them they identify themselves with that issue, e.g. if an individual consider themselves to be an ethical consumer it is more likely that they purchase ethical products as the issue of ethical consumption has become a central part of their self-identity (Shaw et. al., 2000; Ozcaglar-Toulouse et. al., 2006, pp. 505-506).

**4.4 Previous empirical studies about Fairtrade**

In 2005 De Pelsmacker et al. conducted a research study about the willingness to pay for Fairtrade coffee and how much more consumers are willing to pay for Fairtrade coffee. In their study they used conjoint measurement to confront their target group to present realistic multi-attribute situations to investigate consumers willingness to pay...
for Fairtrade coffee (De Pelsmacker et al., 2005, p. 368). De Pelsmacker et al. (2005, p. 370) used a quantitative research approach on the Belgian population where they conducted an exploratory survey at the Ghent University, which is one of Belgium's largest universities and the largest employer in the city of Ghent, where they sent out 4,664 e-mails to the staff members with an e-mail account and the other 550 staff members without e-mail were approached by regular mail instead. Of the 4,664 surveys, 891 were completed and 779 were useful for their research and the 550 surveys distributed by regular mail, 62 responded out of which 55 were useful for the research. In the first part of the survey the conjoint measurement tested consumers' attribute selection when purchasing coffee where De Pelsmacker et al. (2005, p. 375) asked the consumers, which attributes of brand, Fairtrade, flavor, packaging and blending that were most important to them when selecting coffee. The result of this showed that brand was the most important when the Belgian consumers selected which coffee to purchase and closely in second place was Fairtrade and flavor showing that the Belgian consumer is also very concerned with choosing Fairtrade labeled coffee as well as the flavor of the coffee (De Pelsmacker et al., 2005, p. 375). Moreover De Pelsmacker et al. (2005, pp.372-375) found that there is a difference between the genders, where women are keener about the importance of flavor and packaging and men are keener about the importance about the ethical label itself.

In the second part of the survey the Belgian consumers were asked how much more they were willing to pay for Fairtrade labeled coffee compared to regular coffee and a reference price was used (€ 1.87) to put it in perspective (De Pelsmacker et al., 2005, pp. 375-376). The result of this was that about 35% of the respondents were willing to pay a premium price and they divided them into groups, and Fairtrade lovers were willing to pay about a 36% premium (€0.67) for Fairtrade coffee while brand lovers were willing to pay around 5-6% premium (€ 0.08-0.09) and the average WTP of this sample was 10% or €0.19 (De Pelsmacker et al., 2005, p. 376). De Pelsmacker et al. (2005) later compared this result with their willingness to pay the actual price premium of 27% and then the brand lovers and flavor lovers were not at all prepared to pay the real life premium. In conclusion this show the attitude-behavior gap clearly as in the survey the consumers got two scenarios, one fictional and one real life example, where the ones that considered themselves to be Fairtrade lovers said at first that they would be willing to pay up to a 36% price premium for Fairtrade coffee but when presented with the actual price premium of 27% half of the Fairtrade lovers changed their mind and were not prepared to pay the premium so there intentions compared to their actual behavior differed and in fact only 10% of all respondents were willing to pay the actual price premium (De Pelsmacker et al., 2005, p. 381). What this research showed is that if the price premium were the average 10% in the research respondents from all groups were willing to pay extra for Fairtrade coffee but the actual Fairtrade price premium of 27% was to high, even for the majority of the Fairtrade lovers.

In 2006, Ozcaglar-Toulouse et al. conducted a mixed method research to see French consumer’s ethical purchase decisions when purchasing Fairtrade products using mainly a modified version of the theory of planned behavior model as described above (section 4.3) (Ozcaglar-Toulouse et al., 2006, p. 502). In their survey the questions were arranged to investigate the French consumers behavioral intentions, behavioral beliefs, attitudes toward the behavior, subjective norm, normative beliefs (Ozcaglar-Toulouse et
In their quantitative survey they got 560 respondents and to complement their questionnaire they conducted 18 self-selective consumer interviews to utilize if there were any other variables than the one above that is important for the consumer’s decision making process (Ozcaglar-Toulouse et al., 2006, pp. 506-507). First of all what they found from their questionnaire was that there are two clear groups within the French consumers, the ones that rarely or never purchase Fairtrade products (169 respondents or 30%) and the ones that always or regularly purchase Fairtrade products (219 respondents or 39%) (Ozcaglar-Toulouse et al., 2006, p. 507). Secondly they found that the answers to the variable (belief, intention, attitude etc.) varied largely within the two groups, especially the intention within the never/rarely group where the intention of the participants shows that they intent to buy ethical products such as Fairtrade but when they go shopping they still does not purchase Fairtrade products (Ozcaglar-Toulouse et al., 2006, p. 508). On the other hand the always/regularly group have almost consistently high intentions to purchase Fairtrade products and their behavior shows that as well (Ozcaglar-Toulouse et al., 2006, p. 509). However, Ozcaglar-Toulouse et al. (2006, p. 509) found with their research that the key drivers for the French consumers that never or rarely purchase Fairtrade products were their attitudes towards Fairtrade products and the subjective norm (the influence of others opinion) and for the other group it was attitude and their perceived behavioral control (Ozcaglar-Toulouse et al., 2006, pp. 509-510).

Annunziata et al. conducted another research within the area of Fairtrade in Italy 2011 where their main focus was to find the variables that influence consumer’s attitudes towards labeling of organic and Fairtrade products. The second focus of the study to verify if labeling of these products is a valid tool to utilize when market the products to consumers (Annunziata et al., 2011, p. 518). To be able to research these issues Annunziata et al. (2011) conducted a quantitative research to find out what the Italian customer knew about Fairtrade and organic products and their attitude towards companies labeling of ethical/ecological food as well to analyze the consumer’s motivation behind buying these products. In order to answer their question they conducted a survey to collect all data, with face-to-face interviews with 300 Italian customers of Fairtrade and organic food products, in the southern part of Italy (Annunziata et al., 2011, p. 522). The first part of their survey they looked at the general attitude about Fairtrade and organic food products and they found out that when it comes to attributes when grocery shopping is that Italian customers thinks that the brand is the most important with 59.4% of the respondents giving that answer. The second and third attributes the Italian customers felt were important were freshness (25.3%) and nutritional properties (23.4%), and little importance were given to price and packaging (Annunziata et al., 2011, p. 524). Later they tested the consumers of Fairtrade and organic products motivation to buying these kinds of products by stating 12 different attributes about Fairtrade and organic products and they found that the biggest motivation was the products that supported guaranteed working condition (71.34%) followed by the preservation of the environment (55%) and the absence of pesticide residues in products (54.33%) (Annunziata et al., 2011, p. 525). The result of their tests showed that the consumer’s attitudes about the labeling of ethical products were mainly positive, as was the result of a prior good knowledge of Fairtrade and organic products (Annunziata et al., 2011, p. 533). They show in an graph showing that 81% of the respondents gave the correct definition of Fairtrade, which they had as an alternative to traditional trade and that 40% of the respondents felt they were fairly well
informed and 29% felt they were very well informed about Fairtrade products (Annunziata et al., 2011, p. 526). In their conclusion they state that labeling of ethical products is a vital marketing tool, however they feel as an extrinsic quality indicator contributes to making ethical products transparent and their ambiguous message might create confusion for customers (Annunziata et al., 2011, p. 533).

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<td>De Pelsmacker, P., Driesen, L., &amp; Rayp, G. - Do Consumers Care about Ethics? Willingness to Pay for Fair-Trade Coffee</td>
<td>Quantitative study, 2005, Belgium</td>
<td>Willingness to pay for Fairtrade coffee and how much more consumers are willing to pay for Fairtrade coffee</td>
<td>The entire Belgian population by using sampling in the city of Ghent and the number of participants were 834.</td>
<td>€1.87 were the reference price of coffee used → Two different kinds of groups à Fairtrade lovers &amp; brand lovers à Fairtrade lovers were willing to pay 36% premium (€0.67 extra) and brand lovers were willing to pay 5-6% premium (€0.08-0.09 extra) à The average price premium the participants were willing to pay was 10%.</td>
<td>Actual price premium = 27% à attitude-behavior gap showed clearly à almost no one from the brand lovers group were willing to pay the actual premium à about half of the Fairtrade lovers were willing to pay the actual price premium.</td>
</tr>
<tr>
<td>Ozcaglar-Toulouse, N., Shiu, E., &amp; Shaw, D. - In search of fair trade: ethical consumer decision making in France</td>
<td>Mixed method study, 2006, France</td>
<td>To investigate French consumer’s ethical purchase decisions when purchasing Fairtrade products using mainly the theory of planned behavior model.</td>
<td>The entire French population and the number of participants were 560.</td>
<td>Distinguished two groups à never/rarely purchase Fairtrade and always/regularly purchase Fairtrade à The never/rarely group showed intention of buying Fairtrade products but when the got to the supermarket they still didn’t purchase Fairtrade à Always/regularly group had high intentions and actually purchased Fairtrade.</td>
<td>The never/rarely group key drivers were attitudes towards Fairtrade products and the subjective norms à The always/regularly group key drivers were also the attitude of Fairtrade products and their perceived behavioral control</td>
</tr>
<tr>
<td>Annunziata, A., Ianuario, S., &amp; Pascale, P. - Consumers'</td>
<td>Quantitative study, 2011, Italy</td>
<td>Their main focus was to find the variables that</td>
<td>The entire Italian population by conducting their study in</td>
<td>They found that the majority (69%) of the participants had good knowledge about Fairtrade and</td>
<td>They found that labeling ethical products is a vital marketing tool but the extrinsic value</td>
</tr>
</tbody>
</table>
Table 1. Summary of previous empirical studies about Fairtrade.

| Attitudes Toward Labeling of Ethical Products: The Case of Organic and Fair Trade Products | influence consumers attitudes towards labeling of organic and Fairtrade products | the southern area of Italy in the Campania region and the number of participants were 300 | organic products à The consumers felt that brand was the most important attribute followed by freshness and nutritional properties and not much importance of price and packaging. | of the labeling of ethical products such as Fairtrade and organic products might lead to the transparency of ethical products since its ambiguous message might create confusion. |

4.5 Conceptual framework

In our conceptual framework (Figure 7) you can follow our process of answering our research question. The goal of our degree project is to find out what factors influences Swedish consumers purchase decision in buying products from Fairtrade Sweden. To help us answer our research question we have four different objectives that we will look deeper in to, which will give us an even better answer to our research question. The first objective is from Fairtrade Sweden’s side where we want to find out how they work to build up there brand in order for us to get a deeper understanding about them and how the connect to the consumers. In our conceptual model you see that we had an expert-interview with their Head of Communication, Ola Höiden, who gave us a greater insight into the organization. Further we have three objectives, which are of great importance for us to be able to answer our research question. In these three objectives we investigate consumers knowledge and attitude towards Fairtrade, to see if Fairtrade labeled food impact their purchase decisions and if there is a difference between men and women’s awareness and purchase of Fairtrade. The conceptual framework must not be mistaken as a model but rather a summary of our degree project.
Figure 7. Conceptual Framework.

Objective 1 - To investigate how fairtrade Sweden work to build up their brand and increase their market share.

Objective 2 – To investigate consumers knowledge and attitude towards Fairtrade

Objective 3 - To investigate if the labeling of Fairtrade products affect the consumer purchase decision

Objective 4 – To investigate if there is a gender difference in a purchase situation of Fairtrade products.

Survey

Purchase decision affected

Expert – interview with Fairtrade Sweden
5. Practical Method

This chapter we will explain in great details about our sample, access, target population, survey construction, data loss and preparation, criticism about our survey design, validity, reliability, and lastly ethical considerations.

5.1 Sample and access

5.1.1 Sample

In this project we are using a sampling method. This is the action of randomly selecting a smaller population size of a defined target population that you want to study (Zikmund et al., 2011, p. 385). According to Zikmund et al. (2011, p. 385) the purpose of choosing sampling is because you study a small portion of the target population in order to find patterns and make predictions about the larger population. According to Bryman & Bell (2011, p. 176) sampling is used when it is impossible or unreasonable to study the whole target population. According to Bryman & Bell (2011, pp. 176-177) probability and non-probability sampling are two major sampling designs. In probability sampling, each sampling unit in the defined target population has a known probability of being chosen for the sample. On the other hand, in non-probability sampling the probability of choosing each sampling unit is unknown. In our study we have chosen to conduct non-probability sampling because we have been using voluntary response sampling as our sampling procedure.

Our target population is the consumers of products and groceries in the Swedish market. Since time and effort are limiting us of finding enough participants to generalize to the entire population of Sweden, we have chosen to more specifically target young adults ages 18-30. By using an online based self-administered survey and spreading it across Facebook we have been using non-probability sampling to reach as many as possible and increase the participants rate. We did discuss the possibility of standing outside of Ica Maxi in Umeå to collect data, however we felt that the time constraint would make it harder for us as it would require more time and also we were required to ask permission from the store manager in which we were denied. Therefore we decided to use the social media platform Facebook as our distributor for our survey.

5.1.2 Access

To be able to collect the data we needed we created a Facebook event with 456 invited to participate within our target group, young adults 18-30 (Figure 7). However, since we also have encouraged friends and family to “share” the link to our survey to their “Facebook friends”, it is difficult to say how many people have been given the opportunity to participate. We started sharing the survey and inviting Facebook friends on April 13th and received 65 submitted forms during that same evening. The following day we saw a drop in participants to around 24 submitted surveys. During the next couple of days the activity kept decreasing and came to a complete stop. When roughly 120 participants had completed the survey and there had not been any activity for about a week, we decided to re-invite everyone and once again encourage people to
participate. This effort worked well in our favor and we could see 38 fully submitted forms drop in during the next few days. We set the goal to reach 200 participants and minimum 150 fully submitted forms. After having reached 158 and witnessed once again the activity to return to zero for a few days, we decided to withdraw the survey.

![Figure 8. Screenshot of Facebook event.](image)

As mentioned before, we can hardly say how many people that have been given the chance to participate. Neither can we estimate how many have started to fill out the form and lost interest. By using Google Form when creating our web based survey, we have used the function of making all questions that we require an answer for, mandatory. This means that the respondent cannot skip these questions and go to the next page and submit their form, without a red warning text highlighted their mistake and informed them to correct it. Therefore, we have no statistics of unfinished submitted forms. By using Facebook, we have reached many of our fellow business students of Umeå University. After having lived in Umeå and attended courses on campus we have acquired many new Facebook friends. The fact that many of them have or are currently writing their own thesis could be an extra incentive to want to participate. This might be an explanation to the relatively high number of the respondents in business school. In the end we received 158 responses, which made us confidence that it would be a sufficient amount to answer our research question.

### 5.2 Survey design

#### 5.2.1 Quantitative Survey

As mentioned above we have conducted a questionnaire to help us investigate how Fairtrade-labeled products affect consumer purchase decisions when grocery shopping. We have conducted a self-administrative questionnaire, which means that the
respondents read the survey questions and answer the questions without an interviewer present (Bryman & Bell, 2011, pp. 231-232; Zikmund et al., 2011, p. 194). We are using an online survey to reach a bigger target group that later will help us to collect the results. The results will then be analyzed and conclusions will be made. When spreading the survey online we have written an introduction to explain to the participants who we are and why we are doing this survey. It made clear to them that their answers would be anonymous and that it would greatly help us to finish our degree project. The questions are made up of a 5-point scale, yes/no or the choosing of a select number of statements. Since the survey was self-administered, our goal was to construct the survey in a fashion that was easy to understand, but also gave us very useful information. The scale was therefore used for the respondent to quickly and easily show how much they agreed or not with the certain statement. We chose a five-point scale since we believe it to be a good way of encouraging the respondents to pick a side, next to the neutral option, which were three. Some of the questions were purely asking to find out yes or no, if our respondents agreed or not. For the third type, we constructed a number of questions where we wanted the respondent to browse through a list of statements, and the pick three out of six which they felt was more important. From a self-administered survey, this gave us the opportunity to control the light in which the question was asked.

The survey questions were constructed from different parts of the theory chapter. We also received great help and understanding from Fairtrade Sweden, and especially the communications manager Ola Höiden, who took it upon him to meet with us and answer questions. From this meeting we were able to understand certain challenges they have faced in the past and try to avoid them, and ultimately form certain questions better suited for the answers that we needed.

5.2.2 Connecting theory to survey

Based on the theory, we have organized a quantitative survey in order to explore the relationships from our conceptual framework. Therefore, the goal from collecting and analyzing our data is to explore the influence of Fairtrade on the final purchase outcome. There are a number of factors influencing the consumer to make a purchase decision. In marketing, maybe the first and mostly important factor is whether the consumers are aware of your brand. Following the similar study of consumer intentions influenced by Fairtrade in Belgium, (De Pelsmacker & Janssens, 2007, p. 374) found that two factors plays an important role in the purchase outcome, namely: awareness and skepticism. We intend to measure both of these relationships. Awareness is a more straightforward factor, but skepticism towards Fairtrade needs to be investigated more thoroughly.

When it comes to the perception of a company CSR efforts by consumers, (Mohr et al 2001, pp. 61-65) have identified four groups of people: Pre-Contemplators, Contemplators, Action Group and Maintainers. By using characteristics of the respondents in their study, we have formed questions to explore the consumers in Sweden, in order to understand their underlying beliefs. From answering questions of behavior that were found to be specific to these four different groups, we will have a better idea of our respondent’s consumer traits.
To understand the relationship our respondents have towards Fairtrade, it is important to first explore their knowledge and attitudes towards CSR. Do they expect firms to be philanthropic and ethically responsible? Who carries the responsibility for a sustainable future of our planet, and the conditions of the people producing our groceries? Perhaps, the only responsibility of a firm is that to be profitable. Using The Triple Bottom Line, in their study (Norman & McDonald, 2004, pp. 23-26) tries to understand these attitudes of consumers. Do firms have a responsibility to the planet and the people too? Answering simple questions can give insights into whether a consumer would be open for information about the philanthropic and ethical efforts by the firm, and weigh them in to an overall purchase decision.

The Stakeholder theory has been argued to be developing into an ambiguous form (Donaldson & Preston, 1995, pp. 65-66). The main points to be drawn from the literature review, is that the relationships between the firm and its stakeholders can be viewed in different lights. Should the free market decide on prices by commodities, even if human right is violated in third world countries? Does the firm have an ethical responsibility towards their stakeholders when dealing with producers? This is an essential theme behind the idea of Fairtrade and their licensing policies.

Limitations to studies in the past have mentioned that an experimental environment tend to give biased results, when investigating willingness to pay extra for Fairtrade (De Pelsmacker & Janssens, 2007, pp. 367-371). “The cost of answering that you are willing to pay extra is lower than to actually pay more”. We will therefore provide the respondents with statements, ranking the importance of different attributes of a product. We will use real price examples to investigate if they would consider paying a premium price for commonly occurring Fairtrade products such as coffee and sugar (De Pelsmacker et al., 2005, p. 368). However, we are aware that these answers could be biased too. It will be interesting to measure the variables and analyze the relationships of willingness to pay extra for Fairtrade, positive attitudes toward it combined with other variables such as brand perception and the symbolic image.

Beside from the functional image, a successful brand needs to build a strong symbolic image (He & Keung Lai, 2014, pp. 254-256). The symbolic image of a product gives the consumer an additional use of the product. They can feel belonging to a group, self-realization, individual expression etc. Based on this theory, we will explore the consumer’s different use of Fairtrade products. Having a general understanding about the underlying reasons to why consumers choose to purchase Fairtrade will be essential for us when presenting the conclusions.

We have also constructed a few questions based on the conversation with Ola Höiden (personal communication 28 March, 2014) from Fairtrade Sweden. Ola mentioned that one problem of theirs, is the lack of knowledge by consumers of what the different food labeling means. The confusion this has caused has sometimes led to the consumer staying away from choosing any of them (Annunziata et al., 2011, p. 533). It will therefore be interesting to see if the consumers with extensive knowledge of Fairtrade also have a general idea about the other labels. He also mentioned that another big issue for them is that even if consumers are aware of Fairtrade and positive towards it, the ultimate purchase decision happens in the store, and therefore they have spent much
effort to be well presented. Therefore we will investigate if the respondents can remember seeing Fairtrade products when grocery shopping. Based on their latest campaign “Fight poverty” we will propose a few different statements linked to the mission of Fairtrade, in order to measure the general understanding.

<table>
<thead>
<tr>
<th>Survey Questions</th>
<th>Theory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1. How important is eating organic</td>
<td>Mohr et al. 2001, p 64</td>
</tr>
<tr>
<td>Q2. How important is taking care of the environment?</td>
<td>Mohr et al. 2001, pp. 63 - 64</td>
</tr>
<tr>
<td>Q3. How often do you recycle?</td>
<td>Mohr et al. 2001, p 64</td>
</tr>
<tr>
<td>Q4. From your perspective, what are the main objectives of firms? *</td>
<td>Henriques &amp; Richardson. 2004, p 7</td>
</tr>
<tr>
<td>Q5. How familiar are you with the concept of corporate social responsibility?</td>
<td>Pomering &amp; Dolnicar 2009, p. 287</td>
</tr>
<tr>
<td>Q7. Which one of these food licensing have you heard of? *</td>
<td>Höiden. O., Personal communication, March 28, 2014; Baines et. al. 2011, p. 83-85</td>
</tr>
<tr>
<td>Q8. Which one of these brands have you ever purchased? *</td>
<td>Höiden. O., Personal communication, March 28, 2014; Baines et. al. 2011, p. 83-85</td>
</tr>
<tr>
<td>Q9. How familiar are you with Fairtrade?</td>
<td>De Pelsmacker &amp; Janssens 2007, p 372</td>
</tr>
<tr>
<td>Q11. To what extent do you think the circumstances of producers in developing countries improve, through organizations like Fair Trade? *</td>
<td>Höiden. O., Personal communication, March 28, 2014</td>
</tr>
<tr>
<td>Q14. Buying Fairtrade makes me feel good *</td>
<td>Yuanqiong He &amp; Kin Keung Lai</td>
</tr>
<tr>
<td>Question</td>
<td>Source</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
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<tr>
<td>Q15. Buying Fairtrade makes me feel like part of the organization *</td>
<td>Yuanqiong He &amp; Kin Keung Lai 2014, p 252-253</td>
</tr>
<tr>
<td>Q16. I choose Fairtrade to make the world a better place *</td>
<td>Albert &amp; Merunka. 2013, p 260-263</td>
</tr>
<tr>
<td>Q17. I automatically select Fairtrade when I see their logo *</td>
<td>Albert &amp; Merunka. 2013, p 260-263</td>
</tr>
<tr>
<td>Q18. Buying Fairtrade helps people *</td>
<td>Albert &amp; Merunka. 2013, p 260-263</td>
</tr>
<tr>
<td>Q19. What is the most common reason to why you do not buy Fairtrade? *</td>
<td>Höiden. O., Personal communication, March 28, 2014</td>
</tr>
<tr>
<td>Q25. When you buy an everyday item such as coffee, toothpaste or milk, to what extent would you say that you automatically choose the same brand every time without putting too much thought behind the choice? *</td>
<td>De Pelsmacker et. al., 2005, p. 365</td>
</tr>
<tr>
<td>Q26. Would you say that your knowledge of Fairtrade contributes to that you do not choose it so often? *</td>
<td>Höiden. O., Personal communication, March 28, 2014</td>
</tr>
<tr>
<td>Q27. How much are you willing to pay extra for a packet of Fairtrade coffee?</td>
<td>De Pelsmacker et. al., 2005</td>
</tr>
<tr>
<td>Q28. How much are you willing to pay extra for a packet of Fairtrade sugar? *</td>
<td>De Pelsmacker et. al., 2005</td>
</tr>
</tbody>
</table>
Q29. How much are you willing to pay extra for a packet of Fairtrade chocolate?*  
De Pelsmacker et. al., 2005

Q30. Could you imagine that next time pay 48kr for 500g Fairtrade coffee, instead of 38kr non-Fairtrade-labeled?*  
De Pelsmacker et. al., 2005

Q31. Would you consider that the next time pay 28kr for 1kg Fairtrade caster sugar, instead of 19kr non-Fairtrade-labeled?*  
De Pelsmacker et. al., 2005

Q32. Would you consider that the next time pay 27kr for Fairtrade chocolate, instead of 15kr non-Fairtrade-labeled? *  
De Pelsmacker et. al., 2005

Table 2. Summary of theories connected to survey questions.  
* = Questions designed by us researchers, developed from previous studies.

5.2.3 Pre-test and revision

Before we created and posted our survey in our Facebook event we did a pre-test of our study with 13 people. Afterwards we reviewed the feedback that was given to us and modified some questions, some questions were removed and finally the formats of a few questions were modified and more exampled answers were given.

5.2.4 Data loss

As stated above we created a Facebook event where we invited 456 people to participate in our study and we got 158 respondents. Even though we did not suffer from any direct data loss in terms of completed surveys as we made the important questions mandatory to answer in order to submit their answers. We still have some indirect data losses since not everyone invited clicked that they would participated and some of them also shared the event on their own timeline on Facebook, however that number of data loss is impossible to account for in terms of numbers.

5.3 Data & Analysis preparation

5.3.1 Descriptive statistics

To be able to gather all of our data from our quantitative study we used Google’s own survey function through Google documents. When all the data was collected Google provided us with all the essential descriptive statistics for our study with diagrams we could use to further help showing the results. Furthermore we wanted to investigate if there are a significant difference between men and women in light of purchase of Fairtrade products using the independent-samples t-test in SPSS and also to investigate if there are some correlations between different variables using the bivariate correlation function in SPSS.
5.3.2 Independent-Sample T-test

The independent-samples t-test is a commonly used function within the area of statistics and it is used to compare different groups that are in no way related to each other and an independent-samples t-test is significant at a 2-tailed level below 0.05 (IBM, 2011a). In our study what we want to investigate using the independent-samples t-test is whether or not there are significant differences between men and women when testing how Fairtrade labeled products affects their purchase decision. Mainly the questions we investigated the differences between men and women were the Fairtrade related questions since they are the ones that really helps us answer our research question and for some of the other questions we used the bivariate correlation function, which will be explained below. This has led us to some hypotheses, which are that:

\( H_0 \) (1): There is no significant difference in the willingness to pay extra for Fairtrade products between men and women
\( H_a \) (1): There is a significant difference in the willingness to pay extra for Fairtrade products between men and women

\( H_0 \) (2): There is no significant difference in the awareness of Fairtrade products between men and women
\( H_a \) (2): There is a significant difference in the awareness of Fairtrade products between men and women

\( H_0 \) (3): There is no significant difference in the purchase of Fairtrade products between men and women
\( H_a \) (3): There is a significant difference in the purchase of Fairtrade products between men and women

\( H_0 \) (4): There is no significant difference in the choice of choosing Fairtrade products between men and women.
\( H_a \) (4): There is a significant difference in the choice of choosing Fairtrade products between men and women.

5.3.3 Correlations test

Furthermore we used the bivariate correlation to test if there is a relationship between two different variables and it range from -1 to 1, meaning that -1 is strongly negatively correlated, 1 is strongly positively correlated and 0 means no correlation (IBM, 2011b). In our research we want to find out if young adults 18-30 year olds purchase decision is affected by Fairtrade labeled product when they go grocery shopping so we are using the bivariate correlation function in SPSS in order to investigate if there is a correlation between different answers in different questions since we have formulate hypotheses based on this:

\( H_0 \) (5): There is no relationship between concern about taking care of the environment and willingness to pay extra for Fairtrade products.
Hₐ (5): There is a relationship concern about taking care of the environment and willingness to pay extra for Fairtrade products.

H₀ (6): There is no relationship between importance of eating organic food and willingness to pay extra for Fairtrade products

Hₐ (6): There is a relationship between importance of organic food and willingness to pay extra for Fairtrade products

H₀ (7): There is no relationship between importance of recycling and willing to pay extra for Fairtrade products

Hₐ (7): There is a relationship between importance of recycling and willingness to pay extra for Fairtrade products

H₀ (8): There is no relationship between willingness to pay extra for Fairtrade Coffee and purchase Fairtrade products

Hₐ (8): There is a relationship between willingness to pay extra for Fairtrade Coffee and purchase Fairtrade products

H₀ (9): There is no relationship between willingness to pay extra for Fairtrade Sugar and purchase Fairtrade products

Hₐ (9): There is a relationship between willingness to pay extra for Fairtrade Sugar and purchase Fairtrade products

H₀ (10): There is no relationship between willingness to pay extra for Fairtrade Chocolate and purchase Fairtrade products

Hₐ (10): There is a relationship between willingness to pay extra for Fairtrade Chocolate and purchase Fairtrade products

5.4 Criticism of survey design

There are several different ways of collecting data for different types of research and there are many pitfalls (Bryman & Bell, 2007, pp. 173-174) to take into consideration in order to increase the reliability of a research, so we will discuss advantages and disadvantages of our choice of practical method. As discussed above we have chosen to do a quantitative study in order to answer our research question. One of the major pitfalls when conducting a survey is the use of language, since we, as researchers tend to use a more academic language it might create a misunderstanding or misinterpretation of the questions. Even if the majority of our sample is within the higher education group we took this aspect seriously and when conducting the questions in our survey we tried to use as simple language as possible to ensure that the misunderstanding/misinterpretation would be at a minimum level.

Another concern that might have led people to not participate is that our survey seems rather long and time consuming since there are a lot of questions to be answered and younger people tend to be more impatient than older people, and since our target group is young adults, this might have affected their willingness to participate. As stated above in chapter 5.2.2, we received 158 respondent of the 451 invited in the Facebook event we created to be able to collect our data, and since we posted it on the web there is no way for us to control the numbers of participants as everyone of our Facebook
friends had access to the event and some of them even shared the event on their own Facebook profiles. Also we had no control over how many times the participants participated in the survey when posting it on Facebook and we were not able to study their body language and/or if others influenced them when they answered our survey.

Since our survey had close-ended questions, as we provided the respondents with different already stated alternatives, some might say our study is misleading and the reason why we chose this way of conducting our survey was because we wanted to “steer” the participant in the right directions, meaning that we wanted them to keep their answer within the subject of our study and not write something irrelevant which would be impossible to analyze and answer our research question. Even though you might see a closed-end questionnaire as misleading we strongly believe that the answers from the participants were accurate and credible because even if they felt that none of the alternative given to them suited their situation best they chose the closest alternative the corresponded to themselves.

5.5 Quality criteria

5.5.1 Reliability

There are two important aspects that need to be discussed in term of the quality of this degree project, which is reliability and validity. Reliability and validity have different meanings and can be distinguished analytically, however the two of them relate to each other as a research cannot be valid unless it is also reliable, as validity requires reliability (Bryman, 2008, p. 153). The meaning of reliability refers to how your data collection procedures will show consistent results if it were to be tested on another occasion or if random conditions have an effect on the results (Saunders et al., 2009, p. 156). According to Bryman (2008, p. 49) reliability is more important in quantitative research since the researcher relies on the results to be stable over a longer period of time. We believe that our degree project delivers a high level of reliability as we are certain that our research would show similar results if conducted in the future, however it requires the research to be within the consumer purchase decision of Fairtrade products since other types of products/services would probably give a slightly different result since there might be another population group. We believe that we can generalize our findings to the consumer purchase decisions of Fairtrade products for young adults ages 18-30.

When conducting a degree project and when measuring the reliability of it, there are several different threats that might intervene with the results and Saunders et al. (2009, pp. 156-157) brings up four different threats of reliability. The first one is subject or participant error, which means that the questions answered in the questionnaire might differ depending on what time the questionnaire is taken, e.g. a questionnaire about your work and your employer might show a different answering-pattern on a Friday when you are looking forward to the weekend compared to Monday mornings answers. The second threat is subject or participant bias, which indicates that the answers of a questionnaire or interview might be answered in a way the participant thinks the researcher want them to answer (Saunders et al., 2009, p. 156). In our degree project we have taken these two threats into consideration when conducting our quantitative study.
as we tried to explain our practical method as thorough as possible to enable other researchers to perform a similar study and receive similar results, which enhances the reliability of this research. Furthermore our questionnaire is anonymous which decreases or even eliminate the subject or participant bias threat. The last two threats, observer error and bias, relies on the situation that the researcher are interviewing the participants and there might be one or more interviewers asking the same questions and later interpreting the answers in different ways (Saunders et al. 2009, p. 157). Since we are conducting a quantitative study these two threats do not apply to us as we rely more on numerical results rather than words.

5.5.2 Replicability

In order to further strengthen the reliability of our research we have thoroughly explained every step of our research in great detail, which increases the possibility of replication of our study in the future. Bryman & Bell (2011, p. 43) explain replicability as a detailed clarification of the actions used in a research, which allows other researchers to understand how measures have been gathered. This acts as help for future researchers attempt to replicate the study. We have in our degree project tried to explain every action and decision taken into great detail in order to avoid misunderstanding and allow future researchers to replicate our study.

5.5.3 Validity

According to Bryman (2008, p. 151) and Saunders et al. (2009, p. 157) validity is used to find out if the findings in hand really measures what they intended to measure. Our degree project is based on previous research within the area of consumer behavior and Fairtrade products and all our findings is in accordance with these research from where we have deducted theories and models from.

Within the area of validity there are two major aspects to look at, the internal validity and the external validity. Saunders et al. (2009, p. 157) describes internal validity as the relationship between two variables, which is how one variable affects the other variable to see if there is a measurable relationship. In this degree project we have tried to deliver a high level of internal validity when conducting our quantitative study as we have based our question on the theories discussed in chapter 4. External validity or generalization as it is also called refers to how generalizable you results are of you study meaning, how applicable your findings would be in another environment, e.g. in another organization or other products being researched etc. (Saunders et al., 2009, p. 158). We strongly believe that our findings can be generalizable to the entire consumer grocery industry when consumers make purchase decisions in the grocery stores within our target group 18-30 years old, however it might not be generalizable to other industries, as stated above, because it might be a different population.

5.5.4 Ethical consideration
Important to remember when conducting a quantitative study is the ethics principles for business research (Bryman & Bell, 2007, p.132). Further Bryman & Bell (2007, p. 132) discusses certain criteria that needs to be fulfilled when conducting a quantitative survey study: harm to participants, lack of informed consent, invasion of privacy and deception, which we have used as a guideline when conducting our survey. Bryman & Bell (2007, p. 133) argues that we as researchers have the responsibility to not harm the participants of our quantitative study, as we are responsible for the respondents. In order to proceed with this in mind, we informed all the participants of our survey that their responses would be handled with the highest level of anonymity as there will be no way of tracing an answer to an individual. We informed the participant by having a well formed pre-text with all the information about us researchers, aim/use of study, the participants’ anonymity and that the study will be published etc, before they could start the survey. Furthermore they had to check in a yes or no question if they agreed to the text above in order to proceed. Bryman & Bell (2007, p. 134) discusses that if the participant of a study gives permission to post their answers or name it is allowed, however we have a quantitative study and had no need to ask for permission to post anyone’s answers. However we did asked Ola Höiden, Head of Communication at Fairtrade Sweden, if we were allowed to use his name in our study as we had an expert-interview with him.

Furthermore, Bryman & Bell (2007, p. 139) discusses another ethical principle, invasion of privacy, and in our quantitative survey we explained the purpose of the study, their anonymity etc. and they had to agree or disagree in order to proceed. Once they started filling out the survey the participants always had the opportunity to leave the survey without completing it, hence avoiding forcing someone to fill out our survey.

The third ethical principle that Bryman & Bell (2007, p. 137) discusses is the lack of informed consent, meaning that the participants should be given all the necessary information about the research and the researchers before deciding if they want to participate. In our survey we had prepared a well formed text before the participants could proceed to the survey where we described who we as researchers are, the purpose of the study and what we were going to use their answers to, and also that their answers would be used in a published research but that their answers would be completely anonymous.

The last ethical principle Bryman & Bell (2007, p. 138) argues for is deception, which regards to the presentation of the study for what it is and nothing else, meaning that we as researchers should not present our research for something that it is not. In our quantitative study we have not tried in any way to manipulate the participants to answer our questionnaire and we did not try to deceive our participants that our study is something it is not.
6. Empirical findings

In this chapter we will thoroughly present our findings from our quantitative study as well as the findings from our SPSS test that we conducted in order to further answer our research question. The first part will be about the descriptive data gathered from our survey followed by the findings from our independent-samples t-tests and lastly our findings from our correlation tests.

6.1 Descriptive statistics findings

From our quantitative survey, 158 respondents chose to participate. By using Google Form we had the possibility to restrict certain question as mandatory in order to proceed to submit the answers. This function led to 100% rate finished submitted answers. We had 80 female vs. 78 male respondents. The majority (78%) of the respondents are educated on college level. The most popular subject is business (47%), in relation to the second largest group “Other Subjects” (15%). Most of the respondents were in the age of 18-30 years old (88%), and the largest group was 24-26 (55%).

The first two questions related to our respondents view of the importance of eating organic (Figure 9) and taking care of the environment (Figure 10). This was carried out on a five point scale from, 1= not at all, to 5= very much. The results were very similar where the most common answers, 3 and 4, made up 64 percent of the respondents in the first question and 71 percent in the latter. The next question of how often they recycle (Figure 11) was very evenly spread out. Using the same scale, 27 percent answered 5= very often, while 10 percent answered chose 1= not at all.

![Figure 9.](image1.png)  
![Figure 10.](image2.png)  
![Figure 11.](image3.png)

Question number four explores the respondents’ view of the most important responsibilities by firms (Figure 12). Given six different options, they were asked to pick three in order to prevent each respondent picking them all. The results were very evenly spread and varied between 19 to 22 percent, except for one option “donate money to charity” which received only 2 percent of the votes. The most commonly picked option was “to create jobs” (22%). The next question was once again a five-point scale question to explore the respondents’ view of their own knowledge about corporate social responsibility. The majority of the respondents believe to have a deep knowledge of CSR, where 78 percent chose 3 - 5. The most common answer was 4/5 which received 32 percent, when only 7% answered 2, and 15% of the respondents answered 1= not at all.
The next question asks how much the respondents trust the aim of corporate social responsibility by firms (Figure 13). The majority of respondents are not sure whether they are to be trusted or not. Using the same 1-5 scale, the most popular choice was number three, which received 48 percent of the answers. Number two and four were closely tied with 20 and 25 percent. Interestingly enough, number 5= very much, received zero answers. Number 1= not at all, received 7%.

Question number seven presented six different food licenses. By using the same method of choosing only three stamps, which they recognize (Figure 14), we were able to find the most common. Krav was the most recognized food stamp followed by Svanen and Fairtrade tied in second place receiving 27, 23, and 23 percent respectively. EU-Ekogiskt and Svensk Sigill were the least well known with 5 and 8 percent. The next question asks which of these food licenses they have purchased. Krav was the most popular with 27% and Fairtrade came in second with 23%, which was marginally higher than Svanen, which was close behind with 22 percent. The option of not having bought any of them was the least popular answer with only 3 percent. Next question is a five-scale type asking how familiar they are with Fairtrade. Number four and three was most popular with 32 and 31 percent. Only 6 percent chose number 1= not at all.
The next question presents four statements of which Fairtrade should be connected with (Figure 15). The most popular option and majority of the respondents picked “human rights” which received 54 percent, in front of “fighting poverty” with 24 percent of the answers. As a follow up question we observed results of threes and fours dominating for the questions “to what extent do you think the circumstances of producers in developing countries improve, through organizations like Fair Trade?” (36%) and (48%), our respondents are either not sure, or they do feel they can trust the organization to fulfill its purpose (Figure 16). Question number 11 consists of a five point scale inquiring the respondents’ faith in the success of improving quality of life for producers in the third world, by the organization Fairtrade. Only one percent answered 1= not at all.

Question number twelve asked how often the respondents notice Fairtrade products when grocery shopping (Figure 17). On the five-point scale, option number three was the most popular with 30%, followed by four and three, 26 and 25 %. Only six percent answered 5 = every time. The following question inquired how often they purchase Fairtrade products (Figure 18), 34% answered three, followed by 32% who answered two. Only three percent answered 5 = every time while 13% stated that they have never bought it.
The following questions are statements of feelings towards purchasing Fairtrade, constructed on a five-point scale. “Buying Fairtrade makes me feel good” received 35% number four. One and five were evenly matched with 10 and 11 percent. “I choose Fairtrade since it makes me feel as I am part of the organization” received mostly low numbers, with 37% choosing 1= not at all, and stagnating on towards the least popular choice of 2% picking number 5. “I choose Fairtrade to make the world a better place” received 37% picking number four, three and five were picked buy 24 and 19 percent. “I automatically pick Fairtrade when I see their logo” was also more popular among the lower digits. The most common answer was number two, picked by 34% and one and three split on 26%. Finally, number four, made up by 47%, dominated “Buying Fairtrade helps people”. In third and second place came 3 and 5 (28 and 15 percent). Only 3% picked 1= not at all.

The next question shows six different statements as to why our respondents do not purchase Fairtrade each time (Figure 19). Once again we have asked them to pick three out of six in order to prevent them from picking everyone, and instead force them to choose the three most important. With 32%, “it gets too expensive” was the most popular choice. In second and third place came “I forget” and “I cannot find the products” with 25 vs. 23 percent.
The following five questions were once again statements constructed with a five-point scale in order to measure the degree of which our respondents agreed or disagreed. These statements are all about what is important to the respondent when picking out grocery products. The first statement “Price is the most important” received 38% number four of the five-point scale and was evenly spread out around the rest. The statement “The brand is the most important” was also 38% of the respondents who picked the number four. Number one and five received a small portion and number two and three were more popular. “Fairtrade license is the most important” received one vote and less than 1% of the answers. The most popular was 1, 2 and 3, which received 28, 23, and 28 percent. The majority of the respondents agreed that “Quality is the most important” and 52 percent rated this statement with a four. None of them rated this statement with 1= not at all. The second most popular choice was number 5= fully agree which received 33%. Finally “Packaging/design is the most important” was not as important since 1% picked a 5= fully agree. Number 1, 2 and 3 received 30, 33, and 23 percent.

The next question is also a statement based on a five-point scale. “When purchasing an everyday product such as coffee, toothpaste or milk, to what extent would you agree that you automatically pick the same product every time, without putting too much thought into your decision” received high numbers with 42% picking four and 28% picking 5= fully agree. With question number 26 (figure 20) we wanted to find out if our respondents believe that their knowledge of Fairtrade is affecting them not to buy it. The majority (61%) answered no.
With the last six questions we wanted to find out how much our respondents would consider to pay extra for Fairtrade products. The following three questions “how much extra would you be willing to pay for: coffee, sugar and chocolate” included six different options: 0, 5, 10, 15, 20 and +20kr. The respondents deemed coffee to be the best product to buy when contributing to Fairtrade (Figure 21), 38% answered that they would be willing to pay an extra 10kr and 35% that they would contribute 5kr extra. Eight percent said that they would not be willing to pay an extra amount. When buying sugar, more people would be willing to pay an extra 5kr (47%) but less 10kr (32%) and 14% claimed that they would not be willing to pay an extra amount (Figure 22). When buying chocolate, 52 percent would consider to contribute with an extra 5kr, 26 percent would be willing to pay an extra 10kr and 15 percent would not pay an extra premium for their chocolate bar (Figure 23).
The last three questions are yes or no questions. We have listed the actual prices of these three goods, the Fairtrade and non-Fairtrade version, from the Swedish grocery store chain Coop and stated “next time you buy this product would you be willing to pay the Fairtrade price instead of non-Fairtrade. For coffee, 70% would pay the extra 10kr, for sugar 51% would pay the extra 9kr and for chocolate 42% would pay the extra 12kr. Another important factor to look upon is that statistical findings from our t-tests and correlations, which will be presented below.

6.2 Independent-samples T-test

Independent-samples T-tests were conducted to further investigate whether or not the aspect of gender made a significant difference and we specifically focused on the Fairtrade related questions. The t-test is significant at a p-level lower than 0.05. We will also display the mean (M), standard deviation (SD), degrees of freedom (df) and t-test level (t).

An independent samples t-test was conducted to compare male and female answers in regard to how familiar they are with the term Fairtrade. For this question there was no significant between the levels for men (M = 3.17, SD = 1.21) and women (M = 3.45, SD = 0.94) conditions; t (156) = -1.65, p = 0.10 (Appendix 2), this results shows that gender does not affect how familiar individuals are with the term Fairtrade.

Furthermore, we performed the t-test with three questions, “To what extend do you believe that the circumstances producers in developing countries increases through organizations like Fairtrade”, “How often do you notice Fairtrade products when grocery shopping,” and “How often do you purchase Fairtrade products”, to find out whether there is a significant difference between men and women. For the first question there was no significant difference between men (M = 3.37, SD = 0.86) and women (M = 3.61, SD = 0.73) with conditions t (148) = -1.85, p = 0.07 (Table 3 & 4). However for the second question there is a significant between men (M = 2.59, SD = 1.10) and women (M = 3.15, SD = 1.07) with conditions t (149) = -3.19, p = 0.002 (Table 3 & 4). For the third question there is also a significant different between men (M = 2.45, SD = 0.99) and women (M = 2.85, SD = 0.98) with conditions; t (149) = -2.46, p = 0.02 (Table 3 & 4). The results from these questions shows that gender does not play a big part in the difference of the answer for the first question, however for the second and third question, the results showed that gender makes a difference on how often men and women notice Fairtrade products when they go grocery shopping and also how often men and women purchase Fairtrade products. Since the mean is higher for women on the two last questions one can conclude that women notice and purchase Fairtrade products to a larger extent than men do.
Group Statistics

<table>
<thead>
<tr>
<th>Gender</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>73</td>
<td>3,370</td>
<td>.8581</td>
<td>.1004</td>
</tr>
<tr>
<td>Female</td>
<td>77</td>
<td>3,610</td>
<td>.7283</td>
<td>.0830</td>
</tr>
</tbody>
</table>

11. To what extent do you believe that the circumstances producers in developing countries increases through organizations like Fairtrade?

12. How often do you notice Fairtrade products when grocery shopping?

13. How often do you purchase Fairtrade products?

Table 3. Group statistics for survey questions 11-1

Independent Samples Test

<table>
<thead>
<tr>
<th>Question</th>
<th>Levene's Test for Equalities of Variances</th>
<th>t-test for Equality of Means</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>Sig.</td>
</tr>
<tr>
<td>11. To what extent do you believe that the circumstances producers in developing countries increases through organizations like Fairtrade?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>Equal</td>
<td>.165</td>
</tr>
<tr>
<td>Female</td>
<td>Equal</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>Equal</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>Equal</td>
<td></td>
</tr>
</tbody>
</table>
In our survey we made five statements regarding Fairtrade where the participants chose a scale from 1-5 whether the agreed or not, 1 being not agree and 5 being fully agree, “I choose Fairtrade to feel as part of the organization”, “I choose Fairtrade to make the world a better place”, “I choose Fairtrade automatically when I see their logo”, “Purchasing Fairtrade helps people” and “I choose Fairtrade to feel good”. For all these five statements there is a significant difference between men and women. For the first statement the significant between men (M = 1.92, SD = 1.05) and women (M = 2.37, SD = 1.12) had the condition; t (149) = -2.57, p = 0.01 (Table 5 & 6). For the second statement the significant difference condition for men (M = 3.03, SD = 1.32) and women (M = 3.80, SD = 0.99) was; t (149) = -4.06, p = 0.00 (Table 5 & 6) and for the third statement the significant difference between men (M = 2.06, SD = 0.89) and women (M = 2.49, SD = 1.10) with the condition; t (148) = -2.36, p = 0.01 (Table 5 & 6). The fourth statement had a significant difference between men (M = 3.45, SD = 0.92) and women (M = 3.77, SD = 0.93) with condition; t (153) = -2.19, p = 0.03 (Table 5 & 6). The last statement had a significant difference between men (M = 3.71, SD = 1.11) and women (M = 3.59, SD = 1.03) as shown by the condition: t (149) = -5.05, p = 0.00 (Table 5 & 6). These samples all showed a significant difference between men and women and also showing that women tend to have a higher mean in all five statements.
18. Purchasing Fairtrade helps people.

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>76</th>
<th>3,447</th>
<th>.9150</th>
<th>.1050</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>79</td>
<td>3,772</td>
<td>.9330</td>
<td>.1050</td>
</tr>
</tbody>
</table>

**Table 5. Group statistics for survey questions 14-18**

**Independent Samples Test**

<table>
<thead>
<tr>
<th>Question</th>
<th>Equal variances assumed</th>
<th>Equal variances not assumed</th>
<th>Levene's Test for Equality of Variances</th>
<th>t-test for Equality of Means (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>14. I choose Fairtrade to feel good</td>
<td>1.289, 258</td>
<td>-5.047, 149</td>
<td>F, Sig.</td>
<td>t, df, Sig. (2-tailed)</td>
</tr>
<tr>
<td>15. I choose Fairtrade to feel apart of the organization.</td>
<td>1.097, 297</td>
<td>-2.567, 149</td>
<td>F, Sig.</td>
<td>t, df, Sig. (2-tailed)</td>
</tr>
<tr>
<td>16. I choose Fairtrade to make the world a better place.</td>
<td>8.248, 005</td>
<td>-4.061, 149</td>
<td>F, Sig.</td>
<td>t, df, Sig. (2-tailed)</td>
</tr>
<tr>
<td>17. I choose Fairtrade automatically when I see their logo.</td>
<td>8.301, 005</td>
<td>-2.630, 148</td>
<td>F, Sig.</td>
<td>t, df, Sig. (2-tailed)</td>
</tr>
<tr>
<td>18. Purchasing Fairtrade helps people.</td>
<td>.003, 956</td>
<td>-2.187, 153</td>
<td>F, Sig.</td>
<td>t, df, Sig. (2-tailed)</td>
</tr>
</tbody>
</table>

Table 6. Independent-samples t-test for survey questions 14-18

58
In the next part of the survey we asked the participant what is most important when they go grocery shopping and we asked about five different attributes, price, brand, quality, Fairtrade, and packaging. For the first attribute, price, there is no significant difference between men (M = 3.39, SD = 1.28) and women (M = 3.08, SD = 1.18) as the condition is; t (156) = 1.58, p = 0.12 (Appendix 3). This shows that gender do not affect the importance of price when the participants go grocery shopping, however the men have a higher mean than women so one can conclude that the price is somewhat more important for men. For the second attribute, brand, there is again no significant difference between men (M = 3.14, SD = 1.15) and women (M = 3.23, SD = 1.13) since the condition is; t (156) = -0.464, p = 0.643 (Appendix 3). This shows that there are no effects by gender whether the brand is the most important attribute when both men and women go grocery shopping and there is almost no difference in the means between men and women one could make the conclusion that it is equally important for both sexes when it comes to brand being the most important attribute. For the third attribute, Fairtrade, there is a significant difference between men (M = 2.05, SD = 0.98) and women (M = 2.40, SD = 1.00) condition; t (156) = -2.21, p = 0.03 (Appendix 3), showing that there are a statistically significant difference between the means of men and women regarding whether Fairtrade is the most important attribute when grocery shopping. Also women have a higher mean than men showing that even if both means are low, women believe that Fairtrade is more important than men do. The forth attribute, which is quality, shows no statistically significant difference between men (M = 4.15, SD = 0.69) and women (M = 4.15, SD = 0.75) as the condition shows; t (156) = 0.03, p = 0.97 (Appendix 3), meaning that gender do not affect the outcome of the mean for the question whether quality is the most important attribute as both means are almost identical with a difference of 0.004. For the last attribute, packaging, again there is no statistically significant different between men (M = 2.13, SD = 1.024) and women (M = 2.30, SD = 1.06) with conditions; t (156) = -1.04, p = 0.30 (Appendix 3).

In the last section of our survey we asked about the willingness to pay extra for three different Fairtrade products, coffee, sugar and coffee and the alternatives ranged from 0kr - +20kr. The first product we asked about was coffee, which shows a significant difference between men (M = 7.30, SD = 4.51) and women (M = 9.48, SD = 4.77) with conditions; t (151) = -2.90, p = 0.00 (Appendix 4), showing that gender do affect the willingness to pay extra for Fairtrade coffee and the average extra price for men is 7.30kr while for women the average extra price is 9.48kr showing that women are more willing to pay extra for Fairtrade coffee than men. For the second product, which is sugar, there is again a statistically significant difference between men (M = 5.84, SD = 4.17) and women (M = 7.59, SD = 4.45) with condition; t (154) = -2.54, p = 0.12 (Appendix 4), showing that women again are more willing to pay extra than men with at mean extra price of 7.59kr compared to men that has a mean extra price of 5.84kr. The last question was about the participant’s willingness to pay extra for Fairtrade chocolate, which shows a statistically significant difference between men (M = 5.13, SD = 3.89) and women (M = 7.22, SD = 3.90) as well with condition; t (154) = -3.34, p = 0.00 (Appendix 4), showing here as well that the results are affected by gender and that women tend to be more willing to pay extra for chocolate than men with a mean extra price of 7.22kr compared to men’s mean extra price of 5.13kr

6.3 Correlation test
A bivariate correlation test (Pearson’s r from here on forward) was conducted to test if there is any relationship between two different variables, which in our case is our survey questions and we will display number of participants (n), 2-tailed significant level (p), and the Pearson’s r correlation (r). A correlation test is strongly correlated if the value is close to 1 and weakly correlated if the r-value is close to 0.

First of all an Pearson’s r was conducted to test the relationship between how important taking care of the environment, to recycle, and to eat organic food with how much the participants were willing to pay extra for Fairtrade products. For starters we look at the relationship between the importance of eating organic food with how willing the participants were to pay extra for Fairtrade coffee, sugar and chocolate. Between the two variables, eating organic food and Fairtrade coffee, there is a moderate positive linear relationship with; n = 153, r = 0.44, p = 0.00 (Appendix 5). As the table summarizes the value for participants feeling the importance of eating organic food increases the value of how much they are willing to pay extra for Fairtrade coffee also will increase moderately and since the p-value is less than 0.01 there is significantly different from 0 given evidence that there is a relationship between these two variables. If you test the relationship between eating organic food with the willingness to pay extra for Fairtrade sugar, there is a weak positive linear relationship as the values from table shows: n = 156, r = 0.35, p = 0.00 (Appendix 5). As appendix 8 shows there is a weak positive correlation between eating organic food and willingness to pay for Fairtrade sugar and it shows that when the value of eating organic increases there will be a small increase in the value of willingness to pay with a significant difference from 0 giving evidence for a relationship between the variables. Thirdly we looked at the relationship between eating organic food with the willingness to pay extra for Fairtrade chocolate. There is a weak positive linear relationship between these two variables with values: n = 156, r = 0.37, p = 0.00 (Appendix 5), showing that there is a significant difference from 0 giving evidence for the relationship as it is a weak positive correlation given that an increase in the value of eating organic food will increase the value of willingness to pay for Fairtrade chocolate.

Furthermore we wanted to test the willingness to pay variables in relation to the importance of taking care of the environment. All three of these relationships show a weak positive linear relationship with the participants feeling the importance of taking care of the environment. The relationship between Fairtrade coffee and environment shows: n = 153, r = 0.35, p = 0.00 (Appendix 5), and the relationship between Fairtrade sugar and taking care of the environment is: n = 156, r = 0.39, p = 0.00 (Appendix 5), and for Fairtrade chocolate and taking care of the environment: n = 156, r = 0.28, p = 0.00 (Appendix 5). As appendix 5 shows there is a significant difference from 0 in all three relationships, which supports the evidence of the relationships. Furthermore it shows that the strongest relationship of the three is the relationship between taking care of the environment and the willingness to pay extra for Fairtrade sugar and the weakest correlation is between taking care of the environment and the willingness to pay for Fairtrade chocolate. The last part in the first correlation test we conducted we looked again at the three willingness to pay variables but this time with how often people recycles. There is weak positive relationships between all three relationships, showing that the relationship between willingness to pay for Fairtrade coffee and how often people recycle has the correlation: n = 153, r = 0.25, p = 0.00 (Appendix 5), and the relationship between WTP for Fairtrade sugar and how often you recycle is: n = 156, r =
0.265, \( p = 0.00 \) (Appendix 5), and the result for the relationship between WTP for Fairtrade chocolate and how often you recycle is: \( n = 156, r = 0.24, p = 0.00 \) (Appendix 5). This entails that all three relationships have a significant difference from 0 since the \( p \)-value is lower than 0.01, which gives evidence for the relationship for all three correlations. As the results shows there is a weak positive correlations between the different variables since the \( r \)-value is closer to 0 than to 1.

The second relationships we wanted to test is the correlation between how important it is to take care of the environment, how often you recycle and how important it is to eat organic food with how often the participants actually purchase Fairtrade products. The relationship between the importance of eating organic food and how often people buy Fairtrade products is moderate but leaning more towards a strong correlations as the results show: \( n = 151, r = 0.59, p = 0.00 \) (Appendix 6), giving a strong evidence of the relationship since the \( p \)-value is much lower than 0.01. The relationship between taking care of the environment and how often people buy Fairtrade is: \( n = 151, r = 0.34, p = 0.00 \) (Appendix 6). This indicates that there is a weak/moderate correlation between the two variables with a significance level below 0.01 providing evidence for the relationship. The correlation for how often people recycles and how often people buy Fairtrade products is weakly correlated as the condition shows: \( n = 151, r = 0.25, p = 0.00 \) (Appendix 6), indicating that as the value for how often people recycle increases the value of how often people buy Fairtrade products increase as well but they are not dependent on each other, hence the weak positive correlation, however there is evidence of the relationship since the \( p \)-value is less than 0.01.

The third relationships we investigated were how and if the variables of the participants’ willingness to pay for different Fairtrade products correlates with how often people buy Fairtrade products. Firstly, the relationship between the willingness to pay extra for Fairtrade coffee has a moderate positive linear relationship with how often people purchase Fairtrade products as the correlation is: \( n = 146, r = 0.48, p = 0.00 \) (Appendix 7). This shows that there is evidence of the relationship since it is significantly different from zero and that a change in the value of how often people purchase Fairtrade coffee moderately change the value of how often people purchase Fairtrade products. Secondly, the correlation between how often people purchase Fairtrade products and the participants willingness to pay for Fairtrade sugar is positively weak but leaning more towards a moderate correlation as the correlation is: \( n = 149, r = 0.35, p = 0.00 \) (Appendix 7). Given these numbers a small correlation occurs between these two variables and there is evidence of the relationship since the \( p \)-value is lower than 0.01. The last relationship between how often the participants purchase Fairtrade products and their willingness to pay for Fairtrade chocolate shows that there is a moderate positive correlation between the two variables: \( n = 149, r = 0.42, p = 0.00 \) (Appendix 7). As the Pearson’s \( r \) correlation is 0.420 one can conclude that if the value of how often people purchase Fairtrade products increases then so will the value of how willing the participants are to pay extra for Fairtrade chocolate. Since the \( p \)-value is lower than the significant level of 0.01 there is evidence of the relationship.

The last relationships we wanted to test using the Pearson’s \( r \) correlation is the relationship between taking care of the environment, how often you recycle and eating organic food with our four statements, “1. I choose Fairtrade to be part of the organization”, “2. I choose Fairtrade to make the world a better place”, “3. I
automatically choose Fairtrade products when I see their logo”, and “4. Purchasing Fairtrade helps people”. Looking at the relationships from the four statements with how important participants feel it is to eat organic food shows that for the three first statements there are moderate positive linear relationship with results: n = 151, r = 0.42, p = 0.00, n = 151, r = 0.44, p = 0.00, and n = 150, r = 0.53 p = 0.00 respectively (Appendix 8). All of these three relationships have a significant difference from zero, giving evidence for the relationships and it shows that an increase in the value of importance of eating organic food creates a moderate increase in the values for the statements; I choose Fairtrade to be part of the organization, I choose Fairtrade to make the world a better place and I automatically choose Fairtrade when I see their logo. However for the fourth statement, Purchasing Fairtrade helps people, shows a weak positive correlation to how important it is for participants to eat organic food with the correlation of: n = 155, r = 0.37, p = 0.00 (Appendix 8). This shows that there is a weaker relationship between these two variables compared to the other statement, however the p-value is less than 0.01 giving strong evidence for the relationship between these two variables. For the second variable to test against the four statements, how important is it for you to take care of the environment, there are weak positive relationships between the first, third and fourth statement and how often you recycle with results; n = 151, r = 0.27, p = 0.00, n = 150, r = 0.32, p = 0.00, and n = 155, r = 0.34, p = 0.00 (Appendix 8). Indication of this is that there is no strong relationship between these three statements and how important it is to take care of the environment, however all of them have significance lower than 0.01 showing evidence of the relationships. The second statements’ “I choose Fairtrade to make the world a better place” relationship with how important it is to take care of the environment shows a moderate positive linear correlation with; n = 151, r = 0.42, p = 0.00 (Appendix 8). This indicate that there is a stronger relationship between these two variables compared to with the other statements and there is strong evidence of the relationships since the p-value is much lower than 0.01. For the third variable, how often do you recycle, the three first statements showed a weak relationships with the condition: n = 151, r = 0.23, p = 0.00, n = 151, r = 0.27, p = 0.00, and n = 150, r = 0.24, p = 0.00 (Appendix 8), indicating that there is a significant difference from zero as the p-value is less than 0.01. However the relationship between the fourth statement, purchasing Fairtrade helps people, and how often people recycle is negligible as it is so close to zero with; n = 155, r = 0.19, p = 0.02 (Appendix 8) indicating that there is no evidence of the relationship as the p-value is higher than 0.01.
7. Analysis & Discussion

In this chapter we will analyze and connect the empirical findings to our theoretical framework in order to draw conclusions and answer our research question. Firstly we will start with the analytical discussion and then we discuss our hypotheses in the end of this chapter.

7.1 Analytical discussion

The results showed that the respondents of our survey, there is an evenly number of male (78) and female (80) participants. As already mentioned, there is a majority in the number of business students participating (47%). Since we have targeted young adults and used Facebook as the major source to spread our online survey, the majority of respondents is in the ages of 24-26 (55%) with the second largest group ages 21-23 (24%).

From the results of the first section of our survey we can see that there is an even distribution between two groups when it comes to eating organic and taking care of the environment (Figure 9 & 10). In the five-point scale the dominance of reported 3’s (33%) and 4’s (31%) of the importance of eating healthy indicating that the majority of this question is leaning towards the upper side of the five-point scale. The conclusion of this is that it is somewhat important for our respondents to eat organic food. Taking care of the environment could be interpreted as they think it is good idea, only they do not feel strongly about it as the respondents answered 4’s (36%) and 3’s (35%) mostly. The question of “how often do you recycle” received a very even spread. This means that our respondents had varying behavior when it comes to recycling their trash. However, the majority group was a 5 out of 5 response even though the participants responding 3 (24%), 4 (23%) and 5 (27%) were almost the same showing that the majority of the respondents do recycle regularly (Figure 10). One explanation to this pattern that it goes from 3’s and up on the five point scale is because Sweden is the fourth cleanest country according to Forbes top 10 list (Helman, 2010), so the Swedish population is grown up in a clean environment that might have caused them to feel the importance of recycling and taking care of the environment.

Our respondents reported that they have an extensive knowledge in the matters of corporate social responsibility. The majority of respondents reported a four (32%) or a five (22%), while 24% answered a three, which is the indecisive middle ground. When it comes to the matter of how much these CSR activities are trusted (Figure 12), the respondents are not sure or trust them sometimes. Number three out of five received most answers of 48% and slightly more people voted under three (27%) in comparison of the 25% answering a four, meaning that they do trust it somewhat but its leaning more towards a mistrust.

In their study (Mohr et al. 2001, pp. 61-65) describe the behavior of different types of consumers’ traits. They discovered that pre-contemplators do not care about CSR efforts by firms, and contemplators are not against CSR efforts by firms, but not important enough to affect their purchase decision. The action group has more
knowledge about CSR in general, however their lack in knowledge of actions by specific companies and their somewhat cynical view about the underlying reasons to why companies gets involved in these matters. Finally, maintainers are strongly involved in the matters of protecting the environment. Recycle, eating organic and boycotting irresponsible firms are of great importance.

From viewing the results of these questions and making comparisons to their study of consumer traits (Mohr et al., 2001, pp. 61-65) we can see both similarities and deviations. So far, we can see that our respondents have a good knowledge about what CSR is, although they do not put much faith in their incentives. Eating organic and taking care of the environment are in general not the most important matters to our respondents and recycling is an activity that some of them regularly engage in while others do not. The reported answers infer that the majority of our respondents could be placed among the Contemplators and the Action Group. The results from the inferior statistics analysis could be viewed as in line with these two groups. Maintainers, the group of people that place a great deal of importance in considering Fairtrade when consuming, are also concerned with environmental issues, eating organic and recycling. We saw a moderate to strong relationship between the respondents eating organic and choosing Fairtrade more often in our correlation test with a correlation of 0.593 and there was evidence of the relationship as the significant level was 0.000 (Appendix 7), which is below the required level of 0.01. The findings could be indicating that some of the participants belong to the group “Maintainers”, although they were not widely represented.

In the survey, before going into the main part about Fairtrade, we wanted to quickly examine the participants’ views on responsibilities by firms. As we have seen the research in this area has provided us with theories such as the “Triple Bottom Line” and the “Stakeholder Theory”, where new ways of looking at the role of companies in this world has questioned the influence that their relationships to direct and indirect stakeholders have on its chances of survival. In recent history the consumer beliefs in corporations have been shaken after stories like Enron, Tyco and WorldCom proving to care very little about ethics in their pursuit of profits. During the last 30 years “Stakeholder thinking” has emerged as a way of dealing with the growing challenges that today’s businesses are facing. Norman & McDonald (2004, pp. 23-28) argue that belief in CSR has been around for a long time and share the same belief that ethical attention towards social and environmental impact will help the firm sustain its long-term profits. Using the six different statements about responsibilities by firms, we limited the respondents to only choose three options (Figure 12). This way we could receive an overview of which ones were more important than others. The results were scattered and it seem as our respondents share the modern beliefs in line with the Stakeholder Model, where it is crucial for firms to act ethically and take responsible measures towards improving the quality of life for employees and the environment. However, “donating money to charity”, was not a popular answer that firms are responsible of (2%). Furthermore, what we could conclude from this question is that creating work opportunities received the highest amount of answers with 102 of 158 (22%) participants feeling that this was the most important responsibility that companies have. This was followed by making the working/living situation better for its employees in second with 94 of 158 (20%) and making profits was tie in third place
with acting ethically as the most important responsibility for companies according to the participants with 89 out of 158 (19%) and 87 out of 158 (19%) respectively.

### 7.1.1 Purchase of Fairtrade products

As mention in the section above we asked our respondents to answer on a five-point scale how often they actually purchase Fairtrade products in order to see their purchase behavior as Ajzen (1991) describes in his theory of planned behavior. In our results from the survey we could observe that the participants occasionally purchase fairtrade products, as most participants with 34% of the answers was a three on the five-point scale. The second highest answer was two on the five-point scale with 32% of the participants, which indicates that they do not always purchase Fairtrade products, however they do it on occasion (Figure 18). This shows that it might not be their highest priority to purchase Fairtrade products but it is still somewhat important to the participants. Why the participants do not purchase Fairtrade products more often is hard to answer. However it might have something to do with what Fairtrade Sweden told us during our interview (O. Höiden, personal communication 28 March, 2014) that there are so many different products/brands supporting different Fairtrade organizations that they get confused and do not purchase those products. This was also the finding from Annunziata et al. (2011, p. 533) research where they found that even though labeling of ethical products is an important marketing tool the ethical products ambiguous message creates confusion for the customer. This might be the case in our research as well.

Further we wanted to test if there was a difference between men and women in this question, hence we conducted an independent-samples t-test showing that there is a significant difference between men and women as the significant level was lower than the required level of 0.05 (Table 4). In this test we observed that the significant level was 0.015 and that women in general purchase more Fairtrade products than men do. Next we wanted to test if there is a correlation between different important questions for our study with this question. We tested if there were any correlations between how often the participants purchased fairtrade products with the willingness to pay for different fairtrade products (Appendix 7). What we could observe from this test was that there was a moderate to strong relationship between how often people purchased Fairtrade products with their willingness to pay for Fairtrade coffee, as there was a significant level that indicated that there is evidence of the relationship. As could be observed the significant level is 0.000, which is lower that the minimum required significant level of 0.01 with a correlation at 0.478. What this show is that in about half of the time the value of how often you purchase Fairtrade products the value of the willingness to pay increases. For the other two Fairtrade products we used in our survey (sugar and chocolate) both had moderately relationships with how often people purchase Fairtrade products with a correlation of 0.420 for chocolate and 0.350 for sugar and both had a significant level below 0.01. This shows that the strongest relationship is between how often people purchase Fairtrade products and the willingness to pay for Fairtrade coffee, which might be since coffee was one of the first Fairtrade products and that is what people first think of when thinking of Fairtrade products.

The participants are overall aware of food licenses and have chosen them at some point. From the expert interview with Fairtrade Sweden (O. Höiden, personal communication 28 March, 2014), we learned that one of their concerns stems from the many food
licenses available and the confusion that could create among consumers. With only three percent of the respondents never having bought one of the most popular food licenses (Figure 7), we do not believe that this issue applies to them. The reason to this is most likely the age of the participants. From the expert interview we learned that this problem mainly occurs with older people in the community. In a study (Globescan, 2011, p. 9) found that Svanen is the most established and well-known food license among consumers is Sweden. Krav and Fairtrade come in tie for second place. Our respondent reported that Krav (27%) is the most well known food license, while Fairtrade and Svanen came close in tie for second place with 23 % of the answers. The following question of which brands they have ever chosen was almost identical in proportion to the previous one. An assumption to this is because they were asked, in both of the questions, to pick maximum three brands indicating that the ones picking Krav, Svanen and Fairtrade in the first question, which brand they recognized the most, most likely answered the same in the next question where they were asked to pick three brands that they had purchased before.

7.1.2 Awareness of Fairtrade

The participants reported that they have a good knowledge about corporate social responsibility. Their knowledge reported in Fairtrade was slightly lower. The majority of the respondents answered a three or higher on the five-point scale, indicating that their knowledge is “ok” or even better. Furthermore we saw from the question that 77% of the respondents answered three or higher which was quite accurate with Fairtrade Sweden latest poll (Globescan, 2011, p. 3) that measured that 76% of their respondents are aware of the Fairtrade label. Only six percent of our respondent reported that they have never heard of Fairtrade. We conducted an independent t-test on this question as well to test if there was a significant difference between men and the women’s answers, which it was not since the significant level was 0.102 which is higher than the required level of 0.05. Even though there was no significant difference between men and women, their means showed that men had a mean of 3.167 and women had a mean of 3.450 indicating that women have a slightly higher familiarity with Fairtrade than men. This shows that even though buying Fairtrade products in not the highest priority for our participants they still have a high familiarity with the label.

From the expert interview we learned that young people are in general more aware of the food labels than older people. The Head of Communication, Ola Höiden (personal communication 28 March, 2014), believe that part of this reason is because schools have been teaching kids about the different food labels to a larger extent than they used to. Even though we had a well-informed group of respondents (Figure 15), 54 percent of the respondents answered human rights to the question “what do you think of when hearing Fairtrade”? Although this is not a complete wrong answer, the latest campaign of Fairtrade Sweden is fight poverty, which was the second most answered alternative with 24%, seems to have passed slightly unnotice. However fighting poverty in third world countries goes hand in hand with human rights so there answers were not completely wrong as human rights is also an important aspect for Fairtrade organizations. In their study (De Pelsmacker & Janssens, 2007, p. 374) found that two factors mainly affect Fairtrade buying behavior. Firstly, the quality and quantity of perceived information, and secondly the concerns and skepticism possessed by the consumer. One of the major skepticism of Fair Trade is that it has risen to notoriety
despite a lack of universally supporting evidence that it works. Another criticism against Fairtrade is the question whether the extra amount we pay, actually end up with the farmers. With Fairtrade customers paying an extra cost it should be assumed that all of it would go to the farmers (Smith, 2009, pp. 31-32) The knowledge our participants have accumulated in Fairtrade seems to be mostly positive (Figure 16). As little as 10 percent responded lower than three on the five point scale, this indicating that the majority are either indifferent, or have trust in that the conditions of producers and developers are improved by the organization Fairtrade. As 48% of the respondents answered four, we can state that the majority is trusting to the fact that Fairtrade actually do make a difference.

The ability to connect with customers on a deeper level can lead to a long lasting and loving relationship of frequently usage of the products. The symbolic image is constructed by the efforts of a brand to build this relationship. Symbolic image is the intrinsic advantage of product consumption that is not directly linked to certain attributes, such as the basic need for social approval or individual expression. This is especially true in a collectivist culture where usage of a brand brings you a social status and acceptance within the group. Staying loyal to the brand and frequently using it can be seen as a sort of group membership (He & Keung Lai 2014, p. 253). Since Fairtrade does not manufacture a product or provide a service for its customers, the symbolic image becomes crucial. The respondents who occasionally or often choose Fairtrade have ranked different statements of reasons to why they purchase it. First of all, as mentioned above they have answered the question of how often they buy Fairtrade, which was mostly answered by two or three out of the five-point scale, meaning that they occasionally chose Fairtrade products. This is another indication that the majority of the respondents belong to the Contemplators or Action Group. The majority of respondents are in agreement that choosing Fairtrade helps people. Only 11 percent answered below 3, and 62 percent above three, meaning that they are in positive agreement to this statement. There is a significant difference between men and women in this statement as shown in the results women agree more to this statement than men however both of the genders agrees with it. Both of the statements “buying Fairtrade makes me feel good” and “I choose Fairtrade to make the world a better place,” received high scores in a similar manner as shown in the results. Here as well, there is a significant difference between the genders in both of the statements and women agrees more to both of them compared to men. For the statement buying Fairtrade makes me feel good women (M = 3.590) have a much higher mean than men (M = 2.712) indicating that women feel a more internal reward when buying Fairtrade than men. In order to truly understand the underlying reason to why the participants choose Fairtrade would most likely require personal interviews. Although, from the results we can assume that our respondents trust Fairtrade and when they choose it, they do since they want to help people, and on some level they feel an intrinsic reward from contributing to the improvement of the lives of these people. In conclusion this means that even if the mean answer is not always high, women do show higher interest in making the world a better place, choosing Fairtrade automatically when they see their logo, believing that Fairtrade helps people and that they choose Fairtrade to feel good.

The statement “I chose Fairtrade to feel as part of the organization” received low scores in comparison to the other four statements. In their study (Yuanqiong He & Kin Keung
Lai 2014, p. 253) discuss intrinsic rewards and the power of brands makes consumers experience “a feeling of belonging”. As earlier mentioned, in order to fully understand the power that these examples have over their purchase decision, we would need to go deeper in a personal interview setting. We can only speculate around the low results to this statement, but we can imagine Fairtrade having a more closed of community, seeing that these are brands you will use at home and therefore it is more difficult to find your peers supporting the brand. We can also assume that this particular reason for purchasing Fairtrade did not receive high ratings since, as established, the majority of our respondents belong to the Contemplators or Action Group. Members of the group “Maintainers” who are more passionate about Fairtrade would most likely feel a stronger desire to belong to the community.

The most common reason to why our respondents do not choose Fairtrade was because “It gets too expensive”, “I forget” and “I can’t find the products”. From the expert interview with Fairtrade Sweden, we learned that these are in fact some of their main obstacles. Fairtrade labeled products are in general more expensive than non-Fairtrade. This is of course understandable, seeing that the whole point is to give farmers an additional pay and help producers in third world countries better living standards. However, this becomes a greater challenge when their non-Fairtrade/non-additional fee competitors, are advertising discounts and pushing their prices. People forgetting about Fairtrade can be very much related to the fact that they are shopping after routine. Ola Höiden, Head of Communication for Fairtrade Sweden explained that one of their main issues is that consumers are driven by habits (O. Höiden, personal communication 28 March, 2014). Even though the consumer is very positive towards Fairtrade, have the extra money to spend and have intention to do it, they often pick the same product as they always have. Our respondents agreed with this behavior from the statement “When you buy an everyday item, such as coffee, toothpaste or milk, to what extent would you say that you automatically choose the same brand every time without putting too much thought behind the choice”? Only 13 percent rated this statement with lower than three. 70 percent of the respondents rated this question above three, meaning that they strongly recognize this behavior.

Keeping their items visible is something they work hard on. In almost every store, which they are present, they have signs dedicated to the Fairtrade sections. There could be a number of reasons why so many have answered that they can’t find the products. From the model of the consumer proposition acquisition process (Baines et al. 2011, p. 83-85) describes the six different stages the consumer goes through before making their purchase. The fourth stage “the proposition selection” is usually where they make up their minds. Often times, this stage has been reaching, or almost reached, before walking in to the store. Having your mind set on a select number of items already will have a strong effect on which signs or items you pay attention to, and essentially leaving you believing that you never see the Fairtrade products. Since our respondents are occasionally shopping for Fairtrade products, and also claim to be shopping after routine, we believe this might be the case.

Large amounts of research have been made in the field of understanding consumer behavior, and we used Ajzen's theory of planned behavior that he developed in 1988. The three different categories that Ajzen describes that lead to someone's intentions is: attitude, which is an individual's positive or negative feelings towards a behavior.
Second, the *subjective norm* refers to an individual's estimation of the social pressure to act in a certain behavior. The last one is *perceived behavioral control*, which is how much an individual feel that they control and can enact their behavior. In their study about the purchase decision making of ethical products Ozcaglar-Toulouse *et al.* (2006, pp. 509-510) found that the French consumers key drivers for purchasing Fairtrade products were attitude towards the products and the subjective norm for the never/rarely purchase group. For the always/regularly purchase group they found that the attitude towards Fairtrade products and their perceived behavioral control. In our study we found that the key motivational drivers to purchase Fairtrade products is the attitude the participants have towards the products and their perceived behavioral control.

### 7.1.3 The importance of attributes

Included in the survey we had a number of statements ranking the importance of different attributes in products. De Pelsmacker *et al.* (2005, p. 375) found in their research about the willingness to pay for Fairtrade coffee in Belgium, “brand” was the most important attribute, followed by Fairtrade and flavor. In Italy, a research about consumer’s attitude towards the labeling of ethical products, they found that brand was the most important attribute followed by the freshness of products and their nutritional properties. They also found that in Italy, little or no importance of price or packaging of products was found (Annunziata *et al.*, 2011, p.524). However from our findings we can see that quality (85% higher than 3) is the far most important attribute among the respondents. In second place comes price (51% higher than 3), then brand (47% above 3), and in a similar fashion design/packaging (14 % above 3) and Fairtrade-labeled products (13% above 3) came in last place. There is only a significant difference between men and women in the question stating that Fairtrade is the most important attribute even though it was the attribute, which got the lowest importance with women feeling that Fairtrade was a little bit more important than men. All the other attributes showed no significant difference at all. However, the respondents are much more likely to be persuaded by the design/packaging than they care to admit, or even are know themselves. Product design is an important factor to most companies who can see return on investment for their improvements in this attribute. The difference in our findings can be speculated since the study in Italy and Belgium studied the entire population, all ages while we focused on young adults 18-30 years old. Also the research in Italy and Belgium were more focused on actual Fairtrade consumers while our study focused on all consumers ages 18-30. The theory of planned behavior describes the subjective norm and how consumers feel pressured to act in a certain behavior. This behavior could led to them thinking that quality is what is the most important attribute in certain products, when it in fact is not on the top of their list, but the design or price is in fact more vital to them. This phenomenon could even have affected the way that our participants have rated the statements. What can be observed by our correlation test is that there is a moderate to strong relationship between four attributes and the purchase of Fairtrade products except for the price attribute, which showed almost no correlation as the correlation was so close to zero it became irrelevant.

The majority of the participants responded that they do not think more information about Fairtrade would increase their likelihood to choose it more often (Figure19). From our findings we can see that 61% said no to this question. Since the majority of respondents have reported that they are not overly familiar with Fairtrade, this could be
interpreted as that they have enough information already to know that they will not support it further, although most of them are positive towards it. Another take on this issue could be that of the price factor. Price was the second most important attribute to our respondents and they might feel that they have contributed as much to Fairtrade already as they are willing to do. Furthermore, based on the results that we have it is impossible for us to know how much our respondents know about Fairtrade. Even if they have rated the question with a four, we do not know what it means to them. Another explanation to this is what De Pelsmacker et al. (2005, p. 365) discusses, which is that in a real purchase situation there are multiple attributes that the consumer have to take in mind making Fairtrade less important to them in real life. From the expert interview we learned that Fairtrade Sweden has linked the more buying behavior of Fairtrade-labeled products to increased information about the organization and the conditions of producers in developing countries. So, in order to conclude this result, we can only know for sure that our respondents believe their buying behavior of Fairtrade is inelastic to their knowledge of it.

7.1.4 Willingness to pay extra for Fairtrade products

In the last section of our survey we investigated the respondents how much they would be willing to pay extra for Fairtrade product. From reading that many experiments made by researchers in a similar matter turns out biased, we wanted to give examples of real products and real prices to make it simpler for them. We understand that these results may still be biased since it is cheaper to state that you would pay something than to actually do it. De Pelsmacker et al. (2005, p. 376) found that the average willingness to pay extra for fairtrade coffee in Belgium was €0.19 which roughly corresponds to 2 kr in comparison to our findings where the average willingness to pay extra for fairtrade coffee is 8.40kr. This big difference might have to do with the fact that the Swedish population is one of the world’s biggest coffee consumers/person and year with an average of 8.2 kg coffee consumption per person per year (Chartsbin, 2011). The average price for sugar and chocolate in our study were 6.73kr and 6.19kr respectively.

There was a significant difference between men and women regarding the willingness to pay extra for our three-fairtrade examples performed in the t-test. The observation was that women in general are more willing to pay for fairtrade products with a mean of 9.48kr for fairtrade coffee, 7.59kr for fairtrade sugar and 7.22kr for fairtrade chocolate. This was in comparison to the mean for men with 7.30kr for coffee, 5.84kr for sugar and 5.13kr for chocolate. This shows that women are more willing to pay extra for these fairtrade products than men are which showed in the t-test since the 2-tailed significant were 0.004, 0.012 and 0.001 respectively for the products enhancing the differences between men and women since the 2-tailed significant is lower than the significant level of 0.05. Further we wanted to see if there is a correlation between the willingness to pay and how often people notice Fairtrade products, how often they actually purchase Fairtrade products, how important it is to take care of the environment, recycle and eating organic food. The correlation test showed that there is a moderate to strong relationship between how often you purchase Fairtrade products and the willingness to pay extra for Fairtrade coffee, which indicates that as the value of purchasing Fairtrade products increase there is a moderate increase in the willingness to pay for coffee as well. For Fairtrade sugar and chocolate the correlation was moderate to weak suggesting that there is a weaker relationship between these two and purchase of Fairtrade products.
compared to the relationship between coffee and purchase of Fairtrade products. The same results goes for the relationship between Fairtrade coffee, sugar and chocolate with how often people notice Fairtrade products indicating that people notice Fairtrade coffee more often than the other Fairtrade products in our example. Again this might be because coffee was one of the first Fairtrade products (O. Höiden, personal communication 28 March, 2014) and people buy in general more coffee than sugar in a year and chocolate is a faster consumed product, which might lead to repetitive purchase decision. Regarding eating organic food, taking care of the environment and recycling in relation to willingness to pay extra for Fairtrade products showed that all of them had a significant correlation enhancing that there is a relationship. However the relationship between eating organic food and willingness to pay only showed a moderate relationship for Fairtrade coffee and the other two products showed a weaker correlation. This shows that people that feels that it is important to eat organic food are more likely willing to pay extra for Fairtrade coffee rather than for sugar and chocolate. The relationship between how important it is to take care of the environment and the willingness to pay extra shows that those people are more likely willing to pay extra for Fairtrade sugar rather than other Fairtrade products, however coffee is close even though it is weak to moderate correlations for all three products. For the last relationship between the willingness to pay extra and the ones that recycle often showed a weak correlation for all three Fairtrade products indicating that the willingness to pay extra only would increase a little bit when the value for how often people recycle increases.

Out of the three example products we used (coffee, sugar and chocolate) coffee was the product that the respondents would feel most comfortable to spend extra on (Figures 20, 21 & 22). Out of all the proposed amounts coffee had the most votes. How come? We do not know. We can only speculate that the fact that coffee was one of the first fair trade products and probably the product that most people think of when they hear Fairtrade, and again, another possible explanation is that the Swedish population is such a big coffee consumers. Nowadays, people tend to think more with their hearts and guts rather than with their head. Emotional branding is the definition of an emotional attachment to a brand (Gobe, 2009, pp. 9-15). The emotional branding and feelings of love for brands, which we have discussed earlier, describes the long-term relationship that customer have after a long repeated use. Coffee is one of the original Fairtrade products and one with the largest sales numbers and so customers who are used to choose Fairtrade coffee could be feeling more inclined to pay premium prices for this product. Another speculation to this matter is, that since coffee is usually more expensive than sugar or chocolate, the percentage of the extra contribution would not be as much and therefore seem expensive.

Lastly we wanted to investigate how much participants was willing to pay extra for Fairtrade products as analyzed above and the we wanted to see if they were willing to pay the actual Fairtrade price for coffee, sugar and chocolate. To be able to get an accurate answer to this we retrieved the actual price differences from one of Sweden’s biggest supermarkets, Coop. The first example of Fairtrade coffee vs. non-Fairtrade was a price difference of 10kr. From inquiring if they would be willing to pay this premium price for coffee, over twice as many as previously had stated that they would pay 10kr or more, agreed that they would consider paying this price. This show that there is a small difference from our mean willingness to pay, which was 8.40kr, showing that 70% of our participants would pay the extra 1.60kr for coffee. For sugar the difference
was not as big. As we saw above the mean willingness to pay for sugar was 6.73kr and
the actual price premium is 9kr, however, as we say in the result for this showed that
about half of our respondents (51%) were willing to pay the actual price premium of
9kr, giving the indication that half of them would actually pay the difference of 2.27kr
even though the mean was 6.73kr. In the last example with the chocolate bar the price
difference was 12kr. What the results showed was that the majority of the respondents
would not pay the actual price premium of 12 kr as the mean was 6.19kr with 58%
saying no and 42% yes. In comparison to the other products this is only a 2kr increase
in the actual premium, however taking the relatively cheap overall price into account,
we saw a 45% price increase in the Fairtrade chocolate. This could make the additional
2kr seem much larger. We should also take into account that the chocolate bar is usually
an item faster consumed than the 1Kg pack of coffee or sugar, which makes the
additional cost more expensive as it requires a faster re-purchase.

7.2 Hypotheses discussion

As stated in the practical method chapters above we have a series of hypotheses that we
wanted to test in order to further explain our research question. Firstly we stated four
different hypotheses for the gender differences related to our question as we conducted
an independent-samples t-test. From the analysis above we can see that for our first
hypothesis there is a significant difference between men and women in their willing
to pay extra for Fairtrade products. This means that we can reject our null hypothesis
saying that there is no significant difference between the genders, and that we failed to
reject the alternative hypothesis, as the results are likely due to independent variable
(IV) manipulation rather than chance. The second hypothesis however shows that there
is no significant difference between men and women regarding how aware they are of
Fairtrade as we saw in our analysis above. We therefore fail to reject the null
hypothesis, as the evidence suggests that these results are likely due to chance and not
IV manipulation. The third hypothesis stated if there was a significant difference
between men and women or not regarding the purchase of Fairtrade products. What
could be concluded from the results and analysis part is that there is a significant
difference between the genders when answering how often they actually purchase
Fairtrade products. This have made it possible for us to reject our third null hypothesis,
hence accepting our alternative hypothesis due to the likeliness of IV manipulation
rather than chance as the evidence suggests. The fourth and last of our gender
hypothesis was if there is a significant difference between the genders regarding the
choices of choosing Fairtrade products. From the analysis we can observe that there is a
significant difference between all statements to why you choose Fairtrade products
between men and women. This gives us the evidence that this is due to IV manipulation
and not due to chance, making it possible to reject our null hypothesis and accepting our
alternative hypothesis (Table 7).

Later on we presented a series of correlation tests made as discussed in paragraphs
above to test the relationship between different questions to see if there is a significant
correlation between the two variables. From these we created six more hypotheses. The
fifth hypothesis was to test if there is a correlation between those who are concerned
with taking care of the environment and the ones that are more willing to pay extra for
Fairtrade products or not. When observing the analysis discussion above you can
conclude that there is a significant correlation between these two variables making it possible for us to reject the null hypothesis, hence accepting our alternative hypothesis. For the sixth hypothesis we had strong evidence of a significant correlation between the ones that often eat organic food and those who are more willing to pay extra for Fairtrade products as discussed in section 7.1. Therefore we have accepting our alternative hypothesis, which states that there is a relationship between these two questions. The seventh hypothesis is whether or not there is a relationship between the ones that recycle often and those who are more willing to pay extra for Fairtrade products. The findings suggest that there is evidence for a significant correlation between these two variables giving us the evidence we need to reject our null hypothesis and accepting our alternative hypothesis since there is a relationship. The eighth hypothesis regards whether or not there is a relationship between those who are willing to pay extra for Fairtrade coffee and the ones who actually purchase Fairtrade products. As the results (Ch.6) and analysis discussion (Ch.7.1) suggests, there is a strong significant correlation between these two variables giving us the evidence to reject the null hypothesis and accepting our alternative hypothesis. The ninth hypothesis is whether or not there is a relationship between the ones that are more willing to pay extra for Fairtrade sugar and those who actually purchase Fairtrade products. What could be observed by the analytical discussion part above is that there is a significant relationship between these two questions, which shows that there is a relationship, hence accepting our alternative hypothesis and rejecting the null hypothesis. The last hypothesis tests if there is significant evidence for a relationship between those who actually purchase Fairtrade products and the ones that are more willing to pay extra for Fairtrade chocolate. The result part of this study shows that there is a significant correlation between these two variables giving us the evidence to accept our alternative hypothesis and reject the null hypothesis (Table 7).

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fail to reject</td>
<td>$H_0$</td>
<td>$H_0$</td>
<td>$H_a$</td>
<td>$H_a$</td>
<td>$H_a$</td>
<td>$H_a$</td>
<td>$H_a$</td>
<td>$H_a$</td>
<td>$H_a$</td>
<td>$H_a$</td>
</tr>
</tbody>
</table>

Table 7. Summary of hypothesis acceptance.
8. Conclusion

In this chapter we will draw conclusions made from the analysis of our quantitative study. The conclusions will be followed by future research suggestions, as well as recommendations to Fairtrade Sweden and any actor involved within the food industry or consumer goods industry, where the possibility of meeting the Fairtrade requirements exists. Firstly we will state our research question and purpose again, followed by the key insights from our findings. Last we will show the answer to our research question and show our theoretical and practical contributions.

8.1 Research question and purpose

The purpose of this degree project is to explore the relationship between Fairtrade and the purchase decision of consumers living in Sweden and to investigate the awareness and perception of Fairtrade, and how that ultimately translates into making a purchasing decision. From this purpose we posed the following research question:

“What factors influences Swedish consumers purchase decision in buying products from Fairtrade Sweden?”

From the analysis it was made clear that we have successfully reached our goal to shed light on this relationship and further provided information about the attitudes and behaviors held by the Swedish consumers. The most important factors we have discovered, which will help us answer our research question will be discussed below.

8.2 Key insights

8.2.1 Awareness of Fairtrade

We found that our sample has a marginal higher level of awareness of Fairtrade than the national mean. Only six percent stated that they have no knowledge of the organization. The reason for this could be that our target group was young adults, who seem to have a higher understanding about the organization than the older generation. In our study the majority of respondents also claimed to have a deeper knowledge about CSR in general and the organization Fairtrade, although most of the participants failed to pick out their true stated purpose, which is fighting poverty. Further we found in our study that Fairtrade was voted as the second most recognized food stamp in Sweden just as the national polls have shown. It was also voted as the second highest food stamp that the participants had ever chosen when grocery shopping. During daily consumption by the young adults in Sweden, Fairtrade products are sporadically being noticed, as our results show.
8.2.2 Attitudes towards Fairtrade

It appears as the general opinion among young adults in Sweden towards the actions of corporate social responsibility by firms, is skeptical in nature. Most participants are not sure whether they should trust that these actions are carried out with honest intentions as our research showed. However, they require that firms are taking their social responsibilities. It was shown that “being profitable” was not on the top of the list for responsibilities by firms, but creating job, improving conditions for employees, acting ethically and taking care of the environment was just as important. Further, we found that the intentions of the organization Fairtrade had a significantly larger support than CSR activities by firms in general. We saw that consumers who engage in eating organic food, taking care of the environment, and recycling tend to choose and have a more positive attitude towards Fairtrade products. Further we found that the major reason for people to purchase Fairtrade products is to help making the world a better place and to get an intrinsic reward when doing so. Women tend to be more concerned with choosing Fairtrade than men as was seen in our result.

8.2.3 Consumption behavior of daily purchases

The results showed which attributes that are more important to our respondents when grocery shopping. The quality of the product is the far most important attribute. This was followed by the price of the product as the second most important and the brand as the third most important. Last where the packaging and Fairtrade attribute, showing that out of these five attributes Fairtrade was in a tie for last place. The majority of the participants further stated that they shop groceries by habits and do not put too much effort into evaluating their possible options.

8.2.4 Consumption behavior of Fairtrade products

The majority of the respondents would be classified into Contemplators or the Action Group (Mohr et al. 2001, p 63 – 64). They are positive towards Fairtrade but it is not enough to control their purchase decisions. They do sometimes pick Fairtrade-labeled products. When they do, they do it because it makes them feel good, because they want to help people, and to make the world a better place. The most common reason why they do not choose Fairtrade is because it gets too expensive. Almost as common reasons is that they forget, or cannot find the items. The product for which our respondents would feel most comfortable to pay the extra fee was coffee. We found a significant difference in gender when asking how much they would pay extra for Fairtrade-labeled coffee. Men reported that they would consider paying an extra amount of 7.30kr, while the females reported 9.48kr. The majority of respondents answered that they do not believe they would choose Fairtrade more often if they had more detailed knowledge about the organization. There was a relationship between the ones eating organic food, taking care of the environment and recycling to how often the participants purchased Fairtrade products, showing that more environmentally/healthy concerned individuals, are more interested in purchasing Fairtrade-labeled products than other.
8.3 Answer to research question

Finally, what this research has led to is whether or not Fairtrade has an impact in the purchase decision when consumers go grocery shopping. What we have found is that the majority of young adults in the Swedish market believe that Fairtrade is important and the general attitudes about the organization and their purpose are generally positive. Women are keener to the idea of applying ethical thinking to their purchase decisions and choosing Fairtrade products compared to men. Women are also more willing to pay extra for Fairtrade-labeled products. However, we found that even though the young adults are positive to the cause, and they find it important, there is not enough evidence that Fairtrade have a significant impact on their purchase decision, even though our findings shows that our participants from time to time purchase Fairtrade products. This further strengthens the fact that there is a true attitude - behavior gap in the market for Fairtrade products. Our contribution to this gap in knowledge follows that: Fairtrade products are too expensive, hard to find or that the consumers forget about it when in the store.

8.4 Contribution

8.4.1 Theoretical contribution.

In section 4.4 above we show three different empirical studies about Fairtrade that have been conducted before our study in order to show the differences between them and our study. Both De Pelsmacker et al. (2005) and our study test the willingness to pay extra for Fairtrade coffee, however in our study we took this phenomena even further and tested the willingness to pay extra for two more Fairtrade products, sugar and chocolate. This gave a deeper theoretical insight in the willingness to pay for Fairtrade since more than one product is used as an example. Moreover Annunziata et al. (2011) conducted a quantitative study to test if labeling of ethical products was a good marketing tool or not, which is a part of our research as well. However we investigate more if the labeling of Fairtrade products affects the purchase decision when grocery shopping. This has lead to a higher level of insight in the area of branding. Further what we contributed with theoretically that have been lacking in previous studies is to see if there is a relationship between individuals that are more environmentally friendly and the awareness and purchase of Fairtrade products which our study shows.

8.4.2 Practical implications.

The practical implications of our research are that organizations like Fairtrade can clearly see what attributes young consumers feels are the most important ones and why the main reason for them not choosing Fairtrade. The practical implications for consumers is that they can get a deeper knowledge about the Fairtrade Sweden organization and what they truly stands for. Further organizations like Fairtrade can implicate our finding in their business to further improve the living and working condition for producers in third world countries. Another practical implication of our degree project is that Fairtrade Sweden can see what are the most common reasons for consumers not to purchase Fairtrade products. This makes it possible for Fairtrade Sweden to try eliminating these causes in the supermarket.
9. Recommendations

In this chapter we will present our practical recommendations for Fairtrade and producers of Fairtrade as well as theoretical recommendations for future research. We will present recommendations that we feel are essential to get people keener on purchasing Fairtrade products, as well as recommendation to how Fairtrade organizations can work to ease the message to consumers and minimize the confusion of what Fairtrade is and what it stands for.

9.1 Practical recommendations for Fairtrade.

- Increase the clarity of their message to consumers in order to make a bigger impact on consumer purchase decisions. Some of our participants reported that they would probably choose Fairtrade products more often if they got more knowledge of what Fairtrade is and what it stands for. We therefore recommend that Fairtrade Sweden utilize all means of publications, meaning that they should focus more on getting the word out to the consumers by using, web pages, social medias, billboards etc. and not only by newspapers. This is because Ola Höiden (personal communication 28 March, 2014), Head of Communication, told us during our interview that they mostly get recognized in newspapers.

- Increase the cooperation with retailers/companies in order to get better prices or deal on Fairtrade and ethical products as the most respondents of our study felt that Fairtrade products were too expensive. We recommend that they sometimes have deals on certain products, for example, two for one Fairtrade coffee so in order to get more attention to the brand and Fairtrade label.

- This recommendation is closely related to the previous, however Fairtrade and organizations like Fairtrade Sweden should create a closer relationship to the retailers/supermarket where their products are being sold. This is because the second and third highest answer to why the respondents do not purchase Fairtrade products it because they forget or cannot find the products. We therefore recommend Fairtrade to keep working on ads and signs in stores, in order to be more visible to the consumers and encourage supermarkets to clearly show where they have Fairtrade and ethical products in the store.

- Another interpretation of this issue could also be that the specific product, which they seek, has not made available by the Fairtrade license. We therefore urge that Fairtrade continue in their quest to expand their offerings. In order to find out what the consumer want made available in Fairtrade, or which products would be more successful, they should encourage more explorative studies such as this. These studies can later be used to market the organization to possible new clients within the consumer goods industry.
9.2 Suggestions for future research

In our degree project we have chosen to study Fairtrade Sweden and their products to determine how they influence the purchase decisions when grocery shopping in the Swedish market. For future research we recommend for researchers to study other ethical products, such as Krav, EU-ekologiskt, Svanen etc., in order to find patterns in choosing different ethical products. Furthermore, as our study focused on young adults ages 18-30 we recommend that future studies would focus on other age groups to see if there is a difference and to determine what causes the difference. Another recommendation for future research is to choose another industry of interest as we have chosen in our study to use the grocery industry. We recommend this, as there are so many different products in different industries, which are ethical. One example is in the fashion industry where cotton is an essential part in the clothes making process, or the overfishing issue in the seafood industry.

Another important area to study in the future is how to approach the creation of a brand building strategy in ethical consumer goods. We noticed in our study that the majority of the participants are aware of Fairtrade but not entirely sure what it stands for, as Fairtrade Sweden has changed their communication message from time to time.

Moreover we did not look at the financial aspect of Fairtrade in our study. It would be very interesting in the future to study the financial aspects when firms deciding to change their products in order to meet the Fairtrade requirements, and the repercussions that follows from the higher sales price. Therefore we recommend future research to focus more on the economic aspect of Fairtrade and the companies who support Fairtrade.

Finally, in this degree project we conducted a quantitative research as we developed and distributed a survey for participants to answer. Therefore it would be interesting to see other research in the future that use another research design such as personal interviews or focus groups. Furthermore we recommend future researcher to reach out and study the consumers in the real purchase decision situation in the supermarket when they are actually grocery shopping.
References


**Personal communication**

Appendix 1

**Fairtrade Enkät**

Hej,
Vi vill tacka stort för att du vill delta i vår enkät. Vi är två salta grabbar som går fjärde och femte året på civilkon omniprogrammet, båda med inriktning international business, och vi håller nu på att jobba med vårt examensarbete.

Denna enkäten handlar om ditt belevande och dina attityder gentemot fairtrade produkter i matvarubutikerna och hur dessa köpslut påverkas av detta. Inledningsvis ställs ett antal demografiska frågor och sedan går vi in på mer inriktade frågor gentemot fairtrade och dina inställningar till dessa produkter.

Survey tar cirka fem minuter att besvara och alla svar kommer att visas i vårt resultat, men svaren är helt anonyma och kommer inte gå att spåra till en persons individuella svar.

Tack för att du tar dig tid och deltar!

Med vänliga hälsningar,
Rasmus Nilsson, nilson21_1@hotmail.com
Robin Eckerbiad, robin.eckerbiad@gmail.com

*Obligatorisk*

Jag godkänner ovanstående information och vill delta i denna enkät.*

- [ ] Ja
- [ ] Nej

![Fortset så](#)

16 % fyllt
Fairtrade Enkät

*Obligatorisk

Demografiska frågor

Kön *
- Man
- Kvinna

Ålder *
- 18-20
- 21-23
- 24-26
- 27-29
- 30+

Utbildningsnivå *
- Grundskola
- Eftergymnasial/Yrkesskola
- Högskola

Inriktning *
- Ekonomi
- Samhällsinriktad
- Naturinriktad
- Vård
- Teknik/IT
- Logistik/Transport
- Övrigt

« Bakåt Fortsätt »

33 % fylld
### Fairtrade Enkät

*Obligatorisk*

#### Fairtrade frågor

1. Hur viktigt är det för dig att äta organisk mat? *
   
   1 2 3 4 5
   
   1= inte alls  2 3 4 5= Mycket viktigt

2. Hur viktigt är det för dig att ta hand om miljön? *
   
   1 2 3 4 5
   
   1= inte alls  2 3 4 5= Mycket viktigt

3. Hur ofta brukar du köpa fromor? *
   
   1 2 3 4 5
   
   Aldrig  2 3 4 5= Väldigt ofta

4. Ur din synvinkel, vilka av dessa påståenden är företag skyldiga till: *
   (Välj max 3)
   
   - Att gå i vinst
   - Ta hand om miljön
   - Skapa arbetsställen
   - Förbättra arbets- och levnadsvillkor för ansällda
   - Skänka pengar till välgörenhet
   - Agera etiskt
5. Hur väl känner du till begreppet "corporate social responsibility"? *
(Om du svarade en 1a, hoppa över nästa fråga)

1 2 3 4 5

 Åldrig hör talas om det ☐ ☐ ☐ ☐ Mycket väl

6. Hur mycket litar du på företagens avsikt med corporate social responsibility?

1 2 3 4 5

Inte alls ☐ ☐ ☐ ☐ Väldigt mycket

7. Vilka av dessa märkningar känner du till? *
(Välj max 3 svar)
☐ Krav
☐ Svensk Sigill
☐ Svanen
☐ Bra Miljöval
☐ EU-Ekologiskt
☐ Fairtrade

8. Vilka av dessa märkningar har du någonsin valt? *
(Välj max 3 svar)
☐ Ingen
☐ Krav
☐ Svensk Sigill
☐ Svanen
☐ Bra Miljöval
☐ EU-Ekologiskt
☐ Fairtrade

« Bakåt  Fortsätt »
Fairtrade frågor

9. Hur bekant är du med Fairtrade? *
(Om du kryssade en 1a, hoppa till fråga 18)

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aldrig hört talas om det</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

10. Vad tänker du på när du hör Fairtrade?
☐ Mänskliga rättigheter
☐ Bekämpa fattigdom
☐ Ekologiskt odlade produkter
☐ Hållbarhet

11. Till vilken utsträckning tror du att omständigheterna för producenter i utvecklingsländer förbättras, genom organisationer som Fairtrade?

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inte alls</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

12. Hur ofta lägger du märke till Fairtrade produkter när du handlar matvaror?

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inte alls</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
13. Hur ofta handlar du Fairtrade produkter?

1 2 3 4 5

Inte alls ○ ○ ○ ○ ○ Väldigt ofta


1 2 3 4 5

Instämmer inte alls ○ ○ ○ ○ ○ Instämmer helt

15. Jag väljer Fairtrade för att känna mig som en del i organisationen.

1 2 3 4 5

Instämmer inte alls ○ ○ ○ ○ ○ Instämmer helt


1 2 3 4 5

Instämmer inte alls ○ ○ ○ ○ ○ Instämmer helt
*Obligatorisk

**Fairtrade frågor**

17. Jag väljer automatiskt Fairtrade när jag ser deras logga.
   1  2  3  4  5
   Instämmer inte alls ○ ○ ○ ○ ○ Instämmer helt

18. Att köpa Fairtrade hjälper människor.
   1  2  3  4  5
   Instämmer inte alls ○ ○ ○ ○ ○ Instämmer helt

19. Vilken är den vanligaste anledningen till att du inte handlar Fairtrade?
    (Välj max 3)
    □ Jag handlar alltid Fairtrade när det går
    □ Jag glömmer
    □ Det blir för dyrt
    □ Bryr mig inte
    □ Hittar inte produkterna
    □ Det gör ändå ingen skillnad

20. Priset är det viktigaste när jag handlar matvaror. *
    1  2  3  4  5
    Instämmer inte alls ○ ○ ○ ○ ○ Instämmer helt
21. Märket är det viktigaste när jag handlar matvaror. *
   1  2  3  4  5
   Instämmer inte alls ☐ ☐ ☐ ☐ Instämmer helt

22. Fairtrade-märkning är det viktigaste när jag handlar matvaror. *
   1  2  3  4  5
   Instämmer inte alls ☐ ☐ ☐ ☐ Instämmer helt

23. Kvaliteten är det viktigaste när jag handlar matvaror. *
   1  2  3  4  5
   Instämmer inte alls ☐ ☐ ☐ ☐ Instämmer helt

24. Förpackningen/design är det viktigaste när jag handlar matvaror. *
   1  2  3  4  5
   Instämmer inte alls ☐ ☐ ☐ ☐ Instämmer helt

25. När du handlar en vardaglig produkt, t.ex. kaffe, tandkräm eller mjölk, till vilken utsträckning skulle du påstå att du per automatik väljer samma märke varje gång utan att lägga för mycket tanke bakom valet? *
   1  2  3  4  5
   Ingen alls ☐ ☐ ☐ ☐ Väldigt mycket

26. Skulle du påstå att din kunskap om Fairtrade bidrar till att du inte väljer det så ofta? *
   ☐ Ja
   ☐ Nej
*Obligatorisk

**Fairtrade frågor**

27. Hur mycket är du villig att betala extra för ett paket Fairtrade-märkt kaffe? *
   ○ 0 kr
   ○ 5 kr
   ○ 10 kr
   ○ 15 kr
   ○ 20 kr
   ○ 20+ kr

   ○ 0 kr
   ○ 5 kr
   ○ 10 kr
   ○ 15 kr
   ○ 20 kr
   ○ 20+ kr

29. Hur mycket skulle du vara villig att betala extra för en Fairtrade-märkt chokladkaka? *
   ○ 0 kr
   ○ 5 kr
   ○ 10 kr
   ○ 15 kr
   ○ 20 kr
   ○ 20+ kr
30. Skulle du kunna tänka dig att nästa gång betala 48kr för 500gr Fairtrade-märkt kaffe, istället för 38kr icke-Fairtrade märkt? *
(Dessa priser är verkliga och hämtade från Coop)
☐ Ja
☐ Nej

31. Skulle du kunna tänka dig att nästa gång betala 28kr för 1kg Fairtrade-märkt strösocker, istället för 19kr icke-Fairtrade märkt? *
(Dessa priser är verkliga och hämtade från Coop)
☐ Ja
☐ Nej

32. Skulle du kunna tänka dig att nästa gång betala 27kr för Fairtrade-märkt choklad, istället för 15kr icke-Fairtrade märkt? *
(Dessa priser är verkliga och hämtade från Coop)
☐ Ja
☐ Nej

Tack så mycket! Om du önskar att lägga till en kommentar får du göra så i fältet nedan.
Ha en bra dag/kväll! Mvh Robin & Rasmus

☐ Sök åter
☐ Skicka

Skicka aldrig lösenord med Google Formulär

100 %: Du är klar.

Tillhandahåll av

Det här innehållet har varken skapats eller godkänts av Google.

Anmäl otillåten användning - Användarvillkor - Ytterligare villkor
Appendix 2

Group Statistics

<table>
<thead>
<tr>
<th>Kändare du till begreppet corporate social responsibility?</th>
<th>Man</th>
<th>Kvinna</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>78</td>
<td>80</td>
</tr>
<tr>
<td>Mean</td>
<td>3,308</td>
<td>3,450</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1,3514</td>
<td>1,2818</td>
</tr>
<tr>
<td>Std. Error Mean</td>
<td>,1530</td>
<td>,1433</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hur mycket litar du på företagens avsikt med corporate social responsibility?</th>
<th>Man</th>
<th>Kvinna</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>67</td>
<td>72</td>
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<td>Mean</td>
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<td>,8935</td>
<td>,7950</td>
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<td>Std. Error Mean</td>
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<td>,0937</td>
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<table>
<thead>
<tr>
<th>Hur bekant är du med Fairtrade?</th>
<th>Man</th>
<th>Kvinna</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>78</td>
<td>80</td>
</tr>
<tr>
<td>Mean</td>
<td>3,167</td>
<td>3,450</td>
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<td>Std. Deviation</td>
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Group statistics for survey questions 5, 6 & 9.

<table>
<thead>
<tr>
<th>Levene's Test for Equality of Variances</th>
<th>t-test for Equality of Means</th>
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</thead>
<tbody>
<tr>
<td>F</td>
<td>Sig.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Equal variances not assumed</td>
<td></td>
</tr>
<tr>
<td>Equal variances not assumed</td>
<td></td>
</tr>
<tr>
<td>Equal variances not assumed</td>
<td></td>
</tr>
</tbody>
</table>

Independent-samples t-test for survey questions 5, 6 & 9.
Appendix 3.

### Group Statistics

<table>
<thead>
<tr>
<th>Køn</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
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**Group statistics for survey questions 20-24**

### Independent Samples Test

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23. Kvaliten är det viktigaste när jag handlar matvaror.  
| Equal variances assumed | ,527 | ,469 | ,034 | 156 | ,973 |
| Equal variances not assumed | ,034 | 155,402 | ,973 |

24. Förpackningen/design är det viktigaste när jag handlar matvaror.  
| Equal variances assumed | 1,353 | ,247 | -1,036 | 156 | ,302 |
| Equal variances not assumed | -1,036 | 155,986 | ,302 |

Independent-samples t-test for survey questions 20-24
### Appendix 4.

#### Group Statistics

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#### Group statistics for survey questions 27-29

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**Independent-samples t-test for survey questions 27-29**
## Appendix 5.

### Correlations

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<td>.494**</td>
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**Correlation matrix for survey questions 1-3 & 27-29**
## Correlation matrix for survey questions 1-3 & 13

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<td>.494**</td>
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Correlation matrix for survey questions 13 & 27-29
### Appendix 8.

#### Correlations

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**Correlation matrix for survey questions 1-3 & 15-18**