Fair Trade and its impact on the purchasing process

Using the AIDA model
Abstract

**Background** - The concept of fair trade is not recent following the academic literature as it has been around for many years. The connection between fair trade and how it impacts consumers purchase behaviour however is still unclear.

**Purpose** - The purpose of this study is to expand understanding on the relationship between fair trade and the consumer purchase process.

**Design/methodology/approach** - The four stage AIDA model has been selected to examine fair trade in consumer purchase behaviour. Furthermore the study has been quantitative and a questionnaire was used gathering 140 respondents.

**Findings** - A clear correlation between the different AIDA stages were established and the influence of fair trade on the purchasing behaviour was somewhat explored. Despite no proven hypotheses, many respondents still agreed with the fair trade statements tested showing strong awareness and consideration towards the topic. The most notable facets included social and environmental factors. In addition it was established that even though labour rights are discussed regularly in media, no significant influence could be observed in any of the AIDA purchase stages.

**Research limitations/implications** -The limitations of the study were the geographical constraints testing only one university in Sweden. This meant that the respondents did not come from different cultures and countries, potentially affecting the discussed results. In addition, should the study have been qualitative different insights may have been established.

**Practical implications** -The results from this study is useful for Non Government Organisations (NGOs) that are trying to shift consumer behaviour towards considering more ethical aspects when purchasing clothes. Marketers may also benefit from this study knowing what stages of the decision making process are considered by consumers in respect of fair trade.

**Originality/value** -This study is unique as it combines the fair trade concept with the AIDA model which has not yet been done. In addition it contributes to previous knowledge and research on fair trade connected to the purchase behaviour.
Keywords

Fairtrade, Fairtrade impact, Fairtrade clothing, Purchase Decision, Purchase behaviour, AIDA Model

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We want to give a big thank you to our professor Anders Pehrsson who has been guiding us with valuable feedback and support. We also want to say thank you to our tutor Soniya Billeore who has given us feedback throughout our project.

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1 Introduction
In the introduction chapter the concepts of ethics, fair trade and purchase behaviour are introduced to the reader. There is a discussion of the connection between fair trade and purchase decision making, which in the end of this chapter concludes the purpose and research question for this thesis.

1.1 Background
Over the past decade, there have been substantial environmental and social issues that have occurred in the production, distribution, and consumption of textile goods (Dickson et al., 2000; Kozar & Connell, 2013). The key social concerns in the fashion industry include “forced labor, low wages, excessive hours of work, discrimination, health and safety hazards, psychological & physical abuse, lack of awareness of workers’ rights, and lack of worker representation for negotiations with management”, that need to be further addressed (Dickson et al., 2000, p. 6). Most recently these issues have gained increasing attention from consumer groups, various media outlets, and industry professionals (Dickson et al., 2000; Kozar & Connell, 2013; Aldevinge et al., 2015). As Hartman et al. (1999) suggests, forces on the market such as Non Government Organisations (NGOs) are pressuring fashion retailers and manufacturers to think more about the impact they have on people, local communities and the environment (URNOL, 2015). NGOs are bodies of people with a common interest and their focus is to raise awareness amongst the general public (e.g. human rights) (ibid). They also create policies and programme implementation, as well as encourage participation from communities and societies (URNOL, 2015). Extending this, organizations like the World Fair Trade Organization (WFTO) and the Fairtrade International are pressuring companies in the clothing industry whilst also making consumers more aware of the bad labour conditions of workers, environmental impact of their purchases and the impact they have on local communities (Fair Trade International, 2015a; WFTO, 2015a).

Because of global efforts from NGOs, consumers have become increasingly aware of the environmental impact of the apparel they purchase, creating a demand for ethically produced fashion (Shen et al, 2012; Aldevinge et al., 2015). The overall focus of NGOs is to encourage consumers to change their purchase behaviour and consider the purchase of fair trade products (Nicholls & Opal; 2005). More ethical consumers are driven by
making purchase decisions due to the products that have environmentally or socially positive features (Nicholls & Lee, 2006). Ethical consumers have also been discussed as a whole new market segment (Nicholls & Opal, 2005). Hence the demand for fair trade products is developing and becoming as an important aspect in marketing research (Sénéchal et al., 2014). In order to meet with this increasing customer demand, major retailers have launched initiatives to improve their fair trade considerations (Aspers, 2008). Fair trade is a set of good practices that aims to offer better trading conditions to, and securing the rights of, marginalized producers and workers (WFTO, 2015b). The result of this means more equality in wealth distribution amongst producers and manufacturers (ibid). A recent example of this has been developed by the popular Swedish retailer, H&M, who launched a Conscious product line that is targeted at “conscious consumers” and promises to be more ethical (H&M, 2015). Other brands such as People Tree only manufacture and sell fair trade clothes and is one of the few brands with a fair trade label from the WFTO (People Tree, 2015).

1.2 Problem discussion
Much research has been conducted about ethical decision making (Ferrell & Gresham 1985, Hunt & Vitell 1986, Trevino 1986, Jones 1991, Church et al. 2005, O’Fallon & Butterfield 2005, Freestone & McGoldrick 2008; Aldevinge et al., 2015). Still there are gaps in the understanding, particularly in terms of the relatively new phenomenon of fair trade purchasing (Castaldo et al. 2009, Doran 2009). Ethics in the context of purchasing goods and services, according to Belk, Devinney and Eckhardt (2005) may include worker treatment, fair-trade food, environmental concerns, human rights, anti-competitive practices, racial or gender discrimination, and other such issues. Ethics and morality of people in a society are important factors in consumer behaviour and additionally it is theorized that religion and culture of a country can influence people’s ethics and morality (Vitell, 1993; Solomon et al, 2006; Rountree et al, 2014; Aldevinge et al., 2015). Borgerson and Schroeder (2002) claim that marketers cannot communicate without understanding of people’s culture and ethical values, hence a better understanding can result in a better adoption rate of fair trade.

Taylor and Boasson (2014) concludes that consumers are somewhat familiar with fair trade as a concept, which includes ethical aspects such as social, economic and environmental issues (Brock & Lopus, 2015: Raluca, Govannucci & Nunn, 2014;
Aldevinge et al., 2015). Although according to Morrell & Jayawardhena (2010) much of the fair trade literature points out the broader “macro” perspective of it being; a new, fairer model of international trade and a new social paradigm (Moore et al. 2006). What the literature does not explore is the details of the fair trade principles and how it relates to the consumer’s actual decision making processes (Morrell & Jayawardhenar, 2010).

Furthermore linkage from fair trade to sales and purchase behaviour is yet to be established (Taylor & Boasson, 2014; Aldevinge et al., 2015). It can be noted that the effect of fair trade influence the consumer purchase behavior to some extent and that there is a correlation between fair trade and consumer purchase behaviour (Shen et al, 2012; Jones & Williams, 2012; Dong et al, 2013; Taylor & Boasson, 2014; Sneddon et al., 2014; Aldevinge et al., 2015). However there is no research into the effects of of fair trade on the different purchasing stages (ibid). Research into the purchasing stages of normal (not fair trade) fashion has led to a noticeable difference, depending on the type of fashion (Watson & Yan, 2013). Consumers go through the different stages depending on different features (i.e. price), indicating that features influences the process (ibid). According to Dhar Dubey (2014) there are several criterias that influences the consumer when purchasing clothes, characterised by extrinsic and intrinsic criterias. According to his research the most important extrinsic criterias are; price, brand and country of origin while the most important intrinsic criteria are product composition, style, colour and fabric (ibid). It is generally accepted by scholars that consumers go through a decision making process before actually buying a product (Kotler & Keller, 2006; Yorke & Littler, 2005), this process starts with a form of awareness, leads to a purchase and in some cases is followed by a post-purchase process (Strong, 1925; Colley, 1961; Lavidge & Steiner, 1961; Wells & Chinsky, 1965; Rogers, 1983; Bovee et al, 1995; Court, 2009; Wijaya; 2012). A consumer needs to be constantly triggered with the right impulses to advance to the next stage in the process (Ghirvu, 2013). For that reason a company or NGO needs to know what criteria they need to focus on in order to effectively influence a consumer’s purchasing behaviour (ibid). So by increasing the understanding of the purchasing process the target consumers can possibly be marketed to better (Ferrell & Hartline, 2011). Additionally to extrinsic and intrinsic criteria that influence purchase behaviour, is also linked to different attributes, consequences and values (Jägel et al, 2012). Splitting up the actual purchase decision into different stages makes it possible to understand more about these variables (Ferrell & Hartline, 2011).
which in combination with investigating the different parts of fair trade would add a new dimension of knowledge about the purchase decision process. To spread the endorsement of fairtrade in the fashion industry, the NGO’s and the fashion manufacturers/retailers will need more knowledge about the purchase decision, specifically about the different purchasing stages. It is important for companies and NGO’s around the world to focus on this process in order to sustain competitiveness (Solomon et al, 2006). This also may result in important information for NGO’s in their work of changing consumer behaviour towards a more conscious one. Comparing the different stages a consumer undertakes (Ghirvu, 2013) with the complexities of the fair trade concept (Taylor & Boasson, 2014) presents a significant area of understanding in that respective entities in the market would value from further knowledge on such topic (Solomon et al, 2006; Morrell & Jayawardhenar, 2010).

1.3 Purpose
The purpose of this study is to explain the relationship between fair trade and the consumer purchase process.

1.4 Research question
In what stages of the consumer purchase decision making process does fair trade influence the customer purchase behaviour the most?

1.5 Delimitations
It is argued that religion and culture can influence people’s ethics and morality (Rountree et al, 2014; Solomon et al, 2006; Vitell, 1993). The authors must recognise this study omits the consideration of these differences (religion and cultural) as it is limited to only swedish respondents. The fact that only students are asked to answer this survey could also be considered as a delimitation since the perceptions might be different among other categories of people.

1.6 Report structure
This study is structured as follows; First a conceptual framework is presented in chapter 2 in order to clear out and define the concepts of fair trade, AIDA and consumer behaviour. In chapter 3, the methodology for collecting and analysing the necessary data for the present study, is presented. In chapter 4 the analysis and results are presented, followed by the discussion in chapter 5. The conclusions and contributions are
discussed in chapter 6 and the limitations, managerial implications and further research discussed in the last chapter.
2 Conceptual framework

In this chapter the fundamental concepts, fair trade, purchase behavior and AIDA will be explained and defined. In the end of the chapter the hypothesis are presented as well as illustrated in a table to show their link to the different concepts.

2.1 Fair Trade

The concept of fair trade is very broad, as it does not focus solely on one stage of the supply chain but the entire process (Teuscher et al., 2006). Because of this, members of society have different interpretations of fair trade and therefore it is important to define the concept (Moore, 2004; Morrell & Jayawardhana, 2010). This has been done through a historical analysis giving explanations of the different fair trade bodies.

2.1.1 History & Modern Day Understanding

‘Fair trade’ is a social movement that dates back to post World War II, in 1946 and 1949 respectively, where both a NGO and a non-profit organisation called SERRV first actioned what would commonly today be seen as ‘fair trade’ activity (WFTO, 2009). This happened in North America and involved trading with craft suppliers from the South promoting equality amongst trading countries (ibid). Fair trade first surfaced in Europe during the late 1950’s where charity entity, Oxfam UK, began selling crafts from Chinese refugees. Concurrently in the Netherlands, the dutch were selling sugar cane, promoting giving back to the farmers from the South (ibid). Through the development of fair trade, specialty shops that focused on selling fair trade items were established, however this did not take off (ibid). In 1988 a labelling initiative by two Dutchmen, Nico Roozen and Frans van der Hoff, was the start of what is now commonly seen as the fair trade labelling system (Havelaar, 2015). Frans was the key motivator behind this as he would travelled to South America and then onto Mexico where he experienced first hand the trading conditions for the local coffee producers (ibid). Concurrently fair trade was further developed through the late 1990’s where a universal definition was formed, being represented by 4 independent bodies with each representing a letter in the acronym FINE; Fair Trade International, World Fair Trade Organisation, Network of European Worldshops and European Fair Trade Association) (Renard, 2003; Doherty, 2013). The definition established by FINE that commonly is accepted is as follows;
Fair trade is a trading partnership, based on dialogue, transparency and respect, that seeks 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.” (WFTO, 2015b)

Today FINE is only made up of predominantly 2 key organisations, as NEWS! (Network of European Workshops) was absorbed by the World Fair Trade Organisation (WFTO) in 2008 (WFTO, 2009) and EFTA now being a member of WFTO (EFTA, 2014).

2.1.1.1 Fair Trade International (FLO)
The Fairtrade Labelling Organisation International (commonly referred to as FLO) is the largest and most common of the three ‘fair trade’ networks (Fair Trade International, 2015a). With emphasis on labelling, they are a global body that countries can model their national ‘fair trade’ representations on. The organisation was split in 2004, where FLO remained to provide standards and producer support whilst FLOCERT was established as an independent body to inspect and certify as well as undertake auditing (Fair Trade International, 2015a). In 2009 they adopted the ‘Charter of Fair Trade Principles’ (along with the WFTO) as a single international point of reference for countries to use for recognition (Fair Trade International, 2015a). This was further developed into a set of adhered standards, minimum pricing and fair trade premium (a communal fund for farmers). The standards for FLO are modelled around key objectives and principles focused around fair trade. Their common principles provide a good insight into their key focus (Fair Trade International, 2015b);

1. Social Development - generally promote equality amongst farmers who wish to sell
2. Economic Development - investments to stimulate economic growth in developing areas
3. Environmental Development - safety, waste minimisation and organic produce promotion
4. Working Conditions – including forced labour & child labour, this is prohibited amongst fair trade products

2.1.1.2 FLOCERT
Established in 2003, though officially an independent organisation from 2004, FLOCERT have 4 key business centers on different continents covering South America, Africa, Europe and Asia (Flocert, 2015). They are the official certifier for fair trade labelling on products throughout the world and have rigorous inspection and auditing systems in place to sustain the fair trade image (ibid). They use compliance criteria which has been modelled from the fair trade standards into measurable elements (Flocert, 2015). Specialist teams then conduct the necessary inspections and audits where upon completion producers will receive accreditation of fair trade with permission to use the labelling (Flocert, 2015).

2.1.1.3 World Fair Trade Organisation (WFTO)
The second key organisational body for fair trade is the WFTO. They follow similar understandings of fair trade and boast their own 10 principles that they implement to the supply chain of their members (WFTO, 2015a). They hold that “trade must benefit the most vulnerable and deliver sustainable livelihoods by developing opportunities especially for small and disadvantaged producers.” (ibid). WFTO operate in over 70 countries across 5 regions and unlike FLO who have an independent organisation that provide certification, businesses wishing to use the WFTO label must apply for membership which is provided once verified (WFTO, 2015a).

2.1.1.4 European Fair Trade Association (EFTA)
The European Fair Trade Association (EFTA) was formally established in 1990 by ten Fair Trade Importers (Austria, Belgium, France, Germany, Italy, The Netherlands, Spain, Switzerland and the United Kingdom) (EFTA, 2014). It has since slowed in popularity as it’s primary function is to communicate and network the fair trade message in support of the larger organisations. Today it is a member of the WFTO and uses the FLO certification systems for its members (WFTO, 2009).

2.2 Modern-day Fair Trade Understanding
Brock and Lopus (2015) concludes that fair trade is a social movement where costumers that are socially conscious are, for instance, willing to pay a premium price that is above
market price in order to support workers in developed countries (Fairtrade International, 2015b). Furthermore the movement is seen to support causes such as social justice and environmental sustainability as well as support small farmers and cooperatives over larger enterprises (Brock & Lopus, 2015). Fair trade aims to achieve certain goals although the primary one is to; provide prices that gives the producers a basic livelihood (Raluca, Govannucci & Nunn, 2014). There are a number of other goals, such as improved working conditions, where workers must have safe working conditions and wages that are at least equal to the legal minimum or regional averages (ibid). Also some forms of child labor are prohibited (Raluca, Govannucci & Nunn, 2014). One goal is also the use of environmentally friendly production processes, that includes prohibition of certain harmful chemicals (ibid). Labeling is a common way to inform consumers that fair trade principles are met during production (Jones & Williams, 2012). Even though there are initiatives to create a universal label, the involved organizations and industries have not managed to successfully create one resulting in fragmentation of fair trade understanding. By finding creative ways retailers communicate with their customers they have managed to minimize negative effects from the lack of proper and trusted label (Jones & Williams, 2012).

2.3 The fair trade principles
The topic of fair trade can be broken down into different sub-topics, these principles combined characterise the fair trade movement. The literature, academic as well as online sources, have given insight in the different aspects that govern fair trade, with this information the following principles can be constructed and will be used from this point on.

- **Social** - The impact manufacturing or farming has on local communities including social responsibility (Brock & Lopus, 2015; Raluca, Govannucci & Nunn, 2014).
- **Economic** - Governs the ability for all producers to equally enter the market, fair prices for labour and resources, investments in local communities and pricing of *fair* products (Brock & Lopus, 2015; D'Souza et al, 2015).
- **Environmental** - Encouragement to produce more durable clothes to reduces the environmental footprint, prevention of certain chemicals and waste minimisation (D'Souza et al., 2015; Raluca, Govannucci & Nunn, 2014; Fair Trade International, 2015b).
- **Labour & Working Condition** - Prevention of sweatshops through cooperation with local NGOs and trade unions, anti-discrimination laws, discouragement of child labour and improvement of labour conditions (Nicholls, 2002; Raluca, Govannucci & Nunn, 2014; WFTO, 2015a).
- **Operational** - Governs the market awareness of the fair trade principles, including advertisement and most commonly labeling (Jones and Williams, 2012; Fair Trade International, 2015b).

### 2.4 Ethical Consumer Behaviour

Consumer behaviour has evolved over recent years and consumers are becoming more conscious of environmental changes and consumers who are conscious of ecology are increasing (Straughan & Roberts 1999; Polonsky et al., 2014; Khare, 2014; Aldevinge et al., 2015). Joergens (2006) and Iwanow et al. (2005) concludes that price, style, and quality are the primary influence on clothes purchased; ethical considerations being of secondary importance. This while Dickson and Littrell (1996) and Sneddon, Lee, and Soutar (2009) specifically researched ethical consumers and found that ethical concerns do have relevance for clothing purchase decisions. Thus, at least for a part of the consumers decision making, ethical product attributes are an important choice criteria (Jägel, 2012).

According to Aspers (2008) ethical consumers (as opposed to other consumers) do not care solely about the price of an item, but about the conditions it has been produced as well as the environmental impact the production had. Therefore these consumers attempt to consider in their purchase decisions the workers well-being and concerns about the environmental concerns (Aspers, 2008). Other aspects for consumers to consider when purchasing goods is price, although Jordan et al (2004) points out that the price alone does explain all the qualities behind the product, hence there are problems about conveying information such as price to the consumer markets (ibid) This in turn means consumers can make decisions without extensive understanding (ibid).

D'Souza et al (2015) and Jin Gam (2011) state new concerns that consumers face regarding apparel is the consideration of eco-friendliness and hence making consumers more aware of the clothing they purchase. A proportionate amount of buyers tend to
select materials that come from organic sources as they are more healthier and more environmentally friendly (D'Souza et al., 2015; Jin Gam, 2011). Because of this new demand, producers in the fashion industry have developed the concept; Eco-fashion. Eco-fashion is referred to as ‘green’, ‘environmental’, ‘ecological’, ‘sustainable’, ‘ethical’, ‘recycled’ and ‘organic’ products (Thomas, 2008, p. 525). The early stages of a successful eco-clothing process includes pricing, quality, eco-label and packaging (Thomas, 2008; D'Souza et al., 2015). Big designers such as Giorgio Armani, Oscar de la Renta, Stella McCartney, Betsey Johnson and Todd Oldman are examples of designers that have developed eco-fashions (Winge, 2008). Eco-fashion or eco-clothing focuses on providing organic and environmentally friendly materials for clothes (D'Souza et al., 2015). Eco-fashion is becoming popular in many countries and the focus/demand on providing organic clothing materials is increasing (Joergens, 2006; Niinimaki, 2010) however the percentage of retail sales is still low (D'Souza et al., 2015).

2.5 The Purchasing Process
The purchasing process that a consumer goes through is defined by scholars as the hierarchy of effects (Mihart, 2012). This is used to predict behavior by determining the stages a consumer goes through (Preston & Thorson, 1983; Barry & Howard, 1990; Wijaya, 2012; Egan, 2014). The concept was first mentioned around the 1900’s, however the first link to marketing was theorized by Strong in 1925 (Wijaya, 2012; Ghirvu, 2013). Strong (1925) theorized that a consumer needs to go through 4 stages to make an actual purchase: Attention, Interest, Desire and Action. There are many different hierarchy of effect models developed since this was first introduced in 1925, some of which are visualized in Figure 1. Changes to the model vary from adding steps between the AIDA stages such as: Knowledge, Liking and Conviction (Lavidge & Steiner, 2000) or Search, Like/dislike, Share and Love/Hate (Wijaya, 2012) as well as reinterpreting steps: Interest was replaced by Familiarity, Desire by Consideration (Court, 2009). A popular use for understanding the hierarchy of effects is to provide information on what information to focus on in advertising (Wijaya, 2012). The concept visualizes how far a consumer advances into the buying process and how many proceed to the actual purchase of a product (Ghirvu, 2013). This possibly exposes weaknesses that a company or industry can address so a consumer will move to the next stage in the purchasing process and eventually make a purchase (ibid).
In Figure 1 below, it is illustrated how the models have been developed over the years, yet the AIDA principles stay intact.

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**Figure 1. Extended hierarchy of effects models (Own model)**

Scholars have not managed to pick a definitive model to describe this process (Yorke & Littler, 2005; Kotler & Keller, 2006; Mihart, 2012) however Kotler and Keller (2006) concludes that AIDA (Attention, Interest, Desire and Action) is a classic model of consumers’ specific reaction to marketing communications, which is commonly used. Ferrell and Hartline (2011) further add that the purpose of the AIDA model is to understand more about consumers in the targeted market. The model shows a hierarchy of effects that was first introduced in the beginning of the 1900’s and still to this day it remains the basis for identifying the buying process of many scholars (Preston & Thorson, 1983; Barry & Howard, 1990; Yorke & Littler, 2005; Kotler & Keller, 2006; Court, 2009; Mihart, 2012; Wijaya, 2012; Ghirvu, 2013). Even though there are newer models many marketers and scholars still use the classic AIDA model as the basis for future research (ibid), for this reason the authors of this paper also make use of this model.

### 2.6 AIDA Model

The AIDA model (Strong, 1925) consists of four steps:

1. **Attention:** The customer becomes aware of the product via sales promotion.
2. **Interest**: The customer develops an interest in the product.

3. **Desire**: The customer has developed a sense of wanting the product.

4. **Action**: A purchase is made.

These steps of the AIDA model have been used for testing and measure the power of sales promotion and where to push, pull or do both (Ikenna Ofoegbu & Mfonobong Udom, 2013).

*Attention* is the first step of the process and the goal with this step is to get potential customers’ attention. If the target market does not know the product exist, then it is very unlikely to finally achieve the goal of selling the product and/or service (Kotler & Keller, 2006).

H\(^{1a}\): ‘Social fair trade factors’ influence the attention phase of the AIDA model
H\(^{1b}\): ‘Economic fair trade factors’ influence the attention phase of the AIDA model
H\(^{1c}\): ‘Environmental fair trade factors’ influence the attention phase of the AIDA model
H\(^{1d}\): ‘Labour Working Condition fair trade factors’ influence the attention phase of the AIDA model
H\(^{1e}\): ‘Operational fair trade factors’ influence the attention phase of the AIDA model

The second step is *Interest* and it is within this step the company not only have get the attention from the customers but also awakening the consumer's interest for the product and/or service. Showing off the products and/or services features can awaken this interest (Kotler & Keller, 2006).

H\(^{2a}\): ‘Social fair trade factors’ influence the interest phase of the AIDA model
H\(^{2b}\): ‘Economic fair trade factors’ influence the interest phase of the AIDA model
H\(^{2c}\): Environmental fair trade factors’ influence the interest phase of the AIDA model
H\(^{2d}\): ‘Labour Working Condition fair trade factors’ influence the interest phase of the AIDA model
H\(^{2e}\): Operational fair trade factors’ influence the interest phase of the AIDA model

The third step is *Desire* and it is here the customers move from only having the interest in the product and/or service on offer, to actually find a desire for the product and/or
service. The company should through good promotion arouse a desire by persuasive marketing and its ability to satisfy the consumers’ needs (Kotler & Keller, 2006).

H³a: ‘Social fair trade factors’ influence the desire phase of the AIDA model  
H³b: ‘Economic fair trade factors’ influence the desire phase of the AIDA model  
H³c: ‘Environmental fair trade factors’ influence the desire phase of the AIDA model  
H³d: ‘Labour Working Condition fair trade factors’ influence the desire phase of the AIDA model  
H³e: ‘Operational fair trade factors’ influence the desire phase of the AIDA model

The fourth and last step is Action. Action happens when the consumers goes from thinking of a purchase to actually make the purchase (Kotler & Keller, 2006).

H⁴a: ‘Social fair trade factors’ influence the action phase of the AIDA model  
H⁴b: ‘Economic fair trade factors’ influence the action phase of the AIDA model  
H⁴c: ‘Environmental fair trade factors’ influence the action phase of the AIDA model  
H⁴d: ‘Labour Working Condition fair trade factors’ influence the action phase of the AIDA model  
H⁴e: ‘Operational fair trade factors’ influence the action phase of the AIDA model

The figure below illustrates the link between the hypothesis and the concepts of fair trade and purchase process (AIDA model).

![Figure 2. Hypothesis, (Own model)](image-url)
3 Methodology

This chapter describes the process of how the authors conducted the research. It explains why a casual, quantitative research approach was used and why the specific research design was chosen. It also explains what data sources have been used and why it was collected through a questionnaire.

3.1 Approach

For this study a quantitative approach was chosen to allow ease of statistical analysis (Bryman & Bell, 2011). For quantitative studies Bryman and Bell (2011) claim that questionnaire surveys are the most suitable option to gather responses. The method is used in many business studies in order to gather primary data. Surveys are generally used where two or more variables are being examined and therefore as this paper is looking at four dependent variables and five independent variables, a quantitative and questionnaire survey approach was taken.

3.2 Research Design

A research design exists to ensure that the research project is conducted in an efficient and effective way (Malhotra and Birks, 2006). Casual research uses the data collected to investigate cause (an independent variable) and affect (a dependent variable) relationships between variables (Malhotra & Birks, 2006). The authors opted to use a casual approach as the problem discussion suggests that a greater understanding of fair trade concerns (independent variable) and the different purchasing phases (dependent variable) was required (Domegan & Fleming, 2007).

3.3 Target Sample

According to Beheshti et al. (2014) and Saunders et al (2007) researchers typically choose a part of the population that is the most convenient to gather data from. As the authors had good exposure and opportunity to use Linnaeus University in Växjö, Sweden, the survey was conducted on campus where all responses were from students between the age of 20 and 35 (23 being the median age). Students were the target audience (with flexibility to consider those both working and studying) as this was convenient to gather due to time limitations allowed to conduct the work. Other groups (i.e. professionals or senior citizens) may have shown different results however for this paper students were only considered.
3.4 Sample and Data Collection
The sample consisted of 140 students from Linnaeus University (110 were conducted offline and the remaining 30 were received via an online questionnaire). Initially occupation was used as a control variable however with all respondents noting they were students, due to irrelevancy, this was removed from the data testing. In addition to excluding this, so was the nominal question, “Do you purchase your own clothes?” with respondents giving a unanimous ‘yes’ response. The two control variables that were used and considered were age and gender. The reason for the niche of students at the university was to gather opinions from a particular part of a generation who would have had similar experiences (as opposed to a broader study allowing non students and from a greater geographical area).

3.5 Question & Questionnaire Design
In order to effectively measure fair trade as a concept the authors had to consider ambiguity in the understanding of fair trade from our target audience. Because of this, a conducive approach was used to construct five facets of fair trade, of which the questions that were developed and based on. Through knowledge of the fair trade concept in history and modern-day representation the key objectives, common principles and standards from both the WFTO and the EFTA were used to construct the five facets. Conclusively these facets best represented what fair trade is defined as which was consistent throughout the different governing bodies and organisations studied. The five facets were;

- **Social** - including impact of social responsibility. (Brock & Lopus, 2015; Raluca, Govannucci & Nunn, 2014)
- **Economic** - covering entry ability for all producers, fair pricing & economic stimulation. (Brock & Lopus, 2015; D'Souza et al, 2015)
- **Environmental** - sustainable production. (D'Souza et al., 2015; Raluca, Govannucci & Nunn, 2014; Fair Trade International, 2015b)
- **Labour & Working Condition** - including anti-discrimination and gender equality. (Nicholls, 2002; Raluca, Govannucci & Nunn, 2014; WFTO, 2015a)
- **Operational** - including advertisement and promotion of fair trade. (Jones and Williams, 2012; Fair Trade International, 2015b)
The survey construct commences with the four control questions as noted at the start of the methodology. Following this for each of the five facets of fair trade (independent variables), three questions were developed to test those areas of fair trade from respondents without using the term fair trade, totally fifteen questions for this section. These questions were asked on a 5 point likert scale ranging through 'Strongly Disagree’, 'Disagree’, 'Neutral’, 'Agree’ and 'Strongly Agree’. The last four questions cross measure the four phases of the AIDA model with the fair trade concepts that are asked previously each with a 'yes’ or 'no’ response option (dependent variables).

3.6 Operationalization
An operationalization has been done in order to break down the concepts of fair trade and AIDA to measureable variables. In Table A below the control, independent and dependent variables are shown in the left column. The control variables as noted below were used to validate the data taken. These were categorised into four areas; age, gender, occupation and whether or not the respondent fulfilled the required experience of purchasing their own clothing. There are the five facets of fair trade which denote the independent variables. Following this are the four dependent variables which relate to the four stages of the AIDA purchase model. The keywords of the fair trade facet have been used in order to construct questions for the survey. These keywords are represented in the middle column preceded by the source that it is taken from (presented in the right column).

<table>
<thead>
<tr>
<th>Control Variables</th>
<th>(Beheshti et al., 2014) and (Saunders et al., 2007)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Occupation</td>
<td></td>
</tr>
<tr>
<td>Do you purchase your own clothes?</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fair trade</th>
<th>(Brock &amp; Lopus, 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social</td>
<td>Support small farmers and cooperatives over larger enterprises</td>
</tr>
<tr>
<td></td>
<td>Improved safety equipment for farmers</td>
</tr>
<tr>
<td></td>
<td>Improved working conditions</td>
</tr>
<tr>
<td>Economic</td>
<td>Fair price for local</td>
</tr>
</tbody>
</table>

(Raluca, Govannucci & Nunn, 2014)
(Raluca, Govannucci & Nunn, 2014)
<table>
<thead>
<tr>
<th><strong>Environmental</strong></th>
<th><strong>Labour and working conditions</strong></th>
<th><strong>Operational</strong></th>
<th><strong>Purchase process</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical products should have an additional charge</td>
<td>Labour rights should be considered</td>
<td>Fair trade labeling standards</td>
<td>Exposed to clothing advertising connected to fair trade</td>
</tr>
<tr>
<td>Charge premium to support local growth</td>
<td>Labour conditions should be considered</td>
<td>Companies should label clothes</td>
<td>Intention to gain knowledge about fair trade</td>
</tr>
<tr>
<td>Clothing should be durable and have a long lifespan</td>
<td>Prohibition of certain harmful chemicals</td>
<td>Availability of product information</td>
<td>Intention to purchase fair trade clothing</td>
</tr>
<tr>
<td>Prohibition of certain harmful chemicals</td>
<td>Waste minimisation</td>
<td></td>
<td>Actual purchase of fair trade clothing</td>
</tr>
</tbody>
</table>

Table A. Operationalization

3.7 Pre-Survey
Prior to conducting the survey, a focus group was used to test and ensure that the questions were comprehensive and interpretable as they were intended. For the pre-
survey 10 people (having 100% response rate), randomly selected at Linnaeus University, were asked to fill in the draft survey and give feedback where there was uncertainty with any of the questions. The feedback provided good insight into what was asked upon which the authors then made necessary adjustments to improve the fluency of the survey. Particularly, questions were shortened and terminology was simplified in order to provide better understanding of what was asked. This was mainly due to the survey being conducted in English which would need to take into account the majority of respondents were Swedish with English being a second language.

3.8 Offline Surveys
The offline responses were gathered using hard copies of the survey that were handed out to students at the Linnaeus University. The response rate for the offline / face to face respondent was relatively high with 90% of people asked agreeing to complete the survey. The reason for using this method was to ensure a more guaranteed response rate as opposed to using online surveys. Using offline surveys also gives the benefit of having a researcher present to answer any questions that may arise, minimising the risk of having missing answers (Bryman and Bell, 2011). In total the authors received 110 responses from handing out surveys to people at Linnaeus University in Växjö, Sweden on Friday the 24th of April 2015.

3.9 Online Surveys
Following success conducting the offline surveys, the authors were recommended to gather further responses to strengthen the research. An online format of the questionnaire was created using the same questions and an additional 30 surveys were completed.

3.10 Reliability & validity
The reliability of this study, meaning that the study truly measured the concepts of fair trade and AIDA, could be questioned (Bryman & Bell, 2011). Fair trade can have different interpretations and have different influences towards different consumers. This could be reflected in the responses and results, although in order to prevent confusion or misinterpretation in the concept of fair trade, the words fair trade were not mentioned in the survey. Alternatively questions aimed at capturing each facets true meaning has been completed.
The validity of the study may have been lower should the study have been conducted in a different context, i.e. with a broader target group and geographic area. In such circumstances the validity would be less substantial following Vitell (1993), Solomon et al. (2006) and Rountree et al. (2014) who argue that the culture of a country can influence people’s ethics and morality and therefore impact on their perception of fair trade.
4 Analysis and Results

The Analysis and Results chapter discusses and interprets the findings from the statistical testing that was conducted on the focus hypotheses.

4.1 Frequency Analysis
Of the 140 respondents, statistical frequency analysis provided a median age of 23 years old and the range varied between 20 to 35 years of age. Of the respondents, 61 were male and the remaining 79 were female. Given past studies have focused predominantly on women, it was significant that we were able to gather a substantial mix of both genders (Sneddon & Soutar, 2009). All responses answered ‘yes’ for two of the control variables, ‘occupation’ and ‘do you buy your own clothes?’, hence why these are not tested in Tables 2 through 5.

The four independent variable questions that tested the stages of the AIDA purchase process gave a response of ‘yes’ for at least 62% of respondents. It was important to distinguish between those who had recalled upon previous experiences for the fifteen fair trade questions, as the aim was to isolate these respondents for the hypothesis testing.

4.2 Descriptive Statistics and Pearson correlation coefficients
To support our findings, Table 1 was constructed and provides the mean, standard deviation and Pearson correlation coefficients for the dependent and independent variable in the study. Relations can be seen below indicated with the asterisk noting to what degree of significance exists between the two. ‘Action’, the independent variable, notably has negative correlation with four of the five fair trade facets (Economic, Environmental, Labour Working Conditions at p<0.05 and Operational at p<0.01). ‘Awareness’ had a negatively significant correlation with the dependent variable, ‘Labour Work Conditions’ facet of fair trade (at p<0.05) and ‘Desire’ had the same relationship with the dependent variable ‘Operational’ (at p<0.01). Whilst there are other significant relationships noted, they are both between one another (i.e. the independent or dependent variables) and do not provide further support for the tested hypotheses.
4.3 Binary Logistic Regression Analysis

To test each hypothesis grouping (i.e. H1a – H1e), binary logistic regression was adopted similarly to Pehrsson (2008). For each dependent variable (stage of the AIDA purchase model), all five facets of fair trade were tested (Table 2 through to 5). Initially with just the control variables (Model 1), then each independent variable (facet of fair trade) was observed individually (Model 2 through to 6) and lastly the final test includes all five facets (Model 7).

Each model must present a significant Chi Square value (indicated by the asterisk next to the Chi Square value) in order for that model to be accepted and therefore valid should significant values present themselves. For Table 2 and 3, all models were not valid following this and therefore despite in some instances where significance appeared to exist between the tested variables, these cannot be accepted. Concluding for hypotheses H1a - H1e and H2a - H2e, all are rejected based on this rule.

Table 1 - Descriptive statistics and Pearson correlation coefficients of variables in the study

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>S.D.</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>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness</td>
<td>0.38</td>
<td>0.49</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>0.30</td>
<td>0.46</td>
<td>0.292**</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Desire</td>
<td>0.37</td>
<td>0.48</td>
<td>0.101</td>
<td>0.561**</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action</td>
<td>0.37</td>
<td>0.48</td>
<td>0.131</td>
<td>0.529**</td>
<td>0.964**</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social</td>
<td>4.36</td>
<td>0.48</td>
<td>-0.036</td>
<td>0.004</td>
<td>0.047</td>
<td>0.067</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic</td>
<td>4.00</td>
<td>0.64</td>
<td>-0.026</td>
<td>-0.068</td>
<td>-0.096</td>
<td>-0.102*</td>
<td>0.127</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental</td>
<td>4.31</td>
<td>0.61</td>
<td>-0.002</td>
<td>-0.051</td>
<td>-0.140</td>
<td>-0.204*</td>
<td>0.143</td>
<td>0.193*</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Labour Working Conditions</td>
<td>4.27</td>
<td>0.61</td>
<td>-0.171*</td>
<td>-0.130</td>
<td>-0.100</td>
<td>-0.189*</td>
<td>0.264**</td>
<td>0.339**</td>
<td>0.336**</td>
<td>-</td>
</tr>
<tr>
<td>Operational</td>
<td>4.31</td>
<td>0.66</td>
<td>-0.097</td>
<td>-0.163</td>
<td>-0.270**</td>
<td>-0.332**</td>
<td>0.193*</td>
<td>0.324**</td>
<td>0.407**</td>
<td>0.529**</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

N=140

Table 2 - Effect of fair trade facets and the awareness stage of the AIDA purchase process model

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
<th>Model 5</th>
<th>Model 6</th>
<th>Model 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>-0.042 (0.059)</td>
<td>0.041 (0.059)</td>
<td>-0.045 (0.059)</td>
<td>-0.043 (0.059)</td>
<td>-0.016 (0.060)</td>
<td>-0.033 (0.060)</td>
<td>-0.034 (0.062)</td>
</tr>
<tr>
<td>Gender</td>
<td>-0.139 (0.354)</td>
<td>0.128 (0.355)</td>
<td>-0.127 (0.360)</td>
<td>-0.140 (0.354)</td>
<td>0.042 (0.171)</td>
<td>-0.010 (0.372)</td>
<td>0.064 (0.388)</td>
</tr>
<tr>
<td>H1a - Social</td>
<td>0.136 (0.165)</td>
<td>0.136 (0.165)</td>
<td>0.028 (0.290)</td>
<td>0.024 (0.289)</td>
<td>0.024 (0.289)</td>
<td>0.024 (0.289)</td>
<td>0.024 (0.289)</td>
</tr>
<tr>
<td>H1b - Economic</td>
<td>0.072 (0.330)</td>
<td>0.260 (0.330)</td>
<td>0.260 (0.330)</td>
<td>0.260 (0.330)</td>
<td>0.260 (0.330)</td>
<td>0.260 (0.330)</td>
<td>0.260 (0.330)</td>
</tr>
<tr>
<td>H1c - Environmental</td>
<td>0.041 (0.059)</td>
<td>0.041 (0.059)</td>
<td>0.041 (0.059)</td>
<td>0.041 (0.059)</td>
<td>0.041 (0.059)</td>
<td>0.041 (0.059)</td>
<td>0.041 (0.059)</td>
</tr>
<tr>
<td>H1d - Labour Working Conditions</td>
<td>-0.581* (0.102)</td>
<td>-0.581* (0.102)</td>
<td>-0.581* (0.102)</td>
<td>-0.581* (0.102)</td>
<td>-0.581* (0.102)</td>
<td>-0.581* (0.102)</td>
<td>-0.581* (0.102)</td>
</tr>
<tr>
<td>H1e - Operational</td>
<td>-0.075 (0.279)</td>
<td>-0.075 (0.279)</td>
<td>-0.075 (0.279)</td>
<td>-0.075 (0.279)</td>
<td>-0.075 (0.279)</td>
<td>-0.075 (0.279)</td>
<td>-0.075 (0.279)</td>
</tr>
</tbody>
</table>

2-Likelihood          | 185.108 | 184.97 | 184.94 | 185.101 | 181.276 | 184.331 | 185.542 |
| Chi Square            | 0.685 | 0.771 | 0.747 | 0.640 | 4.405 | 1.61 | 5.159 |
| Correct Classification (%) | 62.1% | 62.1% | 62.1% | 62.1% | 66.4% | 64.3% | 65.7% |

N=140. *p<0.10, **p<0.05, ***p<0.01. H1a - H1e indicate hypotheses. Valid models are those with significant Chi Square values.

Table 2 - Effect of fair trade facets and the awareness stage of the AIDA purchase process model
Table 3 - Effect of fair trade facets and the interest stage of the AIDA purchase process model

Table 4 and 5 provide all models were valid following the Chi Squared values, and therefore are able to accept/reject the hypothesis that are shown here.

Table 4 - Effect of fair trade facets and the desire stage of the AIDA purchase process model

The significant influence for H3e allows the authors to make a decision on the noted hypothesis. Whilst there is a significant beta value here (p<0.05), however of a negative nature, the authors must therefore reject H3e. The significant negative influence is further supported in Model 7 where a similar negative beta value is noted between the same variables. In addition as well, referring back to Table 1, the Pearson correlation coefficient also signifies a negative relationship between these two variables (at p<0.01). H3a through to H3d are all rejected on the basis of no significance in the tested models in Table 4.

Table 4 notably presents significant results relating to age, the control variable, across all models tested (at the p<0.05 level). Elaborating on this, these negative influences mean that as the age of the respondents increased, the less their influence was towards...
all facets of fair trade were. Model 2 and 4 in Table 4 provide that male respondents significantly influence less or negatively for the ‘social’ and ‘environmental’ facets of fair trade, highlighting a potential gender differentiation in responses for these areas.

Table 5 - Effect of fair trade facets and the action stage of the AIDA purchase process model

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
<th>Model 5</th>
<th>Model 6</th>
<th>Model 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Variables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>-0.069</td>
<td>-0.072</td>
<td>-0.087</td>
<td>-0.053</td>
<td>-0.064</td>
<td>-0.039</td>
<td>-0.048</td>
</tr>
<tr>
<td>Gender</td>
<td>-1.101</td>
<td>-1.153</td>
<td>-0.966</td>
<td>-1.104</td>
<td>-0.973</td>
<td>-0.815</td>
<td>-0.866</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>*<em>0.046</em></td>
</tr>
<tr>
<td>H4a - Social</td>
<td>0.447</td>
<td>(0.190)</td>
<td>(0.390)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H4b - Economic</td>
<td>-0.499</td>
<td>(0.304)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H4c - Environmental</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H4d - Labour Working Conditions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H4e - Operational</td>
<td>-0.674</td>
<td>(0.303)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>*<em>0.046</em></td>
</tr>
<tr>
<td>Correct Classifications (%)</td>
<td>60.00%</td>
<td>65.00%</td>
<td>65.00%</td>
<td>70.00%</td>
<td>64.30%</td>
<td>68.00%</td>
<td>70.70%</td>
</tr>
</tbody>
</table>

N=140. *p<0.10, **p<0.05, ***p<0.01. H4a - H4e indicate hypotheses. Valid models are those with significant Chi Square values.

Table 5 - Effect of fair trade facets and the action stage of the AIDA purchase process model

For Table 5, despite all tested models being accepted as per the Chi Square significance level, the authors conclude that all hypotheses (H4a - H4e) are rejected. Where there were significant relationships with the beta values for H4c and H4e (environmental and operational respectively) the values are negative which does not support the intended positive nature of the hypotheses. The results for Model 4 prove that there is a significantly negative influence regarding the environmental facets on the action (purchase) stage of the AIDA model. Further to this was the strong statistically negative influence (p<0.01) operational facets/factors on this same stage of the AIDA model. Model 7 supports the rejected results for the operational facet (H4e) and in addition referring back to Table 1, both H4c and H4e prove that the respective fair trade facets have negative correlations with the action/purchase phase of AIDA.

Model 7 however provides insight to H4a (social facet of fair trade at the action stage) partially supporting the hypothesis by giving a positive significant beta value (p<0.10). H4a is therefore partially supported on this basis.

Regarding the control variables in Table 5, gender had a consistently negative influence across all models tested. This provides that at the action stage of the AIDA model, males showed a significantly negative influence on all fair trade facets when compared to females, a notable difference not seen in previous studies which have focused on a particular gender (Sneddon & Soutar, 2009).
4.4 Average Response Value
As all statements were asked on a 5-point likert scale asking how much a respondent agreed or disagreed with a statement the agreement rate can be deducted from the mean value of the answers where 1 represented Strongly Disagree through to 5 which represented Strong Agree.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Social</td>
<td>4.06</td>
</tr>
<tr>
<td>Economic</td>
<td>4.33</td>
</tr>
<tr>
<td>Environmental</td>
<td>4.29</td>
</tr>
<tr>
<td>Labour and working conditions</td>
<td>4.00</td>
</tr>
<tr>
<td>Operational</td>
<td>4.36</td>
</tr>
</tbody>
</table>

*Table 6 – Average response value*

The average response values provides an indication into the agreement rate of respondents on the different fair trade facets. Social, environmental and operational facets were agreed on most while the economic facet was agreed upon least (however most responses gathered still agreed with the statements).
5 Discussion
This chapter gives a discussion about the results from the study and also discusses whether the hypothesis are accepted or rejected.

The study successfully allowed the authors to test which fair trade principles are most important in which stage of the purchasing process. Although the survey data does not fully support any of the hypotheses (with one being partially supported) the results gathered gave credible insight to the research gap identified. Dickson and Littrell (1996) and Sneddon, Lee, and Soutar (2009) argue that there is a positive influence on the purchase behaviour from fair trade, however when the purchasing decision is split into different stages no statistically positive influence was found. Notably however many respondents however did agree with a large portion of the fair trade statements, somewhat confirming what Dickson and Littrell (1996) and Sneddon, Lee, and Soutar (2009) have argued.

The most significant stages of the AIDA model were the desire and action stage due to them having all models accepted (not hypotheses). In both stages the effects of labeling and the availability of product information has a negative influence on consumers indicating a possible negative relationship towards labeling initiatives. Although Jones and Williams (2012) argue the benefits of the fair trade universal label, the results gathered show that recognition and use of the labelling (physically) on products may not necessarily have a positive outcome as proven in the purchase desire and action stages. Further to this, other methods of communicating fair trade may be more beneficial such as the use of a fair trade section in a clothing store and removing the fair trade labelling (as there was no significantly negative influence in the initial stages of the AIDA model).

The fact that none of the labour and working condition related hypotheses were accepted is notable as this topic is currently debated in news and other media, as an area needing greater attention (Dickson et al., 2000; Kozar and Connell, 2013). It should be noted however that even though the statistical analysis might not prove the influence on this topic, 70% or more of the respondents still agreed with labour related statements. Gender proved to influence the purchase behavior as shown significantly by male respondents in the action stage (all models in Table 5). This was a distinguishable
difference not found in previous studies as they have focused predominantly on a particular gender (Sneddon & Soutar, 2009). Men and women traditionally have different influences when buying clothes and several studies suggests that men tend to be less ethical in their decision making (Church et al. 2005, Simga-Mugan et al. 2005) while women seem to exhibit greater idealism and have an ethic of caring (Oumlil & Balloun 2009).

Economical fair trade factors have the lowest agreement rate and may therefore have the lowest impact on the purchasing process overall. The arguments by Brock and Lopus (2015) that ‘consumers are willing to pay more for ethically produced clothing’ contrasted to this study, presents conflicting results which may suggest otherwise. Statements about premiums on fair trade items had surprisingly the lowest agreement rate. This suggests that other factors could be more important, thus price may not be the key deterrent for buying fair trade clothing, confirming what Aspers (2008) proposed.

The most accepted of the fair trade principles following the average response rates were the social, environmental and operational facets. The general well being of farmers and the local communities including equal trade rights for small farmers were of most importance together with the already well established environmental movement (both following average response rates for these questions). D'Souza et al (2015) and Jin Gam (2011) support this in their arguments that eco-fashion (minimal waste, durable materials and non chemical material choices) is becoming more important and furthermore this supports companies like H&M (with their conscious product line) and PeopleTree (with their fair trade labeled clothes) and their decisions to offer more ethically produced products.

Particular literature in the author's research suggests that retailers focus more on labour rights than environmental concerns (Jones & Williams, 2012). Comparing the results produced a higher agreement rate towards the environmental concerns when matched against labour concerns, indicating that even though the sample agreed with improved labour conditions, ecological issues proved to have greater agreements.

For the first two stages of the AIDA model, attention and interest, as all models were not significant, following the Chi Square significance level, and therefore invalid,
comments on $H^{1a}$ to $H^{1e}$ and $H^{2a}$ to $H^{2e}$ cannot be made. A reason for this may be the difficulty in measuring these an also providing information to consumers so they can make decisions without being mentally exerted as Jordan et al (2004) suggested.

$H^{3e}$ resulted in the beta value having significance, however of a negative nature conflicting with the positive influence hoped for by the stated hypothesis. Instead of the intended positive influence on the purchasing behaviour the negative correlation between the two variables may mean the labeling is not effective (Jones & Williams, 2012). No further significance (whether positive or negative) was shown in Table 4 for the desire stage of the AIDA model.

The last hypotheses tested the influence of fair trade criteria on the action stage. During this stage the social facet was partially supported indicating that this issue is somewhat significant in that consumers care about the local welfare of farmers and the impact of labour on local communities when actually purchasing the clothes.
6 Conclusions and contributions

This chapter gives the reader a short and brief answer to the research question. It also presents the contributions to previous knowledge about purchase decision connected to fair trade.

Fair trade proved to have an influence on the purchase behaviour of consumers as the literature suggests however no positive significance at any of the AIDA stages were found, meaning that no conclusive evidence could be provided regarding what stage fair trade influences the purchasing process most. This study however has provided insight into the different stages of the purchasing process as well as what facets and therefore principles were most important to consumes. The social facets of fair trade proved partially significant in the action stage which may indicate that it is an area that could be further explored. Significantly as well, statistically negative influences in the desire and action stages allowed non hypothesized conclusions to be drawn suggesting an area where new research may benefit from further investigation.

There are two representative bodies that are currently promoting fair trade fashion, the NGO’s and noted retailers. Both parties have a role to play in increasing and promoting the sales of fairtrade products. NGOs are there to create awareness and provide information while retailers want to extend from this and meet the changing customer demand. When linking this study to the AIDA model the NGO’s tend to focus on the Attention and Interest stages while retailers focus on the Desire and Action stages. One major task of NGO’s is labeling and the quality checks that belong to that. It is possible due to the labeling market being fragmented that there are too many labels from the different NGO’s as a negative correlation can to some degree be observed between labeling and purchase behaviour. For the most effective use of fair trade retailers are advised to focus on social, environmental and operational facets, especially as these were highly agreed on during the later stages of the AIDA purchasing process.

Even though economic attributes are important following the fair trade principles, respondents did not respond towards these statements as strongly as other facets, meaning these values may not be as important as implied by NGO’s. The push for an additional charge or a premium on fair trade products and to invest these funds into the
local economies had the lowest agreement rate from all of the fair trade facets which may suggest that it is not as strongly supported as other facets.

The key points that can be concluded from this research are that (i) fair trade did not prove to be significant at any stage of the AIDA model regarding the 'labour and working conditions' facet which disagrees with what is generally promoted by fair trade organisations and the media, (ii) the final moments (including buying) of purchase behaviour were areas where consumers were most reactive to fair trade activity (such that when they recalled on fair trade experiences this was where their decisions were impacted most), and (iii) following frequency analysis, consumers on average across all facets of fair trade agreed with the statements (and therefore the purpose of fair trade) concluding the movement represents important aspects of the manufacturing process to consumers.
7 Managerial implications, further research and limitations

In this chapter the managerial implications as well as the areas for further research are discussed due to the result of this study. The limitations of the study are also presented in the end of the chapter.

7.1 Managerial implications and suggestions for further research
For this study the historically used AIDA model (Strong, 1925) was chosen to explain the purchase decision making process. Since there were alternate models to choose from (Colley, 1961; Lavidge & Steiner, 1961; Wells & Chinsky, 1965; Rogers, 1983; Bovee et al., 1995; Court, 2009; Wijaya, 2012), the results presented may have provided different insight into the topic. This study confirmed that the later stages of the AIDA model were the most significantly influential (regardless of the found negative nature), meaning further research investigating these may prove to be beneficial in deepening the understand of the research gap identified (Rogers, 1983; Bovee et al., 1995; Court, 2009; Wijaya, 2012).

This study confirms that most consumers value ethical labeling for clothes (albeit in a negative association), however this does not take into account consumers perception differences. Clothing companies such as H&M may launch a new product line that promises to be more ethical, though this study cannot confirm nor deny if consumers may consider products with fair trade labels. This does however create a new research gap for further studies and suggest an even deeper understanding for the connection between ethics and purchase behavior may be required. As D'Souza et al (2015) and Jin Gam (2011) argue the importance of eco-fashion is increasing and knowing what kind of different influences exist, whether positive or negative, this can potentially provide retailers better guidance for future decision making.

7.2 Limitations
Given that this study was only conducted in Sweden and at one university, this may impacted the validity of the study and therefore the authors interpretations. A broader study that includes non students and respondents from a greater geographical area could possibly provide different results to this study. An even greater and more international sample could also be considered in order to look at whether there are cultural
differences or not. Both suggested research samples were not considered due to limited timeframe.

The fact that the study was conducted in a quantitative manner as opposed to a qualitative one meant the results of the study are based on pure statistics and not of the opinion of the respondent. A qualitative study could have been beneficial in order to examine the concepts more in depth, although due to limited time this would have resulted in a limited amount of opinions and perceptions gathered.

In addition and closing, the study conducted was very broad, covering areas/facets of fair trade that could have been investigated individually and much more thoroughly. Equally, each stage of the AIDA model used is complex in its own nature and therefore this could have been narrowed and focused more precisely. The questions asked and how they were understood may have differed significantly upon each respondent and furthermore mean the results discussed could be inaccurate. As the research gap identified was large, the authors feel they were able to provide insight and also identify areas where further studies may benefit from focusing on. This was the aim of the paper and the authors hope that further studies will be able to explore the topic in greater depth supporting the fair trade movement.
References


Colley, R.H. (1961). *Defining advertising goals for measured advertising results*. New York:


WFTO. (2015b). Definition Fair Trade. World Fair Trade Organization

Fair Trade Organization

WFTO. (2011). Where did it all begin? World Fair Trade Organization


Marketing, 1.
### Appendices

**Appendix A: Questionnaire**

<table>
<thead>
<tr>
<th></th>
<th>Control variables</th>
<th>Open</th>
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<tbody>
<tr>
<td>1</td>
<td><strong>Age</strong></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td><strong>Gender</strong></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td><strong>Occupation</strong></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td><strong>Do you purchase your own clothes?</strong></td>
<td></td>
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</table>

Rate how much you agree or disagree with the following questions when thinking about the purchase of clothing. Think about the origin (i.e. farmers and country location) of the products and the raw materials supplied.

<p>| 5       | <strong>All farmers regardless of size should be able to sell their products to the same customers larger farmers do.</strong> | Social |
| 6       | <strong>Farmers should be provided with adequate safety equipment to conduct their job.</strong> |      |
| 7       | <strong>Farmers should be able to have adequate breaks and working facilities in their workplace.</strong> |      |
| 8       | <strong>Farmers should be paid a fair price for their products according to the country they come from.</strong> | Economic |
| 9       | <strong>Products that are made to an ethical level of manufacturing should charge an additional charge.</strong> | 5-point likert scale |
| 10      | <strong>Products should charge a premium where that money goes to further economic growth of more ethically produced goods.</strong> |      |
| 11      | <strong>Purchased clothes should be durable and have a long lifespan.</strong> | Environmental |
| 12      | <strong>Raw materials used to make clothes should be free from non-natural growth / chemical enhancements.</strong> |      |
| 13      | <strong>Production of clothing should have a sustainable impact on the environment and aim to have minimal waste.</strong> |      |
| 14      | <strong>Labour laws should be considered when buying clothes.</strong> | Labour &amp; Working Conditions |
| 15      | <strong>Worker labour conditions (rest breaks, physical impact on body) should be considered when buying clothes.</strong> |      |
| 16      | <strong>All production workers should be of an eligible age and their choice to work should not be forced.</strong> |      |
| 17      | <strong>Fair Trade labelling should be promoted as a global industry standard.</strong> | Operational |</p>
<table>
<thead>
<tr>
<th></th>
<th>Companies should label clothes to raise awareness of a fair production process.</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>Products should provide more information on where they are produced and where the raw materials are sought.</td>
</tr>
</tbody>
</table>

Please keep the topic of clothing in mind for the following questions:

<table>
<thead>
<tr>
<th></th>
<th>Did you recall upon a situation where you were exposed to clothing advertising (billboards, websites, radio, television, social media, etc) connected to the above statements?</th>
<th>AIDA</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>Did you think of a time where you have wanted to gain more knowledge about the above statements?</td>
<td></td>
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<tr>
<td>21</td>
<td>Have any of these statements come to mind before you were going to buy clothes?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Have any of these statements come to mind when you purchased clothes?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>