



Self-Identity, Ethical Obligation, and Fair Trade Consumption Among Consumers in an Emerging Fair-Trade Market

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Keywords: fair trade, consumption, self-identity, ethical obligation

Along with the growth of fair-trade markets worldwide, the consumption of fair-trade products in the Korean market has been steadily increasing since fair trade was introduced in early 2000 (Korea Fair Trade Association, 2016). According to a recent report (Trend Monitor, 2016), about 57% of Korean consumers identified contributing to social justice through consumption as the biggest benefit of fair-trade purchases, and 63% believed consumption of fair-trade products would provide direct benefits to Third World countries. Furthermore, seven out of ten surveyed had an actual purchase experience and approximately 56% anticipated a bright future for the growing fair-trade market. In spite of these positive perspectives, more than half of those surveyed (53%) consider fair trade as part of a marketing strategy enhancing businesses' reputations (Trend Monitor, 2016).

However, some concerns have been raised due to overflowing fair-trade products, compared to the actual market size. Janvry and his colleagues argued that an oversupply of fair-trade certified products undermines producer benefits (Janvry, McIntosh, & Sadoulet, 2015). To provide maximum benefits to participating producers, strengthening existing markets, yet expanding potential markets would be one of the solutions. Keeping in mind that the current Korean fair-trade market is still in a transitional stage, it is critical to enhance understanding of Korean consumers and influential factors shaping their fair-trade purchase decisions. Therefore, based on the modified theory of planned behavior (Shaw & Shiu, 2003), this study aimed to explore consumer characteristics by focusing on social images and beliefs such as self-identity and ethical obligations, socially responsible consumption, and fair-trade beliefs from their previous purchase experience of fair-trade products.

The data was collected from a convenient sample of 276 Korean consumer panels recruited through an independent marketing research company. Using an online survey, they answered a questionnaire measuring self-identity (Shaw & Shiu, 2003), ethical obligation (Oh, 2014), socially responsible consumption (Francois-LeCompte & Roberts, 2006), and beliefs about fair trade (WFTO, 2013), which were measured on a 7-point Likert scale, 1 being strongly disagree and 7 being strongly agree. In addition, previous shopping experiences of fair-trade products and demographic characteristics were assessed. To explore consumers' characteristics by their previous purchase experiences, the data was collected from those who had purchased fair-trade products ($n=157$, 56.9%) and those who had not ($n=119$, 43.1%). Overall, about 57% were female and 43% were male. The mean age was 47.8 years old, ranging from 20 to 69. Among the purchaser group, the fair-trade item purchased most was food (e.g., coffee, chocolate) (42.0%), followed by stationery items (5.1%) and household textiles (3.3%). The data was further analyzed using SPSS 23.0, including exploratory factor analysis, internal reliability assessment, and independent samples *t*-tests.

As preliminary analysis, factor structure and internal consistency of multiple item measures were assessed. Beliefs about fair trade consisted of two factors: fair practice and authentic product, while socially responsible consumption has a four-factor structure: supporting responsible and cause-related products, purchasing local products, helping small businesses, and reducing unnecessary consumption. Using mean scores for each variable, a series of independent sample *t*-tests were performed; the results revealed that there were significant differences in self-identification ($t=2.38, p < .05$) and ethical obligation ($t=2.32, p < .05$) between the two groups. To fair-trade purchasers, ethical issues such as fair trade, human rights, animal welfare, and local production were more likely to be important to them as part of self-identity than for those without purchase experience. Similarly, consumers who had a previous purchase experience of fair-trade products were more likely to hold stronger moral beliefs in terms of consumption than those without any purchase experience of fair-trade products. These findings confirm previous studies finding a positive association of self-identify and ethical obligation with ethical purchasing decisions (e.g., Oh, 2014; Shaw & Shiu, 2003).

Furthermore, the purchaser group demonstrated significantly more positive beliefs about fair practices than the non-purchaser group ($t=2.67, p < .01$). This suggests that those who purchased a fair-trade product seem to hold stronger beliefs on business principles of fair trade than consumers who did not purchase. However, there was no significant difference in the authentic products factor between the two groups. In addition, there were significant differences of socially responsible consumption behaviors, particularly on supporting responsible and cause-related products ($t=2.26, p < .05$), purchasing local products ($t=2.08, p < .05$), and helping small businesses ($t=2.80, p < .01$) between the two groups, except for reducing unnecessary consumption. These findings add to the literature regarding ethical consumption by confirming that fair-trade purchasers have different characteristics in determining purchase decisions than non-purchasers in a market where fair trade has recently been introduced. This study provides beneficial empirical implications for businesses in developing strategies, which can promote growth as well as the maturity of the fair-trade market.

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