

## Tilburg University

### How consumers make a difference

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*Publication date:*  
2010

[Link to publication in Tilburg University Research Portal](#)

*Citation for published version (APA):*

Gielissen, R. (2010). *How consumers make a difference: An inquiry into the nature and causes of buying socially responsible products*. BOXPress BV.

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# How consumers make a difference

An inquiry into the nature and causes  
of buying socially responsible products



Robert Gielissen

# **HOW CONSUMERS MAKE A DIFFERENCE**

## **An inquiry into the nature and causes of buying socially responsible products**

### **Proefschrift**

**ter verkrijging van de graad van doctor  
aan de universiteit van Tilburg  
op gezag van de rector magnificus,  
prof. dr. Ph. Eijlander,**

**in het openbaar te verdedigen ten overstaan van een  
door het college voor promoties aangewezen commissie  
in de aula van de Universiteit  
op woensdag 23 juni 2010 om 14.15 uur**

**door Robert Bart Gielissen,  
geboren op 31 augustus 1983 te Eindhoven.**

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*This research was made possible by Fontys University of Applied Sciences*



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## Preface

When I studied Economics at Tilburg University, my interest in the psychology of the consumer was evoked by questions of the inspiring Chris Dutilh, who works as 'sustainability manager' for Unilever. As a reaction to his questions, I wrote a Master thesis on perceptions of price fairness. The supervisor of this thesis was Johan Graafland, who inspired me to look at the topic at hand from different angles of incidence. The process of writing this Master thesis led me to several interesting people, several of whom tried to sell socially responsible coffee. I noticed that these people were all, in their own way, struggling with very similar questions about consumers' behaviour. My Master thesis could, because of its scope, not answer these questions. This dissertation is an attempt to set things aright.

The journey of writing a dissertation is by no means one that is made in solitude. I would like to express my gratitude to those who provided guidance in mapping out the route and who critically followed each step of the way: Johan Graafland and Fred van Raaij. Their comments on (earlier versions of) this dissertation and on the articles that were written based on it were of great value. It was a privilege to work with such capable and inspiring gentlemen.

My employer Fontys University of Applied Sciences allowed me to spend some of my working hours on writing this dissertation. I would therefore like to thank everyone at Fontys who made this possible.

Several others contributed to particular stages of my journey. I would like to thank Yolanda te Poel for several useful comments. I am also grateful to my colleagues Jeske Nederstigt, Michel Klinge and Boudewijn Raessens for their interpretation of the transcripts of the interviews that were held as part of the qualitative research and for their comments on this dissertation. My gratitude also goes out to Lianne van der Wijst and Ingrid Bertens of market research company GfK for their useful comments on the concept questionnaire and for their enthusiastic cooperation in the data collection, and to Soulimane Yajjou and Martine Janssen for their comments on the quantitative analyses. I would also like to thank Jane Brooks and Peter van der Schee for their comments that helped to further improve this dissertation. Special thanks also go out to my brother Tim for helping me with various technical difficulties that I encountered. He was also a great help in designing the lay-out of this book. I would also like to thank Bart and Jeske for being paranymphs during the defence of this dissertation.

Thanks to my band-members, my friends from secondary school and from university and my colleagues at Fontys for all the good times.

Last but not least: thanks to my parents and my brother for always supporting me.

Marjolein, thanks for your love and support.





## 1.1 Introduction

Market and Opinion Research International showed that in 2000, 70% of European consumers agreed with the statement that a company's commitment to social responsibility is important when buying a product or service. At the same time, 58% of the European consumers agreed with the statement that industry and commerce do not pay enough attention to their social responsibilities (MORI, 2000). It can therefore be said that consumers demanded more corporate social responsibility.

In response to such signals, firms have tried to meet this demand in varying ways. For example, some firms tried to improve working conditions at foreign companies in their supply chain, others decreased the negative impact of their operations on the environment, and still others donated money to charitable institutions. Recent studies have shown that companies that act socially responsibly also report larger returns on investment than other companies (Heal, 2004; Bechetti, Giacomo, & Pinnacchio, 2005; Lougee & Wallace, 2008). Waddock and Graves (1997) showed that the causality of this relationship runs in two directions: the social performance of companies was found to be positively related to prior as well as future financial performance. Orlitzky, Schmidt and Rynes (2003) reached a similar conclusion, and speak of a 'virtuous circle': financially successful companies spend more on social initiatives because they can afford it, but these initiatives also help them become more successful.

Also studies that take a consumer perspective have shown that consumers attach value to the extent to which the products they buy are socially responsible. For example, Hiscox and Smyth (2007) carried out an experiment in which they added labels to products such as towels and candles in a large retail store in New York to emphasize that these are socially responsible. As a result, the ratio of the sales of these labelled products to the sales of control products increased significantly. In a Swedish experiment, environmental labelling was also shown to positively influence preferences for some everyday products such as food, soap and writing paper (Grankvist, Dahlstrand, & Biel, 2004).

One can therefore conclude that socially responsible product characteristics are appreciated by the consumer. This conclusion is not necessarily contradictory to the assumption of standard economic theory, stating that consumers are driven by self interest: consumers also benefit from, for example, less pollution. But the marginal welfare for an individual consumer resulting from buying a product with social characteristics is very small. Standard economic theory would therefore predict

that consumers are not willing to pay an above-market price for such a product, as the welfare loss resulting from paying the higher price is more important than the individual increase in welfare resulting from the socially responsible characteristics of the product<sup>1</sup>. Nevertheless, a Spanish experiment showed that consumers are more likely to pay a price premium for a product if the premium is attributed to compliance with ethical guidelines (Rode, Hogarth, & Le Menestrel, 2008). Furthermore, several products that use the socially responsible character of the product as a unique selling point and that are sold at an above-market price have survived in the market for many years (e.g. Fair Trade products and organic food). The demand for organic foods was even called exceptionally high in 2006, when global sales were close to 40 billion US Dollar (Organic Monitor, 2006).

In The Netherlands, such products have also seen a dramatic growth in their sales volumes in recent years: consumer spending on organic foods increased by 13.3% in 2007 and by 12.4% in 2008 (Bio-monitor, 2008), while total expenditure on foods only increased by 6.7% and 6.9% in these respective years. Also, the amount of money spent on Fair Trade products increased by 20% annually from 2004 to 2007 (F-commerce, 2008). Furthermore, the Dutch Climate Neutral Group that handles CO<sub>2</sub> compensation for airplanes (GreenSeat) and for cars saw the amount of CO<sub>2</sub> that is voluntarily 'compensated' by Dutch consumers steadily increase from 4,000 tons in 2003 to 195,000 tons in 2007 (CNG, 2008).

In The Netherlands, socially responsible products with an above-market price therefore seem to leave their niches, and slowly but surely set foot on the mainstream markets. Whether this trend will continue depends on whether more consumers can be persuaded to buy such products. Consequently, information about reasons for (not) buying socially responsible products with an above-market price and about groups of consumers most likely to buy such products is of great importance. Therefore, this thesis aims to provide more insight into Dutch consumers' reasons for (not) buying socially responsible products with an above-market price. The main research question is formulated as follows:

### *Why do consumers buy socially responsible products with an above-market price?*

---

<sup>1</sup> On the other hand, if the well-being of others influences the happiness of a person, this means that someone could be maximizing his own well-being by engaging in social behavior. Furthermore, next to enjoying the happiness of others, people may also want to feel good about themselves or may want to influence the way that others see them. Sen (1996) has given a simple example of someone not taking the most comfortable chair at a party because other people will think of him as a rude 'chair grabber'. It would therefore be in this person's self-interest to take another, less comfortable, chair.

Because of this, altruism and self-interest are not always opposites. In fact, self-interest could be defined in different ways, for example by distinguishing between short-term and long-term focus (egoism versus enlightened self-interest - Graafland, 2009) or by distinguishing between different types of goals, such as (a combination of) (Sen, 1987):

- (1) Self-centered welfare (only dependent on a person's own consumption).
- (2) Self-welfare goals (also taking values like the admiration of others into account, but not the welfare of others)
- (3) Self-choice goals (which may include preferences about the welfare of others and the willingness to comply with moral obligations).

In the argumentation presented here, self-interest is used in the narrowly defined way (1 and 2). People buying SR products may well be trying to achieve self-choice goals (3).

## 1.2 Demarcation

The research is demarcated in two ways. First, the research question concerns the buying of socially responsible (SR) products. In this research, SR products are defined as: *Products with socially responsible characteristics and an above-market price*. Only products that require a consumer to definitively give up the money that is paid as price premium are included in this research. Products that require an investment that is expected to be earned back over time (such as energy efficient light bulbs or central heating boilers) are therefore not included in the research. In other words: to be included in the research, the price premium should be to the benefits of others and should not add to the buyer's own consumption possibilities. Table 1.1 shows examples of SR products according to this definition. Note that the price premiums mentioned only provide an indication, as prices are subject to changes in markets. Furthermore, it is difficult to determine an exact market price in a market with heterogeneous products and retail channels such as chocolate or coffee. In creating table 1.1, the price of the most comparable product of the market leader was used as indication for the market price.

Table 1.1  
*Examples of socially responsible products as defined in this research<sup>a</sup>*

Product	Social component	Price	Market price	Price premium
Max Havelaar Coffee (250 grams)	A 'fair price' (above-market) was paid to coffee farmers	€ 1.99	€ 1.69	18%
Free-range eggs (10 pieces)	Above-average level of animal welfare	€ 1.89	€ 1.45	30%
Sustainable wood	Protection of tropical forests			12–15%
Organic meat (200 grams steak)	Above-average level of animal welfare	€ 4.50	€ 2.75	60%
Chocolonely (200 grams chocolate bar)	No use of slavery in the production process	€ 2.59	€ 1.85	40%
Fair Trade orange juice (1 litre)	A 'fair price' (above-market) was paid to the producers.	€ 1.39	€ 1.19	17%
GreenSeat airplane ticket	CO <sub>2</sub> emission is compensated by planting trees			12%

<sup>a</sup> The price premium for sustainable wood with the Forest Stewardship Council (FSC) hallmark is estimated by three Dutch wood wholesalers. All estimated the premium to be between 12 and 15%. The estimated price premium for GreenSeat airplane tickets was based on prices for 5 different flights leaving from Dutch airports. The exact price premium is dependent on the market price and CO<sub>2</sub> emission of a flight. The rest of the data was obtained from websites of supermarkets that both sell SR products and 'regular' products.

The second way of demarcating the research is by focusing on the Dutch market. This allows further validation of results of prior research on this topic, which is mainly from the US, the UK, Denmark and Belgium (the literature survey in chapter 2 provides an overview). Moreover, The Netherlands is interesting to look at because it was the first country to start selling products with a Fair Trade certification in 1989. This implies that Dutch consumers already have a long experience with SR products being available, which is important for having reasons for (not) buying such products.

### **1.3 Relevance and added value to existing research**

Literature about ethics in consumer choices is abundant (see for example Auger & Devinney 2007; Hiscox & Smyth 2007; Vermeir & Verbeke 2006; Devinney et al. 2005; Shaw & Shiu 2003; Carrigan & Attalla 2001; Dickson 2001). However, these studies do not focus on social products for which a price premium has to be paid by the consumer. Asking consumers to pay a price premium may, however, have a considerable effect on their behaviour.

Some studies into buying SR products have been done in the UK, the US, Belgium and Denmark (see for example De Pelsmacker & Janssen, 2007; De Pelsmacker, Driesen, & Rayp, 2005; Millock, Hansen, Wier, & Andersen, 2002; Laroche, Bergeron, & Barbaro-Forleo, 2001). I believe that it is necessary to extend this research in several directions.

Firstly, as opposed to most previous studies, I use both a qualitative and a quantitative approach. The qualitative method allows detecting new relevant factors influencing consumer behaviour, which could not have been found with only a quantitative method. I combine reasons for buying SR products from these different prior studies and from the qualitative analysis in one factor analysis to determine the relative importance of each of these reasons and to reveal major underlying drivers of SR buying behaviour. Also, several consumer characteristics are included in the study to test for differences between subgroups of consumers.

Secondly, as opposed to many other studies that focus on one SR product, I use several SR products (both low- and high-involvement products), which enables testing the robustness of findings across these different products and to test whether buying an SR product complements or substitutes buying other SR products.

Thirdly, whereas prior research studied the influence of variables on attitude or behaviour towards SR products, I also analyze the level of these variables, to see to what extent they are relevant altogether. For example: I do not only test whether the perceived quality of SR products influences buying behaviour, but also whether the quality of SR products is perceived to be different from that of 'non-SR' products.

Fourthly, I focus on the Dutch market in order to complement and further validate findings for the UK, the US, Belgium and Denmark. It is not self-evident that results in the Netherlands are similar to those found in other Western countries, as markets for SR products are at different stages of development. In 2004, for example, the market share of organic foods in Denmark was 2.77 times larger than the market share in The Netherlands (ZMP 2005). Also for Fair Trade products, the market shares differ considerably across European countries (Krier, 2008).

The results of this study will therefore contribute to a more thorough understanding of factors driving buying behaviour of consumers regarding SR products. It is expected that this knowledge will help companies in selling such products by better serving the needs and wants of consumers. Policy makers too may use outcomes of this study to support their thinking about policy related to socially responsible characteristics of consumer products.

Furthermore, the question how consumers can be persuaded to buy SR products may become increasingly important in the future. Like many other western European countries, The Netherlands is making an effort to reduce negative external effects of production. Amongst other measures, this is done by government regulation. As an illustration, think of the price tag that is put on CO<sub>2</sub> emissions from industry or the extensive regulations concerning industrial waste. Dutch companies need to comply with such regulations, but at the same time, they face competition from fast growing economies such as India and China. As long as these countries have less demanding environmental regulations, production in these countries is cheaper but also more polluting. One may therefore expect that in the near future, the consumer will more often be faced with a choice between higher priced environmentally friendly produced products on the one hand and lower priced but more polluting products on the other hand. The question of how the consumer can be persuaded to choose the socially responsible product may therefore become increasingly important in the future.

#### **1.4 Research questions**

This research aims to provide more insight into the consumer behaviour of Dutch people regarding SR products. In order to do this, different research questions that all relate to what Devinney et al. (2006) called 'the other CSR: Consumer social responsibility' are answered. These research questions are formulated as follows:

*1. What are the reasons that consumers have for (not) buying SR products?*

Knowledge about reasons that are important drivers in the decision (not) to purchase SR products will aid in understanding the decision making process of consumers in relation to SR products. Such knowledge is not only interesting in itself, but also helpful for those that wish to persuade consumers to purchase SR products. Answering this research question provides a first answer to the main research question.

*2. What are the characteristics of (potential) buyers of SR products?*

The main research question is further answered by studying characteristics of (potential) buyers of SR products. Not all consumers are equally likely to buy SR products. It is interesting to test whether segments of consumers who are more likely than others to buy SR products can be identified.

### *3. What price premium are consumers willing to pay for SR products?*

SR products are (by definition in this research) higher priced than competing products. It is therefore interesting to know what price premium (so: what level of difference between the general market price and the price of the SR product) consumers are willing to pay. Furthermore, such information is useful for policy makers, for example because it can be used to optimize the pricing strategy that sellers use. The answer to this last research question completes the answer to the main research question.

## **1.5 Design of the research**

The total research project consists of three studies: an extensive literature survey, a qualitative study and a quantitative study. During the literature study, prior literature on buying SR products and on 'socially conscious buying behaviour' in general is analyzed. This study provides directions for answering the research questions and leads to the development of hypotheses.

Before these literature-based hypotheses were tested in a quantitative manner, a qualitative study was executed. Depth interviews were held with 25 Dutch consumers. This study had multiple objectives. First, it involved a profound discussion of the drivers of consumer behaviour in relation to SR products that resulted from the literature study, producing a better understanding of them than could have been achieved with only a quantitative study. Secondly, it led to the identification of drivers of consumer behaviour that were not identified before. This qualitative study therefore provided more and new insights into the causes and nature of buying SR products.

Only after finishing the qualitative study, the quantitative study was initiated. A large and representative sample of Dutch consumers ( $n > 1000$ ) was asked to fill out an extensive questionnaire. The resulting data were used to test the assumed relationships for significance. Also, I tested the relative importance of variables in multivariate analyses and identified fundamental drivers that underlie the variables in factor analyses. In addition, this study provided answers to questions of a more quantitative nature, such as those related to the willingness to pay for SR products and their price elasticity of demand.

## **1.6 Overview of chapters**

Chapter 2 describes and discusses the results of the literature survey. Based on the findings from this, hypotheses for the empirical research are developed. These hypotheses are presented in chapter 3, along with literature that further supports or challenges them. The fourth chapter presents the methodology, analyses and results of this qualitative study. Also, the results are discussed and used to update the hypotheses. The fifth chapter presents the methodology of the quantitative study and presents and discusses its results. Finally, chapter 6 provides conclusions and a discussion of the entire research project.

*“Fair Trade coffee should not become a product that is purchased because people feel sorry for poor coffee farmers”*

- Sarah Robinson, Bean There Coffee Shop, South Africa -

## 2.1 Introduction

As chapter 1 mentioned, research into buying socially conscious products has been done before, but there are still questions left unanswered. Before the focus shifts to answering these questions, I provide an overview of relevant studies on socially responsible consumption. The goal of this chapter is to structure the existing knowledge of consumer behaviour related to SR products. Each research question is dealt with in a separate section. Section 2.2 deals with the question ‘why do people buy SR products?’ In section 2.3, it is studied how people who are more likely to buy SR products can be distinguished from others. Section 2.4 concerns the effect of the price premium that is (by definition) demanded for SR products on the willingness to pay for such products. Finally, section 2.5 does not deal with a research question, but elaborates on the apparent discrepancy between attitude towards SR products and buying behaviour.

## 2.2 Arguments for buying SR products

This section describes the result of a study of literature on consumers’ reasons for (not) buying SR products. More insight into which reasons are important for consumers in their decision (not) to buy SR products will provide a first answer to the main research question.

### 2.2.1 Why do people consume socially responsible?

Over 30 years ago, buying socially conscious was already topic of research: Brooker (1976) linked willingness to buy socially conscious (but not necessarily SR products as defined in this research) to the level of self-actualization. He referred to the well-known theory on the hierarchy of needs developed by Maslow (1943) which is often depicted in a figure depicting a pyramid (such as in figure 2.1). The highest ‘need’ that was defined by Maslow is self-actualization, which can be described as ‘being the person that you can be’. Brooker measured the level of self-actualization of 99 respondents using a scale that he had developed a year earlier, and discovered that people who scored high on this scale were also more likely to buy in a socially conscious manner.



Figure 2.1: Maslow's hierarchy of needs (Maslow, 1954, p. 236)

Graafland and Van de Ven (2006) used a sample of 111 firms to show that many Dutch corporate managers perceive corporate social responsibility as a moral duty. They consistently found this result, both for large and small firms, in different sectors. Kantian ethics state that firms indeed have a moral duty to behave in a socially responsible way (Evan & Freeman, 1988). Consumers might have similar motivations, implying that they think of *buying* SR products as a moral duty. Watson (2007) argued that this can indeed be called a 'moral act', at least in the manner described by Adam Smith. Also, it can be argued that in accordance with Kantian ethics, buying SR products can be regarded as treating all stakeholders involved in the transaction (e.g., coffee farmers) as an end. Indeed, this obeys Kant's well-known second formulation of the categorical imperative, stating that one should treat humanity never simply as a means, but always at the same time as an end. The perception of buying SR products as a moral duty can therefore be called an argument for buying SR products.

Further support for this can be found in the UK study of Shaw and Shiu (2003), who used a sample of 1472 respondents to show that a feeling of 'ethical obligation' positively and significantly influences the behavioural intention to purchase Fair Trade products. In addition, the authors found 'social norms' to have significant influence on buying Fair Trade products, which indicates that 'the opinion of others' may be a reason for (not) buying SR products.

Laroche, Bergeron and Barbaro-Forleo (2001) tested the effect of several variables on the willingness to pay more for environmentally friendly products on a North American sample (n = 907). The results showed that people who would not pay more for environmentally friendly products perceived the 'inconvenience of being environmentally friendly' to be significantly higher than people who would pay more. Furthermore, the 'importance of being environmentally friendly' was significantly



higher for those that would pay more. Another interesting finding is that respondents who would not pay more, attributed significantly more responsibility for environmental problems to corporations (rather than to themselves) than people who would pay more. From these findings, it can be derived that reasons for not buying SR products may be perceived inconvenience of doing so, a low perceived importance of being environmentally friendly and low perceived responsibility for environmental problems.

Robinsons and Smith (2002) used a sample (n = 550) of customers of grocery stores in Minnesota to test whether different psychosocial and demographic variables are related to consumer intentions to purchase sustainably produced food products. The respondents were asked to fill out a survey with questions about their support for sustainably produced foods, demographics, beliefs, attitudes, subjective norms and perceived behavioural control. One of the finding was that 'subjective norms', measured by asking respondents whether people most important to them approved of buying sustainably produced foods, had a significant positive influence on the intention to purchase such products. From this, it can be conclude that the opinion of relevant others may be a reason for (not) buying SR products. Further support for this can be found in a German study, showing that the consumption pattern of reference persons is significantly related to intensity of buying organic food (Welsch & Kühling, 2009).

Loureiro, McCluskey and Mittelhammer (2002) studied willingness to pay for eco-labelled apples of US consumers in a grocery store setting, allowing the researchers to obtain data directly from the decision makers in a realistic context. Data were gathered from 285 apple-buying consumers. One of the results is that consumers with strong environmental and food safety concerns were significantly more likely to pay a price premium for such apples. Also the perceived relative quality of such apples had a significant positive effect on willingness to pay for eco-labelled apples. From this, it can be concluded that perceived importance of the social problem that the SR product aims to alleviate and the perceived quality of the SR product can be important reasons for (not) buying SR products.

Devinney, Eckhardt and Belk (2005) used depth interviews with consumers in different countries (8 countries, 20 interviews per country) to find out why consumers do often not buy in an 'ethically responsible' way. The authors identified three main reasons for this: (1) economic rationalism, implying that consumers justify their behaviour using rational arguments that focus on their own utility as consumers, (2) governmental dependency, implying that consumers believe that the government should deal with the problem instead of consumers, and (3) developmental realism, implying that in emerging markets, consumers see breaching their own sense of morality as part of the price to pay for their country and individuals to develop and grow economically. Only the first two rationales were used in western countries.

The first rationale involves the extra costs of buying SR products and low perceived importance of the problem if the consumer is not directly affected by it. The second rationale (government dependency) is related to a lack of perceived own responsibility for social problems. Respondents say that it is the role of the

government to address the issues. Similar arguments can be derived from the work of Pieters, Bijmolt, Van Raaij and De Kruijk (1998), who surveyed a sample of 1685 consumers. These researchers showed that consumers attribute the largest ability to perform pro-environmental behaviour to the government and to industry. According to Graafland (2003), a larger ability to deal with negative social or environmental effects of production and consumption results in a larger responsibility to do so. Combining the notions of Pieters et al. and Graafland, it is likely that people feel that the responsibility to deal with social problems lies with the government and industry, and not with individual consumers. This may therefore be an argument for not buying SR products.

De Pelsmacker, Janssens, Sterckx and Mielant (2006a) used a web-based survey with a sample of 750 Belgian consumers to assess the relative importance that consumers attach to different characteristics and marketing practices of ethically labelled coffee. The method used was a conjoint analysis. The results indicated that the attribute 'distribution' of such coffee is important: of the six attributes, distribution had the highest relative importance (24.5%). It can therefore be concluded that low distribution coverage (or: availability) may be an important argument for not buying SR products. Furthermore, the type of label was found to be important, with a strong consumer preference for Fair Trade over 'Bio' or 'Eco' labels.

Vermeir and Verbeke (2006) created a model (see figure 2.2) that was tested on its power to predict the attitude and behavioural intention towards buying a fictive SR product. Several variables (bold faced in figure 2.2) were manipulated in the study. Involvement is defined as 'perceived personal importance': the SR product feature is important to people because it addresses important values and goals in people's life. (Un)certainty is related to the perceived effectiveness of the SR product in alleviating the social problem. PCE (perceived consumer effectiveness) is defined as the extent to which the consumer believes that his personal efforts can contribute to the solution of a problem. The model was tested by surveying 456 students from Belgium. The variables in the model were manipulated by giving the students different pieces of text, some of which were meant to influence the level of involvement, uncertainty, perceived availability and perceived consumer effectiveness. Values and social norms were also measured (but not manipulated). Furthermore, students were asked to answer questions about their attitude towards buying the fictive product and purchasing intentions.

The results showed that all variables that are bold-faced in figure 2.2 had a significant positive influence on both attitude towards buying the SR product and purchase intention. Furthermore, social norms were also significantly related to the two dependent variables. From this study, four reasons for (not) buying SR products can be derived: (low) involvement with the social problem, (un)certainty about the effectiveness of the SR product in alleviating the social problem, (low) availability of the SR product and the perception that relevant others (dis)approve of buying SR products.

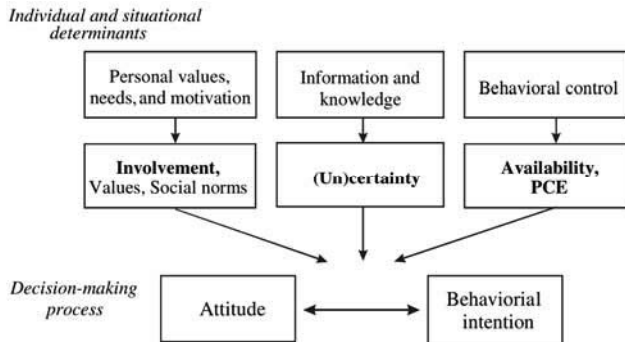


Figure 2.2: Model from Vermeir and Verbeke (2006)

Another interesting study was done by De Pelsmacker, Janssens, Sterckx and Mielants (2006b). They administered a questionnaire in which they asked a sample of 858 Belgian respondents (243 of which were visitors of Oxfam World Shops) about the reasons for (not) buying Fair Trade products. It turned out that 44% of the people who did not buy Fair Trade products mentioned the price premium as the most important reason. This indicates that the price premium is an important reason for not buying SR products. This finding is further supported by research from the US and UK that shows that the size of the price premium has a negative effect on the willingness to buy non-biotech foods (Moon, Wanki, & Siva Balasubramanian, 2003) and certified hardwood (Jensen, Jakus, English, & Menard, 2002). Similar results were found in a Danish study into buying organic foods (Wier, Hansen, & Smed, 2001). At the same time, the results of De Pelsmacker et al. indicate that there are also important *other* reasons for not buying Fair Trade products. About 50% of the respondents who did not buy Fair Trade products stated not to have enough information about Fair Trade to be convinced about the benefits of Fair Trade. This implies that uncertainty about the effectiveness of Fair Trade products in alleviating the social problem, perhaps based on lacking information, is also an important reason for not buying SR products. The reasons stated most by the consumers who bought Fair Trade products are those also used by the Fair Trade foundation: a fair price for producers in developing countries, safe and honest production processes and retention of dignity and autonomy. Furthermore, an interesting finding is that both the 'product likeability' (taste, health, quality) and the perceived 'convenience of distribution' were higher in the 'Oxfam sample' than in the rest of the sample. Aspects such as perceptions about taste, health and quality may therefore play a role in the decision (not) to buy SR products. Also perceived convenience of distribution (or: availability) may influence this decision. It is not yet clear whether SR products are perceived to have a below-average or above-average quality compared to non-SR products: according to Bird and Hughes (1997) consumers have made an 'historical association' between 'charity goods' (such as Fair Trade products) and poor quality. However, this may not be relevant (anymore) for the Dutch market: a more recent study by Gielissen and Graafland (2009) shows that Dutch consumers do not think that the quality of Fair Trade coffee is below average.

De Pelsmacker and Janssen (2007) developed a model for Fair Trade buying behaviour (see figure 2.3) based on data from a sample of 615 Belgian respondents. In this model, the factor 'information about Fair Trade (FT)' comprises the perceived quality and quantity of information about Fair Trade. 'General attitude towards Fair Trade' comprises concern about the social problem that Fair Trade products aim to alleviate as well as perceived effectiveness of the product in doing so. The factor 'attitude towards Fair Trade products' comprises product interest, product likeability, shopping convenience and price acceptability. The results showed that product interest, concern and knowledge have the largest positive influence on the amount of money that the respondents spend on Fair Trade products. Price acceptability and scepticism play a modest but significant role. The findings that product interest and knowledge are positively related to buying Fair Trade products are somewhat difficult to translate into reasons for (not) buying SR products. It might be the case that more product interest increases the knowledge about Fair Trade, which might in turn increase the concern about the social problem. Indeed, the results of this study show significant correlations between product interest and knowledge ( $r = .36$ ) and between knowledge and concern ( $r = .42$ ).

From these findings, several arguments for (not) buying SR products can be derived. First of all, concern about the social problem that an SR product aims to alleviate is an important factor. This finding is further supported by Dickson (2001), who looked at the effect of a 'No sweat' label on apparel, indicating that it had not been produced under poor labour conditions (sweatshops). In that study, concern about sweatshop practices was shown to have a significant effect on the willingness to buy products with a 'no sweat' label. Also a Danish study by Millock et al. (2002) supports this finding. In this study, a sample of 400 households was interviewed about buying organic food. Results showed that level of agreement with the statement that environmental problems are exaggerated is significantly and negatively related to buying organic food. Secondly, De Pelsmacker and Janssen showed that the price premium that is demanded for SR products may form a barrier for consumers. And finally, they showed that consumers may be less likely to buy SR products because they are sceptical about the effectiveness of the SR product in alleviating the social problem. This last finding is supported by Millock et al. (2002), who found that agreement with the statement that consumer behaviour can make a real difference is significantly and positively related to buying organic food.

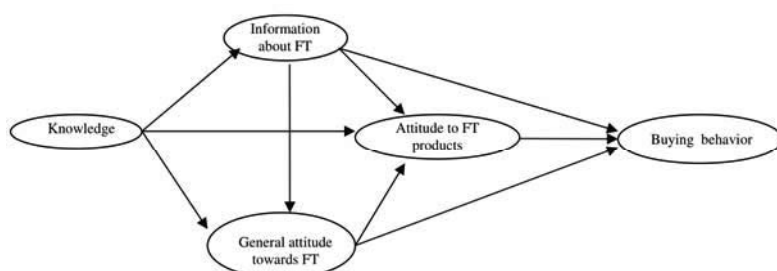


Figure 2.3: Conceptual model for buying Fair Trade (De Pelsmacker and Janssen, 2007)

Gielissen, Dutilh and Graafland (2008) show that perceptions on price fairness influence buying SR products. The authors found results similar to those from the influential work of Kahneman, Knetsch and Thaler (1986). Using an online questionnaire which was filled out by 305 Dutch respondents, Gielissen et al. showed that people think of price increases as more fair when the perceived profit of the seller does not rise. From this, it can be derived that the perceived motive of the seller is quite important in judging price fairness, which may in turn influence buying SR products.

Dean, Raats and Shepherd (2008) used the theory of planned behaviour to examine influences on the intention to buy organic apples and organic pizza, using a UK sample of 281 respondents. The results showed that consumers who perceive these products to be more expensive have a lower intention to buy them. Respondents who think of these products as healthier and better tasting and respondents who have more trust in the effectiveness of buying organic products were shown to have a higher intention to buy them. From this, it can be derived that the price, quality perceptions and perceived effectiveness of buying organic foods influence the intention to purchase such products.

### **2.2.2. Conclusion**

The studies discussed in section 2.2.1 led to several different possible reasons for (not) buying SR products. Table 2.1 provides an overview of the results of the literature survey. As can be seen, all reasons were encountered in more than one study, but no study has combined more than three of these reasons into one study. In addition, table 2.1 shows that most relevant studies are from Belgium, the USA and the UK. Studies into reasons for buying SR products from The Netherlands (and also Denmark and Germany) are not widely available.

Table 2.1

*Results of previous studies: reasons for buying SR products*

	Belgium	USA	UK	Denmark	Germany	Netherlands
Buying SR products is a moral duty			12, 16			
Importance of the social problem	1	5, 6*, 7, 8		13		
Effectiveness of the SR product	1, 2		17	13		15
Responsibility for the social problem		6*, 7				
Opinion of 'relevant others'	2	9	12		18	
Price premium	1, 4	7, 10, 11	10, 17	14		
Perceived quality	4	8	17			
Availability	2, 3, 4					

1 = De Pelsmacker and Janssen (2007), 2 = Vermeir and Verbeke (2006), 3 = De Pelsmacker, Janssen, Sterckx and Mielants (2006a), 4 = De Pelsmacker, Janssen, Sterckx and Mielants (2006b), 5 = Dickson (2001), 6 = Laroche, Bergeron and Barbaro-Forleo (2001), 7 = Devlinney, Eckhardt and Belk (2005), 8 = Loureiro, McCluskey and Mittelhammer (2002), 9 = Robinson and Smith (2002), 10 = Jensen, Jakus, English and Menard (2002), 11 = Moon, Wanki and Siva Balasubramanian (2003), 12 = Shaw and Shiu (2003), 13 = Millock, Hansen, Wier and Andersen (2002), 14 = Wier, Hansen and Smed (2001), 15 = Gielissen, Dutilh and Graafland (2008), 16 = Watson (2008), 17 = Dean, Raats and Shepherd (2008), 18 = Welsch and Kühling (2009). \* Data were gathered in a North-American city; the country is not specified and may therefore be Canada.

## **2.3 Characteristics of buyers of SR products**

In this section, I set out to find out the characteristics of 'socially responsible' consumers. Socially responsible consumers are defined as consumers who buy products defined as 'SR products' in chapter 1.

Many studies have tried to reveal the characteristics of the 'socially responsible consumer'. In many cases, dependent variables such as 'buying environmentally friendly products', were used. Although these studies may provide ideas about the characteristics of socially responsible consumers, they do not explicitly focus on products for which a price premium is demanded in return for the socially responsible product feature. Therefore, the studies that focused specifically on buying what I define as 'SR products' are discussed first. Next, other studies about characteristics of the 'socially responsible consumer' are discussed, because these may lead to useful insights as well.

### **2.3.1 Paying a price premium for SR product features**

In this section, studies are discussed that examine the characteristics of people willing to buy SR products. A distinction is made between three types of characteristics: socio-demographic variables, values / attitudes, and people's lifestyles (psychographic variables).

#### *Socio-demographic variables*

Blend and Ravenswaay (1998) estimated consumer demand for eco-labelled apples using a telephone survey of a random sample of 972 US households. In the questionnaire, different market scenarios were designed, in which the prices for eco-labelled and non-labelled apples varied. In all cases, a price premium was demanded for the eco-labelled apples. Respondents were asked which apples they would buy. Also, questions were asked about socio-demographic characteristics of these consumers, such as income and level of education.

The results showed that households with a higher income revealed a significantly greater willingness to buy eco-labelled apples. An explanation for this may be that households with a higher income are generally faced with lower budget restrictions. A higher level of education had the same effect on the expressed willingness to buy eco-labelled apples. The authors suggest that higher educated consumers have more knowledge about environmental problems. However, the relationship between education and willingness to buy eco-labelled apples was not corrected for income. Another explanation may therefore be that higher educated consumers have a higher income, as these variables have often been shown to be correlated (see for example Baum & Payea, 2005; Levine, 2004).

Millock, Hansen, Wier and Anderson (2002) investigated the willingness to pay for organic food. As the authors state in their introduction, the organic certification does not only include food safety (health concerns) but also animal welfare and environmental issues. For this reason, organic food is labelled as an 'SR product'

here. The researchers used data on prices and consumption of organic food from the period 1997 – 2000 provided by a Danish marketing research company (GfK Denmark). In addition to this, a mail questionnaire (n = 124) was used, in which questions about the willingness to pay a price premium for organic milk, rye bread, potatoes and minced beef were asked. In addition, the questionnaire included questions about gender, age, household size, number of children and geographic location. The researchers did not ask for income because they feared this would make respondents feel uncomfortable.

Respondents were classified as 'buyers' if they indicated to be willing to pay a price premium for all four products in the survey. Being a 'buyer' was used as a dependent variable. A logit analysis (used when dependent variables are binary) was used to estimate the influence of the different independent variables. The results showed that people have a significantly larger chance of being a 'buyer' if they are female and if they are young.

Also in 2002, an article about the willingness to pay for environmentally certified hardwood products was published by Jensen, Jakus, English and Menard (2002). The authors started by stating that prior research had presented mixed findings, which made it difficult to draw clear conclusions about the characteristics of those most likely to buy certified hardwood products. Consequently, the research set out to investigate how socio-economic and demographic factors and attitudes towards the environment influence market participation (buying certified hardwood) and the willingness to pay. Data were gathered by conducting telephone / mail / telephone surveys with 803 Tennessee (USA) residents. In the surveys, respondents were given a definition of environmental certification. Next, they were asked to state whether they support environmental certification and whether they are willing to pay a price premium for certified products. In case people indicated that they were willing to pay a price premium, the maximum amount of that price premium at which people would still buy the product was elicited by using several example products. Furthermore, people were asked to state their gender, age, 'forest use' (which means how often they visit forests) and whether or not they owned a house.

The data were used to estimate the influence of different variables on the likelihood that someone would participate in the market for certified hardwood (that is: the likelihood that someone indicates to pay a price premium of more than zero). The results showed that the variables age and forest use have a significant positive influence on this likelihood. The other variables did not have a significant effect. The results of this study contradict the findings of the study about organic foods by Millock et al. (2002). In both studies, age was found to have a significant effect on the chance of buying the SR product. However, the sign of the relationship differs between these studies.

In section 2.2.1, the US study into buying eco-labelled apples by Loureiro et al. (2002) was discussed. The authors used a grocery store setting to collect data from 285 apple-buying consumers. The results showed that females and people with children have a willingness to pay a premium for eco-labelled apples that is significantly above average.



The Dutch researchers Beckers, Harkink, Van Ingen, Lampert, Van der Lelij and Van Ossenbruggen (2004) divided the Dutch population into three categories, based on value statements from over 10,000 respondents present in the database of the Dutch market research company Motivaction. One category included people who are concerned about the environment, want to live in an environmentally-conscious way, and so on. This group was labelled 'highly socially responsible people'. The study showed that the people in this category have a greater willingness to pay a price premium for products that were produced in an environmentally-friendly way. However, not all people in this category are willing to buy SR products and people in other categories may also be willing to buy SR products. Another category included people who are least concerned about the environment, do not want to live in an environmentally conscious way and do not feel responsible for or connected to society. This category was labelled 'low socially responsible people'. Finally, there was an 'intermediary group'. In the 'low' category, the majority of respondents (71%) are 44 years old or younger. In the 'high' category, the majority (63%) are 45 years old or older. Interesting results were also found when looking at the gender division. The 'low' group contains 45% females, whereas the 'high' group contains 55% females. The researchers concluded that people in the high socially responsible category are more often female and older, whereas the people in the low socially responsible category are more often males and younger. No large differences in income or level of education were found between the different categories.

De Pelsmacker, Driesen and Rayp (2005) published research on the willingness to pay for Fair Trade coffee. The researchers used a sample of 808 employees of Gent University (Belgium). In a questionnaire, eight different types of coffee were presented. Four of these carried the Fair Trade label. The types further varied in brand (the well-known brand 'Douwe Egberts' or a private label), blending (100% Arabica or a mix of Arabica and Robusta), packaging (cold colours / warm colours) and flavour (Dessert, Decaffeinated or Mocha). After stating a realistic reference price of € 1.87 for a warmly coloured package of coffee with a mixed blend and dessert flavour without a Fair Trade label, the respondents were asked to express their willingness to pay for all eight types of coffee.

Using a conjoint analysis, the relative importance of each of the attributes was determined. Then, a cluster analysis was used to assign the respondents to one of four groups: '*Fair Trade lovers*' (respondents who showed a strong preference for coffee with a Fair Trade label, 11% of the sample), '*Fair Trade likers*' (respondents who showed a modest preference for coffee with a Fair Trade label, 40% of the sample), '*Flavour lovers*' (24%) and '*Brand lovers*' (25%). After assigning each respondent to one of these groups, the researchers tested for differences between the groups in gender, age category and level of education.

With regard to gender, no differences were found between '*Fair Trade lovers*' and other groups. However, people in the age category 31-44 and people with a high education were dominant in the group of '*Fair Trade lovers*'. This research therefore concludes that the level of education positively influences the willingness to pay a price premium for SR products, but gender does not. Age may also influence this willingness, although the relationship is not found to be linear.

Also in 2005, Ivanova published a paper based on research into Queensland (Australia) consumers' willingness to pay for electricity from renewable energy sources. One of the research questions concerned the socio-economic and socio-demographic characteristics of consumers of renewable energy. Ivanova used questionnaires (n = 213) filled out by people from the Queensland population. In the questionnaire, people were asked to state what price premium they would be willing to pay on top of their quarterly electricity bill if 12.5% of the total energy were generated from renewable energy sources instead of 10.5%. This small increase was asked for as this was the target of the 'Mandatory Renewable Energy Target' policy that had recently been adopted in Australia. Furthermore, people were asked for their income, age and gender. A regression analysis showed that the willingness to pay was significantly related to education (positive), income (positive) and age (negative).

The relationship between income and the willingness to pay for green electricity was also tested in prior research in the UK (Batley, Colbourne, Fleming, & Urwin, 2001) based on 742 questionnaires. In this study, people were asked for their income and for their willingness to pay a price premium for electricity generated from renewable energy sources. A correlation analysis showed a significant positive relationship between income and willingness to pay a price premium. No significant relationships were found between willingness to pay a price premium on the one hand, and gender, household size or ethnicity on the other hand.

In table 2.2, the most important findings of the studies discussed in this section are summarized. From this, it can be concluded that the results are mixed. There is some evidence that shows that the consumer that is most likely to buy SR products has a high income and a high level of education (two variables that are often found to be correlated, as was mentioned before). Conversely, other studies do not find these factors to be of significant influence. Age is found to be of significant influence in most studies, but the sign of the observed relationships differs across studies. Also, little or mixed evidence is found to support a relationship between gender and willingness to buy SR products.

#### *Values and attitudes*

Next to demographic variables, attitudinal variables may be used to discriminate between people who are more and people who are less likely to buy SR products. This section describes studies that have looked into this.

In the study by Millock et al. (2002) about willingness to pay for organic food (see section 2.2.1), people were surveyed not only on demographic variables, but also on their purchase habits (including price consciousness) and their perceptions about organic food. The results showed that people have a significantly larger chance of being a 'buyer' of organic food if they do not consider themselves to be price-conscious and if they do not feel that environmental problems are exaggerated.

Table 2.2

*Previous studies on characteristics of consumers willing to buy SR products*

Significant influence on buying SR products	US	UK	Denmark	Belgium	Australia	Netherlands
Income	1	3			6	
Age	2		4	5	6	7
Level of education	1			5	6	
Gender			4			7
No significant influence on buying SR products	US	UK	Denmark	Belgium	Australia	Netherlands
Income						7
Age	1					
Level of education						7
Gender	2	3		5	6	
Household size	1	3				
Having children			4			
Owning a house	2					
Ethnicity		3				

1 = Blend and Ravenswaay (1998), 2 = Jensen, Jakus, English, Menard (2002), 3 = Batley, Colbourne, Fleming and Urwin (2001), 4 = Millock, Hansen, Wier and Andersen (2002), 5 = De Pelsmacker, Driesen and Rayp (2005), 6 = Ivanova (2005), 7 = Beckers, Harkink, Van Ingen, Lampert, Van der Lelij and Van Ossenbruggen (2004).

De Pelsmacker et al. (2005) also included consumer values as independent variables in their research on willingness to pay for Fair Trade coffee that was discussed in section 2.3.1. These customer values were measured using a 36-item value scale, developed by Rokeach (1973). Respondents were asked to rank 18 terminal values ('end state values' such as a comfortable life or a peaceful world) and 18 instrumental values ('modes of conduct' such as honesty and ambition) in order of importance to them. A factor analysis distinguished five factors from this: conventionalism, competence, sincerity, idealism and personal gratification. Next, the researchers checked for significant differences between the four previously mentioned clusters. The results showed that '*Fair Trade lovers*' were less 'conventional' and more 'idealistic' than the other clusters. The other factors were not found to discriminate between the four groups.

### *Lifestyle*

Next to assessing the usefulness of demographic variables and attitudinal variables, segmentation based on lifestyles is considered here. The first to connect the concept of lifestyle patterns to marketing was Lazer (1964), who defined lifestyle as *the characteristics emerging from the dynamics of living in a society*. The concept of 'lifestyle categories' is closely related to the notion of 'habitus', defined by Bourdieu (1977) as the structure that people use when organizing their daily lives. Many methods of measuring lifestyle patterns have been developed and tested. Such methods are often for an important part based on people's values, which are shown to influence the judgments of ethical behaviour (Steenhaut & Van Kenhove, 2006). The lifestyle concept has proven to be useful for segmentation in different fields, such as apparel marketing (Richards & Sturman, 1977), the wine market (Bruwer, Li, & Reid, 2002) and the 'over 50's market' (Metz, 2006).

To my knowledge, only the study of Beckers et al. (2004) that was already discussed in this section linked a lifestyle segmentation model to buying SR-products. In their research about different 'durability types', they also tried to link the three segments of the Dutch population (low, intermediate and high socially responsible) to lifestyles. These lifestyles stem from the so-called Mentality research by the market research company Motivaction. This Mentality research is said to *categorize people based on their unique set of practices the person is embedded in when living his or her everyday life*. Figure 2.4 presents the different segments that are defined, positioned on axes that depict social status and people's values.

Beckers et al. showed that people with a high level of durable behaviour are overrepresented in the group labelled as 'post-materialists' in the Mentality research. People in this group are 1.86 times more likely than average to be classified as 'highly socially responsible'. People in the groups 'cosmopolitans' and 'traditional bourgeois' are estimated to be 1.44 and 1.3 times more likely than average to be classified in this group, respectively. In the Mentality research, 'post materialists' are described as critical idealists that strive for personal development, stand up against social injustice and are environmentally conscious. Cosmopolitans are world-citizens that strive for both personal development and material success. The traditional bourgeois are moralistic and like to hold on to traditions.

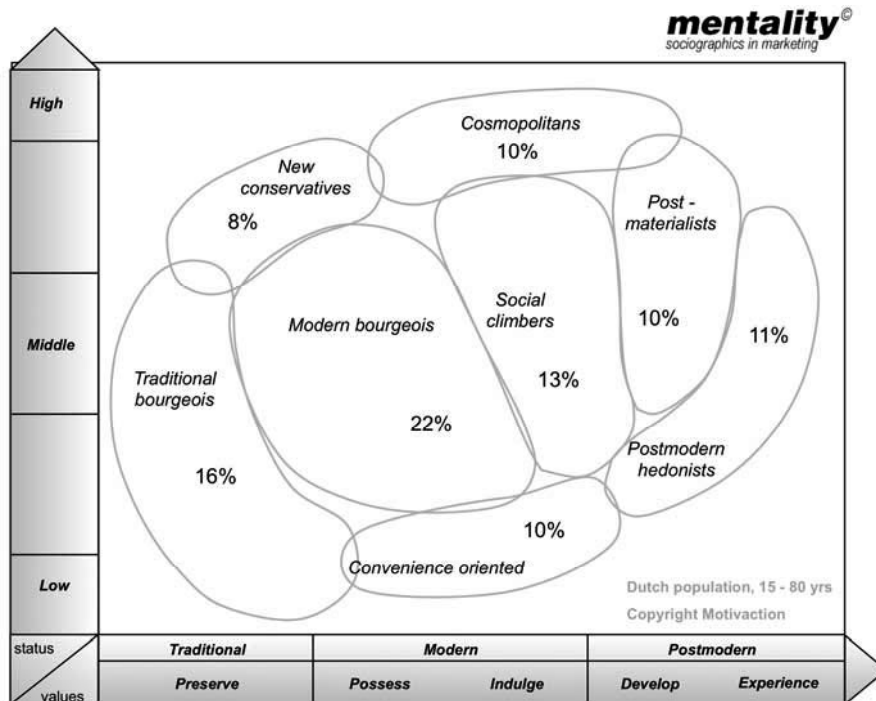


Figure 2.4: The Mentality Segments

People in the groups ‘convenience-oriented people’, ‘postmodern hedonists’ and ‘modern bourgeois’ are 1.55, 1.46 and 1.41 times more likely than average to be classified as ‘low socially responsible’, respectively. Convenience-oriented people are said to be impulsive, passive and striving for pleasure and comfort. Postmodern hedonists are people who like to experiment and do not like traditional moral or social conventions. The modern bourgeois category consists of people who consider comfort and status to be important, and look for a balance between traditions and modern values such as consuming and pleasure.

The lifestyle approach as used by Motivaction provides some more insight into characteristics of buyers of SR products. However, it should be noted that the classification in high / medium / low durable is not similar to willingness to pay for SR products: people in the ‘high durability’ group were not the only ones to express willingness to pay a price premium for SR products. Also in other groups, people express this willingness, but to a lesser extent. Furthermore, the overrepresentation of high or low durable people in the different lifestyle groups described above only implies that there are fewer (but still a significant number of) people from other categories in the different lifestyle groups. This means that one should not overestimate the value of this research for the specific purpose of research into buying SR products. More research is needed to show the extent to which the lifestyle approach can be used to profile people who have a greater willingness to buy SR products.

### *Conclusions*

Although there is some evidence of a relationship between demographic variables such as age, gender, level of education and income on the one hand and buying SR products on the other hand, the evidence is not convincing. The results of the studies discussed are mixed. Furthermore, some evidence was found of the influence of the perceived importance of the problem, price consciousness and idealism on the likelihood of buying SR products. Although these factors are less useful for segmentation and targeting than demographic variables, they provide more understanding of the reasons for buying SR products. Furthermore, the lifestyle approach that is used by Beckers et al. provides additional insight into the characteristics of buyers of SR products, although further research will have to determine the extent to which lifestyle segmentation models are able to distinguish between buyers and non-buyers of SR products.

### **2.3.2 'Socially conscious' buying behaviour**

Section 2.3.1 dealt with studies that investigated the willingness to buy SR products. Because there has not been done much research into this specific topic (note that my definition of SR products includes that the product is sold at an above-market price), also studies that tried to identify segments of people who are more likely to buy products with social product features without the explicit attention to paying a price premium are taken into consideration. Again, a distinction is made between socio-demographic variables, values / attitudes and lifestyle.

#### *Socio-demographic variables*

Among the first researchers to ask 'who are the socially conscious consumers?' were Anderson and Cunningham (1972). They used a random sample of 412 questionnaires that were completed by inhabitants of Austin in Texas (USA). The so-called 'social responsibility scale' (SRS) was used as a dependent variable. This SRS was originally developed by Berkowitz and Daniels (1964) and further tested by Berkowitz and Lutterman (1968). It is reported to measure 'social responsibility', defined as the willingness to help other persons even when there is nothing to be gained for oneself. The scale includes items such as 'making financial contributions to religious and educational institutions' and 'showing interest in political events', and does not focus specifically on buying behaviour. Anderson and Cunningham assume that people who score high on the SRS are also more likely to buy in a socially conscious way, but they provide no evidence for this statement.

The researchers identified a number of demographic variables to be significantly related to the SRS, such as the status of the occupation of the household head (low or high, determined by the researchers) and the age of the household head (both variables showed a positive relationship with the SRS). The annual family income and the level of education of the household head were not significantly related to the SRS.

It can be concluded that this first attempt to identify the socially conscious consumer resulted in some suggested discriminating socio-demographic variables.

However, the extent to which this information is useful for my purpose is small, because the dependent variable does not focus specifically on buying behaviour. Kinnear, Taylor and Ahmed (1974) tried to 'get closer to the marketplace' by using an index of 'ecological concern' that was constructed earlier by Kinnear and Taylor (1973). This index includes behavioural measures such as buying phosphate-free laundry detergents as well as attitudinal measures such as perceived importance of pollution. The resulting index was used as a dependent variable in this research.

The researchers gathered information by asking people in a consumer panel of the Canadian University of Western Ontario to fill out a questionnaire (n = 500). In this questionnaire, people were (amongst other things) asked to indicate their age, level of education, the number of children, the family income and occupation of the household head. Contradicting the results of Anderson and Cunningham, no socio-demographic variables were found to have a significant effect on the index of ecological concern.

Webster (1975) took a next step with his publication 'Determining the Characteristics of the Socially Conscious Consumer'. He used a questionnaire that was sent to households in New England (USA), about which he had received information about recycling behaviour from a local refuse collection contractor (n = 231). Next to the actual recycling behaviour, an 8-item questionnaire about 'social behaviour' was also used as a dependent variable.

The independent variables included several demographic variables such as level of education, age, gender, marital status and income. The level of education turned out to be a good predictor of 'recycling behaviour' but was insignificant in predicting the 'social behaviour' variable. All other relationships were insignificant.

A year later, George Brooker (1976) conducted 99 interviews with customers of three different grocery stores in Chicago. His interviews led him to separate the buyers into an 'ecology product user' and 'non-user' group. The user groups included people who were observed to select phosphate-free detergents for purchase, people who reported to have bought such detergents in the last three months and people who reported using lead-free gasoline. After assigning the customers to one of the groups, he looked for significant differences with regard to several independent variables. These variables include age, gender, marital status, having children and residence. The results indicate that these demographic variables do not discriminate between the groups. The author attributes this difference with the study of Webster (1975) to the fact that he may have used a biased sample.

Balderjahn (1988) is one of the first researchers to return to the topic at hand after more than a decade. He sets off to find how, amongst other variables, demographic variables relate to ecologically responsible consumption patterns. He makes use of five dependent variables: home insulation, energy curtailment, ecologically responsible buying and using of products, environmental concern and ecologically responsible use of cars. All these dependent variables were measured by asking between two and four questions about the specific subject. The independent demographic variables are age, education, income, size of residence place, number of friends and status of friends (we follow the author in qualifying this last variable as

'demographic'). The data for this research were obtained from a survey of 791 representatively selected residents of Germany.

The results of this research point to some modest but significant relationships between various variables. However, each dependent variable has its own cluster of predictors. It may therefore be difficult to define characteristics of 'the socially responsible consumer', as different forms of socially responsible behaviour seem to have different predictor variables. The predictor variables that Balderjahn finds for 'ecologically responsible buying and using of products' are all attitudinal and are therefore discussed in the following section. Demographic variables were not found to have a significant influence on this dependent variable.

Schwepker and Cronwell (1991) attempted to identify variables which can be used to discriminate between groups that are and groups that are not willing to purchase ecologically packaged products. They used a convenience sample of 146 US respondents. The dependent variable 'purchasing intentions with respect to ecological packaging' was measured by using a five item scale. Independent variables included gender, age, marital status, education, income, race and city size. The results showed that these variables were of little use as discriminating variables, because only income and race were significant in the regression equation.

Roberts (1996a, 1996b) asked the 'real socially responsible consumer' to 'please step forward'. He translated this call into a questionnaire, which was filled out by a representative sample of 605 inhabitants of the US. The questionnaire included 30 statements such as 'I have purchased products because they cause less pollution' and 'If possible, I will not use a product that can be harmful to other people'. The respondents were asked to what extent these statements applied to them. Also questions about age, gender, income, occupation and level of education were included in the questionnaire.

The answers to the 30 statements were used to score all respondents on an 'Ecologically Concerned Consumer Behaviour' (ECCB) scale. Next, Roberts tried to find demographic variables that are related to this ECCB score. The results show that females scored significantly higher on the ECCB scale. Also age and the level of education were positively and significantly related to the ECCB. However, all of these relationships were weak. The variables income and occupation were not found to have any significant influence on the dependent variable.

Newell and Green (1997) tried to profile the environmentally concerned consumer by using only socio-demographic variables. The researchers interviewed 233 randomly selected people from the US. As dependent variable, they used the scales for environmental concern that were developed by Schwepker et al. (1991). As independent variables, race, gender, age, level of education, household income and place of residence were used.

The results showed no significant relationships between income, age, gender, place of residence and the dependent variable. However, the level of education was found to be significantly positively related to the dependent variable. Furthermore, the researchers found that African-Americans have less concern for the environment



than white Americans. However, these were only significant for people with a low level of education and income.

Dickson (2001) looked at the effect of a 'no sweat' label on apparel, indicating that it had not been produced under poor labour conditions (sweatshops). In a questionnaire (n = 547), people were asked to express how likely they were to buy a particular shirt. Characteristics of the shirt were systematically varied on five characteristics: (1) Best quality / good quality, (2) Fashion colours / classic colours, (3) 100% cotton / 50% cotton, (4) a price of \$ 17,00 / \$ 48 and (5) 'No sweat' label guaranteeing fair working conditions for producers / absence of such a label. In another section of the questionnaires, respondents were asked to fill out their age, gender, marital status, employment status, income and level of education.

By using a regression analysis and a cluster analysis, the respondents were assigned to one of four clusters. Each cluster contained people who had shown to care most about one of the characteristics of the apparel. Next, respondents in the cluster that had showed a strong preference for products with a 'no sweat' label were compared to the respondents in the other clusters. The results showed that label users were more likely to be female, unmarried and more likely to have lower educational attainment. The other demographic variables in the research were not found to discriminate between the identified clusters.

These findings concerning demographic variables are interesting, as they seem to contradict earlier findings. Several studies attempted but failed to find a relationship between the level of education and ethically responsible behaviour (Kinnear & Taylor, 1974; Balderjahn, 1988; Schwepker & Cornwell, 1991; Roberts, 1996a). Other studies did actually find a significant impact of education on buying ethically responsible products, but in an opposite direction (therefore, people with a higher level of education were found to be more likely to buy socially responsible products). See for example, Webster (1975) and Newell and Green (1997).

The study of Robinson and Smith (2002) that was already discussed in section 2.2.1 used a sample of 550 customers of grocery stores in Minnesota to test whether different psychosocial and demographic variables are related to consumer intention to purchase sustainably produced foods. The results show that perceived behavioural control and the marital status of the respondents both have a significant positive influence on the intention to purchase sustainably produced foods.

Of the studies discussed above, only a few focused on the Dutch market. To my best knowledge, there are no other studies that tried to profile the Dutch socially responsible consumer using quantitative research. However, there is one study that used a qualitative approach in an attempt to find characteristics of people most likely to buy SR products (TNS NIPO Consult, 2003). The researchers used the so-called WIN-model, which divides the Dutch population in eight different segments based on values and socio-demographic variables (see TNS NIPO Consult, 2004 for more information about the WIN-model). Interviews were conducted with focus groups, each consisting of 8 respondents from one segment of the WIN-model. Each focus group was interviewed about their view on socially responsible consumption. The results showed that the segments 'progressive people' and 'socially engaged people'

expressed more valuation for SR products and organizations such as Fair Trade than other groups. The profile of 'progressive people' according to the researchers: middle-aged and older people, mostly single, highly educated, a high income, left-wing political preference. The profile of 'socially engaged people': mostly female, middle-aged, mostly married, relatively high education, low and middle income, and a political preference that holds the middle between left-wing and right-wing. One may therefore conclude from these findings that age and education seem to be more useful as discriminating variables, whereas income, household size and political preferences have this function to a lesser extent.

Roos and Nyrud (2008) surveyed 600 customers of do-it-yourself retail stores in Norway and Sweden, focusing on two flooring applications and on wood for outdoor decks. Conjoint studies were used to determine the relative importance of product attributes. The results show that consumers with a strong preference for certified environmentally friendly products were more often female and married. No differences were found in terms of age, income and level of education.

### *Conclusion*

Several studies that investigated demographic characteristics of people most likely to buy products with social product features were discussed. Table 2.3 provides an overview of the results of these studies. From a marketing point of view, it would be convenient if one could segment the market for socially responsible products based on socio-demographic variables. Unfortunately, the results suggest that this is not effective. Even though many researchers tested for the influence of socio-demographic variables, only some found significant relationships. The variable that was found to have a significant influence most often is 'level of education'. However, the sign of the relationship is not the same in all of these studies. Also, other studies failed to find the relationship between the level of education and buying socially responsible. The power of socio-demographic variables in discriminating between buyers and non-buyers of SR products can therefore be said to be low.

### *Values and attitudes*

Kinnear et al. (1974) did not only use socio-demographic variables as independent variables in their research on ecological concern, but also personal characteristics such as aggression, dominance, harm avoidance and the extent to which the respondent thinks he / she can be effective in pollution abatement. The results show some significant relationships between ecological concern and perceived consumer effectiveness, openness to new ideas (tolerance) and the need for understanding how things work.

Webster (1975) also used more than just demographic variables in his research on recycling behaviour. The independent variables included attitudinal variables (the SRS from Anderson and Cunningham, perceived consumer effectiveness in fighting pollution and perceived power of business), personality variables (dominance, responsibility, socialization and tolerance, measured by using four subscales of the California Psychological Inventory) and 'social activities variables'.

The independent variable 'perceived consumer effectiveness in making a difference' proved to be a good predictor of both dependent variables. All other relationships were weak or insignificant. The author concludes by saying that *"the socially conscious consumer is not the 'pillar of the community' who scores high on measures of social responsibility and engages in a wide assortment of community activities. Rather, he or she is willing to engage in purchase behaviour that is consistent with his or her own standards or responsibility"*.

Table 2.3  
Socio-demographic influences on socially conscious buying behaviour

Significant influence on socially conscious buying behaviour	Canada	USA	Germany	Norway / Sweden
Age		6		
Level of Education		2, 6, 7, 8		
Gender		6, 8		10
Race		7		
Marital status		8, 9		10
No significant influence on socially conscious buying behaviour	Canada	USA	Germany	Norway / Sweden
Age	1	2, 3, 5, 7, 8	4	10
Level of Education	1	5	4	10
Gender		2, 3, 5, 7		
Race		5		
Marital status		2, 3, 5		
Income	1	2, 5, 6, 7, 8	4	10
Having children	1	3		
Size of house			4	
Size of city		5		
Type of occupation	1	6, 8		

1 = Kinnear, Taylor and Ahmed (1974), 2 = Webster (1975), 3 = Brooker (1976), 4 = Balderjahn (1988), 5 = Schwepker and Cornwell (1991), 6 = Roberts (1996a), 7 = Newell and Green (1997), 8 = Dickson (2001), 9 = Robinson and Smith (2002), 10 = Roos and Nyrud (2008).

Brooker (1976) used the level of 'self-actualization' as defined by Maslow (1943) in his study on ecological product use. He measured this last variable by making use of an instrument he had developed a year earlier (Brooker, 1975). This instrument contains twenty polar choice questions about characteristics that a self-actualizing person has according to Maslow. The results indicate that the level of self-actualization is positively related to socially conscious actions by consumers.

Also Balderjahn (1988) used attitudinal variables in his study on ecologically responsible buying, such as the perceived power of changing adverse social conditions, attitude towards pollution and attitude towards ecologically conscious living. The predictor variables that Balderjahn finds for 'ecologically responsible buying and using of products' are (1) the extent to which a consumer believes in the power to make a difference and (2) a positive attitude towards ecologically conscious living. However, the relationships are quite modest.

Schwepker and Cronwell (1991) included the variables 'locus of control' (closely related to what Balderjahn called perceived power of changing adverse social conditions), 'alienation', 'social responsibility', 'attitude towards litter', 'perceptions of pollution' and 'attitude towards ecologically conscious living' in their research on intentions to buy ecologically packaged products.

The results showed that attitude towards ecologically conscious living and attitude towards litter discriminated significantly between consumers with a high and a low intention to buy ecologically packaged products. Also 'locus of control' (the extent to which people feel that they can make a difference) and the perception of pollution as a problem were found to be significant discriminating variables.

Schrum et al. (1995) tried to define characteristics of 'green consumers' by using a large mail questionnaire (n = 3690). Respondents were citizens of the US who had indicated to be willing to fill out questionnaires. Their dependent variables were two statements about 'green behaviour' which people could agree or disagree with. The first statement concerned making an effort to buy ecologically friendly products. The second statement concerned giving up some product effectiveness in exchange for a more environmentally friendly product. Five independent variables were constructed from 24 statements using factor analysis. The resulting predictor variables were labelled 'likelihood to buy on impulse', 'perceived opinion leadership', 'interest in (new) products', 'perceived quality of A-brands' and 'care in shopping' (comparing prices, stopping for specials, making shopping lists). Also, five statements that did not load on any factor were included as separate independent variables.

The results showed that the combination of all predictor variables is significantly related to the dependent variables, which means that the model is valid. 'Opinion leadership', 'interest in (new) products' and 'care in shopping' were all significantly and positively related to both dependent variables. Of the five statements that were not included in the constructs, 'reading magazines rather than watching TV' and 'I refuse to buy a brand whose advertising I dislike' were significantly related to the dependent variables.

Roberts (1996a, 1996b) also included attitudinal variables in his study on ecologically conscious consumer behaviour. These included 'perceived consumer effectiveness in affecting environmental problems', 'political liberalism' and 'environmental concern'.

After finding only very modest influences of the demographic variables in the research (see section 2.3.2), the list of independent variables was extended with the

attitudinal variables. The variable 'perceived consumer effectiveness in making a difference' increased the  $R^2$  of the model from .06 (which already included the socio-demographic variables) to .45. This variable therefore showed to be effective in explaining the variation in the value of the score of respondents on the 'Ecologically Concerned Consumer Behaviour' scale. Next to this variable, 'environmental concern' was also significantly related to this dependent variable, and was able to explain an additional 5% of the variation.

In her study on willingness to pay for products with a 'no sweat' label, Dickson (2001) asked respondents about their beliefs about apparel manufacturing practices in the US and in foreign countries. The items that were used in this section were adopted from a questionnaire developed earlier by the same author (Dickson, 1999). By using factor analysis, five different attitudinal variables could be developed: supporting socially responsible businesses, beliefs about foreign industry, beliefs about the US industry, knowledge and concern about sweatshop practices. The results showed that two of the attitudinal variables were useful for differentiating between 'label users' and 'non-users'. These variables were 'supporting socially responsible businesses and 'concern about sweatshop practices'. Label users score significantly higher on these variables than non-users. The other variables in the research did not have such discriminating power.

Table 2.4 gives an overview of the results of the studies discussed in this section. Some attitudinal variables can be used to discriminate between people who buy in a socially responsible way and people who do not. For some of these variables, the discriminating power seems to be larger than that of demographic variable. The variable that was most frequently observed to be an important explanatory variable is the 'perceived consumer effectiveness in making a difference'. This concept is related to the concept of 'internal locus of control', which refers to the extent to which consumers feel they are in control of what happens in their environment. Of the studies described above, five have used perceived consumer effectiveness / locus of control as independent variable. In all five studies, the influence of this variable was significantly related to the dependent variable. This suggests that people buy more socially responsibly, when they believe that this has a significant positive effect on a situation.

Table 2.4 also highlights another interesting finding: the influence of the extent to which the social problem is perceived as important / the extent to which consumers are concerned about it was also found to significantly influence socially conscious buying in three studies.

Furthermore, table 2.4 shows several other variables that were shown to influence socially conscious buying behaviour. These variables are, however, not repeatedly found in different studies, and can therefore not be said to be largely supported in literature.

Table 2.4

*The influence of values and attitudes on socially conscious buying behaviour*

Variables with significant influence	Canada	USA	Germany
Perceived consumer effectiveness	1	2, 7	4
Locus of control		5	
Perception of pollution as a problem		5	
Concern about sweatshop practices		8	
Environmental concern		7	
Need to understand	1		
Self-actualisation		3	
Supporting socially responsible businesses		8	
Attitude towards ecologically responsible living		5	4
Attitude towards litter		5	
Tolerance	1		
Opinion leadership		6	
Interests in new products		6	
Care in shopping		6	
Magazines rather than TV		6	
Variables with no significant influence			
Aggression	1		
Dominance	1		
Harm avoidance	1		
Social Responsibility Scale (Berkowitz & Daniels, 1964)		2	
Perceived power of business		2	
Social responsibility		2, 5	
Socialization		2	
Tolerance		2	
Social activities		2	
Attitude towards pollution			4
Alienation		5	
Likelihood to buy on impulse		6	
Perceived quality of A-brands		6	
Political liberalism		7	
Beliefs about foreign industry		8	
Beliefs about local industry		8	
Knowledge		8	

1 = Kinnear, Taylor and Ahmed (1974), 2 = Webster (1975), 3 = Brooker (1976), 4 = Balderjahn (1988), 5 = Schwepker and Cornwell (1991), 6 = Schrum, McCarty and Lowrey (1995), 7 = Roberts (1996a), 8 = Dickson (2001)

### The lifestyle variable

To my best knowledge, there has only been one study that related a lifestyle model to socially conscious buying behaviour in The Netherlands. This study was done by the Dutch market research company Intomart GfK. Unfortunately, the research methods are not published. Nevertheless, a figure that shows the lifestyle segments that include people with the greatest likelihood of performing socially conscious buying behaviour (which comprises more than just buying SR-products) was provided in a presentation by Peter Jens at the Dutch National Sustainability Congress 2007 (Jens, 2007). The figure is shown below (figure 2.5). The horizontal axis runs from 'adventure and non-conformism' (left) to 'traditions and harmony' (right). The vertical axis runs from 'focused on materialism' (up) to 'focused on intellect' (down).

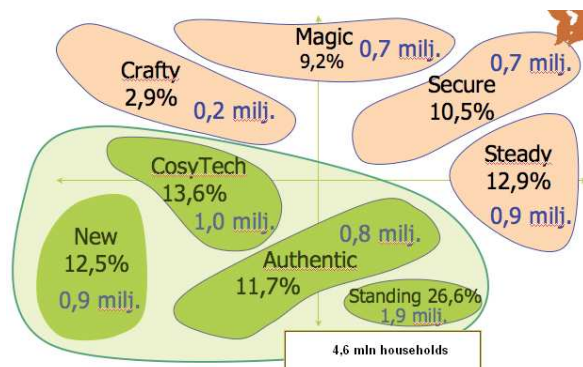


Figure 2.5: The four lifestyles from the Euro Socio Styles model with the greatest likelihood of buying socially conscious according to Intomart GfK

According to Intomart GfK, the lifestyle segments that have the greatest likelihood of buying socially conscious are:

1. New World: Positive people who enjoy their lives; are involved in the society and like their freedom.
2. Cosy Tech World: Tries to find a balance between new possibilities and traditions. Environmental and social issues are important to them.
3. Authentic World: Searches for a balance between ratio and emotions. Involvement with family is important to them. Environmental issues are important for this group, but they also strive for a high living standard.
4. Standing World: Usually people in the upper middle class. Responsibility and a sense of duty are important to them.

The four segments less likely to buy socially conscious are characterized as follows:

5. Crafty: These people want to be seen by others, and they want to be 'on top of the action'. They tend to take a lot of risk. Masculine values such as power and competition are important to them. They like new high-tech gadgets.

6. Magic: Young people who value their free time, but that also want to achieve things that they can proudly show to others. They tend to have a rather fatalistic attitude.

7. Secure: Looking for security in a steady job and a high social status. Family is important to them. They are more interested in radio and TV than in books and magazines.

8. Steady: People who are 'at ease', often retired. Therefore, they can spend much time on hobbies. They can have problems with the fast-changing world.

A drawback of this study for the present research is that around 65% of the Dutch population is said to have a greater likelihood of buying socially conscious, whereas the market share of the products that are the subject of my research is generally much smaller. One could say that the study is more useful to identify the lifestyles of consumers who are more likely to have a positive attitude towards socially conscious buying behaviour rather than those most likely to buy SR products.

### **2.3.3 Conclusions**

In this chapter, studies that attempted to profile consumers most likely to buy socially responsible products were discussed. The literature study is divided in two parts. In section 2.3.1, studies were discussed that concern the buying of 'SR products'. In section 2.3.2, studies that tried to identify the 'socially conscious consumer' were discussed. The latter section is therefore 'open' to more studies, as it does not require that the study involves products with an above-market price. In both sections, a distinction was made between demographic variables, values and attitudes and lifestyle.

The results of this literature study suggest that socio-demographic variables have little power to discriminate between people who are willing to buy SR products and people who are not. Only level of education and income may be somewhat useful, but still the support from literature cannot be called strong. Attitudinal variables (active variables) are better predictors in this case. Examples include 'price consciousness', 'idealism' and especially 'perceived consumer effectiveness in making a difference'. However, even though this information can be used for profiling the socially responsible consumer, it is not very useful for targeting segments most likely to buy socially responsible products. A lifestyle segmentation model may be more useful in this respect. The literature study is promising, but prior research into this specific topic is rather limited.

## **2.4 Added value of SR product features**

Section 2.2 dealt with reasons that consumer may have for (not) buying SR products. As was said there, the price premium that is demanded influences this decision to a certain extent. This section looks at the effect of the price premium that is demanded for SR products in more detail. Estimates of how much the consumer is willing to pay extra for different SR products are made. Furthermore, the relationship between the



'base price' and the average amount that consumers are willing to pay for the product is discussed. The base price is defined as the market price of comparable products without social product features. Moreover, the price elasticity of SR products is estimated based on the data found in the literature.

#### **2.4.1 Willingness to pay for SR products**

The study by MORI (2000) that was discussed in chapter 1 used a sample of over 12,000 European consumers. The researchers confronted the respondents with statements with which they could agree or disagree. One of these statements was: *I would not be willing to pay more for products that are environmentally and socially responsible*. 44% of the respondents indicated to be willing to pay more, whereas 37% would not be willing to pay more. When only the Dutch respondents are considered, 52% stated to be willing to pay more, whereas 34% stated not to be willing to pay more. Although this provides only an indication of the attitude towards buying SR products, it shows that at least some willingness exists to pay more.

How large do consumers allow the price premium to be? A simple theory is developed here to structure thoughts about this. The starting point is the hypothesis that the price premium that is demanded for an SR product should be compensated for by the added social responsibility of the product (*ceteris paribus*). In abstract terms, the extra utility, including self-choice goals, derived from buying SR products instead of comparable 'non-SR products' equals:

$$U = \alpha S - \beta P$$

In this model, S represents the perceived extra social responsibility of a product compared to the best non-social alternative, and P represents the price premium that is demanded. The relative importance (weights) of these variables is shown by the parameters  $\alpha$  and  $\beta$ . It is assumed that a consumer accepts the SR product offering when U is positive ( $\alpha S > \beta P$ ) and rejects the offering if U is negative ( $\alpha S < \beta P$ ).

The variables ' $\alpha$ ' and 'S' of this model were already implicitly discussed in the previous sections: ' $\alpha$ ' is related to variables such as the perception of buying SR products as a moral duty, social norms and the perceived responsibility for the social problem. 'S' is related to variables such as the importance of the social problem and the perceived effectiveness of the SR product in alleviating the social problem. In this section, the interest lies with ' $\beta$ ' and 'P'. This implies that two questions should be discussed: what influences the level of utility that is lost when paying a price premium and (resulting from that) how large do consumers allow the price premium to be?

##### *1. Influences on how much utility is lost when paying a price premium*

Standard economic theory suggests that the marginal utility of money drops when people have more of it (see Kreps, 1990 – or any other textbook on microeconomics). Recently, this assumption has been tested and proven in a study by Tobler, Fletcher, Bullmore and Schultz (2007). In their UK study with 14

participants, they have shown that people are significantly less willing to pick up a 20pc coin from the street if they have more assets. Interestingly, the correlation was only significant when comparing the willingness to pick up the coin to assets, not when compared to income. Also, being rewarded a fixed amount of money for every correct answer in an experiment has a smaller stimulating effect on people with more assets (measured by both brain scans during the experiment and by the results of the experiment). This all suggests that the marginal utility of money does indeed drop when people have more assets. This implies that people lose less utility from paying a price premium if they have more assets, the reason being that they attach less value to money. In other words, ' $\beta$ ' is expected to be larger for people with less money because they feel they need money more badly.

However, several studies that tried to find a relationship between the level of income of people and buying SR products failed to do so (see section 2.3). A reason for this may involve the way of measuring people's income. Many studies have looked at annual personal or household income. But income may not be the best estimator of how people value money. Consider two people with the same income. One lives alone in a cheap apartment, the other one lives with his wife that stays at home and takes care of their four children. Probably  $y$  is not the same in these two cases, even though the income is the same. The study of Tobler et al. (2007) does not find any significant relationship between income and valuation of money, but does find such a relationship when the variable income is replaced by the variable 'assets'. Maybe this is a better estimator of how people value money. Another option would be to look at the average income per household member, or at the discretionary / disposable income (the amount of an individual's income available for spending after the essentials -such as food, clothing, and shelter- have been taken care of).

Also other factors may influence the level of utility that is lost when paying a price premium for SR products. For example: people's price consciousness could play a role. If a consumer is price conscious, he or she may derive much utility from buying the cheapest products available, even though he or she has a relatively high income. People may also be very generous and spend money easily, even if this means that they are not able to save any money at the end of the month. Furthermore, the religious background of a person or the culture of a country could play a role here. For example, the Calvinist background of The Netherlands may result in a culture where spending money – even on SR products - is less acceptable than in other countries. Some support for this can be found in a study by Lynn, Zinkhan and Harris (1993), who show that compared to other countries, tipping is much less common in The Netherlands. The influence of the cultural background may therefore be considerable when forming an attitude towards spending money.

For such reasons, it is assumed that income-related measures can predict how much utility is lost when paying a price premium. Other variables, such as price consciousness and social / cultural norms are likely to play a role as well.

## *2. How large do consumers allow the price premium to be?*

Roe, Teisl, Levy and Russell (2001) investigated consumers' willingness to pay for electricity that was generated in a way that is less harmful for the environment. They asked a random sample of 835 visitors of shopping malls in eight different US cities to fill out a questionnaire. Respondents were asked to choose between two electricity contracts, in which prices, the fuel source mix and emission rates were varied.

A conjoint analysis was executed in order to estimate the relationship between emission and price. The results showed that people would be willing to pay an average price premium of \$ 3.22 on an annual basis for every percent reduction in emission. This is 0.35% of the average price of the example electricity contracts used in the analysis. Using simple extrapolation of the underlying linear model, this implies that consumers are willing to pay a price premium of 7% for electricity that is generated in a way that reduces emissions with 20%. One may, however, doubt whether such extrapolation leads to realistic estimates.

The willingness to pay for environmentally certified hardwood was studied by Jensen et al. (2002). Other parts of this study were already discussed in section 2.2 and 2.3. The researchers also wanted to know what amount (if any) people are willing to pay for certified hardwood. Data were collected by means of a telephone / mail / telephone field survey of Tennessee residents (n = 803). In the survey, respondents were given a definition of environmental certification. Half of the respondents were randomly assigned to a partial certification program (only growing and harvesting methods were monitored) and half were assigned to a full certification program (also product processing and handling were monitored). Respondents were then asked whether they would be willing to pay a price premium for certified hardwood products. If respondents answered positively, they were asked about their willingness to pay for example certified products (an oak chair or a shelving board).

The results of this study show a market participation rate (the willingness to pay a positive price premium) of about 44% for certified hardwood products. Surprisingly, the scope of the participation program (partial or full) did not have a significant effect on market participation. The average willingness to pay for an oak shelving board was a price premium of around 40% (base price of \$ 28.80). For the chair, a more expensive product with a base price of \$ 199.-, the average willingness to pay was a price premium of 27%.

In the US study by Loureiro et al. (2002) that was discussed in section 2.2 and 2.3, data were gathered by surveying 285 apple-buying consumers in a grocery store. A double-bounded logit model was used to estimate the willingness to pay a price premium for eco-labelled apples. In this model, consumers are offered eco-labelled apples at a certain price. If they accept this first bid, they are asked if they are also willing to pay a higher price (second bid). If they do not accept the first bid, the second bid will be lower. The double bounded model generates an estimate of the 'net' willingness to pay, also accounting for those consumers who, in spite of not choosing eco-labelled apples as their first choice, would be willing to buy them if they were less expensive than other apples.

The researchers found that the eco-label resulted in willingness to pay a positive price premium. The average price premium that consumers are willing to pay was estimated to be close to 5 cents per pound, with a base price of 99 cents per pound.

Bennett and Blaney (2002) studied the willingness to pay for increased animal welfare. More specifically, they used a questionnaire to ask a sample of 164 students from the University of Reading whether they would be willing to pay a specific price premium on top of their weekly food bill in order to support a legislation that obligates slaughterhouses to use a method of slaughtering pigs that is less painful. The price premium that was demanded varied across the questionnaires between £ 0.25 and £ 2.- per week. A logit model was used to estimate the average willingness to pay. The model showed a mean willingness to pay £ 1.37 per week. Because this amount is not related to the price of meat, but rather to the total weekly food bill, it suggests that people are willing to pay a (modest) price premium for SR product features.

Auger, Burke, Devinney and Louviere (2003) surveyed 396 students in Hong Kong and 357 students and 500 people supporting Amnesty International in Australia. The respondents were presented choice experiments. They were asked to indicate whether they would consider buying and would actually purchase 32 different pairs of sport shoes or bars of soap. Amongst other product features, ethical features and product prices were varied across respondents. The ethical features included the use of child labour in the production process, workers' wage, working conditions and living conditions (for sport shoes) and biodegradable formulation, animal testing and the use of animal by-products as ingredients (for soap bars).

The results show that the ethical features have a substantial impact on purchase intentions. Because the product prices were also varied, the researchers were able to estimate the money value of (ethical and non-ethical) product features perceived by the respondents. In the case of soap, the product feature 'no animal testing' was estimated to have the highest value of all product features: the value of this product feature was estimated to be \$ 1.56 whereas the value of the soap without ethical product features (the base price) was estimated to be around \$ 4.50. Biodegradability and the absence of animal by products were valued at \$ 0.86 and \$ 0.62 respectively. In the case of sport shoes, the average value of the product without ethical product features was estimated to be \$ 44.47. The total perceived value of the sport shoes increased with \$ 10.29 if no child labour was used, with \$ 8.11 if a minimum wage was paid to workers, with \$ 8.21 if working conditions were safe and with \$ 8.52 if living standards were acceptable. The results therefore suggest that ethical characteristics add substantially to the valuation of products.

Zarnikau (2003) also looked into the willingness to pay for 'green power' and energy efficiency. He used survey results that were gathered by seven of Texas' largest electric utilities in order to comply with the Public Utility Commission of Texas. Each of the seven utility companies surveyed between 200 and 250 customers, asking them to indicate what price premium they would be willing to pay if the utility company would use wind and solar power. The results show that around 50% of the

sample was not willing to pay any price premium. 35% of the sample indicated to be willing to pay a price premium of between \$ 1.- and \$ 10.- per month, whereas average residential electricity bills in July 1999 ranged from \$ 63.- to \$ 174.- in the different service areas. 15% of the sample indicated to be willing to pay a price premium of more than \$ 10.- per month. An important conclusion is that a significant number of consumers is not willing to pay any price premium for 'green power'.

Another study that researched the willingness to pay a price premium for SR products was carried out by Moon and Balasubramanian (2003). They used a sample from the US (n = 3060) and a sample from the UK (n = 2570). The survey focused on how consumers value non-biotech foods relative to foods without this characteristic. Respondents were asked to indicate the price that they were willing to pay for non-genetically modified breakfast cereals and for genetically modified breakfast cereals. Next to these open questions, an approach with closed questions about willingness to pay was used: after stating a base price of \$ 4.- (and the equivalent in British pounds for the UK sample) for breakfast cereals, respondents were asked to answer the question "would you pay a price premium of \$ X.- for non-genetically modified breakfast cereals?" X was varied across respondents from \$ 0.10 to \$ 3.-.

In the open question section, the results showed that 32% (US) and 22% (UK) of the respondents were not willing to pay any price premium. 45% and 48% were willing to pay price premiums of no more than \$ 1.00. 6% and 12% were willing to pay a price premium of more than \$ 2.00. The results of the section with closed questions showed that the percentage of the sample that is willing to pay a price premium decreases when the price premium is increased. When a price premium of \$ 0.20 was demanded, 48% (US) and 68% (UK) of the respondents indicated to be willing to pay this price premium. When the price premium demanded was \$ 1.00 these percentages dropped to 32% and 37%. And only 9% and 18% would pay a price premium of \$ 3.00.

The results are not very consistent across the two different methods that were used. The way in which the question is asked seems to influence the answers that people give (framing effects). This shows that care should be taken in using the results of these studies. Still, the results provide an indication of people's attitude towards paying price premiums for SR products.

Loureiro and Lotade (2005) studied willingness to pay for coffee with both Fair Trade and eco-labels. In four supermarkets in Colorado (USA), a total of 284 consumers were surveyed using a payment card format. Results show that the average amount that consumers reported to be willing to pay on top of a base price of \$ 6.50 for regular coffee equals 21.64 cents, 20.02 cents and 16.26 cents for Fair Trade, shade grown and organic coffee respectively. Close to 16% of the respondents were not willing to pay any price premium for Fair Trade or shade grown coffee. For organic coffee, this was more than 23%. For all types of coffee, little over 10% of the respondents reported to be willing to pay at least 81 cents extra.

Brouwer, Brander and Beukering (2007) studied willingness to pay of air-travel passengers to offset CO<sub>2</sub> emissions. The researchers performed face-to-face interviews with over 400 passengers from around the world at Schiphol airport in Amsterdam, The Netherlands. For the interviews, a 35-item questionnaire was used. The passengers were asked whether they would be willing to pay a price premium on their flight ticket (carbon travel tax) in order to reduce the effects of CO<sub>2</sub> emission of airplanes. If they answered positively, people were asked if they would be willing to pay amount X (varied across respondents between 5 and 100 Euros per flight) as a price premium. If they said 'no' ('yes'), amount X was decreased (increased), until an interval was found that included the maximum willingness for the respondent.

Around 80% of the European air travel passengers (which constituted about two third of the total sample) indicated to be willing to pay a price premium in order to reduce the effects of CO<sub>2</sub> emission. The average price premium that these respondents were willing to pay equals € 26.60 per flight, which is 3.5% of the average ticket price for these passengers of € 760.-.

O'Garra, Mourato, Garrity, Schmidt, Beerenwinkel, Altmann, Hart, Graesel and Whitehouse (2007) studied the willingness to pay for buses that run on hydrogen fuel cells (which reduces air pollution). A total of 1358 respondents (both bus users and non-bus users) were interviewed by telephone in four different cities: Berlin, London, Luxembourg and Perth. The researchers asked respondents whether they would be willing to pay a price premium for fares on hydrogen buses instead of conventional buses and (if yes) for the amount they would be willing to pay for bus fares on hydrogen buses. The results showed that 76.5% of all paying bus passengers in the sample were willing to pay a price premium for hydrogen buses. The average price premium that respondents reported to be willing to pay equals € 0.32 (about 22% of the average bus fare of € 1.40).

Casadesus-Masanell, Crooke, Reinhardt and Vasisht (2009) developed a model that estimates the willingness to pay a price premium for sport shirts made from organic cotton using sales records from an existing US company that switched from using 'regular' cotton to organic cotton in 1996. The results indicate that consumers were willing to pay an average price premium of \$ 6.58, with a base price of around \$ 24. This amounts to a willingness to pay around 27.4%.

### *Conclusion*

First of all, most studies discussed here used a so-called 'contingent valuation' (CV) approach, implying that respondents were asked to state their willingness to pay in a hypothetical situation. The use of this method has some disadvantages. First of all, budget constraints are not considered, which may inflate estimates about the willingness to pay. Furthermore, the CV method does not measure actual behaviour, but rather the attitudes that people have towards paying for SR products. As is discussed in section 2.5, an important discrepancy between people's attitude and their behaviour has often been found. This means that the data from contingent valuation studies may not be useful in forecasting actual buying behaviour.

Still, after reviewing the various studies into the willingness to pay a price premium for SR products, some interesting patterns can be identified. Table 2.5 gives an overview of the results of the studies discussed in this section.

First of all, there is a relatively large population fraction that is not willing to pay any price premium. The different studies discussed in this section estimate this fraction to be somewhere between 23% and 56%. Although this is a rather large interval, this finding can be called consistent across studies if the fact is taken into account that the studies have looked at different SR products and have used different research methods and respondents of different nationalities.

Second, several studies showed that the willingness to pay a price premium decreases if the price premium increases. This means that one cannot say that people buy 'out of principles, regardless of the price'; the demand is not perfectly inelastic. However, the price premium that seems acceptable for most consumers differs greatly from one study to another. Looking at the results, it is clear that the price premium that people find acceptable is related to the base price of the product. More specifically, people are willing to pay a larger absolute price premium when the base price of the product is higher. This indicates that people consider the absolute amount they pay as a price premium in relation to the base price of the product when forming an attitude towards buying the product.

Third, it was suggested that the percentage of the base price that people are willing to pay as a price premium decreases when the base price increases. For example, a price premium of 25% was acceptable in the study by Moon and Balasubramanian (2003) where the product concerned breakfast cereals with a base price of \$ 4.-. And in the study by O'Garra et al. (2007) the average price premium that people were willing to pay on environmentally friendly bus rides with a base price of € 1.40 was estimated to be around 22%. Studies that used more expensive SR products report lower price premiums (expressed as percentages) that people are willing to pay. For example, the study by Brouwer et al. (2007) finds a willingness to pay a price premium of 3.5% on plane tickets with an average price of € 760.-. The study of Jensen et al. (2002) also provides some evidence of the existence of this effect: they found a willingness to pay a price premium of 40% for a product of \$ 28.80 and a price premium of 27% for a product of \$ 199.-, within the same study.

#### **2.4.2 Estimating the price elasticity of demand for SR products**

Several of the studies discussed in section 2.4.1 provide data that can be used to estimate the price elasticity of demand for SR products. The price elasticity of demand is defined as the relative change in demand for a product compared to the relative change in the price, i.e.  $(\Delta q/q) / (\Delta p/p)$ , where  $q$  is the quantity demanded and  $p$  is the price. Usually, the price elasticity of demand is negative, as demand tends to fall if prices increase. With more insight into the price elasticity of demand for SR products, more can be said about the results of changes in the price (premium) of such products for the total consumer expenditure on such products. This section will therefore discuss some studies that provide insight into the price elasticity of demand of SR products.

Table 2.5  
Willingness to pay for SR products

Research	Product	Social feature	Base price	Price premium	% of base price
Roe, Teisl, Levy and Russell (2001)	Electricity	20% less emissions	-	£ 1.37 per week	20%
Bennett and Blaney (2002)	Animal welfare	Increased animal welfare	-	\$ 0 per month: 50% of the sample \$ 1 - \$ 10 per month: 35% of the sample > \$ 10 per month: 15% of the sample	-
Zamikau (2003)	Electricity	Wind and solar power	-	\$ 0.05	5%
Loureiro, McCluskey and Mittelhammer (2002)	Apples	Eco-label	\$ 0.99	-	-
O'Garra, Mourato, Garrity, Schmidt, Beerwinkler, Altmann, Hart, Graessel and Whitehouse (2007)	Bus tickets	Hydrogen buses (less pollution)	€ 1.40	€ 0.32	22%
Moon and Balasubramanian (2003)	Breakfast cereals	Non-biotech	\$ 4	\$ 0.20: 48% (68% of US (UK) sample \$ 1: 32% (37% of US (UK) sample \$ 3: 9% (18% of US (UK) sample	-
Auger, Burke, Devinnay and Louviere (2003)	Soap bar	No animal testing	\$ 4.50	\$ 1.56	35%
		Biodegradability	\$ 4.50	\$ 0.86	19%
		Absence of animal by products	\$ 4.50	\$ 0.62	14%
Loureiro and Lotade (2005)	Coffee	Fair Trade	\$ 6.50	\$ 0.22	3.4%
		Shade grown	\$ 6.50	\$ 0.20	3.1%
		Organic	\$ 6.50	\$ 0.16	2.5%
Casadesus-Masanell, Crooke, Reinhardt and Vasisith (2009)	Sport shirts	Organic cotton	\$ 24	\$ 6.58	27.4%
Jensen, Jakus, English and Menards (2002)	Oak shelve board	Certified hardwood	\$ 28.80	\$ 11.52	40%
Auger, Burke, Devinnay and Louviere (2003)	Sport shoes	No use of child labour	\$ 44.47	\$ 10.29	23%
		Minimum wage paid to workers	\$ 44.47	\$ 8.11	18%
		Safe working conditions	\$ 44.47	\$ 8.21	18%
		Acceptable living standards	\$ 44.47	\$ 8.52	19%
Jensen, Jakus, English and Menards (2002)	Wooden chair	Certified hardwood	\$ 199	\$ 53.73	27%
Brouwer, Brander and Baukering (2007)	Airplane tickets	Compensation of CO <sub>2</sub> emissions	€ 760	€ 26.60	3.5%



### *Socially responsible energy*

Zarnikau (2003) used reported willingness to pay for 'green power' and energy efficiency from questionnaires ( $n = 1500$ ) that were issued by different electric utilities and power marketers from Texas, USA in 1999. Figure 2.6 was taken from his work, which shows the amount of US Dollars that individuals reported to be willing to pay as a price premium on their energy bill if renewable energy sources would be used or the efficiency in producing energy would increase.

As figure 2.6 shows, a significant part of the respondents is not willing to pay any price premium. At a base price of \$ 90, around 45% of the people are willing to pay a price premium of about \$ 5. If the price would be increased to \$ 115 (a price premium of \$ 25), about 10% of the sample claims still to be willing to buy the product. The percent price increase in this case is 21%, and the decrease in demand is around 78%. The price elasticity of demand is therefore estimated to be around -3.7.

Also Borchers, Duke and Parsons (2007) looked at the willingness to pay for 'green energy'. They used a sample of 128 surveys completed in Delaware, USA. The average electricity bill of the respondents was reported to be \$ 122. Respondents were asked whether they would be willing to pay a price premium for energy that was partly obtained from wind or biomass energy. The results are summarized in the figure 2.7. As figure 2.7 shows, if the price increases from \$ 127 (a price premium of \$5 or close to 5%) to \$ 137 (premium of \$15), the demand will fall by 50%, which implies a price elasticity of demand of over -6.

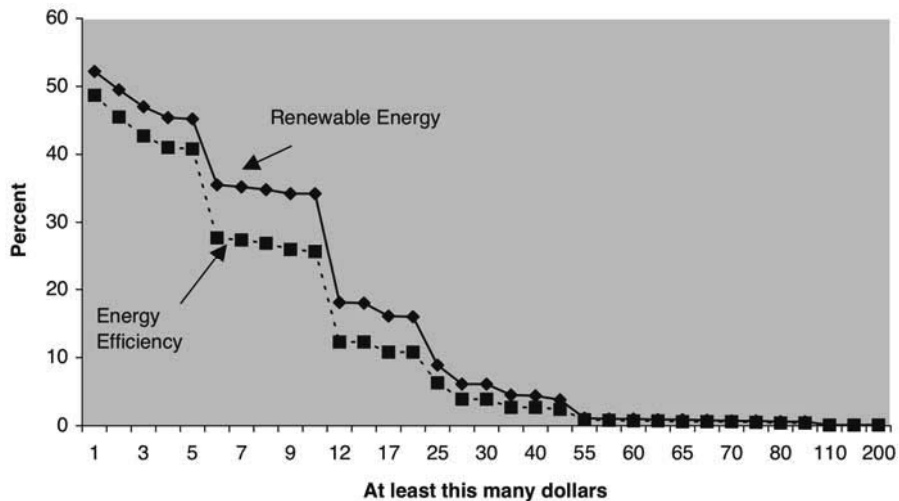


Figure 2.6: Results of Zarnikau (2003)

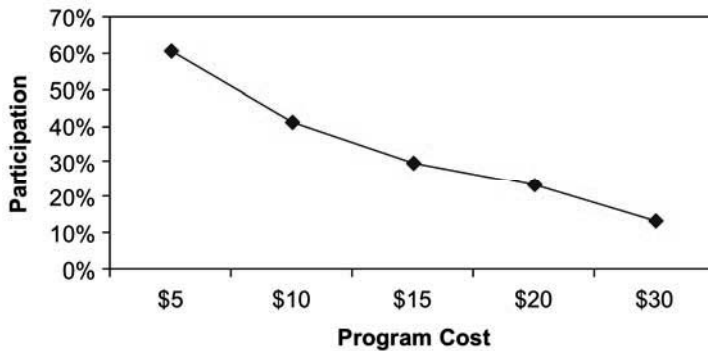


Figure 2.7: Results of Borchers et al. (2007)

When comparing the results of the studies discussed above, levels of price elasticity of demand that are quite high are found. In contrast, several other studies found levels of price elasticity of demand for (non-SR) energy ranging from -1 to near zero (see for example Bohi & Zimmerman, 1984; Dahl & Sterner, 1991; Maddala et al., 1997; Garcia-Cerruti, 2000). This suggests that for SR energy, the price elasticity of demand is higher than for 'regular' energy.

#### *Other products*

The study by Jensen et al. (2002) concerned willingness to pay for environmentally certified hardwood products. The researchers use an example of an oak shelving board with a base price of \$ 28.80. Starting from a situation with a price premium of around 5%, a price increase of 8.25% (from \$30.30 to \$ 32.80) leads to a decrease in demand of 7.9% (from 38% of the sample to 35% of the sample). The price elasticity is therefore estimated to be around -1. The same calculation for data on another wooden product (a chair) leads to a price elasticity of around -1.4.

Moon and Balasubramanian (2003) asked their respondents for the willingness to buy non-biotech food. The product that is used as example in the study is a box of breakfast cereals with a base price of \$ 4. Starting from a situation with a price premium of around 5%, the demand will fall by 30% if the price increases by 4.8%, suggesting a price elasticity of demand of about -6.25.

#### *Conclusions*

The studies discussed in this section suggest that the price elasticity of demand becomes larger when a higher price premium is demanded for an SR product. This means that at higher price premiums, changes in the price premium demanded will have a large effect on total demand and therefore on the total sales of SR products. It should be pointed out that this is in accordance with economic theory: a higher price usually leads to a higher price elasticity of demand (see figure 2.8). However, the fact that SR products are more expensive than non-SR products can only explain a small part of their (much) higher price elasticity of demand. Another perhaps more important reason may be that it is easier to substitute an SR-product with a non-SR product than to substitute a regular product with something else. In other words, if the

price of SR coffee would go up by 20%, it is easier for people to substitute SR coffee for regular coffee than it is to substitute regular coffee for another type of drink, which would lead to the price elasticity of demand for the SR coffee being higher. In other words: the SR characteristics can be 'substituted away' relatively easy if the price (premium) of SR products increases.

Another way to look at it is to think of an SR product as a combination of two products: the 'base product' and the 'social characteristic'. Especially for GreenSeat tickets, this distinction is sensible, as the flight is the same whether the CO<sub>2</sub>-emissions are compensated for or not. However, also for other SR products this theoretical distinction can be made.

If it is assumed that the price of the base product remains unchanged, the price *premium* elasticity of demand can be estimated. For example, if the price premium increases from 10% to 20% of the base price, this leads to a 9% increase of the price of the SR product, but the price premium has increased by 100%. If the demand would, as a result of the increased price premium, fall by 50%, the price elasticity of demand is -5.5, but the price *premium* elasticity of demand is -0.5. This implies that fluctuations in the price premium lead to smaller fluctuations in the demand for the social characteristic (when expressed in percentages) and therefore for the SR product. Note, however, that percent changes in the price premium tend to be large, which leads to the resulting changes in demand still being substantial.

Although the concept of price *premium* elasticity of demand does not have practical benefits, it provides another explanation for finding high values for price elasticity of demand for SR products: consumers may perceive an increase in the price as a large increase in the price premium, which may then lead to a relatively large decrease in willingness to pay this price.

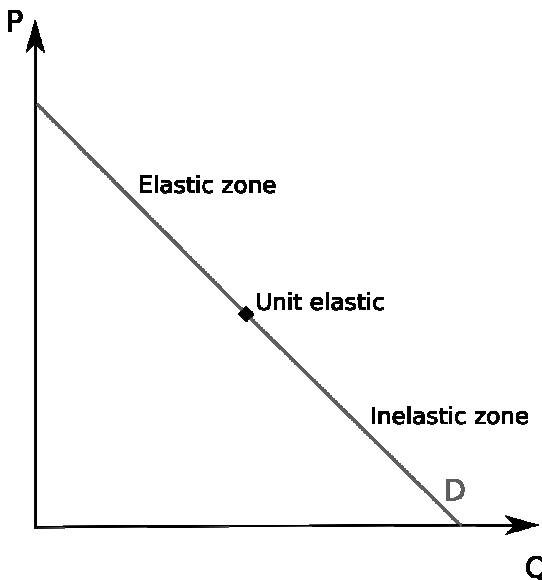


Figure 2.8: The relationship between price and price elasticity of demand

## 2.5 The 'attitude-behaviour gap'

Many of the studies that were discussed in this chapter used measures of consumer attitude towards buying SR products as dependent variable. Although this is common practice, the interest of most of this research does not lie with attitudes, but with actual (buying) behaviour. And although these two concepts may be related, the magnitude and form of this relationship has long been subject of discussion. Often, the claim is made that consumers tend to depict themselves as socially responsible consumers in surveys, but largely ignore social issues as they act in the marketplace (Devinney et al., 2005; Dutilh, 2005). This may lead to a significantly lower level of socially responsible consumption than might be expected based on survey data. In other words: there seems to be an 'inconsistency' between attitude and behaviour.

This section starts by presenting some literature in which the attitude-behaviour gap is encountered. Next, an explanation for it is sought for in the literature. This explanation may be useful in finding better explanatory variables influencing actual purchasing behaviour, which will help in providing a thorough answer to the main question of this research.

### 2.5.1 Encountering the 'attitude-behaviour gap'

Research into attitude and behaviour goes back a long way. Already in 1964, Cohen noted that the broad psychological assumption that is often made implies that attitudes are precursors of behaviour, and can be viewed as determinants of how a person will actually behave in his daily affairs (Cohen, 1964). However, even before that, there were already contradictory findings. The experiences of LaPiere (1934) are an illustration of this. In the time in which he executed his research, there were many anti-Chinese sentiments in the USA. LaPiere took a Chinese couple to many different restaurants, where they were in almost all cases treated well. Afterwards, he wrote to the restaurants they had visited to ask whether they would accept Chinese customers. Over 90% of the proprietors responded by stating that they would not. So, their expressed attitude towards serving Chinese guests differed greatly from their actual behaviour when they knocked on the door.

The opposite effect was found by Linn (1965), who found that expressed attitudes towards minority groups were more positive than behaviour towards these groups. Studies into verbally expressed attitudes towards minority groups and related behaviour were abundant in the 70's (see Wicker, 1969, for an extensive overview).

Another interesting study was done by Freeman and Aatov (1960), who asked students to grade their own exam papers. Afterwards, the students were interviewed about their attitude towards cheating. Results showed that the results of the questionnaire were not significantly related to the behaviour in the cheating experiment. Consequently, the author concludes that the verbally expressed attitude is a very weak predictor of actual behaviour.

Also in some studies about SR products, the attitude-behaviour gap was encountered. A study by the Dutch Foundation for Scientific Research into Consumer Affairs (Kuiper, Van Wijngaarden, & Homan, 1991) looked at consumer attitude and

actual behaviour regarding Max Havelaar coffee<sup>2</sup>. The study by Kuiper et al. consists of two parts. The first study was executed in 1988, one year before the introduction of 'Max Havelaar' coffee on the Dutch coffee market. A representative sample of 889 consumers was surveyed about the attitude towards 'Max Havelaar' coffee and about their purchase intentions. In 1990, 778 consumers from the same panel were surveyed about their coffee purchasing behaviour.

In the 1988 survey, 57.5% of the respondents indicated that they would consider buying Max Havelaar coffee if it would be available in supermarkets. Of these respondents, 84.4% said that they would consider buying Max Havelaar coffee if the price premium in comparison with regular coffee did not exceed fl. 0.60 (after correcting for inflation, this would be around € 0.45 today). And of these respondents, 69% indicated that they would buy Max Havelaar coffee regularly or always. This means that in the total 1988 survey, 33.5% of the respondents said that they would buy Max Havelaar coffee regularly or always if the price premium would equal fl. 0.60. If the price premium would be more than fl 1.-, 13% of the sample would buy Max Havelaar coffee regularly or always. If the price premium would be more than fl. 1.50, 8% of the sample would buy Max Havelaar coffee regularly or always.

In the 1990 survey, little over one year after the introduction of Max Havelaar coffee, the price premium was around fl. 1.25 (caused by a decrease in the price of regular coffee). 3.8% of the sample reported to buy Max Havelaar coffee regularly or always, which was consistent with estimates of the own market share by the Max Havelaar foundation. Based on the 1988 survey, one could have expected the market share of Max Havelaar to be at least double of what it actually was in 1990. As Kuiper et al. (1991) note, these results show that attitude, intention and behaviour are not always consistent.

Another interesting case study was described by Argenti (2004). He describes how in the year 2000, the coffee-selling multinational Starbucks was the target of protests by the NGO 'Global Exchange'. The reason for the actions was the fact that Starbucks did not sell Fair Trade coffee. After these actions, Starbucks started offering Fair Trade coffee in their stores. Consumer demand for Fair Trade coffee in Starbucks' stores has, however, been virtually flat. One may find this surprising, because Global Exchange is supported by many citizens. It is therefore not likely that they would fiercely strive for goals that their supporters do not find important. Rather, this can be viewed as another example of the attitude-behaviour gap: many people have a positive attitude towards buying Fair Trade coffee, but their behaviour in the stores is not consistent with this attitude.

Also Auger and Devinney (2006) encountered inconsistency between attitude and behavioural intentions. As the authors put it: there appears to be a gap between what consumers say about the importance of ethical issues and what they do at the checkout counter. In their study, they asked respondents to fill out a questionnaire and to participate in a choice experiment. The total sample consisted of 1253 people

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<sup>2</sup> Max Havelaar is a label that indicates that a 'fair price' has been paid to the coffee farmers in developing country. For a more extensive research into what is actually meant with a 'fair price' and the methods of the Max Havelaar foundation, see Gielissen (2005).

from Australia and Hong Kong. In the questionnaire, people were asked to indicate whether certain products characteristics, such as brand name, quality, human rights in the producing country and animal welfare would have an effect on their purchasing decisions. In the choice experiment, people were asked to evaluate 32 product offerings and to state if they would buy the product or not. Obviously, the choice experiment is more constrained than the questionnaire.

After gathering the data, the researchers performed a factor analysis to reduce the number of items from the questionnaire to the more manageable number of four factors. Next, the researchers determined the willingness to pay for all product features, both ethical and non-ethical, per individual (see Auger et al., 2003, for a description of the exact method). The researchers tried to find significant relationships between the defined factors and the willingness to pay, but failed to do so. According to the authors, this indicates that the attitudes expressed in the questionnaire are poor predictors of the purchasing intentions in a more complex environment such as the choice experiment, implying that the link between attitude and purchase intentions is weak.

### **2.5.2 Explaining the attitude-behaviour gap**

In section 2.5.1, some examples of the attitude-behaviour inconsistency were discussed. In this section, the explanations for this inconsistency that can be found in the literature are discussed.

Wicker (1971) studied attitude-behaviour inconsistency. A sample of 152 church members was interviewed about the perceived consequences of church-related behaviour (such as Sunday worship service attendance, monetary contributions and serving in responsible roles in church activities), evaluation of this behaviour and judged influence of extraneous events on this behaviour. Furthermore, he measured attitude towards the church. These variables were used to predict the actual church-related behaviour (obtained from church records and self-report). Results show that when all verbal predictors were employed, only 25% of the actual behaviour could only be explained. The relationship between the measured attitude and the actual behaviour was therefore quite weak in this study. In the discussion of his study, Wicker remarked that one reason for the weak relationship could be the fact that attitude towards an object (the church) was measured, instead of attitude towards the behaviour itself (e.g. going to church). This remark is supported by a study of Ajzen and Fishbein (1970) that shows a high correlation between attitude towards behaviour and actual behaviour in prisoner's dilemma games. From this, the conclusion is derived that actual behaviour can be better predicted from measures of attitude towards behaviour than from measures of attitude towards products.

The model depicted in figure 2.9 was taken from Fishbein and Ajzen (1975). It depicts the relationship between attitudes, behavioural intentions and actual behaviour. The model is often used because it provides a useful way of structuring influences on behaviour. In the model, intention is regarded as the most proximal determinant of behaviour. This intention is in turn jointly determined by attitude and what is called 'subjective norm'. The latter construct is related to what other people, important to the 'agent', think of the behaviour. The arrows in figure 2.9 only indicate

effects (as opposed to perfect correlations). Based on figure 2.9, two broad categories of explanations for the discrepancy between attitude and behaviour can therefore be identified. First, the attitude that people have may not translate into actual purchasing intentions. The model suggests that the influence of ‘subjective norm’ plays an important role here. Second, the behavioural intentions may not lead to actual behaviour.

According to this model, there are two main reasons for not buying SR products, even though the attitude towards buying SR products is positive. First, this positive attitude does not translate into a purchase *intention*. Subjective norms may play a role here. Secondly, one may have the intention to purchase SR products, but still does not. A reason for this may be the low availability of SR products.

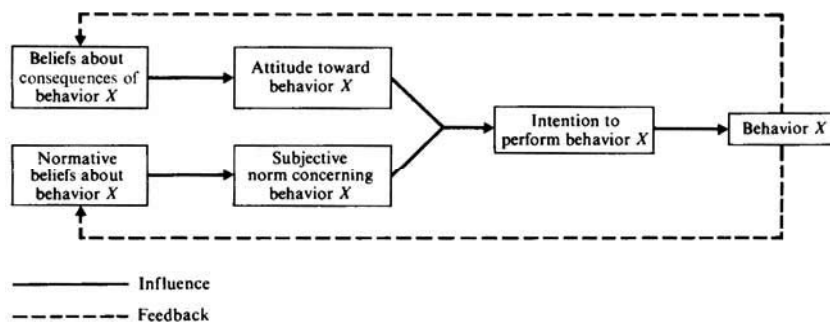


Figure 2.9: The Fishbein-Ajzen model

Van Raaij and Verhallen (1983) designed a model on residential energy use. Also in their model, the attitude towards energy-use and the actual energy-related behaviour are two different variables. The difference is explained by four variables. The first one is ‘acceptance of responsibility’, which is the extent to which the individual feels responsible for taking action to save energy, and does not attribute this responsibility to other parties such as the government, industry or ecology groups. The second one is the perceived effectiveness of one’s own contribution in solving energy problems. Thirdly, there is the notion of energy knowledge, which refers to knowledge of energy costs and energy conservation behaviour and consequences. Finally, the costs are taken into account. Van Raaij and Verhallen do not only refer to monetary costs, but also to the behavioural costs of energy conservation (e.g., a decrease in personal comfort if the thermostats are put at a lower level). These four elements can all be seen as an explanation for the apparent discrepancy between attitude and behaviour.

Vermeir and Verbeke (2006) used the Fishbein-Ajzen model to build a theoretical framework for their research on sustainable food consumption. Next to ‘subjective norm’, they used other variables that were assumed to influence the relationship between attitude and behavioural intention. As can be seen in figure 2.2, the involvement of the consumer is assumed to mediate the relationship between attitude and behavioural intention. Involvement could be defined as perceived personal importance (Vermeir & Verbeke, 2006). Involvement is activated when the product is

perceived to be instrumental in meeting an important need, goal or value. In more practical terms: involvement indicates *how* important it is for a person to carry out behaviour towards which that person holds a positive attitude. When this involvement is not large enough, it may mean that in a more constrained situation such as the marketplace (with price differences, heterogeneous products and limited choice) the positive attitude will not result in purchasing the SR product.

Next to involvement, Vermeir and Verbeke also hypothesize uncertainty to play a role. In this case, uncertainty refers to a lack of clear and reliable information. For example: one may have a positive attitude towards buying meat from animals which were well-treated during their lives. However, that person may not be sure whether organic meat satisfies this criterion.

The last mediating factors in the model are availability of the product and perceived consumer effectiveness (PCE). Availability of the product is obviously a necessary condition for a consumer to actually purchase the product. Also, it is assumed that the consumer will be more likely to buy the product if he believes that this is an effective way to contribute to solving a social problem.

The results of Vermeir and Verbeke (2006) show a significant difference between attitude and behavioural intention. Statistical analysis of the variables discussed above (all measured with multiple questions resulting in strong Cronbach's Alpha coefficients) show that all variables are significant in explaining the difference between attitude and intention.

Another study that tried to explain why the inconsistency between attitude and behaviour arises is Devinney, Eckhardt and Belk (2005). They did 160 depth interviews with consumers in eight different countries: Australia, China, Germany, India, Spain, Turkey, Sweden and the US. In the interviews, respondents were presented three different scenario's concerning consumer ethics, which were then discussed. Specifically, the respondents were asked to explain the inconsistencies in their beliefs and behaviour, which arose for all respondents to some extent.

From this qualitative study, three types of rationales were distilled that were used to justify the attitude-behaviour gap, which are labelled as (1) economic rationalism, (2) governmental dependency and (3) developmental realism. The third one, however, only applied to respondents in China, India and Turkey (emerging markets) and not to western countries. Therefore, this last rationale is not relevant for my purpose and will consequently not be discussed.

The economic rationalist justifications state that costs (either monetary or in terms of time) were most important in explaining the discrepancy between attitude and behaviour. For example, it is already difficult to find sport shoes with a comfortable fit, and it would take too much time to find such shoes that are also not made by underpaid workers. The second rationale that was often used by respondents was that it is the responsibility of the government to address social and ethical issues, and not that of individual consumers. Note that Pieters et al. (1998) obtained similar results (see section 2.2.1).

A notion that was not dealt with in previous literature was introduced by Vantomme, Geuens, de Houwer and De Pelsmacker (2005a). In their study, a distinction between explicit and implicit determinants of Fair Trade buying behaviour is made.



According to the authors, people may not be fully aware of their own attitude towards Fair Trade products. Respondents who are answering questions or filling out questionnaires are only revealing their explicit attitudes. Nevertheless, the attitude that people actually have is also based on implicit attitudes.

The concept of implicit attitudes originates from Greenwald, McGhee and Schwartz (1998). The concept is based on the idea that it is easier to associate two positive things together than to associate a negative thing with a positive thing. For example, people have less trouble in categorizing words or pictures in categories such as 'flowers and pleasant' or 'insects and unpleasant' than in categories such as 'flowers and unpleasant' or 'insects and pleasant'. The rationale is that because most people like flowers more than insects, it is easier to combine flowers with 'pleasant' than with 'unpleasant'. By measuring reaction time and accuracy in such tests, the implicit attitude of people can be measured. As an example, Greenwald et al. show that even though white people state that they have no problems with black people and are against discrimination, they need significantly more time to assign words and pictures into categories such as 'pleasant and black' and 'unpleasant and white' than to assign the same items into categories such as 'pleasant and white' and 'unpleasant and black'. Similar results were obtained by Bono (2005), who showed that people needed significantly more time to identify a picture as an animal after seeing a white face than after seeing a black face. The authors of both studies conclude that there is a discrepancy between explicit attitude and 'actual attitude' that can be explained by the existence of implicit attitudes.

Maison, Greenwald and Bruin (2004) use this 'Implicit Association Test' (IAT) to examine implicit attitudes towards several products and brands. On all occasions, they found positive correlations between the test scores and respondents explicit attitudes and behaviour. Furthermore, the authors find that the IAT score can improve the prediction of behaviour.

As said, Vantomme et al. (2005a) take this suggestion into account when trying to explain the apparent attitude-behaviour inconsistency that surfaces in research about Fair Trade products. They conducted an experiment with two groups. One group consisted of 37 people who were recruited when buying Fair Trade products and the other group consisted of 49 people who were recruited after street interviews. All these people performed an IAT with a similar design as in the tests described above. Only in this case, the categories included 'Fair Trade' and 'traditional'. Also the explicit attitudes were measured.

The results show that buyers of Fair Trade products had a more positive implicit attitude towards Fair Trade products than towards traditional products, whereas the reverse was true for non-buyers. Furthermore, a model explaining Fair Trade buying behaviour including the variables 'implicit attitude' and 'explicit attitude' performed much better than a model with only 'explicit attitude' as explaining variable ( $R^2$  of .63 and .48 respectively). This result implies that the IAT score accounts for 15% unique contribution to the prediction of behaviour. In fact, the full model was able to classify 83.5% of the respondents correctly, whereas the model based on only the explicit attitude assigned only 76.5% of the respondents to the correct category.

In another study by the same authors, the IAT is used to measure implicit attitudes towards 'green' cleaning products (Vantomme, Geuens, De Houwer, & De

Pelsmacker, 2005b). In two experiments ( $n_1 = 60$ ,  $n_2 = 72$ ), respondents were found to have positive implicit attitudes towards the 'green' product. In one of the experiments, the implicit attitude towards the 'green' product was even significantly more positive than the implicit attitude towards the traditional product. Furthermore, when real products were involved, implicit attitudes correlated significantly with purchase intentions, whereas explicit attitudes did not.

Based on the results of these studies, it is expected that the fact that implicit attitudes are usually not taken into account in attitude-behaviour research can explain part of the observed discrepancy between attitude and behaviour. In other words: the attitude towards SR products is not such a good predictor of buying SR products if only explicit attitudes are measured. This insight may provide another part of the explanation for the attitude-behaviour inconsistency.

### **2.5.3 Conclusions**

The attitude-behaviour gap was encountered in the literature in many papers. It shows that a positive attitude towards buying SR products may not be sufficient to result in actual buying behaviour. In general terms: even though a consumer may 'care' for SR products, the extent of this 'caring' is restricted by the circumstances under which purchasing occurs.

Explanations that are given in the literature for this inconsistency can be summarized as follows. First of all, the perceived opinion of others plays a role as a determinant offsetting personal attitude (subjective norm). Secondly, the involvement of the consumer may be low, implying that although a consumer holds a positive attitude towards buying a product, it is not important to him. In a more constrained situation such as the marketplace, this may mean that the attitude is not followed by the behaviour consistent with this attitude. A third factor which was identified is uncertainty. If consumers do not have clear information about the (social) characteristics of products, this may withhold them from buying the SR product. As a fourth factor, also perceived product effectiveness (PCE) in solving a problem is important. If a consumer thinks 'it would be good to buy a car that is relatively environmentally friendly' (a positive attitude) but at the same time feels that him buying such a car will not have any impact on the state of the environment, this may also withhold him from buying this car. The fifth factor that was observed in literature is related to perceived responsibility for the problem. If people perceive that it is actually not their responsibility to solve the problem (but, for example, the responsibility of the government or industry), this will decrease the willingness to buy SR products.

A final explanation that has been given has to do with measurement problems. It is suggested that attitude may be a good predictor of behaviour if one is able to measure it correctly. However, this may be difficult - if not impossible - because people may not be fully aware of their attitudes. As a consequence, measuring the attitude by asking for it is not appropriate. Implicit attitudes have been shown to exist and to be different from explicit (or: expressed) attitudes by studies that used a so-called 'Implicit Association Test'.

## 2.6 Conceptual model

The literature survey has led to the identification of several variables that may have an effect on 'buying SR' products. Figure 2.10 presents a conceptual model that integrates these variables into a coherent framework.

This conceptual model has a simple form: all independent variables directly relate to the dependent variable 'buying SR products'. Although moderating or mediating effects may exist amongst these variables (for example: consumer characteristics may influence several of the consumer perceptions in the model), the literature does not provide enough support for a model with moderating and mediating effects. The empirical part of the present research project reported in chapters 4 and 5, provides a basis for creating a more sophisticated model, which will be presented in chapter 6.

The framework groups all variables into four categories. The box 'perceived personal importance' refers to the extent to which buying SR products is important to individual consumers. This concept is comparable to what Vermeir and Verbeke (2006) call 'personal values, needs and motivation' (see section 2.2.1). It may also be thought of as being comparable to the concept of 'self enhancement' that was used by Klein, Smith and John (2004) in their research on consumers' decision to participate in a boycott. In this study, 'self enhancement' refers to social and personal self-esteem that a consumer can derive from associating with a cause, a group of people or by viewing him or herself as a moral person. The box 'problem and solution' refers to the ideas of consumers about the seriousness of the problem an SR product aims to alleviate and the effectiveness of that product in doing so. This category may be thought of as being related to the concept 'making a difference' that was also used by Klein et al. and that refers to contributing to the achievement of collective goals – a concept that Sen, Gürhan-Canli and Morwitz (2001) refer to as 'perceived efficacy'. Third, the box 'perceived characteristics of SR products' contains variables that are related to the valuation for different product attributes of SR products relative to those of non-SR products. The fourth category includes consumer characteristics.

The conceptual model of figure 2.10 is different from the conceptual model of Vermeir and Verbeke (2006) that is given in figure 2.2. The conceptual model of figure 2.10 incorporates the independent variables of the Vermeir and Verbeke model, but it also includes characteristics of the SR products and consumers.

The model of figure 2.10 is also different from the model of De Pelsmacker and Janssen (2007) that is given in figure 2.3. These authors include information about Fair Trade, which is largely captured in the model in figure 2.10 by the box 'problem and solution'. They also include attitude towards Fair Trade products, which is similar to the variable under 'perceived characteristics of SR products' in figure 2.10. However, De Pelsmacker and Janssen do not include variables related to 'perceived personal importance' (except for concern, which may be thought of as being related). Furthermore, their model does not include consumer characteristics.

The literature suggests that the relationships between the variables in the boxes 'perceived personal importance', 'problem and solution' and 'perceived characteristics of SR products' on the one hand and buying SR products on the other hand are positive. That is: a higher score on one of these independent variables is expected to lead to a greater likelihood of that consumer buying SR products. The only exception to this is the variable 'price'. On the other hand, the literature is inconclusive about the direction of the relationships between the variables under 'consumer characteristics' and 'buying SR products': both positive and negative relationships are found in different studies.

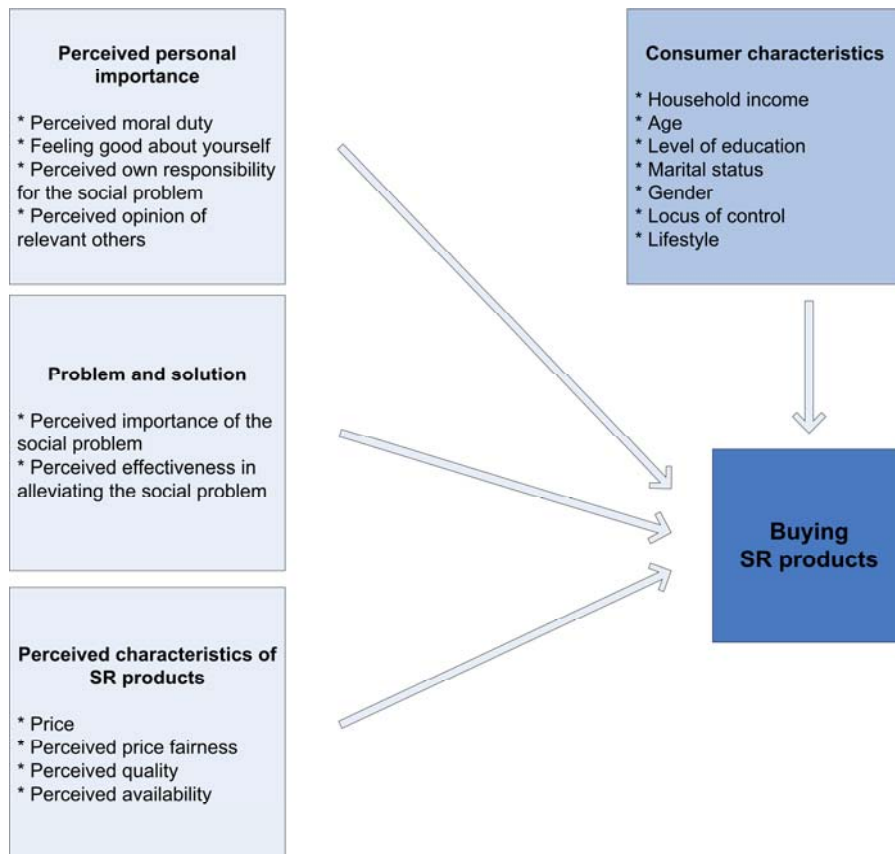


Figure 2.10: Conceptual model based on the literature survey

*“Currently, buying cacao is like slaughtering a chicken that lays golden eggs”*  
- Hans Perk, program manager sustainable cacao and tea, Solidaridad -

### 3.1 Introduction

In chapter two, a literature survey has been reported in which an attempt is made to answer the research questions of this study. Although some important directions are found, the results of the literature survey also call for further research. For example, most studies focused on only one SR product and on only a few explanatory variables. Therefore, it remains unclear which of these variables are most important. Furthermore, the literature does not provide insight into whether findings are consistent across different product categories. And for some variables, it is not yet quite clear whether they are relevant at all, for example because prior studies yield mixed results (this applies to some socio-demographic variables), or because variables were not applied in academic research about SR products before (this applies to the variable lifestyle).

In this chapter I want to fill these gaps of knowledge. For this purpose, section 3.2 starts with a hypothesis that was not researched before: namely that buying an SR product is complementary to buying other SR products. In the next sections I present a complete set of hypotheses concerning the explanatory variables presented in the conceptual model that is based on the literature study in chapter two (see figure 2.10). In addition to this, some new hypotheses are introduced based on directions from other fields of research and can therefore be called ‘new’ in the field of SR products. The hypotheses are used as a starting point for the empirical research presented in chapter 4 and 5.

The remaining sections each deal with one of the research questions of this study. Section 3.3 is concerned with hypotheses about arguments for buying SR products. The characteristics of consumers most likely to buy SR products are the topic of interest in section 3.4. Finally, section 3.5 will develop hypotheses about the willingness to pay for SR products.

### 3.2 Complementarity or substitution

The main question of the research is:

*Why do consumers buy socially responsible products with an above-market price?*

An important first question concerns the extent to which findings related to one SR product also apply to other SR products. A first step that can be taken to answer this question is to study the relationship between buying one SR product and buying other SR products. For example: do consumers who buy Fair Trade coffee feel like they have 'already contributed their share', and is the likelihood of them buying other SR products below-average as a consequence of this? Or are these consumers driven by a more general urge to buy in a socially responsible way, and are they therefore more likely to buy other SR products? Or is there perhaps no relationship between, for example, buying Fair Trade coffee and buying other SR products?

Some indications can be found in mental accounting theory (Thaler, 1999). This theory states that people assign their spending to certain consumption categories and make a restriction on the amount spent on that category. Once that amount is spent, consumers are not willing to spend more money in that category during the same period. This may imply that buying an SR product decreases the probability of buying other SR products, if consumers think of SR products as being in the same category. This category may for example be the 'socially responsible' category (which might, for example, also include donations to charity). However, it may also be the case that consumers do not group SR products together, but, for example, include Fair Trade coffee in the 'groceries' category and GreenSeat tickets in the 'travelling' category. In such case, mental accounting theory would not apply and could consequently not be used to predict that buying SR products will decrease if consumers already bought other SR products.

Furthermore, research into donating to charity has shown that consumers who donate to one charity are *more* likely to also donate to other charities (Van Diepen, Donkers, & Franses, 2009). Because donating to charity and buying SR products can both be perceived as socially responsible acts, it is assumed here that when it comes to buying SR products, complementarity exists between buying different SR products rather than substitution.

*Hypothesis 1: If a person buys one type of SR product, the likelihood is higher that that person will also buy other types of SR products.*

In order to answer the main question, three research questions were defined (see chapter 1). Hereafter, the hypotheses relating to each of these research questions are discussed.

### 3.3 Arguments for buying SR products

In the literature survey described in chapter 2, different reasons were found to be important for (not) buying SR products. An overview of these reasons can be found in table 2.1. This section addressed these reasons.

One of the arguments for buying SR products is related to the perception of buying SR products as a moral duty. Kant (1785) defines this duty as “the necessity of an act motivated by respect for the moral law”. In order to define what this moral law is Kant proposes the so-called ‘categorical imperative’, of which there are two well-known formulations. The first one is “I want the subjective principle on which I want to act to become a universal law”. This test is purely formal; it does not say anything substantive. The second formulation of the categorical imperative is less formal. It states: “I never treat humanity simply as a means, but always at the same time as an end”. This formulation has a moral content, which is similar to what one could call ‘respect for all people’. If people (consciously or unconsciously) agree with Kant, they might feel they have a moral duty to buy SR products. Indeed, one could regard buying SR products as treating all stakeholders as an end. For example, we do not only use the poor coffee farmer by drinking his coffee, but we also provide him with an income which allows him to sustain a decent living (buying Fair Trade coffee). Or we do not only use next generations by polluting the environment. Rather, we nullify negative externalities from air travel to provide them with a clean and balanced environment (compensating CO<sub>2</sub> emissions by planting trees). In some cases, ‘respect for all people’ might be extended to animals as well (buying free-range eggs or organic meat). Based on this, the following two hypotheses are stated:

*H2a: If consumers perceive buying SR products rather than non-SR products more as a moral duty, there is a higher likelihood that they buy SR products.*

*H2b: Consumers think of buying SR products rather than non-SR products as a moral duty.*

It is important to make the distinction between hypothesis 2a and 2b, because the perception of buying SR products as a moral duty does not necessarily imply that consumers are eager to fulfil that moral duty. Also, a correlation as described in hypothesis 2a may exist while only very few consumers think of buying SR products rather than non-SR products as a moral duty<sup>3</sup>. In the empirical research both the strength of the relationship (H2a) and the extent to which consumers think of buying SR products as a moral duty (H2b) will be studied. Similar distinctions between the effect of a variable and the level of a variable will be made for the other hypotheses in this section.

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<sup>3</sup> An example: If only 5% of consumers believe that buying SR products is a moral duty, and these consumers are much more likely to buy SR products than the other 95%, hypothesis 2a can be accepted, but hypothesis 2b cannot. The ‘a-hypotheses’ and ‘b-hypotheses’ therefore concern different things, which justifies testing them separately.

If consumers do not perceive buying SR products as a moral duty, they may still buy it for other reasons. For example, utility may be derived from performing altruistic behaviour. Harbaugh, Mayr and Burghart (2007) distinguish two forms of altruism. They call the first one 'pure altruism', which refers to utility that is derived from the knowledge that a social problem is alleviated, regardless of the way in which this is done. The second form of altruism is called 'warm glow' by the authors. 'Warm glow' refers to utility that is obtained from the knowledge of having contributed to the alleviation of a social problem. As the authors show by measuring brain activity during an experiment in which people have to pay tax and are given a choice to donate money, neural activity in areas linked to reward processing is higher when voluntary donations are made (warm glow) than when the money is paid in the form of mandatory taxes. This 'warm glow' could be an argument for purchasing SR products. Even if there is no perceived moral duty, consumers can still regard buying SR products as an altruistic act. The feeling of 'warm glow' may therefore also be a factor stimulating buying SR products. This variable has not been studied before in a context of buying SR product. Still, based on the reasoning above, it seems promising to test the effect of this variable. Therefore, the third set of hypotheses is:

*H3a: If consumers feel good about themselves when buying SR products, there is a higher likelihood that they buy SR products.*

*H3b: Consumers feel good about themselves when buying SR products.*

Based on the literature survey, several other arguments are assumed to be important in the decision to buy SR products. First of all, the social problem that an SR product aims to alleviate should be perceived as important by the consumer in order for him or her to buy it. Based on this, the following hypotheses are stated:

*H4a: If consumers perceive the problem an SR product aims to alleviate as important, there is a higher likelihood that they buy that SR product.*

*H4b: Consumers perceive the problem an SR product aims to alleviate as important.*

Furthermore, in several of the studies discussed in chapter 2, a variable that measures 'perceived consumer effectiveness' was tested and found to be significant in all cases. This variable measures to what extent the consumer thinks he can alleviate a problem by buying an SR product. If the perceived effectiveness of an SR product in solving a problem is higher, the consumer seems to be more likely to buy that SR product. Therefore, the following two hypotheses are stated:



*H5a: If consumers perceive SR products to be effective in alleviating a social problem, there is a higher likelihood that they buy SR products.*

*H5b: Consumers perceive SR products to be effective in alleviating a social problem.*

As addition to hypothesis 5a, it is important to note that this variable may have to be regarded together with the variable 'locus of control', as 'perceived consumer effectiveness' involves not only the perceived effectiveness of the product, but also the perceptions that consumers hold about their likelihood of having any significant influence on what happens in the world. This last concept is often referred to as 'locus of control' (LOC). If consumers feel they have much control over their future, their LOC is said to be 'internal'. A hypothesis about locus of control is therefore included in section 3.4, which deals with characteristics of buyers of SR products.

Based on the literature survey, the perceived responsibility of consumers for the social problem that SR products aim to alleviate is also assumed to be related to buying SR products. The corresponding hypotheses are the following:

*H6a: If consumers perceive to be responsible for the social problems that SR products aim to alleviate, there is a higher likelihood that they buy SR products.*

*H6b: Consumers perceive to be responsible for the social problems that SR products aim to alleviate.*

Also, the importance of the opinion of important people in the life of a consumer (family, friends and colleagues) about buying SR products is assumed to influence the decision of that consumer. Having people in your network that strongly approve of buying SR products may be an important argument for also buying such products. This is stated in the following hypotheses.

*H7a: If relevant others are perceived to approve of buying SR products, there is a higher likelihood that consumers buy these products.*

*H7b: Consumers believe that relevant others approve of buying SR products.*

One of the important arguments for not buying SR products that were observed in the literature survey is the price premium. People become less motivated to buy SR products when the price premium increases. When paying the price premium leads to a decrease in utility that cannot be offset completely by benefits of the social product, people will not buy the social product. The price premium is therefore expected to be an important reason for not buying SR products, leading to the following hypotheses.

*H8a: If SR products are perceived as more costly than non-SR products, there is a lower likelihood that consumers buy these products.*

*H8b: Consumers think of SR products as more costly than non-SR products.*

Next to the rather obvious suggestion that people do not like to pay a price premium per se, fairness issues may also play a role here. Although price fairness perceptions were not tested for their effect on buying SR products in prior research, consumers may believe that the price of the SR product is unfair, because they compare the prices to regular products. Indeed, reference prices have been shown to influence perceptions of price fairness to a large extent (see Kahneman et al., 1986; Gielissen et al., 2008). Therefore, the following new hypotheses are stated:

*H9a: If the price of SR products is perceived to be fair, there is a higher likelihood that consumers buy these products.*

*H9b: Consumers think of the price of SR products as fair.*

Another reason for (not) buying SR products concerns the quality of SR products (relative to non-SR products). The perceived quality of products seems to play an important role in the purchase decision. Consequently, the following hypotheses are stated:

*H10a: If the perceived quality of SR products is higher compared to non-SR products, there is a higher likelihood that consumers buy these products.*

*H10b: Consumers do not perceive the quality of SR products to be inferior to that of non-SR products.*

The last argument for not buying SR products concerns the availability of such products. The distribution coverage of several SR products is not as high as that of their non-SR counterparts (for example, not every Dutch supermarket sells Fair Trade coffee, Fair Trade chocolate sprinkles and organic meat). For some consumers, buying SR products may therefore require 'going the extra mile'. This is also expected to be an important argument for not buying SR products. Therefore, the following hypotheses are stated:

*H11a: If the perceived availability of SR products is lower than that of non-SR products, there is a lower likelihood that consumers buy these products.*

*H11b: Consumers perceive the availability of SR products to be lower than that of non-SR products.*

### 3.4 Characteristics of buyers of SR products

Research that attempted to profile the buyer of SR products showed mixed results. Socio-demographic variables do not seem to be useful in discriminating between buyers and non-buyers. Even though the effect of such variables was significant in some studies, the strength of the relationship was generally low. Only the demographic variable 'level of education' seems to have some predictive power. Furthermore, based on the literature, it is suggested that the effect of the variable 'income' should be further elaborated on by using different measures of income.

The power of attitudinal variables to distinguish people who have a positive attitude towards buying SR products seems to be larger than that of socio-demographic variables. Especially attitudes related to the social problem and perceptions about the effectiveness of the social product in solving this problem seem to be important.

Knowledge about attitudinal variables can be useful for suppliers of SR products, for example because it can help them in decisions about 'message framing'. However, attitudinal variables are difficult to use in selecting and targeting specific groups of consumers. Therefore, attention should be given to variables that are more useful in doing this. One example from the literature is the variable 'reading magazines rather than watching TV'. Another one is the use of 'lifestyle types'.

Based on these findings and ideas, several hypotheses that are related to characteristics of the buyers of SR products are tested in the empirical research.

#### *Socio-demographic variables*

People with a higher household income are expected to have a larger likelihood of buying SR products. In the literature discussed in chapter 2, the variable 'income' had a significant influence on buying SR products in three out of the four studies discussed, but had no significant effect on buying products with social product features (without the explicitly demanded price premium) in all eight studies that were discussed. In line with these findings, the income of people may become more important when a price premium is demanded in exchange for social product features, because it is expected that the price premium will stop fewer people from buying the SR product in high-income than in low-income segments. However, income may not be the best predictor in this case, as buying behaviour is probably driven more directly by discretionary income (the amount that is left after buying essentials such as housing, clothing and food). The costs for these essentials are usually higher when a household consists of more members. Therefore income should be corrected for household size. However, costs do not grow proportionally to household size due to economies of scale. Therefore, instead of just dividing income by the number of household members, the 'OECD modified equivalence scale', which was first proposed by Hagenaars, de Vos and Zaidi (1994), is used to estimate the relative financial needs of different household types. This equivalence scale assigns a value of 1 to the household head, a value of 0.5 to each additional adult household member and a value of 0.3 to each child. The household income is then divided by the sum of these values. The outcome is expected to be significantly related to the likelihood that a consumer buys SR products.

*H12: The level of monthly household income corrected for household size has a positive effect on the likelihood that a consumer buys SR products.*

Some of the socio-demographic variables discussed below are correlated with income. These variables include age (Pascual, 2006), level of education (Cheeseman Day & Newburger, 2002; Levine, 2004; Baum & Payea, 2005), and marital status (Joung, Van Poppel, Van der Meer, & Mackenbach, 1997). These correlations will be accounted for in the analysis of the empirical research.

The effect of the variable 'age' was tested in the studies discussed in chapter 2. On six occasions, the effect of this variable was found to be significant, whereas it was not found to be significant in nine of the studies. However, the sign of the relationship differed between the different studies. Empirical evidence can therefore be called 'mixed'.

Literature that does not concern buying SR products can provide some supports for a hypothesis about the influence of age on buying SR products. First of all, Bogt and Hibbel (2000) showed that norms and values are different from one generation to the next. This means that the likelihood that a consumer buys SR products may also differ across generations. Furthermore, older people may have become used to a certain purchasing pattern which has become difficult to change, as is argued by Kogan (1990). Because SR products are a relatively new phenomenon, they may not be on the grocery list that older people are used to. Conversely, Uncles and Ehrenberg (1990) showed that consumption patterns and the number of brands purchased by older people are similar to those of younger people.

More support for the hypothesis can be found in the work of Grégoire (2003). He proposes several explanations for changing consumer behaviour of older people based on age-related changes such as physical, psychological and social changes. Two of his arguments for the statement that age influences consumer behaviour may also be applicable to SR products. First, a possible loss of mobility by older people may lead to changing shopping patterns. More specifically, it is reasonable to expect that compared to younger people, fewer older people are willing to visit an extra store to buy the SR version of a product. Rather, they want to buy as many products in one store as possible, as going to another store requires extra effort. Because SR products are not as widely available as 'regular' products, this may mean that older people are less likely to purchase SR products. Next to this, the combination of sensory changes (especially lower visual abilities) and a modest decline in working memory capacity leads to more difficulties in finding relevant product information, for example when reading labels or hallmarks on products (see also Cole & Balasubramanian, 1993). This may make it somewhat more difficult for older people to distinguish SR products from regular products.

Concluding, age is expected to have a negative effect on buying SR products based on some empirical evidence and on a variety of other literature.

*H13: Age has a negative influence on the likelihood that a consumer buys SR products.*

In the studies discussed in chapter 2, the level of education was found to influence the likelihood that a consumer buys SR products or products with social features. The relationship was found to be positive in most cases. Further support for this hypothesis comes from Bekkers (2004), who shows that higher educated people are more likely to display a wide range of pro-social behaviours than lower educated people. For example, higher educated people are more likely to volunteer, to give blood, to register for post-mortem organ donation, and to engage in philanthropy, and are also more generous donors than lower educated people. According to Bekkers, the main reason for this is the greater availability of resources. Nevertheless, he also shows that higher educated people are more generous when they are solicited for donations to charitable institutions, even when income is held constant.

Because buying SR products can also be seen as pro-social behaviour, it is assumed that the level of education does indeed influence the likelihood that a consumer buys SR products.

*H14: Level of education has a significant positive effect on the likelihood that a consumer buys SR products.*

In the literature survey, the variable 'marital status' was significantly related to buying socially conscious in three out of six studies. The influence of this variable on buying SR products (so with an above-market price) was not tested in previous studies. However, some findings from other literature suggest that marital status may indeed be related to buying SR products. First of all, married individuals tend to have more material benefits than non-married individuals (Joung, Van Poppel, Van der Meer, & Mackenbach, 1997). This may have a positive influence on the likelihood of buying SR products, as it implies that spending money on SR products involves a smaller financial risk for married people than for unmarried people. In addition, marriage is shown to be positively related to the reported well-being of adults (Gove, Hughes, & Style, 1983; Frey & Stutzer, 2005). In one extensive study, a lasting marriage is even calculated to have the same effect on happiness as receiving \$ 100,000 per year (Blanchflower & Oswald, 2004). And because well-being (or: happiness) positively influences one's willingness to help others (Meier, 2006; Swarze & Winkelmann, 2005), marriage is expected to have a positive effect on buying SR products.

Similar principles may apply to people that are not married, but still have a stable long-term relationship (for example if they are cohabitating with a steady partner). Because there is no prior research into this in relation to buying SR products, it is not incorporated in the hypothesis. However, it will be tested in the empirical research whether cohabitating with a steady partner has a similar effect on buying SR products as marriage.

Marriage is only one out of many factors that was shown to influence reported happiness of people (Blanchflower & Oswald, 2004; Roszkowski & Grable, 2007). Consequently, also the variable 'subjective well-being' will be included in the empirical research as independent variable. As Veenhoven (2004) also concludes, there has been little research about the relationship between happiness and consumption of durable goods, but it might be the case that happy people are more inclined to invest in durable goods.

*H15: Married people are more likely to buy SR products than unmarried people.*

The effect of gender on the likelihood of buying SR products was tested in several studies. In two out of six cases, the relationship was found to be significant. For 'socially conscious buying', gender had a significant influence in three out of seven cases. In all of these cases, females were more likely to buy products with social features. In another US study, however, gender was not found to influence ethical values (Sikula & Costa, 1994). Evidence can therefore be called mixed.

It is interesting to test if a relationship between gender and buying SR products can be observed in The Netherlands. On the one hand, one may not expect to find this relationship, because the influence of gender is insignificant in foreign studies, and because the Dutch culture is relatively feminine according to Hofstede: on his 'masculinity index', The Netherlands score 14 point, where the world average is 50 (Hofstede, 2001). This suggests that there is little difference between males and females in The Netherlands. On the other hand, different studies show that Dutch males and females have spending patterns that differ significantly. This is true both in general terms (NIBUD, 2007), but also for specific topics such as genetically modified food, which women are more hesitant to accept (Hamstra, 1998). These differences may be especially important when it comes to purchasing SR products, because one of the often found differences between men and women is that women are more caring than men.

*H16: Female consumers are more likely than male consumers to buy SR products*

#### *Attitudinal variables*

Next to these hypotheses that deal with the effect of socio-demographic variables, also hypotheses about the effect of attitudinal variables were constructed. Several of such hypotheses were already discussed in section 3.3, because they can be seen as reason for (not) buying SR products (see hypotheses 4, 5 and 6).

#### *Locus of control*

The following hypothesis that is discussed here concerns locus of control (LOC). LOC can be defined as: *perceptions about the extent to which the future depends on one's own individual actions* (Rotter, 1966). This variable has been shown to influence characteristics such as assertiveness (Kukulu, Buldukoglu, Kulakaç, & Köksal, 2006) and satisfaction with life and worries about one's personal situation (Rammstedt, 2007). According to these studies, an external LOC leads to less assertiveness, less satisfaction with one's own life and more individual (but not society-oriented) worries. People with an external LOC are expected to be more focused on their own individual situation, and less focused on other (more distant) groups in society. Therefore, such a person is also expected to be less willing to buy SR products. In addition, according to the definition of LOC, the person will also perceive him or her buying the SR product to have only a minor impact on the underlying problem, and will therefore be less likely to do so.

Although LOC is related to responsibility, it is by no means the same, as was also discussed in the section about perceived responsibility in section 3.3. People with an internal LOC do not necessarily feel responsible for a problem, and vice versa.

*H17: People with an internal locus of control (LOC) are more likely to buy SR products than people with an external LOC.*

### *Lifestyle*

As was elaborated in chapter 2, many different lifestyle segmentation models have been developed and have been proven to be useful for a specific purpose. On several occasions, lifestyle models were defined for a specific field of research. As an example, one could think of 'health-lifestyle' (Stefansdottir & Vilhjalmsón, 2007) or computer-use-lifestyle (Allred, Smith, & Swinyard, 2006). Next to these specific models, there are also several 'general' lifestyle models, which focus on many different aspects of a person's lifestyle. The most well-known general lifestyle models are:

- The VALS (Values and Lifestyles) model developed by Mitchell (1983), distinguishing nine lifestyles;
- The 'Roper Consumer Style' model, which is the successor of the ESS (European Socio Styles) model.
- The Roper Consumer Styles model is also developed by market research company Intomart GfK, distinguishing eight lifestyles. The current name is the 'Roper Consumer Styles' model;
- The Mentality model developed by market research company Motivation, distinguishing eight lifestyles.

The identification of people with a certain lifestyle is based more on actual everyday behaviour than on values and attitudes, and may therefore be more directly related to purchasing behaviour. If this is true, this variable has the advantage of high predictive value but at the same time that of practical usefulness for segmentation and targeting. If the predictive value of the lifestyle variable is found to be high, this will be a finding of significant practical value.

Although the influence of lifestyle on buying SR products has not been tested in prior research, the findings in the literature survey suggest that the lifestyle of a person is expected to be significantly related to the likelihood that a person buys SR products. In other words: it is expected that lifestyles can be distinguished that correspond with a higher likelihood of buying SR products and others that correspond with a lower likelihood. In the present study, a hypothesis has been formulated based on these expectations. Since there is no a priori theoretical indications about which particular lifestyle leads to a greater likelihood of buying SR products, the hypothesis is formulated in a non-directional, exploratory way. First, the general usefulness of lifestyle models in predicting buying SR products first needs to be demonstrated, because this was not done in previous studies. A more specific hypothesis might be rejected because the wrong lifestyle category might then be expected to lead to a higher likelihood of buying SR products, while the lifestyle model is in fact useful in predicting buying SR products. Therefore, the following hypothesis is formulated:

*H18: The lifestyle of a person influences the likelihood of buying SR products.*

*Other segmentation variables*

The hypotheses defined above are based on the findings and concepts encountered in the literature study described in chapter 2. Next to this, variables that may be related to the likelihood of buying SR products and that would at the same time be useful for targeting purposes are included as a more exploratory part of the empirical study. None of these variables was studied in a context of buying SR products before. The corresponding new hypotheses are the following:

*H19: The political preference of a person has a significant influence on the likelihood that that person will buy SR products*

Both political preferences and willingness to buy SR products are expected to be related to an individual's values. More specifically, people from left-wing political parties are expected to show a greater willingness to buy SR products than people from right-wing parties. The reason for this is that equality is a more important value for left-wing parties than for right-wing parties. As buying SR products is often said to lead to more equality (for example: a higher income for producers in developing countries) people who prefer left-wing parties are expected to be more willing to buy SR products.

*H20: The amount of money that people donate to charity is positively related to the likelihood of buying SR products (complementarity)*

Both making donations to charity and buying SR products are activities that are beneficial for other people who the donor does not know personally. If a person makes donations to charity, this reveals that he finds the well-being of unknown other people in society important. Therefore, this person may also be more willing to buy SR products. Instead of such complementarity, however, people who donate money to charity may feel they have contributed 'their share' and therefore feel less of a responsibility to buy SR products (substitution).

*H21: Religious persons have a greater likelihood of buying SR products.*

If people try to live according to the rules of a religion, they may be more likely to buy SR products. Obviously, there are no religious rules that say that people should buy SR products, but 'love one's neighbours' is an important value in many important religions. As an illustration: both Christianity and Islam state that giving to the poor and others that need help is a virtue. As buying SR products is a form of helping others, religious people are expected to be more willing to buy SR products than non-religious people.



*H22: Persons that watch TV more often are less likely to buy SR products*

*H23: Persons that read newspapers more often are more likely to buy SR products*

In the study by Schrum et al. (1995) that was discussed in the previous chapter, the variable 'reading newspapers rather than watching TV' was found to be significantly related to 'green behaviour'. The variables 'time spent watching TV' and 'time spent reading newspapers' may well be related to buying SR products. On the one hand, people that watch more TV and read more newspapers may be better informed about SR products and the social products they aim to alleviate, which may lead to a greater likelihood of buying SR products. On the other hand, watching TV is a rather passive activity, whereas reading is more active. People who have a more active 'mind set' may reflect more on their behaviour and may therefore be more likely to buy SR products instead of 'regular' products. If support for these hypotheses is found, this is quite interesting information for targeting communication about SR products to potential consumers.

### **3.5 Willingness to pay for SR products**

The third research question concerns the added value of social product features. More insight into the relationship between the price premium and the purchasing behaviour of consumers is required in order to answer the main question. From the literature study in chapter 2, several insights were derived, which lead to interesting hypotheses for empirical testing. First of all, many studies show that a significant percentage of all consumers (between 20% and 60%) is not willing to buy SR products if the price premium is greater than zero. The size of this group (in terms of percentage of the population) will be estimated based on the representative sample of the population that will be used in the empirical research. Furthermore, hypotheses are stated and discussed.

*H24: The price elasticity of demand for SR products is larger than for non-SR products.*

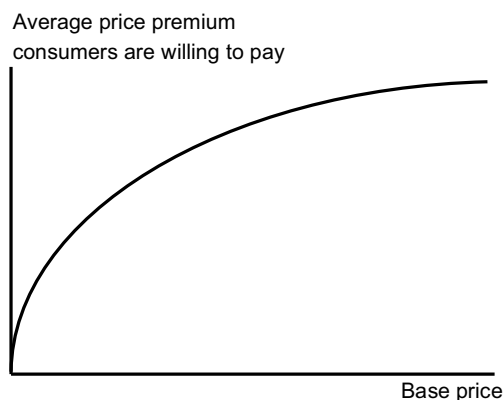
The price elasticity of demand for SR products is expected to be negative. This is rather obvious, as it only means that the demand for SR products will fall when the price (premium) increases, which is the case for many products. More interesting is the suggestion from the literature survey that the absolute value of the price elasticity may be larger than that of comparable non-SR products. One explanation for this finding is that at a high price (including a price premium), an extra absolute increase in the price means a smaller percent change compared to the same absolute increase on top of the base price. This means that price elasticity of demand will be higher. Another explanation may be that people lose more utility from paying a price *premium* than from just paying a price, and are therefore less likely to accept an

increase in the price *premium* than an increase in a price. Moreover, it is relatively easy to substitute an SR product for another product that is cheaper and has the same quality. This also causes an upward pressure on price elasticity of demand of SR products.

*H25: The amount of money that consumers are willing to pay as a price premium is higher if the base price of the product is higher.*

*H26: The percentage that consumers are willing to pay as a price premium is lower if the base price of the product is higher.*

As is mentioned in chapter 2, the base price of the product is defined as the market price of similar products without the social characteristic. The price premium is therefore equal to the price of the SR products minus the base price. The combination of the hypotheses 25 and 26 can be depicted as in figure 3.1.



*Figure 3.1: The relationship between the base price and the average price premium consumers are willing to pay*

These hypotheses are based on several studies about the relation between price premiums and willingness to pay for SR products (see chapter 2). It is expected that people find it reasonable to pay a higher price premium for a product that is more expensive (e.g. the price premium for an SR car can be higher than the price premium for an SR candy bar). This notion supports hypothesis 25. However, the average price premium that a consumer is willing to pay does probably not increase proportionally with the base price. Rather, people may think of the price premium as a larger barrier when the absolute amount is higher, which would make the price premium that consumers are willing to pay increase less than proportionally with the base price. The percentage would therefore go down, as is stated in hypothesis 26.

Next to testing the three hypotheses described in this section, the quantitative relationship between base price and average willingness to pay will be estimated based on the empirical research.

*“Sustainability calls for an attitude that cannot be expressed in numbers”*  
- Chris Dutilh, Manager Sustainability, Unilever -

#### 4.1 Introduction

In the previous chapter, various variables were assumed to influence buying SR products. Several of these hypotheses are based on studies into buying SR products and on studies in other fields. Whereas most of these studies suggest a relationship between buying SR products and various variables, few studies provide insight into the nature of these relationships and variables. For example: some studies suggest that the perceived effectiveness of SR products in alleviating a social problem influences the likelihood that a person buys SR products, but there are few studies that investigate what drives this perceived effectiveness of SR products, or that investigate the nature of the relationship between the perceived effectiveness and the likelihood of buying SR products (it may, for example, be a non-linear relationship). There is therefore a need for a better understanding of the nature of the proposed relationships rather than only a quantitative test that may or may not reject the hypotheses.

In order to obtain a better understanding of the nature of the relationships described in the hypotheses, a qualitative method was used. The major advantage of such a method is that there is no predefined list of response options that may restrict the freedom of respondents in answering questions. Because all options are kept open, there is a larger probability that all relevant subjects are addressed.

The second goal of the qualitative research was to identify variables that influence buying SR products that were not identified in prior research. This could potentially lead to the development of new hypotheses for further investigation.

Section 4.2 reports on the methodology of the qualitative research. Section 4.3 provides a description of the sample that was used. The results are presented in section 4.4. A conclusion and a discussion of the results can be found in section 4.5 and 4.6, respectively. Finally, section 4.7 discusses how the results led to an ‘update’ of the hypotheses stated in chapter three.

## 4.2 Methodology

### 4.2.1 The interviews

In the period January–May 2008, 25 semi-structured face-to-face interviews were held with Dutch individuals (see appendix B for the interview format). The advantage of interviews is that they allow a detailed analysis of the topic of research (Emans, 2004). Open questions are asked, giving the respondent the opportunity to answer each question as he or she likes, instead of choosing from a predefined list of response options. Furthermore, interviews offer the opportunity to ask for further explanation of the answers given by the respondents, which offers a better understanding of their choices.

Face-to-face rather than telephone interviews were chosen so that visual cues of respondents can be observed and responded to. Furthermore, telephone interviews might have limited the options of the interviewer to comfort respondents (Sturges & Hanrahan, 2004). On the other hand, researchers have reported that telephone interviews increase respondents' perceptions of anonymity (Greenfield, Midanik, & Rogers, 2000) which might have had a positive effect on data quality as respondents might have been less tempted to give socially desirable answers. Conversely, Aquilino (1992) found telephone interviews to yield lower reported drug use –which is obviously not socially desirable– than face-to-face interviews.

Individual interviews were chosen rather than group discussions for three reasons. First, in group discussions it would be difficult to distinguish between what explicit arguments people have and what arguments they agree with, but do not formulate themselves. Secondly, the dynamics in focus groups may lead to the articulation of group norms silencing individual dissent. Thirdly, the presence of other participants may compromise the confidentiality of the session (Kitzinger, 1995).

Interviews also have disadvantages. First, conducting and transcribing the interviews is time consuming. The sample size is therefore small compared to studies in which a quantitative approach is used, making it more difficult to generalize results to a large population. As said, another disadvantage of interviewing is that respondents may try to give socially desirable answers. In order to decrease such social desirability effects, it was made sure that the researcher did not know the respondents personally. In addition, respondents were told at the beginning of the interviews that there are no wrong answers, and that their answers would be dealt with confidentially.

Convenience sampling<sup>4</sup> was used to compose the sample. It was, however, made sure that the sample had a more or less equal distribution of levels of education, gender and age (see section 4.3 for a detailed description of the sample). This increases the probability that arguments that are especially relevant for certain subgroups of the population are brought forward and discussed. Also, the interviews were held in different parts of The Netherlands, both in large cities and small villages, in order to reduce the effect of potential regional differences. The interviews were recorded with a voice recorder and transcribed punctually to facilitate their analysis.

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<sup>4</sup> Convenience sampling refers to the collection of information from members of the population who are conveniently available to provide information (Sekaran, 2003).

The respondents were visited at their home or work. The procedure of the interview was explained to the respondent. First, consumers were asked whether they buy SR products regularly. During the interviews, the arguments for (not) buying these SR products were elicited. In elaborating further on this, topics that are related to the hypotheses of the first research question were discussed.

The following six examples of SR products were used: Fair Trade coffee, organic meat, Fair Trade chocolate sprinkles, free-range eggs, FSC wood and GreenSeat airplane tickets. These six SR products were chosen because they are relatively well-known in The Netherlands (MVO Nederland, 2007). Appendix A provides a detailed description of these products. Because the market share of SR products is generally low, discussing the most well-known products is likely to lead to the highest possible variation in 'having bought the SR product'. Furthermore, the six products include products from different categories, which allows testing whether results are valid across these different categories. In this report coffee, meat, eggs and chocolate sprinkles are referred to as 'low-involvement products', and wood and plane tickets as 'high-involvement products'. This division is based on definitions of Kotler (2004): it is assumed that coffee, meat, eggs and chocolate sprinkles are 'frequently and routinely bought products for which the consumer does not want to invest much effort' whereas wooden products and plane tickets are products 'for which the buyer is prepared to spend considerable time and effort in searching.'<sup>5</sup>

In executing the interviews, recommendations from Emans (2004) were followed. The interviewer has to be neutral in formulating questions and has to have a 'non-judgmental attitude'. It was also decided not to point out inconsistencies in the answers of respondents, in order not to fuel any desires to give answers that are perceived to be desirable by the respondent. The answers of respondents were summarized frequently to ensure a good understanding. All interviews ended with asking the respondent whether he or she felt that all relevant issues had been discussed, and whether the respondent felt he or she had been able to give a good picture of his or her thoughts about the topic. If both questions were answered in the affirmative, the interview was finished.

#### **4.2.2 The analysis**

The answers of the respondents were categorized using forms that were designed specifically for this research. The forms of the 25 interviews were filled out by the researcher. Also, three other coders were asked to fill out the same forms, based on the transcript of the interviews. Afterwards, the forms of the researcher and of the coders were compared. As can be seen in appendix C, the level of agreement between the different coders varied between 72 and 100%. Where differences in the choice of a category arose, the initial choice of the researcher was reconsidered. The goal of this procedure that was suggested by Glaser and Strauss (1967) is to make the outcome of the qualitative analysis less subjective and therefore more reliable. Similar procedures were used on related topics for example by Graafland, Kaptein, and Mazereeuw Van der Duijn Schouten (2007) and Mohr, Webb and Harris (2001).

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<sup>5</sup> Also other classifications than low- / high involvement products would have been possible, e.g. food versus non-food products or products of which the social characteristic of the SR 'version' is related to humans / animals / the environment. This classification is chosen because it is relatively generic and well-known.

Furthermore, the interviews were analysed using grounded theory procedures (Glaser and Strauss, 1967) that are currently commonplace in social sciences (Finch, 2002). According to these procedures, the transcripts were read thoroughly several times, and all segments were coded. An 'open' coding approach was used, as was suggested by Glaser (1992). The properties of each category are therefore not dimensionalized as was suggested by Strauss and Corbin (1990), because this would result in a 'forced' form of coding that may lead away from relevance. The originally defined procedures have also received some criticism (see for example Seldén, 2004 and Allen, 2003), but these could be overcome by following the recommendations of these authors, such as identifying 'key attention points' in the transcripts, so that statements of respondents were never read without their context. Finally, for each key attention point it was investigated how it relates to the attitude and behaviour regarding purchasing SR-products. The goal of this is to identify new factors that influence the attitude and behaviour regarding purchasing SR-products.

#### **4.2.3 Discussion of the method**

Two important notes should be made concerning the reliability and validity of the answers given by the respondents.

(1) It was attempted to decrease the risk that people would give socially desirable answers. Still, it is possible that people want to present themselves to the researcher in the way they would like to be, rather than in the way that they are.

(2) Respondents were asked for arguments for their purchasing behaviour. However, it is possible that respondents do not know what motivates them to buy SR-products. People may have certain arguments that they are not aware of (see the section about implicit attitudes in section 2.5.2). For example, respondents may unconsciously have the implicit conviction that Fair Trade coffee has an inferior quality compared to other brands. In such a case, the respondent will not use this argument, even though it plays an important role in his or her buying behaviour. Respondents may even come up with other (perhaps less important) arguments to rationalize their behaviour. This means that a limitation of this research method is that only explicit arguments (arguments people are aware of having) are considered.

### **4.3 Description of the sample**

Interviews were held with 25 respondents. Table 4.1 presents some of their characteristics. The sample consists of 9 males and 16 females. Of the 25 respondents, 15 are older than 40, and 13 have finished a higher vocational or academic education. Furthermore, 10 respondents stated to have a net household income that is below average (in The Netherlands, this average was close to € 2500 in 2008 (CBS, 2009)). Respondents are therefore varied in terms of gender, age, level of education, income, number of children in the household and marital status, which increases the probability that arguments that are especially relevant for certain subgroups of the population are brought forward and discussed.

Table 4.1

*Detailed description of the 25 respondents*

Gender	Age	Level of education	Marital status	Children at home	City	Personal income	Net household income
F	59	Primary	Married	0	Heeze	750-1000	>4000
F	59	Sec. (low)	Married	0	Oisterwijk	< 500	1000 - 1250
F	60	Primary	Married	0	Oisterwijk	< 500	1750 - 2000
M	39	Interm. Voc.	Married	1	Eindhoven	1500 - 1750	2000 - 2500
F	55	Higher Voc.	Married	0	Hengelo	750 - 1000	3000 - 4000
F	41	Sec.(high)	Married	5	Almelo	1500 - 1750	> 4000
F	50	Interm. Voc.	Married	3	Almelo	< 500	1750 - 2000
F	37	Higher Voc.	Married	2	Delden	1500 - 1750	3000 - 4000
F	45	Higher Voc.	Married	0	Eindhoven	2500 - 3000	3000 - 4000
M	27	Higher Voc.	Cohabit.	0	Leiden	1750 - 2000	3000 - 4000
F	56	Higher Voc.	Married	0	Leiden	2000 - 2500	3000 - 4000
M	44	Interm. Voc.	Married	1	Helmond	2000 - 2500	3000 - 4000
M	43	Higher Voc.	Single	2	Nijmegen	1250 - 1500	1250 - 1500
F	44	University	Married	3	Culemborg	2000 - 2500	> 4000
M	27	University	Single	0	Tilburg	2000 - 2500	2000 - 2500
F	36	Interm. Voc.	Cohabit.	3	Eindhoven	500 - 750	1750 - 2000
M	46	Higher Voc.	Married	2	Eindhoven	2000 - 2500	> 4000
M	59	Sec. (high)	Cohabit.	0	Eindhoven	3000 - 4000	> 4000
F	26	Interm. Voc.	Single	0	Eindhoven	2000 - 2500	2000 - 2500
F	36	Interm. Voc.	Single	0	Deventer	1500 - 1750	1500 - 1750
F	34	University	Married	2	Tilburg	1250 - 1500	> 4000
M	41	Interm. Voc.	Married	2	Eindhoven	1000 - 1250	2000 - 2500
F	28	University	Cohabit.	0	Den Bosch	1500 - 1750	3000 - 4000
F	38	Higher Voc.	Married	2	Nijmegen	1000 - 1250	3000 - 4000
M	51	University	Married	0	Tilburg	2000 - 2500	2500 - 3000

## 4.4 Results

In this section, the results of the interviews are discussed. The first research question, which concerns arguments for (not) buying SR-products, is first answered by discussing the most important arguments that respondents gave for (not) buying SR-products. Afterwards, the hypotheses stated in chapter 3 that are related to this research question are discussed. Also, other important factors that were not yet included in the hypotheses will be discussed.

### 4.4.1 Popularity of SR products in the sample

During the interviews, respondents were asked how often they buy the SR version of products. Table 4.2 gives an overview of the answers. There is a considerable difference in the popularity of different SR products. Note that most SR products are never bought by many respondents. Organic meat and FSC wood form exceptions to this: 18 and 17 respondents bought this product in the past. In contrast, only 7 and 2 respondents report that they rarely or sometimes purchased Fair Trade coffee and Fair Trade chocolate sprinkles. Such findings were to be expected, given the fact that the market share of these SR products is about 3% (Ruben, 2008). None of the respondents has ever paid a price premium to buy a GreenSeat ticket. But even though most respondents don't buy SR products, they know of the existence of such products and can answer questions about them.

Table 4.2  
Self-reported SR buying behaviour

	Never buy this product	SR version				
		Never	Rarely	Sometimes	Regularly	Always
Coffee	0	18	2	1	2	2
Meat	0	7	5	8	5	0
Eggs	1	12	2	0	1	9
Chocolate sprinkles	4	19	1	1	0	0
Plane tickets	7	18	0	0	0	0
Wood	6	2	4	3	9	1

#### 4.4.2 Arguments for (not) buying SR-products

For each of the six SR products that were used as example, respondents were asked why they (did not) buy them. Tables 4.3 and 4.4 summarize the results. The numbers between brackets show how many respondents used the reason in the 25 interviews. Note that respondents can use more than one reason. Also note that none of the respondents has ever been confronted with the option to buy GreenSeat plane tickets. However, when respondents were asked whether they would pay a price premium if they had the option in the future, some answered in the affirmative. Arguments for that answer are also included in tables 4.3 and 4.4.

Some of the arguments in tables 4.3 and 4.4 may follow from the same underlying reasoning. For example: if a respondent thinks “I want to buy Fair Trade coffee because helping these farmers makes me feel good about myself”, he may state that he wants to help the coffee farmers, but also that he wants to feel good about himself. And if this respondent feels good about himself because he feels that he has done his duty, he may also state that buying Fair Trade coffee is his duty. For such reasons, the arguments that respondents used were discussed in more detail later in the interviews.

For the six SR-products that were used as example, the most often-used reason for buying the SR product is the socially responsible aspect of that product. This is an important finding, because it shows that the social aspect of the product is relevant to the consumer. If the most important arguments would, for example, be related to a higher perceived quality of SR products, this could not be argued. The quality of SR products was generally perceived to be equal to non-SR products. Exceptions to this are found for organic meat and free-range eggs: a considerable part of the respondents believe that these products are healthier and / or better tasting (see table 4.3). But also for these products, the socially responsible aspect of the product is still the reason for buying it that was mentioned most often.



An interesting qualitative finding is that whereas respondents had well-considered answers to the question why they had bought SR products in the past, they seemed to have more difficulty in answering the question why they had *not* bought an SR product in the past. An explanation may be that people who buy SR-products may have given the topic some more thoughts, and may therefore be better able to answer such questions.

The qualitative study also identified habit formation as an important reason for not buying SR products. This is not related to the hypotheses that were previously stated. During the interviews, several respondents made a statement such as “I don’t think about the social aspects of products every time I go shopping. I just buy what I’m used to.” Also, as was stated before, many respondents did not seem to have given buying SR products a lot of thought, and did therefore not have clear reasons for not buying them. Indeed, some studies show that the amount of information consumers have about social features of products positively influences the buying of such products (De Pelsmacker et al., 2007; Maignan & Ferrell, 2004; Nilsson, Tunçer, & Thidell, 2004). In short: an important explanation for not buying SR products may be that people have never been confronted with the problems and possible solutions, and did not think about this often.

Table 4.3  
*Arguments for buying SR-products<sup>a</sup>*

Fair Trade coffee	Helping coffee farmers (4)
	Feeling good about myself (2)
Organic meat	Easy way to support a good cause (1)
	Animal welfare (9)
	Better taste (7)
	Healthier (6)
	Normal version not available (2)
Free-range eggs	Guests find it important (1)
	It is on offer (1)
	Animal welfare (10)
	Better taste (3)
Fair Trade chocolate sprinkles	Healthier (3)
	Attractive packaging (2)
	Helping cacao farmers (2)
GreenSeat Airplane tickets	Testing the quality (1)
	Helping the environment (9)
Wooden products with FSC hallmark	Avoiding feelings of guilt (1)
	Protecting the environment (15)
	Better quality (4)
Wooden products with FSC hallmark	It is normal behaviour, not something extra (1)
	Social pressure (1)
	Long-term investment (1)

<sup>a</sup> The number of times the argument was used is reported between brackets.

Table 4.4  
*Arguments for not buying SR-products<sup>a</sup>*

Fair Trade coffee	Used to another brand or type of coffee (15)
	Price premium (6)
	Lower perceived quality (3)
	Money may not go to where it should go (2)
Organic meat	Price premium (13)
	Habit (4)
	Less choice (2)
	Lower quality (1)
Free-range eggs	I want to buy halal meat (1)
	Buying other 'social eggs' (8)
	Welfare of chicken is not important enough (3)
	Price premium (1)
Fair Trade chocolate sprinkles	Habit (7)
	Did not know it existed (5)
	Don't use chocolate sprinkles (4)
	Unattractive packaging (2)
	Children want other brand (2)
	Lower perceived quality (2)
GreenSeat Airplane tickets	Price premium (1)
	Price premium (14)
	Not effective to plant trees (4)
	Money may not go to where it should go (3)
	Inconvenience of calculating premium and paying it (2)
	I don't travel by plane often, so I am not to blame (2)
They should make planes more fuel-efficient (2)	
Wooden products with FSC hallmark	I should change my behaviour instead of buying this product (1)
	Everyone should pay, not just me (1)
	Price premium (5)
	Government should arrange it (1)
Wooden products with FSC hallmark	Not present in 'mind set' (1)
	I check where the wood is from myself (1)

<sup>a</sup> The number of times the argument was used is reported between brackets.

#### **4.4.3 Results per hypothesis related to research question 1**

In this section, the factors that determine the demand for SR products are further elaborated on. Also, the additional results that can be derived from the qualitative approach beyond what has been found in literature are discussed. Table 4.5 shows to what extent respondents agreed with the listed statements (relevant for the b-hypotheses). In table 4.6, an overview is provided of correlation coefficients between the variables mentioned in the hypotheses and buying each of the six SR products that were used as examples during the interviews. Since these correlation coefficients are based on a small sample of 25 respondents, they should only be regarded as giving a first indication of the strength and direction of relationships.

Table 4.5  
*Respondents' perceptions of SR products*<sup>6</sup>

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Buying SR products is a moral duty	2	6	3	11	3
Buying SR products makes me feel good about myself	1	3	3	13	5
The problems that SR products aim to alleviate are important	0	4	5	10	6
SR products are effective in alleviating those problems	0	5	4	10	6
I am responsible for the social problems that SR products aim to alleviate	2	7	10	3	3
Relevant others approve of buying SR products	0	6	11	5	3
The price of SR products is unfair	15	6	3	1	0
	Much lower	Lower	Equal	Higher	Much higher
Relative to non-SR products, the price of SR products is	0	0	2	10	13
Relative to non-SR products, the quality of SR products is	1	2	14	6	2
Relative to non-SR products, the availability of SR products is	14	8	3	0	0

<sup>6</sup> Table 4.5 shows results that are averaged over six products: Fair Trade coffee, organic meat, free-range eggs, Fair Trade chocolate sprinkles, GreenSeat plane tickets and FSC wood. There were no large differences between these products, with the following exceptions: Organic meat was perceived to have a higher price and a higher quality relative to the non-SR version of the product than the other three products.

Table 4.6

*Bivariate correlation between the reasons and buying SR products*

	Fair Trade coffee	Organic Meat	Free-range eggs	Fair Trade choc. spr.	Green Seat tickets	FSC Wood	Total <sup>a</sup>
Buying SR products is a moral duty	.28	.32	.43**	.19	.40*	.39*	.51**
Buying SR products makes me feel good about myself	.20	.38*	.50**	.04	.18	.19	.42*
Problems SR products aim to alleviate are important	.49**	.59***	.47**	.29	.72***	.51**	.76***
SR products are effective in alleviating these problems	.28	.33	.20	.26	.51***	.24	.43**
I am responsible for the social problems that SR products aim to alleviate	.46**	.36*	.30	.36*	.41**	.30	.52***
Relevant others approve off buying SR products	.15	.58***	.53***	.13	.64***	.42**	.66***
The price of SR products is unfair	.11	.26	.26	-.22	.09	-.24	.12
Price is higher	-.01	-.51**	-.27	.07	-.36*	-.65***	-.48**
Quality is below-average	-.12	.19	-.22	-.15	-.3	-.18	-.19
Availability is lower	.15	.16	.27	.03	.05	.17	.31

<sup>a</sup> The total score is the sum of the scores per SR product. The column 'total' provides correlation coefficients between argument for (not) buying SR products and this total score.

\* = significant ( $\alpha = .1$ )

\*\* = significant ( $\alpha = .05$ )

\*\*\* = significant ( $\alpha = .01$ )

*H2a: If consumers perceive buying SR products rather than non-SR products more as a moral duty, there is a higher likelihood that they buy SR products.*

*H2b: Consumers think of buying SR products rather than non-SR products as a moral duty.*

A general belief of the respondents is that 'everyone is free to make his or her own decision'. The statement "you cannot force people to buy something" was used on several occasions. Social pressure to buy SR products may therefore be low. However, the qualitative method allowed further elaboration on this, which showed that 14 out of 25 respondents concluded that buying SR products is in fact a moral duty (see table 4.5). As an illustration: one respondent stated: "Deep inside, I know it is a moral duty, but I don't want to say it because it sounds so pedantic". Another respondent said: "When I look in the refrigerator of my friends, I think 'boy, they really have many bad products'. But of course I never say that to them."

As table 4.6 shows, this feeling is significantly correlated to buying free-range eggs, GreenSeat tickets and FSC wood, even in the small sample of  $n = 25$ . Also for Fair Trade coffee and organic meat, positive (but not significant) correlations were found<sup>7</sup>. These findings support hypotheses 2a and (to some extent) 2b. However, most of the respondents seem to conceive their moral duty as imperfect duties, which can be traded-off or overridden by other preferences (White, 2004). Whereas perfect duties allow no exception and are often phrased as 'don't' (such as do not steal), imperfect duties often refer to positive duties (such as helping others) and allow some latitude in executing the duty. This is also confirmed by the finding that, when asked whether not buying SR products can lead to feelings of guilt or regret, only three of the respondents answered in the affirmative.

Another indication that buying SR products is perceived as an imperfect duty that can be overruled by other concerns is that several respondents spontaneously stated that a person needs to have a certain minimum budget in order to have anything close to a moral duty to buy SR products. In other words, if people are not or less able to afford SR products, this relieves them of the moral obligation to buy them. Only one respondent said that people should prioritise differently in order to be able to buy SR products. It can therefore be assumed that perceived inability to pay for the SR products is an important reason for not buying SR products.

*H3a: If consumers feel good about themselves when buying SR products, there is a higher likelihood that they buy SR products.*

*H3b: Consumers feel good about themselves when buying SR products.*

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<sup>7</sup> Note that in the sample of 25 respondents, only two respondents had ever bought Fair Trade chocolate sprinkles (see table 4.2). The variation in the variable 'buying Fair Trade chocolate sprinkles' is therefore low, which may explain the insignificant correlation coefficients in table 4.6.

First of all, 18 out of the 25 respondents stated that buying SR products makes them feel good about themselves. Of these 18 respondents, 15 feel that they have done something extra, and 3 feel they have fulfilled their duty. These findings support hypothesis 3b. Furthermore, all of these respondents stated that this pleasant feeling plays a role in their decision to purchase SR products. Table 4.6 shows that the extent to which respondents feel good about themselves when buying SR products is positively and significantly correlated with buying organic meat and free-range eggs. Although the other correlation coefficients are not significant, their positive signs suggest a positive relationship rather than a negative one. These findings therefore also support hypothesis 3a.

*H4a: If consumers perceive the problem an SR product aims to alleviate as important, there is a higher likelihood that they buy that SR product.*

*H4b: Consumers perceive the problem an SR product aims to alleviate as important.*

Most respondents considered the social problems that SR products try to solve to be important. Only 4 respondents disagreed. Five other respondents did not make a clear choice and answered something like: “those problems are of some importance to me, but I don’t think about it a lot”. Still, these findings generally support hypothesis 4b.

Interestingly, the qualitative analysis also showed that personal experiences of people influence their attitudes towards the importance of the social problems that SR products aim to alleviate. For example: a respondent stated “I started buying free range eggs after I had visited a chicken farm. They had 2.5 million chickens that were almost squeezed together... terrible!” Another respondent spoke of how he had personally watched trees in a tropical rainforest being cut, and how this led him to never buy wood without the FSC hallmark again. Several of such examples were given during the interviews. TV programs can also have a similar (but weaker) effect.

In the correlation analysis, perceived importance of the problem is significantly and positively correlated with buying all SR products except for Fair Trade chocolate sprinkles. This finding supports hypothesis 4a.

*H5a: If consumers perceive SR products to be effective in alleviating a social problem, there is a higher likelihood that they buy SR products.*

*H5b: Consumers perceive SR products to be effective in alleviating a social problem.*

As table 4.4 shows, low perceived effectiveness of the SR product in solving the social problem was not mentioned often as a reason for not buying it. When the topic was explicitly discussed, a majority of the respondents agreed to the statement that SR products are effective in alleviating social problems (see table 4.5), which

supports hypothesis 5b. However, the qualitative interviews revealed that several respondents were not convinced of the effectiveness of SR products, but believed that SR products should be given the benefit of the doubt. As an illustration: a respondent stated “I trust the Fair Trade foundation to spend the money well, but of course I cannot verify it.” Such findings suggest that a certain minimum level of perceived effectiveness is a condition for consumers to buy the SR product. But as long as the perceived effectiveness is above this level, it has limited influence. In other words, if the perceived effectiveness is low, consumers will use this as an argument for not buying the SR product (it is a ‘dissatisfier’). But as long as the level of perceived effectiveness is above this threshold level, it is not an important argument for buying SR products (it is not a ‘satisfier’).<sup>8</sup>

This also explains the low but positive correlation between perceived effectiveness and buying SR products, giving modest support to hypothesis 5a. Again, one exception is found: the correlation coefficient for perceived effectiveness and buying GreenSeat plane tickets is significant and positive. The qualitative analysis indeed shows that quite some respondents are not willing to pay extra for compensation of CO<sub>2</sub> emissions of air planes, because they believe that planting trees in order to compensate CO<sub>2</sub> emission is ineffective, because (1) it takes a long time for a tree to grow, (2) the project is too small and (3) trees will eventually die and the CO<sub>2</sub> that was taken up will then be emitted back into the atmosphere.

Some interesting additional qualitative findings from the interviews were that doubts about effectiveness can be fuelled by reports in the media that show a low effectiveness of charitable organizations. A remarkably high number of respondents spontaneously referred to the same examples: The Foster Parents foundation (currently named: Plan International) and the Heart Foundation, which have both been under fire in the Dutch media recently for ‘unethical practices’. Respondents were asked whether negative publicity about charitable institutions influenced their perception about the effectiveness of SR products. About half of the respondents answered in the affirmative. It can therefore be said that the perceived effectiveness of SR products is related to the perceived effectiveness of charitable institutions.

Furthermore, respondents stated that they would like SR-products to have a direct, tangible and visible effect. In the case of FSC wood, the effect is perceived to be clear: if you cut a tree, you plant a new one. In the case of GreenSeat tickets, the relationship between paying extra for a ticket and solving a CO<sub>2</sub> related problem is too abstract for many respondents. It is more difficult for them to see how paying extra would be effective in solving ‘some problem’. And as another respondent noted: “if there would be a photo of a poor coffee farmer who thanks me in advance for buying his coffee on a package of Fair Trade coffee, I would probably be much more motivated to buy the coffee. Currently, it is too vague for me.” So the perceived effectiveness of SR products is likely to be higher when there is a clear and direct link visible between paying extra and the beneficial result of doing so.

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<sup>8</sup> Many respondents feel that buying SR products would really become effective if more people did so. And as long as SR products have a low market share, they are not that effective, and there is not such a point in buying them. This implies that society could be trapped in a prisoner’s dilemma.

*H6a: If consumers perceive to be responsible for the social problems that SR products aim to alleviate, there is a higher likelihood that they buy SR products.*

*H6b: Consumers perceive to be responsible for the social problems that SR products aim to alleviate.*

When discussing the locus of responsibility for the problems that SR-products aim to alleviate, only six of the respondents mentioned 'consumers' in first instance. More often, they mentioned firms and governments. Only when the respondents were asked directly for the responsibility of consumers, more of them stated that consumers also have part of the responsibility. These findings do not strongly support hypothesis 6b. However, an exception is found again for one of the two high involvement products: 'people who fly' are thought of as responsible for CO<sub>2</sub> emissions of air planes in little over half of the interviews.

The correlation analysis (see table 4.6) showed that the level of perceived own responsibility for problems that SR products aim to alleviate correlate significantly with buying four out of the six products that are used as example. These findings support hypotheses 6a.

Another interesting finding is that the level of perceived own responsibility is significantly related to the extent to which buying SR products is perceived as a moral duty ( $r = .59, \alpha < .01$ ). This shows that when people feel responsible, they also feel that they have a moral duty to act accordingly.

An interesting additional qualitative result is that some respondents who do not fly often feel they are not responsible for the CO<sub>2</sub> problem, and are therefore unwilling to pay extra for GreenSeat tickets. Some respondent seem to believe that everyone has a right to cause a certain level of CO<sub>2</sub>-emissions, and only people who produce more than this level are responsible for CO<sub>2</sub> related problems. Also, some respondents stated that planes should be made less polluting. Because this is not done yet, the own responsibility for CO<sub>2</sub> emission when flying is perceived to be low.

Another interesting qualitative finding is that some respondents try not to be remembered of their responsibility. Two respondents stated that they do not like to eat meat with animal bones, or 'fish-shaped fish', because they don't want to be reminded of the fact that they are eating an animal. The reason is that they feel sorry for the animal, and these respondents feel that they should actually not be eating animals. Eating organic meat would comfort them to some extent, because they know that the animals were treated relatively well.

*H7a: If relevant others are perceived to approve of buying SR products, there is a higher likelihood that consumers buy these products.*

*H7b: Consumers believe that relevant others approve of buying SR products.*



Table 4.5 shows that only 8 of the 25 respondents believe that relevant others approve of buying SR products, which does not support hypothesis 7b. The qualitative interviews showed that relevant others are perceived to have similar opinions to those of the respondent. This is also reflected in table 4.6, that shows a strong and significant correlation between the perceptions of relevant others about buying SR products on the one hand, and buying organic meat and free-range eggs on the other hand. Furthermore, respondents stated that the influence of relevant others is important, for example by saying “I would like to have Fair Trade coffee cups, so that my friends know I’m serving them Fair Trade coffee” and “I wouldn’t like to have to admit that I never buy organic meat, should the topic be brought up”. These statements and findings support hypothesis 7a. There are several possible explanations for this. First, individuals may like to acquire the sympathy of others by conforming to their social preferences. Second, there may be a selection mechanism that results in partners and friends having similar norms and values which may also be reflected in their purchasing behaviour. In that case, the fact that behaviour is consistent with the opinions of relevant others does not necessarily mean that the opinion of others is an argument for one’s own behaviour. As an illustration: only one respondent stated that he would buy less SR products if he did not have his current partner, and only two respondents believed that their partner would buy fewer SR products without their influence. Third, there may have been discussions in the past about which products to buy, in which household members (or perhaps also others) have come to some agreement and internalized the social preferences of relevant others. Finally and in contrast to the third explanation, this finding may also be partly explained by the ‘false consensus effect’ (Ross, Green, & House, 1977). This effect is the tendency for people to project their way of thinking onto other people, and therefore overestimate the level of consensus. For the present study, this means that respondents may think they know what the opinion of relevant others is, because they project their own opinion on them. This may lead to them falsely thinking that the opinion of relevant others is similar (or at least close) to their own opinion.

An interesting additional qualitative finding is that FSC wood seems to be closer to a ‘normal’ purchase than the other SR products that were used as examples in the interviews: buying wood without the hallmark is perceived to be ‘not done’ by quite some respondents. One of them said that he would emphasize to his friends that his new wooden garden set carried the FSC hallmark. Another one said that he would be ashamed if, during a conversation with friends, he would have to admit that his garden set does not have an FSC hallmark.

*H8a: If SR products are perceived as more costly than non-SR products, there is a lower likelihood that consumers buy these products.*

*H8b: Consumers think of SR products as more costly than non-SR products.*

Hypothesis 8a seems to be partly true: the price premium that is explicitly demanded for SR products (by definition in this study) plays an important role for some products, but a less important role for other products. It seems that the price premium can prevent a person from buying the SR product especially if the absolute price premium

is relatively high, as is the case for meat, GreenSeat tickets and FSC wood. For these products, the price premium is mentioned most often as an argument for not buying the SR version (see table 4.4). Also, there is a significant negative correlation between the importance of the price and buying these SR products (see table 4.6).

As table 4.5 shows, a large majority of the respondents thinks of SR products as more expensive, which supports hypothesis 8b. However, many respondents stated that they “really don’t know” the price of SR products or the size of the price premium. They only believe that SR products are more expensive. This suggests that SR products have an expensive image. As one respondent remarked “I would probably buy SR products if they were on offer, even if they would still be more expensive than regular products.” The reason for this would then be that the product would not have the expensive image. The increase in the sales volume of an SR product resulting from a decrease in the price may (without extra sales promotions) therefore be lower than expected, because many respondents do not look at the price tag.

In addition, the results suggest that the purchasing frequency has an effect on the influence of the price premium on buying SR products: for products that are usually not bought on a daily basis, but perhaps on a ‘weekly basis’ or even less often, such as coffee, eggs and chocolate sprinkles, the influence of the higher price is much lower. For none of these products, the price premium is the most often-used reason for not buying the SR-version (although it is mentioned on 6, 1 and 1 occasions respectively), nor is there a significant relation between price perceptions and buying these products. During the qualitative interviews, one respondent said “I am willing to pay up to three times as much for SR chocolate every now and then, but that is of course very different from the milk I have to buy every day”. Apparently, paying a price premium every time a person goes shopping is felt as a large burden by some respondents, even if the amounts are relatively small. This claim is further supported by literature showing that the relationship between payment frequency and utility does exist. For example, the same amount of annual dividend leads to higher utility if dividend is paid out more often (Ferris, Noronha, & Unlu, 2007). And according to Thaler (1980) people receive less disutility from having to pay one large amount once than from having to pay the same amount in multiple smaller payments.

*H9a: If the price of SR products is perceived to be fair, there is a higher likelihood that consumers buy these products.*

*H9b: Consumers think of the price of SR products as fair.*

During the interviews, respondents were asked if they felt that the higher price of SR products is unfair. Only one respondent answered in the affirmative. This respondent argued that the production methods are equal to that of other products, and the prices should therefore be equal as well. All other respondents stated that they did not think of the higher price as unfair. Most of them explained this by pointing at higher costs and smaller economies of scale. Because a large majority does not perceive the price of SR products to be unfair, hypothesis 9b is supported.

The correlation analysis does not show a significant influence of the perception of the price of SR products as unfair and buying SR products. Therefore, hypothesis 9a is not supported. However, this finding may be attributed to the low variation in the level of perceived unfairness.

An interesting additional qualitative finding is that several respondents said not to buy GreenSeat tickets because they find the *base price* of the product unfair, because they have to pay high taxes when buying a plane ticket. This did, however, not mean that these respondents do not fly, but was used as an argument for not buying the GreenSeat ticket. So even though the price *premium* is not perceived to be unfair, perceptions of price unfairness does lead to a lower number of people buying this particular SR-product.

*H10a: If the perceived quality of SR products is higher compared to non-SR products, there is a higher likelihood that consumers buy these products.*

*H10b: Consumers do not perceive the quality of SR products to be inferior to that of non-SR products.*

According to almost all respondents the quality of an SR product should be at least equal to that of regular products in order for them to buy it. Only one respondent stated that he might be willing to buy SR products of below-average quality, but only if there would not be a price premium. All other respondents would not consider purchasing a product that they perceive to be of lower quality, no matter how socially responsible the product is. These findings support hypothesis 10a. It can even be assumed that an (at least) equal perceived quality is conditional for consumers to buy SR products. This may also explain why the correlation coefficients for 'quality' in table 4.6 are not significant: the quality may be a strong 'dissatisfier' if it is lower than that of the non-SR version of the product, but only few respondents perceive the quality of SR products to be below-average. Indeed, table 4.5 shows that SR products do not have a broadly felt 'low-quality' image. In fact, the quality of SR products is generally perceived to be equal to or better than that of non-SR products. For example, table 4.3 shows that a perceived above-average quality of SR products is an important argument for buying organic meat and free-range eggs. These findings support hypothesis 10b.

An interesting additional qualitative result is that two respondents made a remark about the packaging of Fair Trade chocolate sprinkles. They feel that it is rather plain, and this is a reason for them not to buy the SR product. The reason also seemed to be related to perceptions of quality. A nicer packaging gives these respondents the idea that the product is of higher quality. Also, two respondents who had no experience with a certain SR product said that they avoid buying the product, because they would risk buying a low quality product. They don't want to take this risk if they are happy with their current brand. The risk of obtaining a lower-quality product involved in switching to an SR product may therefore also be an argument for not buying an SR product and may result in the earlier discussed 'habit formation'.



Figure 4.1: The packaging of Fair Trade chocolate sprinkles compared to (from left to right) that of the market leader, a private label with a low-price image and another private label.

*H11a: If the perceived availability of SR products is lower than that of non-SR products, there is a lower likelihood that consumers buy these products.*

*H11b: Consumers perceive the availability of SR products to be lower than that of non-SR products.*

Table 4.5 shows that the availability of SR products is generally perceived to be low. Especially when it comes to organic meat, people would like to see a wider choice in supermarkets. When discussing availability of SR products, it was also mentioned on multiple occasions that in some cases, one really has to look for SR products in order to find them, because they are not put in convenient positions in the supermarkets, and the packaging is usually not very eye-catching. Also, several respondents stated that they did not buy SR products because they did not like shopping, and wanted to do it as fast as possible. This implies that they believe that in one way or another, buying SR products requires more time or effort than buying other products. This may be related to the time involved in considering not following the usual habit, but instead considering buying the SR products. These findings support hypothesis 11b.

This low perceived availability of SR products was not used spontaneously as a reason for not purchasing SR products by any of the respondents (see table 4.4). On the other hand, when respondents were asked whether they would make the effort of going to another store if an SR product they intended to buy was out of stock, almost no respondent claimed to be willing to do so. Again, an exception is found here for a durable product: about half of the respondents stated that they would go to another store to buy FSC wood if they would need a large quantity of it.

Furthermore, five respondents stated that they did not know that Fair Trade chocolate sprinkles existed and several respondents did not know that there are coffee pads for the popular Senseo coffee machine available from Fair Trade. These findings also point at a relatively low availability. Therefore, availability seems to be an important condition for people to buy SR products, which supports hypothesis 11a. The fact that the correlation analysis (table 4.6) does not support this qualitative finding may be explained by the low variation in perceived availability (see table 4.5).

An interesting additional qualitative finding is that a serious information problem seems to exist regarding eggs. There are several types of eggs available in the supermarket. The cheapest eggs are called 'scharreleieren', which is a Dutch

word that implies that the chicken walk freely. Many respondents believe that these chicken walk around in the yard of a farm. The respondents like this idea and do therefore not feel the urge to buy the more expensive free-range eggs. Unfortunately, the word 'scharreieren' actually means that the chicken can move around. It does, for example, not mean that it can go outside (see appendix A for a more detailed description of different types of eggs available on the Dutch market). So many consumers seem to be somewhat miss-informed, which may explain why some of them do not buy free-range eggs.

#### **4.4.4 Other important findings from the qualitative research**

In section 4.4.3, the hypotheses were discussed that are based on the theoretical framework. Next to these findings, however, there were also some findings from the qualitative research that did not follow from the theoretical framework. Those findings will be discussed in this section.

##### *High involvement products*

During the analysis of the interviews, a difference between outcomes for low- and high-involvement products was found on several occasions. One of them is that buying products with a relatively low base price and a high purchasing frequency quickly turns into a habit. For example: people do not think about which coffee brand they want to buy every time they buy coffee. Instead, they just buy the brand that they are used to, whether this is Fair Trade coffee or not. For products that are more expensive and that are not bought that often, the involvement with the purchase may be higher. For example, when a consumer buys a wooden fence or an airplane ticket, he or she is much more likely to spend more time considering alternatives, including SR and non-SR alternatives. Indeed, the qualitative study shows that for high-involvement products, the willingness to buy an SR-version is higher than for low-involvement products. This is contrary to what one may expect, because the price premium (as an absolute amount) is higher for high-involvement products. This finding may be explained by the extent to which people consider the purchase. A remarkable finding that further supports this claim is that during and after the interviews, quite some respondents noted that their participation in the interviews may have the (unintended) consequence that they would buy more SR-products in the future, or at least consider it. The reason is that when people think about this subject, they may conclude that they actually want to buy SR-products, but have not done so in the past just because they had not considered this option extensively.

##### *Brand awareness*

First of all, for coffee and for chocolate sprinkles, there seems to be some brand awareness. For the other products that were used as example products, the brand is much less important (or not at all). This difference appears to be important, because customers may be loyal towards one brand, or at least they may be used to buying one particular brand. Especially for coffee, this is the case. Fifteen respondents stated that they don't buy Fair Trade coffee because they are used to buying another brand. This brand loyalty / habit may present a large barrier for SR products that try to increase their market share. For other products, this problem may not exist if brands are not very visible, and brand loyalty / habit of purchasing one specific brand

does not exist. This is the case for products that are more homogeneous across suppliers, such as meat and eggs. In these examples, no-one has mentioned 'being used to another brand' as argument for not buying the SR version of the product.

#### *A signalling tool*

Another argument that was used on some occasions is that buying SR products is a good way of teaching children norms and values, and of giving children a wider perspective on the world. However, analyses of the relationship between having children (yes / no or the number of children) and buying SR products do not show a significant correlation in this small sample.

Making others (not necessarily children) aware of problems in the world was also mentioned as key benefit of SR products by one respondent. She claimed that even when SR products are ineffective in directly solving a problem, buying them would still have a signalling function, which could urge industry to produce more socially responsible.

#### *SR products are sub-optimal*

The following interesting line of reasoning was encountered twice: people feel that they should not use a specific type of product. One person felt that eating meat is wrong, another felt that using an airplane is wrong. Buying an SR version of the product would be a 'sub-optimal' solution for them, as it would be better not to use the product at all. These respondents do therefore *not* buy SR products, because this is not the optimal solution for them. They don't want to buy indulgence, but really change their behaviour. But as long as this has not been realized they buy the regular versions of these products.

#### *Personal experience*

The personal experience of people seems to influence their attitude towards SR-products. For example: from the moment people see trees being cut in Indonesia or Brazil, they pay much more attention to buying FSC wood. And when people have visited the bio-industry or a chicken farm, they switch to organic meat (or stop eating meat at all) or to free range eggs. Several of such examples were given during the interviews. Even documentaries on TV can have such an effect. From this, it can be derived that people don't fully appreciate the seriousness of the problems that SR products try to solve and what difference SR products can make. If this is explicitly pointed out to them, they are more likely to support these SR initiatives than can be expected by looking at market shares of SR products.

Also, several respondents stated that they think differently about buying SR products after the interview. On several occasions, respondents said they would buy SR products the next time they had the chance, if only to give it a try. One respondent remarked that he would have liked to know more about the topic of the interview beforehand, so he could have prepared. This shows that people do not always have a clear opinion about SR products, and that simply thinking about the possibility of buying SR products can change people's attitude and behaviour. In short: an important explanation for not buying SR products is that people have never been confronted with the problems and possible solutions, and did not think about this often.

*In a prisoner's dilemma*

Many respondents feel that buying SR products would really become effective when more people would do so. And as long as SR products have a low market share, they are not that effective, and there is not much point in buying them. This implies that society could be trapped in some type of prisoner's dilemma, which can be depicted as in table 4.7, which shows fictive payoffs for an individual. The rationale for these payoffs is the following: If everyone including me buys SR products, major problems will be solved and everyone benefits. But my small contribution will not be missed, so my payoff is even higher when I don't contribute myself, but the rest of society does (free rider behaviour). If I buy SR products but the rest of society does not, I have to pay but no major problems will be solved, so my payoff is negative. And if nobody buys SR products, nothing will change and the payoff is 0.

The best individual strategy is not to buy SR products, because that will always lead to a higher payoff, regardless of what the rest of society does. However, because the rest of society consists of individuals as well, nobody will buy SR products, and the payoff will be 0 for everybody, whereas a positive payoff for everybody could have been reached if everyone would buy SR products.

Several respondents may feel that this is how things work, because they say that they would like the CO<sub>2</sub> premium on plane tickets to be compulsory for everyone instead of voluntary.

Table 4.7

*The prisoners' dilemma of buying SR products*

	All others buy SR	All others do not buy SR
I buy SR	+	-
I do not buy SR	++	0

*Trends in society are visible*

One respondent who is originally from Denmark pointed out that in her home country, organic meat is sold in smaller quantities compared to regular meat. Because of this, the price of a package of meat is the same for regular and for organic meat. This respondent liked this idea. Indeed, selling SR-products in smaller quantities instead of at higher prices per package may be interesting for people who favour 'consuminderen', which is the Dutch equivalent for 'voluntary simplifying' (consuming less). Although it is unclear how many people want to 'simplify voluntarily', the trend of paying attention to sustainability, the 'ecological footprint', and so on is clearly present (as is also argued in chapter 1). This also became clear in the interviews, in which several respondents remarked that the focus on sustainability is a contemporary issue ("we would not have had this interview ten years ago"). Times seem to be changing, and respondents notice that as well.

## 4.5 Conclusions

This study researches reasons of consumers for buying SR products. Studies for the UK, US, Belgium and Denmark have shown that the demand for SR products is influenced by several factors. In this chapter, these factors are assessed and further elaborated by 25 depth interviews with Dutch consumers. As opposed to previous studies, several SR products are analysed instead of just one product. In addition, I do not only focus on the influence of variables (as most prior studies have done) but also pay attention to the level of these variables. Most importantly, a qualitative approach is used instead of the more often used quantitative study, which allows to arrive at new insights and to develop new hypotheses about the determinants of the demand for SR products. Finally, by using a Dutch sample, indications of whether the results for other countries also pertain to the Dutch market are provided.

The findings can be summarized as follows. It is found that a majority of the respondents think of buying SR products as a moral duty, although many find it somewhat pedantic to use the term 'moral duty' in this context. In addition, the findings suggest that this duty can easily be overridden by other preferences, especially when the budget of consumers is low. This indicates that the moral duty to buy SR products is perceived as an imperfect duty.

Furthermore, consumers feel good about themselves when they buy SR products, and agree that this is a reason for them to buy such products.

Most consumers perceive the social problems that SR products aim to alleviate as important. Also, they believe that SR products are effective in alleviating these social problems. Both perceived effectiveness and perceived importance have a positive influence on buying SR products. Furthermore, the perceived effectiveness of charitable institutions seems to influence the perceived effectiveness of SR products. Negative publicity about the effectiveness of charitable institutions may therefore also have a negative influence on the sales of SR products. Also, some evidence was found for the hypothesis that low perceived effectiveness of SR products is a dissatisfier, but high perceived effectiveness is not a satisfier.

If consumers feel that they are responsible for the social problems that SR products aim to alleviate, there is a larger likelihood that they will buy SR products. However, responsibility for these social problems is often attributed to other parties, such as firms or the government. In fact, the qualitative analysis shows that consumers do not always want to be confronted with social problems that are related to their buying behaviour.

Relevant others are generally not perceived to strongly approve or disapprove of buying SR products. Nevertheless, the perceived opinion of others seems to be related to the likelihood that consumers buy SR products. Interestingly, the analyses showed that consumers generally think that relevant others have opinions about buying SR products that are similar to their own.

The quality of SR products is perceived to be similar to that of non-SR products, with an advantage for SR products (especially organic food). Also, the findings suggest that a perceived quality that is at least equal to that of the non-SR version of the product is a minimal requirement for consumers to buy the SR version.

The price of SR products is perceived to be higher than that of non-SR products, even though consumers often do not know product prices. A higher



perceived price was found to have a negative effect on the likelihood of buying SR products. Also, indications were found that the purchasing frequency has an effect on the influence of the price premium on buying SR products. The price of SR products is generally not perceived to be unfair, nor is there much evidence for influence of this variable on buying SR products.

The availability of SR products is perceived to be (much) lower than that of non-SR products. Moreover, consumers seem to think that buying SR products is more time consuming than buying the non-SR version, even if both products are available in the same supermarket. It is suggested that this is related to the time that is involved in not following the usual habit, but instead considering buying the SR product. Furthermore, support was found for the assumed influence of perceived availability on the likelihood of buying SR products.

Using a qualitative research approach has led to some interesting additional findings and indications. First of all, the social characteristics of SR products seem to be the most important reason for consumers to buy them, although a higher perceived quality does also have some modest influence. Another important new finding is that explicit consideration of the possibility to buy SR products has a positive influence on buying SR products. Respondents who do not buy SR products regularly find it difficult to explain why they do not buy them, and often state that they 'just never really considered it'. These respondents often refer to buying non-SR product as 'just a habit'. This stands in contrast to respondents who regularly buy SR products, who seem to have given the topic much more thought. Furthermore, respondents gave several examples of situations that made them change this habit and start buying SR products. In these situations, respondents were explicitly confronted with the problems that SR products try to alleviate. Such experiences included visiting coffee farmers in developing countries, visiting a chicken farm or just watching a documentary on TV. Based on these findings, it is concluded that more reflection on the topic increases the likelihood that a consumer will buy SR products.

Another interesting qualitative finding is that perceived effectiveness of SR products in alleviating social problems is influenced by items in the media in which the effectiveness of charitable institutions is questioned. Several respondents spontaneously referred to such examples when talking about their perceptions of the effectiveness of SR products. This shows that consumers associate producers of SR products with charitable institutions. Negative news items about charitable institutions may therefore also have a negative effect on the sales volume of SR products.

## **4.6 Discussion**

The main reason for the low market share of most SR products is *not* that people choose not to buy such products. Instead, the main reason seems to be that many people don't think about the option of buying SR products. They know that SR products exist, and they approve of that, but many don't take the step of changing their purchasing habit. People who buy SR products frequently have well-defined arguments for that, but people who do not buy SR products frequently had much

more difficulty in explaining this behaviour. Also, some respondents stressed the impact of seeing the problems that SR products try to alleviate with their own eyes. Visiting countries where trees are cut illegally, visiting coffee farmers or visiting the bio-industry can be seen as the push that people need to change their purchasing behaviour. However, this 'shock therapy' is not the only way to change people's behaviour. The interviews also seem to affect the respondents; quite some respondents said that they would change their behaviour after the interview. It is not likely that they will all do so, but more frequent conscious thinking about ones' buying behaviour probably leads to changes as well. This also explains the finding that the step to buy an SR version of a product is smaller for high-involvement products. The reason is that people think about this purchase much more, and therefore also explicitly consider the possibility of buying an SR version.

As was said in the beginning of this chapter, people may give socially desirable answers. Consequently, it may be the case that unwillingness to pay the higher price and a low perceived importance of social problems are more important than revealed during the interviews. People might not like to admit that these are important arguments, and may therefore stress other, perhaps less important, arguments. This may also explain why negative news items about SR products or about charitable institutions seem to have such a large impact: for some, it can be a 'convenient truth'.

#### **4.7 Update of the conceptual model**

Based on the findings in the qualitative research, hypothesis 8 is slightly changed: instead of the actual price premium, the extent to which people feel they can afford SR products is assumed to influence SR buying behaviour. Furthermore, a new hypothesis is added. The amount of reflection about buying SR products may be an important factor influencing the probability that a person buys SR products. Therefore, the extra hypothesis is formulated as follows.

*H27: If consumers think about the option to buy an SR product more often, there is a higher likelihood that consumers buy this SR product.*

*"I started buying free range eggs after I visited a chicken farm. They had 2.5 million chicken that were almost squeezed together... terrible!"*

*- Anonymous respondent -*

## 5.1 Introduction

The qualitative analysis has led to a deeper understanding of the nature of the hypotheses and to several interesting new findings. Nevertheless, some questions remain unanswered. For example: how do the different variables correlate; what are possible underlying drivers of SR buying behaviour; and which socio-demographic characteristics of consumers can be used to discriminate between buyers and non-buyers of SR products? Answering such questions requires a quantitative analysis, as does answering questions about willingness to pay for SR products. Moreover, such a quantitative analysis can be used to statistically test the existence of assumed relationships by virtue of the use of a large sample (Creswell, 1994).

These are therefore the goals of the quantitative study that is presented in this chapter. In section 5.2, the collaboration with GfK panel services is discussed. Section 5.3 presents the questionnaire that was used. A description of the sample is provided in section 5.4. Section 5.5 presents and discusses the results of the different quantitative analyses. A conclusion can be found in section 5.6. As the reader will find, this chapter reveals the core of the trade-off that consumers make when they consider buying SR products.

## 5.2 GfK Panel Services

During the months in which the qualitative research took place, it was agreed that the data collection for the quantitative study would be done by GfK panel services, located in Dongen; The Netherlands (see [www.gfk.nl](http://www.gfk.nl)). GfK uses its own 'continuous panels': large representative samples of consumers who regularly fill out questionnaires. For this study, use was made of the 'GfK ConsumerJury': a panel consisting of Dutch consumers who fill out online questionnaires at times convenient to them using their personal computer. The respondents receive incentives from GfK that compensate them for the effort they put in.

One of the reasons for choosing GfK is the fact that this company developed a validated and patented lifestyle classification model: the Roper Consumer Styles model (see appendix F). Working with GfK gives me the opportunity to use this model, and to relate the different lifestyles to SR products-buying behaviour.

### 5.3 Questionnaire

#### *Creating the questionnaire*

Based on the literature survey and the hypotheses derived in chapter 3, a questionnaire was developed. In order to pre-test the questionnaire, the 25 respondents in the interviews were asked to fill out the questionnaire and to comment on it (e.g. whether they found questions to be not clear). This allowed the researcher to assess how the questions were interpreted by these respondents. Based on their responses, the questionnaire was improved on several points during and after the months in which the interviews were held.

In order to complete the questionnaire, questions related to the new hypothesis that was derived from the interviews (about the extent to which respondents have thought about buying SR products) were included. Questions about lifestyle and several socio-demographic characteristics were not included in the questionnaire, because the data were already available in the GfK database. An advantage of this is that the length of the questionnaire was reduced, leading to a higher expected response rate and response quality (Deutskens, de Ruyter, Wetzels, & Oosterveld, 2004). The final questionnaire that was presented online can be found in appendix D (Dutch).

#### *Dependent variables*

The first dependent variable in this research is 'buying SR products'. This was measured separately for six SR products. For each product, a dichotomous variable and an ordinal variable were created. The dichotomous variable has the value '0' for respondents who did not buy the product in the recent past<sup>9</sup> and the value '1' for respondents who did. The ordinal variable uses 5 categories, referring to the purchasing frequency in the recent past (1 = never, 2 = almost never, 3 = sometimes, 4 = regularly, 5 = always). Scores were assigned to respondents by means of a series of questions. The process of determining the ordinal score is summarized for Fair Trade coffee in figure 5.1 and is similar for the other SR products that were used as example in the questionnaire: organic meat, free-range eggs, Fair Trade chocolate sprinkles, GreenSeat tickets and FSC wood. The corresponding questions in the final questionnaire are 1-3 and 5-11.

Next to the resulting six scores for the six different SR products, a 'total' score was determined by calculating the average of the six scores. In addition, one question was included in which consumers were asked which other SR products they had bought in the past six months, with a longer list of SR products to choose from (see question 4 in appendix D). The results of this question is used to test whether buying the six SR products that were used as examples are a good measure for buying SR products in general.

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<sup>9</sup> The 'recent past' is defined in the questionnaire as 'during the past six months' for Fair Trade coffee, organic meat, free range eggs and Fair Trade chocolate sprinkles and as 'during the past two years' for GreenSeat tickets and FSC wood.

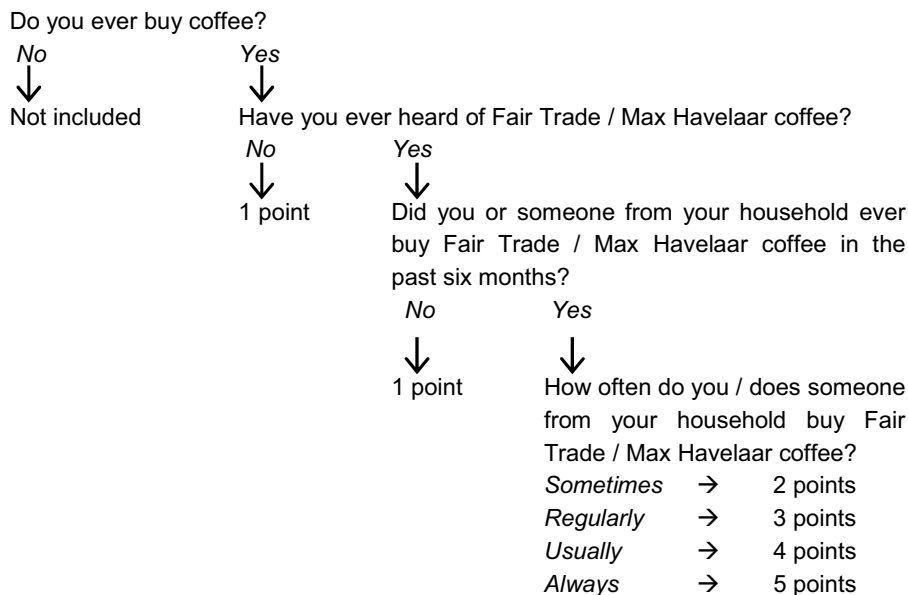


Figure 5.1: Determination of scores for the dependent variable (example for coffee)

The scores that serve as dependent variables are based on self-reported past behaviour. The use of such measures presents certain risks. Discrepancies between self-reported behaviour and actual behaviour may arise because respondents do not always report accurately on their behaviour (see for example Olson, 1981 or Hadaway, Marler, & Chaves, 1998). Nevertheless, self-reported behaviour is a generally accepted measure of behaviour (Bernard, 2000), as several studies suggest that the difference between self-reported behaviour and actual behaviour is not systematic (Fujjii, Hennesy, & Mak, 1985; Warriner, McDougall, & Claxton, 1984; Gatersleben, Steg, & Vlek, 2002). Furthermore, respondents were asked for behaviour in the recent past in order to reduce the risk of overestimation.

Another risk of asking for past behaviour is that respondents may give socially desirable answers. However, in a study on pro-environmental behaviour (one may call this a 'related field'), Kaiser, Wölfing, and Fuhrer (1999) showed that people are only marginally tempted to give socially desirable answers. Furthermore, the risk of respondents giving socially desirable answers was reduced by the fact that there was no direct contact between the researcher and the respondents, because the questionnaire was filled out online. Moreover, the respondents knew that their identity would remain confidential. The respondents therefore had no reason to present a more favourable picture of themselves than they knew was the case.

The second dependent variable is 'willingness to pay for SR products'. This is measured by asking consumers what amount they would be willing to pay as a price premium for each of the six SR products (see questions 17-22 in appendix D). The 'base price' of the product was given to provide the respondents with a frame of reference. Note that this variable does not relate to buying behaviour, but is attitudinal. It is, of course, also treated as such in this study.

### *Independent variables*

As was mentioned in the previous section, questions 1-11 and 17-22 of the questionnaire are used to measure the dependent variables. The rest of the questions are used to measure independent variables. Table 5.1 shows for each independent variable that is related to arguments for (not) buying SR products (hypotheses 2-11) which questions were used to measure them. For all items referred to in table 5.1, the answer options were in the form of a 5-point Likert scale, as can be seen in appendix D. A Likert-scale with an odd number of response options was chosen so that there is a mid-point that reflects a neutral answer. I believe this is necessary, because 'neutral' is a legitimate option that may exist among respondents. A scale without a neutral mid-point would then create bias. Also Neumann and Neumann (1981) recommend the use of Likert-scales with a mid-point. A 5-point scale rather than a 7-point scale was chosen to limit the length of the questionnaire, and because research has shown that there is hardly any difference between results that are based on 5-point scales and on 7-point scales (Colman & Norris, 1997). Socio-demographic variables were measured in commonly used ways (simple questions).

### *Miscellaneous data*

In addition to the data from the questionnaire, data were obtained from the GfK database that are not related to previously stated hypotheses but to other variables, such as employment status, internet use and personal interests of respondents. Appendix E provides an overview of these data. The influence of these variables on buying SR products was also tested. These tests had an exploratory character, as they were not based on findings from prior research.

## **5.4 The sample**

The goal set for the data collection was a sample of 1000 consumers. The questionnaire was put online by GfK in the first week of December 2008. 1400 consumers from the 'ConsumerJury' panel were invited to fill out the questionnaire. After one week, 1030 useable questionnaires were returned (a response rate of 73.5%). Analysis of the non-response shows that there are no significant differences in gender and level of education between the 1030 respondents and the 370 non-respondents (chi-squared values are 0.03 and 2.89 with critical values of 3.84 and 5.99 for  $\alpha = .05$  respectively). Furthermore, the respondents are not significantly older or younger than the non-respondents (using  $\alpha = .05$ ). There is therefore no evidence pointing at a response bias in the sample.

In this section, the sample is described and its representativeness is tested by presenting socio-demographic characteristics, including all of those that are assumed to influence buying SR products in research question 2 (hypotheses 12-16). Moreover, the variables that are assumed to influence buying SR products in research question 2 (hypotheses 17-23) and the miscellaneous data is described.

Table 5.1

*Measurement of variables related to arguments for (not) buying SR products*

Variable	Question formulation <sup>a</sup>	Item
Importance of the social problem	I think it is a big problem if coffee farmers in developing countries receive a low price for the coffee they produce	12a
Effectiveness of SR product	I believe that I am really helping coffee farmers in developing countries if I buy Fair Trade coffee.	12b
Responsibility for the social problem	If coffee farmers receive a too low price for their coffee, that is also my own responsibility if I do not buy Fair Trade coffee.	12c
Opinion of relevant others	People who are important to me approve of buying Fair Trade coffee.	12e
Quality of SR products	How do you assess the quality and taste of the following SR products in comparison to the 'normal' version of the product?	23
Availability of SR products	How much effort do you think you should invest (for example by going to another store) for buying the following SR products compared to buying the 'normal' version of the product?	24
Feeling good about yourself	To what extent does buying the following products make you feel good about yourself?	26
Moral duty	To what extent do you feel that people ought to buy the following products?	27
Affordability	To what extent can you afford the following products?	28
Price fairness	What do you think of the price fairness of the following products?	29

<sup>a</sup> These questions were repeated for all six SR products, where 'coffee farmers in developing countries' was replaced by 'pigs and cows' (organic meat), 'chicken' (free-range eggs), 'cacao farmers' (Fair Trade chocolate sprinkles), 'the environment' (GreenSeat tickets) and 'forest' (FSC wood). The social problems were also changed accordingly. See appendix D for exact formulations.

#### **5.4.1 Socio-demographic variables**

In this section, the socio-demographic characteristics of the sample are described and tested for representativeness using data about the Dutch population from the Dutch Central Bureau of Statistics (CBS, see [www.cbs.nl](http://www.cbs.nl)).

### Gender and age

The sample consists of 506 males and 524 females. A perfectly representative sample would consist of 509 males and 521 females (CBS, 2008). As can be expected, a chi-squared test shows that the overrepresentation of females in the sample is not significant ( $\chi^2 = 0.03$ , critical value = 3.84 at  $\alpha = .05$ ).

Table 5.2 shows how respondents are distributed over age categories. There are more respondents from higher age categories, showing that the sample is representative for the ageing Dutch population. The numbers between brackets show frequencies that would be found for a perfectly representative sample (CBS, 2008). The small overrepresentation of younger respondents in the sample is not significant ( $\chi^2 = 1.42$ , critical value = 5.99 at  $\alpha = .05$ ).

Table 5.2  
*Gender and age distribution in the sample<sup>a</sup>*

	<i>Male</i>	<i>Female</i>	<i>Total</i>
18 – 34	143	141	284 (271)
35 – 49	157	155	312 (307)
50 +	206	228	434 (452)
Total	506 (509)	524 (521)	1030 (1030)

<sup>a</sup> Numbers between brackets show expected values, based on data from CBS (2008)

### Level of education

Table 5.3 shows the level of education of the respondents. Respondents with a low level of education are overrepresented at the expense of the number of respondents with a high level of education. This overrepresentation is statistically significant ( $\chi^2 = 48.2$ , critical value = 5.99 at  $\alpha = .05$ ). Because all levels of education are sufficiently represented, this does not affect the possibility to test for relationships between variables. However, the overrepresentation should be taken into account when levels of individual variables are estimated.

Table 5.3  
*Level of education of the respondents<sup>a</sup>*

		<i>Frequency</i>
Low	<i>Primary education</i>	341 (254)
	<i>Lower secondary education</i>	
	<i>Lower professional education</i>	
Intermediate	<i>Intermediate secondary education</i>	447 (457)
	<i>Intermediate professional education</i>	
	<i>Higher secondary education</i>	
High	<i>Higher professional education</i>	242 (318)
	<i>Academic degree</i>	
Total		1030 (1030)

<sup>a</sup> Numbers between brackets show expected values, based on data from CBS (2008)



Next to their level of education, respondents were also asked to state in what field they are educated (see question 32). Table 5.4 shows that respondents are educated in widely varying fields.

Table 5.4  
*Fields of education in the sample*

Field	Frequency
General	252
Technical	178
Economic / commercial	186
Health care	171
Art and culture	15
Education	55
Police / Military	19
Other	154

#### *Level of income*

Figure 5.2 shows the distribution of the level of net monthly personal income of the respondents and what would be found in a perfectly representative sample (CBS, 2008). Lower income categories are overrepresented in the sample. This was to be expected, looking at the overrepresentation of respondents with a low level of education (see table 5.3), as income and level of education are often found to be positively correlated (Baum & Payea, 2005; Levine, 2004; Cheeseman Day & Newburger, 2002). The difference between income in the sample and in the Dutch population is significant ( $\chi^2 = 153$ , critical value = 15.51 at  $\alpha = .05$ ). The overrepresentation of consumers with a lower income should therefore be taken into account when levels of individual variables are estimated.

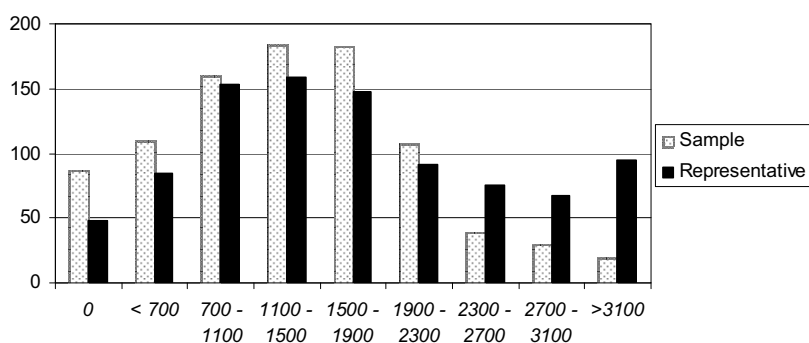


Figure 5.2: Net monthly personal incomes (expected values are based on data from CBS, 2008)

### *Marital status and household composition*

Table 5.5 shows the marital status of the respondents (it is unknown for 42 respondents). Married consumers are overrepresented in the sample at the expense of consumers who were never married. This overrepresentation is significant ( $\chi^2 = 61.7$ , critical value = 7.82 at  $\alpha = .05$ ). Still, all categories are sufficiently represented.

Table 5.5  
*Marital status of respondents<sup>a</sup>*

Marital status	Frequency
Married	661 (547)
Divorced	83 (82)
Widowed	39 (69)
Never been married	205 (290)
Total	988 (988)

<sup>a</sup> Numbers between brackets show expected values, based on data from CBS (2008)

Table 5.6 reports the household compositions in the sample. Persons from two-person households without children are slightly underrepresented in the sample. The deviation from a representative sample is significant ( $\chi^2 = 20.8$ , critical value = 14.07 at  $\alpha = .05$ ). Nevertheless, all categories are still sufficiently represented.

Table 5.6  
*Composition of households of respondents (compared to the Dutch population)<sup>a</sup>*

	Breadwinner + partner	Single persons	Total
No children	293 (352)	253 (233)	546 (585)
1 child	152 (140)	49 (36)	201 (176)
2 children	181 (169)	29 (23)	210 (192)
>2 children	64 (70)	9 (7)	73 (77)
Total	690 (731)	340 (299)	1030 (1030)

<sup>a</sup> Numbers between brackets show expected values, based on data from CBS (2008)

### *Residence*

Figure 5.3 provides information about the place of residence of the respondents. A chi-squared test shows that the differences between the sample and a perfectly representative sample are not significant ( $\chi^2 = 13.3$ , critical value = 15.51 at  $\alpha = .05$ ).



Figure 5.3: Number of respondents per postal code<sup>a</sup>

<sup>a</sup> Numbers between brackets show expected values, based on data from CBS (2008)

### Weighing cases

The sample is generally representative for the Dutch population, although persons with a low level of education and (therefore) also persons with a low level of income are overrepresented in the sample. Also, representativeness is less than perfect when looking at marital status and household composition. Because all subgroups are still sufficiently represented in the sample, this does not affect the ability to test relationships between variables. However, the estimation of the current level of variables in the population will be affected by the under- and overrepresentation of some groups. Consequently, in such analyses, the answers of each respondent are weighed. In order to determine weighing factors, a weighing matrix with the variables age and gender (6 categories, as in table 5.3) and the variables 'level of education' and 'marital status' were used. Weighing factors are determined by dividing the representative frequency by the observed frequency in the sample, or in other words: by dividing the population fraction by the sample fraction (Levy & Lemeshow, 1999).

### 5.4.2 Other variables related to research question 2

In addition to socio-demographic variables, other factors were assumed to be useful in discriminating between buyers and 'non-buyers' of SR products. In this section, the sample will be further described by looking at these factors.

### *Locus of control*

A subset of seven questions from the well-known measurement scale developed by Rotter (1966) was used to measure locus of control. Questions from his original scale were used to measure locus of control in many studies across social sciences (for example Srite, Galvin, Ahuja, & Karahanna, 2007; Chen & Wang, 2007; Semykina & Linz, 2006; Cadinu, Maass, Lombardo, & Frigerio, 2006). In order to keep the questionnaire as short as possible, the ranking system of Rotter, where respondents are asked to choose between two statements, was replaced by one of the two statements and a 5-point Likert scale ranging from 'strongly disagree' to 'strongly agree' (see question 16 of the questionnaire).

Analysis of the reliability of the scale in question 16 shows a Cronbach's alpha of .35. In order to improve Cronbach's alpha, the scale was reduced to include only questions 16-2, 16-3 and 16-4, which together show a Cronbach's alpha of .62. Although this value is still below the recommended value by Nunnally (1978) of .7, it is above .6, which is considered to show internal consistency (Hair, Anderson, Tatham, & Black, 1998).

The measure for locus of control was constructed by calculating the average of the scores for the three questions. All three questions were posed in such a way that a higher score refers to a more external locus of control. Table 5.7 presents descriptive statistics for this locus of control scale, and shows that there is a tendency towards an external locus of control in the sample. This may partly be explained by the overrepresentation of respondents with a low level of education, as these respondents score significantly higher ( $p < .01$ ) on the locus of control scale than respondents with a high level of education (3.65 and 3.02, respectively)<sup>10</sup>. A similar relationship between level of education and locus of control was found by Taylor (1985).

Table 5.7  
*Locus of Control in the sample*

Score:	<2	≥2, <3	≥3, <4	≥4
Frequency:	44	210	432	344
	Average	Standard deviation	Mode	Median
	3.39	0.84	4	3.33

### *Lifestyle*

The variable lifestyle was measured by GfK using 55 questions (11 questions use a 5-point scale, 28 questions use a 7-point scale and 16 questions are 'yes/no'). Based on the answers, respondents are assigned to one of eight lifestyle categories. A more detailed description of each of these lifestyle groups can be found in appendix F and on [www.gfk.com](http://www.gfk.com). Table 5.8 presents the number of respondents in each lifestyle category.

<sup>10</sup> I am aware that calculating averages and standard deviations for ordinal scales is technically not correct, but show the results here because it provides an indication of central tendency and variance.

Table 5.8  
*Respondents per lifestyle*

Lifestyle (% of population)	Short description	Frequency
Settled (13%)	Desire for peace and quiet. Traditional. Relatively more elderly people. Do not buy more than they need.	85
Homebodies (19%)	Desire for certainty and status. Focus on convenience. Friends are important to them. Buy settled, accepted brands.	233
Dreamers (5%)	Dream of an interesting future. Allow some risk. Buy products with a good image. Brand choice is important.	59
Adventurers (15%)	Young and adventurous. Strive for success and (material) independence. Early adopters of innovative products.	137
Open-minded (15%)	Great social responsibilities, but also striving for success. Consumption with a focus on lifestyle and atmosphere.	129
Organics (10%)	Search for sustainability and personal development. Rational consumption with a focus on quality and sustainability.	120
Rational-realists (8%)	Hard working with respect for the environment. Willing to spend time looking for products that live up to their standards.	106
Demanding (15%)	Strong sense of duty. Disciplined. Traditional background. Only want to buy high-quality products.	161

#### *Political preference*

Political preference was elicited in question 13 of the questionnaire. Table 5.9 shows the results. Note that more than 20% of the sample stated not to have any political preference.

#### *Donating money to charity*

In question 14 and 15 of the questionnaire, the amount of money that respondents donate to charity per month and the type of charity they donate to was elicited. The results are summarized in table 5.10 and table 5.11. The modal category of monthly amounts donated is '€ 1 – 5', with the observed frequency decreasing as the amount increases.

Table 5.9  
*Political preference of respondents*

Political preference	Frequency	Percentage
SP	142	13.8%
Groen Links	45	4.4%
PvdA	129	12.5%
CDA	128	12.4%
ChristenUnie	50	4.9%
SGP	22	2.1%
D66	48	4.7%
VVD	111	10.8%
TON	50	4.9%
PVV	68	6.6%
Other	26	2.5%
No preference	211	20.5%

Table 5.10  
*Giving money to charity in the sample per month*

Amount per month	Frequency	Percentage
Nothing	135	13.1%
€ 1 - 5	285	27.7%
€ 6 - 10	227	22.0%
€ 11 - 25	209	20.3%
€ 26 - 50	109	10.6%
€ 51 - 100	40	3.9%
€ 101 - 250	15	1.5%
> € 250	10	1.0%

Table 5.11  
*Type of charity that respondents donate money to<sup>a</sup>*

Type of charity	Frequency
International aid	300
Health and schools in developing countries	382
Animal welfare	299
The environment	386
Health care	598
Culture and well-being	139
Other	257

<sup>a</sup> More than one answer possible

### *Religion*

In question 33a of the questionnaire, respondents were asked what religion they have. In the following two questions, respondents were asked how 'actively' they practice their religion. The results are summarized in table 5.12.

Table 5.12  
*Religion in the sample*

Religion	Total	Visits a church fewer than 1 time per month	Visits a church at least 1 time per month	Prays fewer than 1 time per month	Prays at least 1 time per month
None	466				
Roman Catholic	260	201	59	158	102
Protestant Christian	200	99	101	53	147
Humanistic	24	23	1	23	1
Evangelic	21	7	14	2	19
Calvinistic	18	1	17	1	17
Other	41	26	15	12	29

### *Watching TV*

The average time that a person watches TV per day was determined by multiplying the number of days per week that a person watches TV with the number of hours that the person watches TV on those days, and dividing the outcome by seven. The results show that respondents spend on average 3 hours and 10 minutes per day watching TV with. The spread around this average is quite large: a standard deviation of two hours was found.

### *Reading newspapers*

Respondents were asked how often they read each of 11 different newspapers (see item 59 in appendix E). Based on the answers, the variable 'reading newspapers' was constructed. This was done by assigning points per newspaper to respondents in the following way:

<i>Never:</i>	0
<i>Almost never:</i>	1
<i>1 out of 6 issues:</i>	2
<i>2 out of 6 issues:</i>	3
<i>3 or 4 out of 6 issues:</i>	4
<i>5 out of 6 issues:</i>	5
<i>All issues:</i>	6

The points per newspaper were then added up. Table 5.13 summarizes the results, which show that 714 respondents (69% of the sample) read (almost) all issues of at least one newspaper. Regional newspapers are read best: 425 respondents read (almost) all issues. The best-read national newspaper is De Telegraaf with 137 respondents reading at least 5 out of 6 issues, followed by the Algemeen Dagblad with 91 respondents reading at least 5 out of 6 issues.

Table 5.13

*Points for reading newspapers per week in the sample*

Points	Frequency
<4	153
≥4, <7	184
≥7, <10	200
≥10, <13	165
≥13, <16	135
≥16, <19	85
≥19	108

#### *Thinking about buying SR products*

Based on the qualitative study (see chapter 4), a hypothesis was added about the influence of the amount of reflection about the possibility to buy SR products. Respondents were therefore asked how often they think about the possibility to buy SR products (see question 30 of the questionnaire). Table 5.14 presents the average and standard deviation of the answers given by respondents on a 5-point scale ranging from 'never' to 'often'<sup>11</sup>.

Table 5.14:

*Thinking about buying SR products in the sample*

	Fair Trade coffee	Organic Meat	Free-range eggs	Fair Trade chocolate sprinkles	GreenSeat tickets	FSC wood
Average	2.62	2.95	3.04	2.30	1.95	2.80
Standard deviation	1.11	1.07	1.14	1.09	1.02	1.16

#### **5.4.3 Miscellaneous data**

In addition to the data related to the hypotheses in this study, data about the respondents were obtained from the GfK database. This section briefly described these data. Section 5.5 reports on tests of the relationship between these data and buying SR products.

#### *Listening to the radio*

Table 5.15 presents the average time that respondents listen to the radio per day (either as 'background music' or while listening more 'actively').

#### *Internet use*

Table 5.16 presents the average time that respondents use the internet per day.

<sup>11</sup> Although calculating averages and standard deviations for ordinal scales is technically not correct, I show the results here because it provides an indication of central tendency and variance.



Table 5.15  
*Listening to the radio in the sample*

Time	Frequency
< 30 minutes	131
30 minutes – 1 hour	108
1 – 2 hours	160
2 – 4 hours	211
> 4 hours	341
Unknown	79

Table 5.16  
*Internet use in the sample*

Time that the internet is used per day	Frequency
< 15 minutes	75
15 – 30 minutes	171
30 – 45 minutes	127
45 minutes – 1 hour	86
1 – 1.5 hours	142
1.5 – 2 hours	102
2 – 3 hours	122
> 3 hours	205

*Employment status and working hours per week*

Table 5.17 provides information about the employment status and the number of working hours per week of the respondents. The number of respondents who work on payroll basis or as civil servants is quite representative for the population (a total of 618 was found in the sample, whereas 585 would be representative). The number of self-employed respondents is relatively low: 68 would be expected (CBS, 2005), but there are only 41 self-employed persons in the sample.

Table 5.17  
*Employment status and number of working hours in the sample*

	<12 hours	12 – 24 hours	25 – 35 hours	> 35 hours	Total
On payroll	35	134	97	269	535
(semi-) civil servant	2	12	14	55	83
Self employed	6	9	11	15	41
Retired					137
House wife/husband					99
Disabled / unable to work					75
Student					16
Unemployed (looking)					12
Other					19
Unknown					13

### Subjective wellbeing

The variable subjective wellbeing was measured by asking respondents for the extent to which they (dis)agree with 5 statements (see item 57 in appendix E) using a 5-point Likert scale for each statement. This method of measuring subjective wellbeing was taken from the work of Van Hoorn (2007). The average score of these five items is used as the measure for subjective wellbeing. A higher score indicates a higher level of reported wellbeing. In the sample, the scores range from 1.33 to 4.95, with an average of 3.65 on a 5-point scale and a standard deviation of 0.56<sup>12</sup>.

### Interest in topics

From the GfK database, information about the interests of the respondents was obtained. Figure 5.4 presents the averages of the answers per topic, which were given on a 5-point scale<sup>13</sup>.

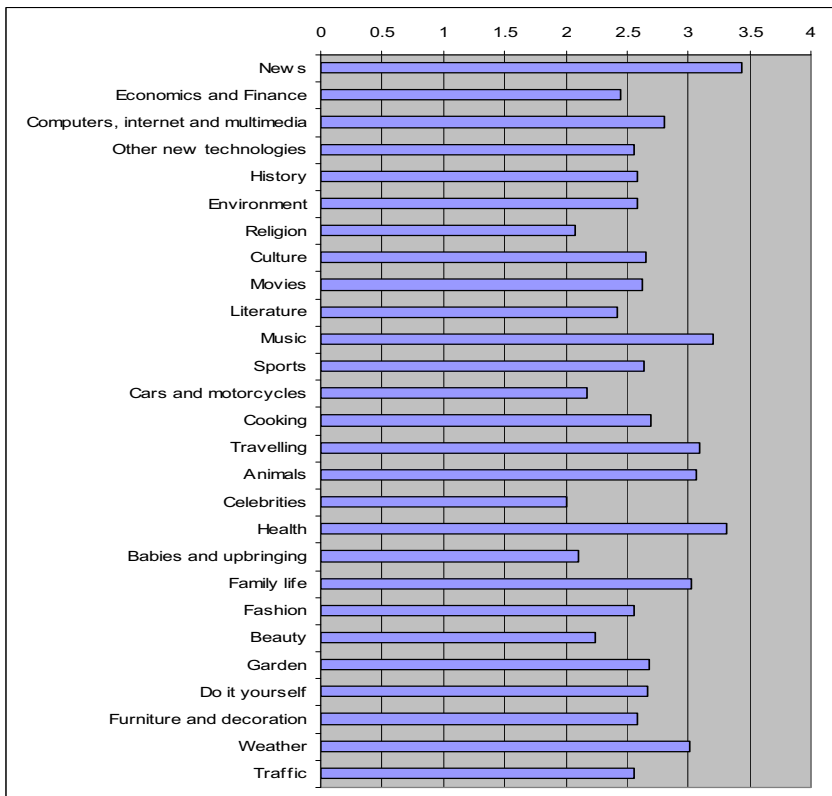


Figure 5.4: Interests of the respondents

<sup>12</sup> See footnote 10.

<sup>13</sup> See footnote 10.

## 5.5 Results

In this section, the results of the quantitative research on SR products are described. First, research question 1 and 2, which are related to buying SR products, are discussed. Then, research question 3, which is related to willingness to pay a price premium for SR products, is elaborated on.

### 5.5.1 Buying SR products as dependent variables

The respondents stated whether or not they had ever heard of each of the six SR products, and how often they (or others from their household) bought these six products or their 'non-SR' counterparts in the recent past.

Table 5.18 shows that a large part of the respondents bought coffee, meat, eggs and chocolate sprinkles in the recent past. This is consistent with the expectations that these products are low-involvement products, because these are by definition bought frequently. The higher-priced plane tickets and wood were bought by 39% and 50% of the sample, respectively. Buying these products is therefore somewhat less of an 'everyday' activity.

Familiarity with the SR versions of these products differs much between the products. For example, 89.4% of the respondents had heard of organic meat, whereas only 47.8% had heard of Fair Trade chocolate sprinkles. Obviously, this gives an indication of an important reason for not buying SR products: consumers should at least know of their existence before they will buy them. The data show that there is room for an increase in awareness of SR products: No more than 606 respondents (57.2%) in the sample had heard of all six SR products. 44 respondents (4.3%) even had never heard of any of these SR products.

Furthermore, table 5.18 shows that each SR product was bought in the recent past by only a minority of the respondents. The percentages of respondents that bought them range from 4.2% for Fair Trade chocolate sprinkles to 40.4% for free-range eggs. This result was to be expected, because the market share of SR products is generally low. In addition, the results show that there are considerable differences between different SR products in terms of the scores that were assigned to respondents in the way that is described in section 5.3: the averages of these scores vary from 1.2 to 2.3 (from 1.24 to 2.56 if those that never heard of the SR product are excluded) on a 5-point scale<sup>14</sup>. The most popular SR products are FSC wood and free-range eggs. Least popular are the two Fair Trade products.

In order to facilitate the interpretation of the dependent variables, figure 5.5 shows a graphical presentation of the distribution of the scores that were assigned for buying each of the SR products. Note that the score '1' represents "I have never bought the SR product". One may expect that the frequency of higher scores is ever decreasing, because the more often an SR product is bought, the higher the total price premium that is paid will be. It is therefore interesting to see that for the free-range eggs, GreenSeat tickets and FSC wood, the scores '4' and '5' are more frequently observed than the score '3' (the same is true for the sum of the frequency of the

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<sup>14</sup> Although calculating averages for ordinal scales is technically not correct, I present the results here because it provides an indication of central tendency.

scores '4' and '5' relative to the frequency of the score '3' for the two Fair Trade products). This may imply that habit formation plays a role in buying SR products: people either bought the products never or occasionally (perhaps to give it a try) or they buy it often or always. Another explanation may be that many people who buy SR products have made a conscious choice to buy the SR version of the product whenever they can.

Furthermore, the respondents were asked which of eight other SR products they had ever bought. Bivariate correlation coefficients between the number of products from this list that consumers had bought and the scores on a 5-point scale for the six SR products that were used as examples were calculated. Because the dependent variables are measured using an ordinal scale, Spearman's rho is used as a measure for the correlation. Table 5.18 also presents these coefficients. The correlations between buying the six SR products and buying other SR products are all positive. However, this correlation is not statistically significant for GreenSeat plane tickets, and also not very strong for FSC wood. Because the list of the eight other SR products included six low-involvement products', these results lead to two important conclusions:

(1) Buying the four low-involvement products that were used as examples in the questionnaire (Fair Trade coffee, organic meat, free-range eggs and Fair Trade chocolate sprinkles) constitutes a good predictor of buying other low-involvement SR products.

(2) The two high-involvement products that were used as examples in the questionnaire (GreenSeat tickets and FSC wood) do not form a good predictor for buying low-involvement SR products. The distinction between low- and high-involvement products does is therefore important in the field of SR products.

Respondents were also asked whether they would also have bought the SR product if it would not have had the socially responsible character. The results of this question show the extent to which the socially responsible character of the product plays a role in the purchase decision, and to what extent other product features play a role. The bottom row of table 5.18 provides an overview of the results. For all products, only a minority of the respondents state that they would also have bought the product if it would not have had the SR characteristics. These results clearly show that, even though other reasons may play a role, the SR characteristics are most important for consumers to buy SR products.

Table 5.18  
Reported buying of SR products in the sample

Bought the base product?	Heard of the SR version?	Fair Trade Coffee	Organic Meat	Free-range eggs	Fair Trade chocolate sprinkles	Green Seat tickets	FSC wood
No	No	2	3	12	179	139	281
No	Yes	29	11	33	103	492	235
Yes	No	143	106	195	359	134	85
Yes	Yes	↓	↓	↓	↓	↓	↓
<i>I never buy the SR version</i>							
		754	667	374	346	196	150
<i>I buy it on occasion</i>							
		48	154	103	20	28	89
<i>I buy it regularly</i>							
		26	60	91	11	8	31
<i>I buy it quite often</i>							
		10	24	110	9	20	116
<i>I buy it on all occasions</i>							
		18	5	112	3	13	42
<hr/>							
Heard of the SR product (%)		85.9%	89.4%	79.9%	47.8%	73.5%	64.5%
Ever bought the product (%)		9.9%	23.6%	40.4%	4.2%	6.7%	27.0%
Average score (5 point scale) <i>never heard of SR version: 1 point</i>		1.20	1.36	2.08	1.11	1.39	2.30
Average score (5 point scale) <i>never heard of SR version: excluded</i>		1.24	1.40	2.35	1.21	1.59	2.56
Bivariate correlation (using Spearman's rho) with the number of other SR products bought (** means $p < .01$ )		.53**	.42**	.32**	.43**	.07	.16**
Would also have bought the product if it had not had the socially responsible characteristics (% of buyers)		22%	19.7%	22.5%	23.3%	7.5%	33.5%

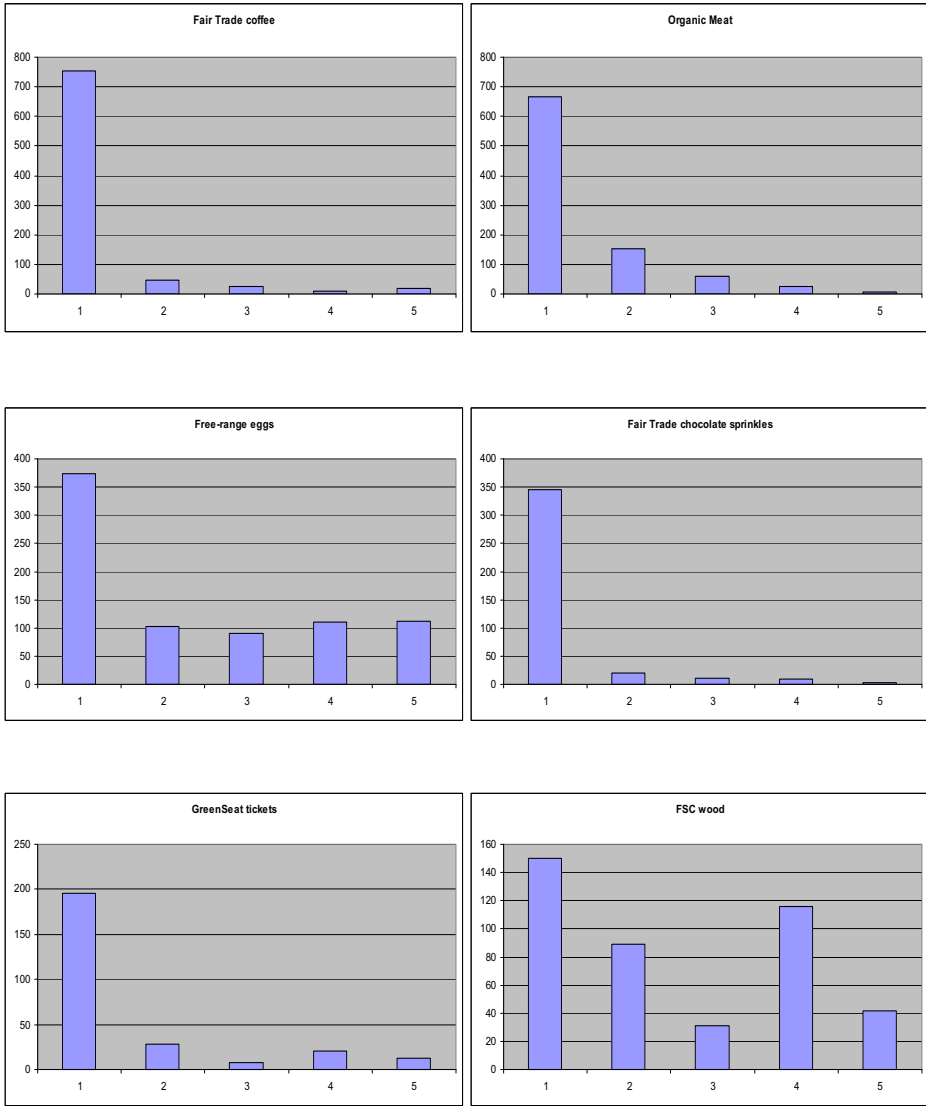


Figure 5.5: Distribution of dependent variable 'buying SR products' in the sample

### *Correlation between buying different SR products*

In the first hypothesis, it was assumed that there is a positive correlation between buying different SR products. In other words: it is expected that complementarity rather than substitution exists when it comes to buying SR products.

*Hypothesis 1: If a person buys one type of SR product, the likelihood is higher that that person will also buy other types of SR products.*

Support for this hypothesis can be found in table 5.18, which shows that the correlation between the scores for buying each of the six SR products that were used in the questionnaire and the number of other SR products that people buy is positive for all products, and significant for five out of six products. Further evidence can be found by analyzing the correlation between the scores for buying the six SR products. Spearman's rho is used as a correlation coefficient because the dependent variables have an ordinal measurement level. Table 5.19 presents the results of these analyses. Correlations between the scores for buying SR products are positive for all but one (non-significant) relationship. Furthermore, the correlation coefficients between buying low-involvement SR products are all highly significant. This shows that consumers who buy an SR product are more likely to also buy other SR products, and therefore supports hypothesis 1. This is an interesting finding, as one may expect to find a negative correlation, which would result from consumers thinking (for example) "I fulfil my moral duty by buying Fair Trade coffee, and therefore do not need to buy other SR products" (substitution). Also the mental accounting theory (Thaler, 1999) may lead to such expectations if one believes that consumers think of buying SR products as one consumption category. Based on the present findings, such claims can convincingly be refuted.

The highest correlation coefficients between buying different SR products are found for products with similar social goals: the two Fair Trade products and the two products related to animal welfare (organic meat and free-range eggs). This shows that consumers are often especially willing to buy SR products with a specific type of 'social characteristics'. Correlation coefficients between buying low-involvement SR products and buying FSC wood are lower, but still significant for three out of five relationships. Conversely, buying GreenSeat tickets is not (positively or negatively) related to buying other SR products. One may therefore conclude that buying GreenSeat tickets is 'a different story' than buying other SR products. A reason may be that the actual service does not change (buyers of GreenSeat tickets pay more, but are in the same plane as non-buyers). For the other SR products used as example, the SR version of the product is physically different from the non-SR version. Another reason that is derived from the qualitative study (see chapter 4) may be that consumers are less convinced about the positive effect of buying GreenSeat tickets on the social problem than is the case for other SR products. Later, it will indeed be shown that the perceived effectiveness in alleviating the social problem is much lower for GreenSeat tickets than for the other SR products.

Table 5.19

*Bivariate correlation coefficients between buying SR products (Spearman's rho)*

	Fair Trade Coffee	Organic Meat	Free-range eggs	Fair Trade chocolate sprinkles	Green Seat tickets
Fair Trade Coffee					
Organic Meat	.33**				
Free-range eggs	.23**	.51**			
Fair Trade chocolate sprinkles	.43**	.25**	.18**		
GreenSeat tickets	.06	.02	.01	-.01	
FSC wood	.08	.17**	.15**	.10	.19**

\* = Significant using  $\alpha = .05$ \*\* = Significant using  $\alpha = .01$ 

### 5.5.2 Reasons for (not) buying SR products: B-hypotheses

In the following sections, the hypotheses that were defined in chapter 3 are tested and discussed based on the sample data. The hypotheses related to research question 1 consist of a 'part a', which concerns the relationship between the variable and buying SR products, and a 'part b', which concerns the current level of that variable (see section 3.2).

We start here by testing the b-hypotheses; a procedure that illustrates the general attitude towards buying SR products. As was explained in section 5.4.1, the data are weighed in order to make the outcomes more representative for the Dutch population. The variables that are assumed to be reasons for (not) buying SR products are all measured using 5-point Likert scales. Table 5.20 provides an overview of the average score and standard error per variable for each of the six SR products and for the total score. Furthermore, two 'subtotals' are included: one for low-involvement products and one for high-involvement products, based on the distinction made in section 4.2.1. Moreover, table 5.20 shows whether the averages are significantly different from the score 3, which is labelled as 'neutral'.<sup>15</sup>

<sup>15</sup> Note that data from Likert scales have an ordinal level of measurement. However, in order to facilitate analysis of the data, they are treated here as having a continuous measurement level. One justification for this is the notion that the underlying construct is in fact continuous. It is captured in ordinal form, because respondents don't verbalise the extent to which they think of (for example) buying SR products as a moral duty as, say, 36.5%. The resulting data captured, although ordinal in type, actually describes a metric whose behaviour is best aligned with a continuous variable. Further justification can be found in a recent study by Dawes (2008), who shows that the data obtained from 5-point, 7-point and 10-point likert scales are approximately comparable in terms of mean score (once re-scaled) and various measures of variation and data shape. The distances between the five points on the Likert scales are therefore assumed to be equal, which justifies treating the data as 'quasi-ratio'.



Table 5.20  
Results of *b*-hypotheses

Hyp.	Variable	Item	Average score on a 5-point scale (standard error)									
			Fair Trade coffee	Organic Meat	Free- range eggs	Fair Trade chocolate sprinkles	Total low- involv. SR products	Green Seat tickets	FSC wood	Total high- involv. products	Total all SR products	
H2	Moral duty	27	2.98 (0.028)	3.11* (0.029)	3.22* (0.031)	2.95 (0.027)	3.08* (0.026)	2.78* (0.031)	3.27* (0.031)	3.04 (0.027)	3.07* (0.025)	
H3	Feeling good	26	2.82* (0.035)	3 (0.036)	3.08* (0.037)	2.76* (0.035)	2.93* (0.032)	2.49* (0.036)	3.03 (0.036)	2.77* (0.032)	2.88* (0.030)	
H4	Importance of problem	12A	3.89* (0.03)	4.11* (0.03)	3.98* (0.031)	3.88* (0.03)	3.99* (0.026)	3.75* (0.033)	4.46* (0.025)	4.12* (0.025)	4.03* (0.024)	
H5	Effectiveness	12B	3.46* (0.033)	3.65* (0.035)	3.51* (0.035)	3.4* (0.032)	3.54* (0.029)	2.74* (0.037)	3.68* (0.033)	3.24* (0.029)	3.44* (0.027)	
H6	Responsibility	12C	3.08* (0.036)	3.15* (0.037)	3.23* (0.038)	3.03 (0.036)	3.16* (0.033)	2.93 (0.037)	3.52* (0.036)	3.26* (0.032)	3.20* (0.032)	
H7	Relevant others	12E	2.98 (0.031)	3 (0.031)	3.03 (0.032)	2.95 (0.03)	3.04 (0.029)	2.84* (0.031)	3.09* (0.032)	3.01 (0.028)	3.03 (0.028)	
H8	Affordability	28	3.33* (0.036)	3.26* (0.036)	3.51* (0.035)	3.32* (0.036)	3.35* (0.034)	2.55* (0.04)	3.05 (0.038)	2.80* (0.036)	3.17* (0.033)	
H9	Price fairness	29	3.29* (0.025)	3.27* (0.025)	3.33* (0.025)	3.25* (0.024)	3.29* (0.023)	2.72* (0.029)	3.26* (0.025)	3.00 (0.023)	3.19* (0.021)	
H10	Quality**	23	3 (0.019)	3.57* (0.024)	3.57* (0.023)	3.03 (0.017)	3.31* (0.016)	N.A.***	3.25* (0.019)	3.25* (0.019)	3.30* (0.015)	
H11	Availability	24	3.41* (0.031)	3.42* (0.032)	3.56* (0.031)	3.29* (0.032)	3.39* (0.027)	3.3* (0.033)	3.3* (0.031)	3.27* (0.027)	3.35* (0.025)	

\* Significantly different from the score 3 ( $\alpha = .05$ )

\*\* For this question, the Likert scale was anchored as follows: 1 = much lower, 5 = much higher

\*\*\* For GreenSeat tickets the relative quality was not asked for because the product is the same.

The column 'total all SR products' shows that the b-parts of the hypotheses about moral duty, responsibility, affordability and price fairness (hypotheses 2, 6, 8 and 9, respectively) are weakly supported by the data, because the scores are significantly higher than 3.0, but not higher than 3.2. In other words: there is only weak support for the claim that consumers think of buying SR products as a moral duty, of themselves as being responsible for the social problem the SR product aims to alleviate, and of the SR product as being affordable and having a fair price.

The b-parts of the hypotheses about effectiveness, quality and availability (hypotheses 5, 10 and 11, respectively) are modestly supported by the data: the scores are significantly higher than 3.0 (the neutral score) and are between 3.3 and 3.5. Apparently, consumers generally think of SR products as somewhat effective in alleviating social problems. Also, they think of SR products as having a sufficient (but not outstanding) quality and availability.

The b-part of the hypothesis about the importance of the social problem (hypothesis 4) is convincingly supported by the data: the average score is higher than 4.0, and of course also significantly higher than the neutral score of 3.0. Consumers therefore think of the social problems that SR problems aim to alleviate as important.

The b-part of the hypothesis about relevant others (hypothesis 7) is not supported nor rejected by the data: the average score does not differ significantly from 3.0 ('neutral'). This implies that relevant others are not perceived to have strong opinions about buying SR products. Finally, the b-parts of the hypothesis about 'feeling good' (hypothesis 3) can be rejected based on the data, because the average result for this variable is significantly lower than the neutral score. Unlike what one may expect, consumers can therefore not be said to get strong positive feelings about themselves when buying SR products.

Note that similar conclusions as in the previous section can be drawn for only the four low-involvement SR products. For the two high-involvement SR products, the findings are also similar, with the exception that both the affordability and perceived price fairness of these products are much lower than of the other products. The finding that the perceived affordability is lower for high-involvement SR products is rather obvious. The fact that the price is also perceived to be less fair may be explained by the fact that the price premium for high-involvement SR products is higher (in absolute terms) than for low-involvement SR products, as a higher price premium may be thought of as being less fair.

Furthermore, table 5.20 shows that consumers' opinion about GreenSeat tickets differs from their opinion about the other SR products. For the hypotheses about moral duty, effectiveness, relevant others, affordability and price fairness (hypotheses 2, 5, 7, 8 and 9, respectively), GreenSeat tickets is the only SR product with a score significantly below 3. Also for the hypotheses about 'feeling good', importance and responsibility (hypotheses 3, 4 and 6, respectively), GreenSeat tickets score lowest of all SR products that were used as example. Especially the perceived effectiveness in alleviating the social problem and the perceived affordability are low for this SR product. The low perceived effectiveness may be explained by the fact that the link between paying extra for a plane ticket and helping

the environment is not clearly visible for consumers. Another explanation may be discussions in the Dutch media about the effectiveness of planting trees to compensate for CO<sub>2</sub> emissions, in which it has often been argued that trees emit the CO<sub>2</sub> again after they die<sup>16</sup>. These differences in opinion about GreenSeat tickets and about other SR products may also explain why buying GreenSeat tickets does not strongly correlate with buying other SR products, as was described in section 5.5.1.

The difference in opinion about the other high-involvement product (FSC wood) and the low-involvement SR products is much less apparent. Only on affordability, FSC wood scores lower. Moreover, FSC wood even scores highest of all products on the hypotheses about moral duty, importance, effectiveness, responsibility and relevant others (hypotheses 2, 4, 5, 6 and 7, respectively).

Another interesting finding is that the scores for the two products related to animal welfare (organic meat and free-range eggs) are higher than the scores for the two Fair Trade products in eight of the hypotheses (hypotheses 2, 3, 4, 5, 6, 7, 10 and 11). This implies that consumers think of the SR products related to animal welfare as being more effective in alleviating a problem that is perceived as more important and for which they feel more responsibility. Respondents also think of buying these SR products as a greater moral duty and derive more positive feelings about themselves from buying them. On top of that, the relative quality and availability of these products is perceived to be better than that of Fair Trade products. The difference between these types of low-involvement SR products may be explained by the fact that the beneficiaries of buying Fair Trade are far away and not visible for consumers, as opposed to animals that can be seen in Dutch farms.

Moreover, I have checked for differences in results between subgroups in the sample by using t-tests. For each test, the sample was divided in two groups based on a socio-demographic characteristic. Separate tests were performed for the low-involvement SR products, the high-involvement SR products and the total results. Table 5.21 presents the results of these tests.

Table 5.21 shows that there are many significant differences in the opinion about SR products between different subgroups. It can therefore be concluded that these opinions are generally not homogenous across the population. The most important differences are found between consumers younger than 40 and older than 40, between consumers with a high level of education and the rest of the sample, and between male and female consumers. Income only has a large influence on the perceived affordability (which corresponds with intuitive expectations) and to a lesser extent on the perceived responsibility for the social problem that SR products try to alleviate. The influence of being religious and being married, although significant on some occasions, is generally much lower.

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<sup>16</sup> See, for example, a discussion with the taskforce carbon capture and storage in 'Buitenhof TV', 8 February 2009; 'Bomen planten slechts tijdelijke oplossing', Trouw, 3 July 2008; 'CO<sub>2</sub> compensation', TROS Radar TV, 19 November 2007; 'Bomen planten niet voldoende', UTNieuws, 29 maart 2007.

Table 5.21

*Differences in results for b-hypotheses between subgroups<sup>a</sup>*

Hyp.	Variable	Age (over 40)	Education (high)	Gender (female)	Income ( > € 1410) <sup>17</sup>	Religious (yes)	Married (yes)
H2	Moral duty	L: 0.14*	L: 0.20*	L: 0.13*	L: 0.02	L: 0.07	L: -0.13*
		H: 0.19*	H: 0.12	H: 0.10	H: 0.05	H: 0.08	H: -0.02
		T: 0.16*	T: 0.18*	T: 0.12*	T: 0.03	T: 0.07	T: -0.09
H3	Feeling good	L: 0.08	L: 0.21*	L: 0.25*	L: 0.03	L: 0.03	L: -0.22*
		H: 0.06	H: 0.22*	H: 0.15*	H: 0.09	H: -0.03	H: -0.11
		T: 0.07	T: 0.21*	T: 0.22*	T: 0.05	T: 0.01	T: -0.18*
H4	Importance of social problem	L: 0.34*	L: -0.02	L: 0.30*	L: -0.05	L: 0.05	L: 0.12*
		H: 0.19*	H: -0.02	H: 0.05	H: -0.02	H: 0.03	H: 0.11*
		T: 0.29*	T: -0.02	T: 0.21*	T: -0.03	T: 0.04	T: 0.12*
H5	Effectiveness	L: 0.19*	L: 0.16*	L: 0.28*	L: 0.04	L: 0.10	L: -0.04
		H: 0.20*	H: 0.04	H: 0.25*	H: 0.03	H: 0.13*	H: 0.08
		T: 0.19*	T: 0.12	T: 0.27*	T: 0.04	T: 0.11*	T: 0.00
H6	Responsibility	L: 0.24*	L: 0.28*	L: 0.20*	L: 0.22*	L: 0.11	L: -0.18*
		H: 0.23*	H: 0.22*	H: 0.15*	H: 0.21*	H: 0.16*	H: -0.06
		T: 0.23*	T: 0.26*	T: 0.18*	T: 0.22*	T: 0.13*	T: -0.14*
H7	Relevant others	L: 0.25*	L: 0.06	L: 0.21*	L: 0.08	L: 0.15*	L: 0.00
		H: 0.25*	H: 0.01	H: 0.22*	H: 0.08	H: 0.10*	H: 0.02
		T: 0.25*	T: 0.04	T: 0.22*	T: 0.08	T: 0.14*	T: 0.01
H8	Affordability	L: 0.02	L: 0.57*	L: -0.33*	L: 0.55*	L: -0.08	L: 0.06
		H: 0.04	H: 0.63*	H: -0.50*	H: 0.66*	H: -0.16*	H: 0.08
		T: 0.02	T: 0.59*	T: -0.38*	T: 0.59*	T: -0.11	T: 0.07
H9	Price fairness	L: 0.05	L: 0.18*	L: 0.13*	L: -0.00	L: 0.12*	L: -0.01
		H: 0.07	H: 0.09	H: 0.13*	H: -0.03	H: 0.06	H: 0.05
		T: 0.05	T: 0.15*	T: 0.13*	T: -0.01	T: 0.10*	T: 0.01
H10	Quality	L: 0.07*	L: 0.07*	L: 0.18*	L: 0.01	L: 0.02	L: -0.06
		H: 0.07	H: -0.04	H: 0.21*	H: -0.04	H: 0.06	H: -0.02
		T: 0.07*	T: 0.05	T: 0.18*	T: 0.00	T: 0.02	T: -0.05
H11	Availability	L: -0.19*	L: 0.17*	L: -0.01	L: 0.04	L: -0.06	L: -0.06
		H: -0.16*	H: 0.04	H: -0.08	H: -0.02	H: -0.15*	H: 0.04
		T: -0.18*	T: 0.13	T: -0.03	T: 0.02	T: -0.09	T: -0.03

C = Low-involvement products, H = High-involvement products, T = Total

\* = Significant using  $\alpha = .05$ 

<sup>a</sup> If the differences in the table are positive, it means that respondents above 40 / higher educated respondents / female respondents / respondents with an income of more than € 1410 / religious respondents / married respondents score higher on the specific variable

<sup>17</sup> The amount € 1410 was used because this is the average OECD corrected household income in the sample.

The results show that respondents with a high level of education are more positive about SR products than other respondents. The same applies to respondents who are older than 40, although they perceive the availability of SR products to be lower. Females are generally more positive towards SR products than males, but they perceive SR products to be much less affordable than males.

An additional interesting result (not revealed in table 5.21) is that consumers who are religious are significantly more positive about Fair Trade products than the rest of the sample. The perception of buying these specific SR products as a moral duty is higher for these consumers. Furthermore, they think of the social problems that Fair Trade products try to alleviate as more important, of the product as more effective in alleviating this social problem and of themselves as more responsible for that social problem. Also, the perceived price fairness is higher for religious respondents. All differences reported here are significant for both Fair Trade SR products using  $\alpha = .05$ . This positive attitude towards Fair Trade products may be explained by the fact that 'Fair Trade' is originally a Christian initiative. Christian consumers, who constitute the majority of religious consumers in the sample (see table 5.12) may therefore sympathize more with Fair Trade initiatives.

### *Conclusion*

Strong support is found for the hypothesis that consumers think of the social problem that SR products aim to alleviate as important. The hypotheses stating that consumers perceive SR products to be effective in alleviating these social problems, that the perceived quality of SR products is better than that of non-SR products and that the availability of SR products is sufficient were modestly supported. Only weak support was found for the hypotheses that buying SR products is perceived as a moral duty, that consumers feel responsible for the social problems that SR products aim to alleviate, that consumers think of SR products as being affordable and that the price of SR products is fair. The hypothesis stating that relevant others approve of buying SR products was accepted nor rejected. The hypothesis stating that consumers feel good about themselves when buying SR products can be rejected based on the sample data.

The data further show that consumers generally have negative opinions about GreenSeat tickets. In addition, consumers seem to have somewhat more positive opinions about SR products related to animal welfare than about Fair Trade products.

Finally, it was found that the opinions about SR products differ across subgroups in the population. Especially age, the level of education and gender ('being female') have a (generally positive) effect on such opinions.

### *Additional findings*

An interesting additional finding is that the perception of buying an SR product as a moral duty is significantly correlated with the perception of buying other SR products as a moral duty. This means that, for example, if people think of buying Fair Trade coffee as a moral duty, this increases the likelihood that they will also think of buying organic meat (or other SR products) as a moral duty. Similar findings also resulted for the other variables. These correlation coefficients between the answers for the six SR products that were used as example are presented per variable in table 5.22. As can be seen, all coefficients are positive and significant. From this, it can be derived that consumers' opinions are quite similar across different SR products. Apparently, consumers have general attitudes and beliefs that influence how they think of all SR products (even combinations that include GreenSeat tickets show significant correlation coefficients, although these coefficients are lower than for other combinations). This effect is found to be even greater when looking at products that can be said to be in the same 'SR category': as table 5.22 shows, the highest correlation coefficients are found for the relationships between the answers for the two Fair Trade products and for the two products related to animal welfare (organic meat and free-range eggs).

### **5.5.3 Reasons for (not) buying SR products: A-hypotheses**

This section will discuss the 'a-hypotheses', which concern the effect of the variables on buying SR products. First, I discuss the strength of the bivariate relationships.

Table 5.23 presents an overview of the correlation coefficients for the relationships between the variables that are assumed to influence buying SR products and the self-reported buying behaviour of respondents. For the three columns with totals, averages of the answers relating to the relevant SR products were used. Spearman's partial rank correlation coefficient were used (because the dependent variable is ordinal), controlling for age, level of education and gender. I chose to control for these variables because these were shown to be correlated with the variables under investigation (see table 5.21).

In addition, table 5.23 shows the mean difference on a 5-point scale between the level of each variable for 'buyers' and for 'non buyers' of the SR product (see section 5.3 for definitions). In the columns with totals, respondents are defined as 'buyers' if they have bought at least one of the relevant SR products. Using this table as source of information, the 'a-hypotheses' are discussed.

Table 5.23 shows that nine out of the ten variables are significantly correlated with buying all SR products. Perceived availability is significantly related to buying only two of the six SR products and does therefore seem to be less important in explaining buying SR products. Only for buying FSC wood, the availability plays a relatively important role.

Table 5.22  
Bivariate correlation coefficients between answers for different SR products

	Moral duty	Feeling good	Important problem	Effective	Responsible	Relevant others	Affordable	Fair price	Quality	Availability
Fair Trade coffee & Organic meat	.75**	.73**	.58**	.51**	.76**	.88**	.88**	.74**	.30**	.67**
Fair Trade coffee & Free-range eggs	.70**	.70**	.57**	.63**	.77**	.87**	.84**	.71**	.30**	.66**
Fair Trade coffee & Fair Trade chocolate	.95**	.94**	.94**	.93**	.91**	.96**	.95**	.91**	.68**	.83**
Fair Trade coffee & GreenSeat tickets	.59**	.65**	.49**	.44**	.66**	.81**	.66**	.38**	N.A.	.53**
Fair Trade coffee & FSC wood	.65**	.68**	.52**	.62**	.69**	.85**	.72**	.65**	.33**	.50**
Organic meat & Free-range eggs	.86**	.88**	.82**	.73**	.87**	.92**	.85**	.86**	.66**	.69**
Organic meat & Fair Trade chocolate	.73**	.71**	.59**	.52**	.76**	.90**	.87**	.70**	.32**	.64**
Organic meat & GreenSeat tickets	.45**	.55**	.47**	.31**	.63**	.78**	.70**	.39**	N.A.	.49**
Organic meat & FSC wood	.62**	.67**	.58**	.53**	.71**	.85**	.77**	.64**	.33**	.58**
Free-range eggs & Fair Trade chocolate	.66**	.67**	.57**	.65**	.75**	.88**	.85**	.69**	.29**	.57**
Free-range eggs & GreenSeat tickets	.42**	.53**	.51**	.41**	.61**	.77**	.59**	.35**	N.A.	.41**
Free-range eggs & FSC wood	.66**	.65**	.55**	.61**	.70**	.85**	.68**	.60**	.35**	.54**
Fair Trade chocolate sprinkles & GreenSeat	.61**	.65**	.50**	.46**	.65**	.81**	.66**	.41**	N.A.	.55**
Fair Trade chocolate sprinkles	.64**	.68**	.52**	.62**	.69**	.84**	.72**	.63**	.30**	.45**
GreenSeat tickets & FSC wood	.54**	.62**	.47**	.41**	.58**	.73**	.74**	.42**	N.A.	.49**

\*\* = Significant using  $\alpha = .01$

Table 5.23

Spearman's partial rank correlation (controlled for age, gender and level of education)

Hyp.	Variable	Spearman's partial rank correlation coefficient (mean difference between buyers and non-buyers)									
		Buying Fair Trade coffee	Buying Organic Meat	Buying Free- range eggs	Buying Fair Trade chocolate sprinkles	Total score buying low- involvement SR products	Buying Green Seat ticket	Buying FSC wood	Total score buying high- involvement SR products	Total score buying SR products	
H2	Moral duty	.26** (0.70)**	.34** (0.65)**	.40** (0.69)**	.25** (0.89)**	.37** (0.51)**	.17** (0.41)**	.30** (0.45)**	.20** (0.20)	.33** (0.39)**	
H3	Feeling good	.25** (1.00)**	.33** (0.84)**	.40** (0.85)**	.19** (0.98)**	.36** (0.70)**	.18** (0.49)**	.22** (0.32)**	.16* (0.17)	.32** (0.52)**	
H4	Importance of social problem	.17** (0.53)**	.13** (0.27)**	.27** (0.46)**	.13** (0.57)**	.25** (0.40)**	.10* (0.38)**	.13** (0.13)	.07 (0.06)	.26** (0.32)**	
H5	Effectiveness	.24** (0.82)**	.23** (0.60)**	.36** (0.77)**	.20** (0.88)**	.34** (0.58)**	.13** (0.57)**	.24** (0.30)**	.18** (0.21)	.30** (0.41)**	
H6	Responsibility	.20** (0.70)**	.22** (0.58)**	.26** (0.57)**	.15** (0.81)**	.27** (0.50)**	.18** (0.64)**	.16** (0.21)	.21** (0.22)	.23** (0.34)**	
H7	Relevant others	.24** (0.75)**	.26** (0.57)**	.27** (0.54)**	.19** (0.62)**	.30** (0.50)**	.14** (0.50)**	.16** (0.25)**	.19** (0.36)**	.27** (0.37)**	
H8	Affordability	.15** (0.67)**	.17** (0.48)**	.29** (0.61)**	.11** (0.60)**	.20** (0.45)**	.17** (0.57)**	.30** (0.61)**	.22** (0.41)**	.19** (0.48)**	
H9	Price fairness	.20** (0.64)**	.23** (0.40)**	.27** (0.44)**	.16** (0.53)**	.24** (0.31)**	.16** (0.45)**	.11** (0.10)	.09 (0.01)	.19** (0.22)**	
H10	Quality	.22** (0.36)**	.37** (0.63)**	.39** (0.54)**	.21** (0.35)**	.41** (0.31)**	N.A.	.10* (0.09)	.10* (0.09)	.38** (0.23)**	
H11	Availability	.02 (0.14)	.02 (0.16)	.13** (0.27)**	-.03 (-0.16)	-.01 (-0.08)	.01 (0.12)	.23** (0.36)**	-.09 (-0.11)	-.02 (-0.10)	

\* = Significant using  $\alpha = .05$

\*\* = Significant using  $\alpha = .01$



The highest correlation coefficient in the column 'total' is found for quality. Also if only low-involvement SR products are regarded, quality perceptions show the highest correlation with buying SR products of all variables in table 5.23. Quality perceptions therefore seem to be an important determinant of buying SR products. However, the relationship is less strong (though still significant) for FSC wood<sup>18</sup>, which suggests that quality perceptions are more important for food than for non-food products.

Correlation coefficients are also found to be high for the variable moral duty (hypothesis 2), closely followed by feeling good when buying the SR product (hypothesis 3). This suggests that these are important arguments for (not) buying SR products. The difference between buyers and non-buyers is smallest for GreenSeat tickets and FSC wood. These variables therefore seem to be less useful for discrimination between buyers and non-buyers of high-involvement SR products than of low-involvement SR products. Additionally, it can be reported that these two variables are highly correlated with each other ( $r > .5$  for all six products). Apparently, consumers feel good about themselves when buying SR products to a large extent *because* they feel they are fulfilling their moral duty.

Also the perceived effectiveness of SR products in alleviating the social problem (hypothesis 5) is found to be highly correlated with buying SR products. Again, the difference in perceived effectiveness between buyers and non-buyers is lowest (but still significant) for GreenSeat tickets and FSC wood.

The variables importance, responsibility, relevant others, affordability and price fairness (hypotheses 4, 6, 7, 8 and 9, respectively) are all modestly correlated with buying SR products: all coefficients are significant, but do not exceed .3.

An additional finding is that perceived importance and price fairness (hypothesis 4 and 9, respectively) are not significantly related to the total score for buying high-involvement SR products, but are significantly related to each of the two high-involvement products that contribute this total. In order to understand this seemingly strange phenomenon, one has to realize that the value of the independent variables (such as perceived importance of the social problem and perceived price fairness) may differ between FSC wood and GreenSeat tickets. Indeed, for all SR products, the value of these independent variables was measured separately. An explanation for the insignificance of the relationship between perceived importance of the social problem and perceived price fairness on the one hand, and the total score for SR products on the other hand, may therefore be that respondents who find the social problems related to FSC wood important do not necessarily also find the social problems related to GreenSeat tickets important (and vice versa). Consequently, a total score for 'perceived importance' (and similarly for perceived price fairness) has little predictive power. Again, this shows that it is important to make a distinction between different SR products when studying reasons for (not) buying such products.

Table 5.23 further shows that of all six SR products, buying free-range eggs can be predicted best by the variables under investigation. All variables except for availability show highest correlation coefficients with buying free-range eggs. Availability is only

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<sup>18</sup> Note that GreenSeat tickets were not included in this specific analysis, because paying extra for a GreenSeat ticket does not change the product (it is still the same airplane).

more highly correlated with buying FSC wood. Note that 'free-range eggs' is also the SR product that is bought most often (see table 5.18) of the six products that were used in the questionnaire. It may therefore be the case that the arguments for (not) buying SR products can explain a larger *part* of the total variation in buying an SR product if there is more variation. An explanation may be that the arguments are suitable for explaining variance in attitude, but that this attitude is not translated into buying behaviour to the same extent for different SR products.

Moreover, table 5.23 shows that buying SR products related to animal welfare is more highly correlated with the variables under investigation than buying Fair Trade products. Two exceptions to this are the perceived importance of the social problem and the perceived effectiveness in alleviating the social problem, which are more highly correlated with buying Fair Trade coffee than with buying organic meat. Although consumers tend to think of SR products related to animal welfare as being more effective in solving a more important problem compared to Fair Trade products (see section 5.5.2), the findings here imply that if consumers think of Fair Trade products as being more effective and / or contributing to alleviating a more important problem, this will more readily result in buying such Fair Trade products compared to SR products related to animal welfare.

Buying GreenSeat tickets is generally most difficult to predict by means of the variables in table 5.23: lowest correlation coefficients are found for this SR product for six out of the ten variables.

Table 5.23 also shows the differences in the average score on each of the ten variables between buyers and non-buyers of the SR products. This difference is smallest for the high-involvement SR products in five out of ten cases. For seven out of the ten variables, this difference is smallest for FSC wood, and not significant in four out of these seven cases. From this, it can be concluded that the variables under investigation are more useful in distinguishing between buyers and non-buyers of low-involvement SR products compared to high-involvement SR products.

Finally, table 5.23 shows that the amount of variance in buying SR products that is explained by each of the ten variables is quite low<sup>19</sup>. This implies that a combination of variables is likely to influence buying SR products. In other words: there is not one single variable in 5.23 that can explain much of the variation in buying SR products on its own, and is therefore much more important than all other variables.

### *Conclusion*

In this section, reasons for (not) buying SR products were tested. Nine out of the ten variables that were assumed to influence buying SR products were indeed found to be significantly correlated with buying SR products. Only the perceived availability of SR products is not related to buying SR products. Highest correlation coefficients were found for the perceived quality, perception of buying SR products as a moral

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<sup>19</sup> The amount of variation explained (usually expressed by  $R^2$ , the square of Pearson's correlation coefficient) can be estimated by squaring the Spearman correlation coefficients presented in table 5.21 (Field, 2005).

duty, feeling good about yourself when buying SR products and the perceived effectiveness of the SR product in alleviating the social problem.

Furthermore, the variables under investigation are best able to predict buying SR products related to animal welfare (especially free-range eggs), and least able to predict buying high-involvement SR products.

Finally, there is not one single variable that showed to be much more important than the other variables: each variable may explain only a modest part of the total variation in buying SR products.

#### **5.5.4 Characteristics of buyers of SR products**

In this section, the hypotheses relating to the second research question are tested. It is thus studied whether the relevant variables can discriminate between buyers and non-buyers of SR products. Table 5.24 presents the correlation coefficients of the bivariate relationships between the various characteristics of the respondent and the self-reported buying behaviour.

For the independent variables with a ratio (or dichotomous) measuring level, table 5.24 presents the (biserial) Spearman's rank correlation coefficient, because the dependent variables have an ordinal measuring level. The relation between the categorical variables ('lifestyle' and 'political preference') on the one hand and buying SR products on the other hand is assessed by means of ordinal regression analyses, using dummy variables for the independent variable<sup>20</sup>. The two bottom rows of table 5.24 present the values of Nagelkerke pseudo-R<sup>2</sup> resulting from these analyses, and shows whether the models are significant.<sup>21</sup> All correlations in table 5.24 are controlled for age, level of education and gender.

Table 5.24 shows that only 'thinking about buying SR products' is strongly and significantly related to buying all of the SR products. Apparently, reflection about the possibility to buy SR products induces consumers to change their behaviour. Hypothesis 27 is therefore supported by the data<sup>22</sup>.

Furthermore, the level of education, being married and the amount of money that people donate to charity are weakly (not significantly) related to the total score for buying SR products. The relation between these three variables and buying low-involvement SR products is stronger than for high-involvement SR products.

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<sup>20</sup> Dummy variables take the value 1 for respondents with a certain lifestyle (or political preference) and the value 0 for all other respondents. The number of dummy variables equals the number of categories minus 1, as the last category is represented by all dummy variables taking the value 0 (Field, 2005).

<sup>21</sup> Nagelkerke pseudo R<sup>2</sup> is an estimate of (and can therefore be interpreted in the same way as) R<sup>2</sup> in normal regression models (Nagelkerke, 1991). The significance level of these models indicates the probability that the model is not better than the 'intercept only' model. Table 5.24 shows when this probability is below 5% (1%) with the symbol \* (\*\*).

<sup>22</sup> One may argue that the causality of this relationship can also be in the other direction (buying SR products leads to thinking about SR products). Furthermore, it can be argued that buying SR products requires thinking about it, and these variables are therefore too closely related to let one variable predict the other. On the other hand, table 5.23 shows that the correlation coefficients are not higher than .45, implying that no more than 20.25% of the variation in buying SR products can be explained by thinking about it, or vice versa. In addition, chapter four led to qualitative indications of a causality from thinking to buying as stated in hypothesis 27.

Table 5.24  
Correlation between buyers' characteristics and buying SR products

Hyp.	Variable	Buying Fair Trade Coffee	Buying Organic Meat	Buying Free-range eggs	Buying Fair Trade chocolate sprinkles	Total low-involv. products	Buying Green Seat tickets	Buying FSC Wood	Total high-involv. products	Total buying SR products
H12	Income <sup>a</sup>	.01	.12	-.04	-.08	-.03	.03	.11	.10	.00
H13	Age <sup>a</sup>	.19*	.09	.06	.03	.13	.00	-.06	-.05	.07
H14	Level of education <sup>a</sup>	.15	.16	.09	.22*	.20*	.02	-.01	-.00	.15
H15	Being married <sup>a</sup>	-.13	-.22**	-.08	.02	-.16*	-.06	-.02	-.05	-.14
H16	Gender <sup>a</sup> (female)	.12	-.10	.12	-.10	.06	.01	-.17*	-.13	-.03
H17	Locus of control <sup>a</sup>	-.05	.06	-.01	-.10	-.02	-.06	-.03	-.06	-.05
H20	Donating to charity <sup>a</sup>	.21**	.10	.10	.01	.17*	.07	.00	.04	.14
H21	Being religious <sup>a</sup>	.01	.01	.01	-.03	.01	.07	-.13	-.10	-.05
H22	Watching TV <sup>a</sup>	.07	.12	.03	.05	.09	-.06	.10	.04	.09
H23	Reading newspapers <sup>a</sup>	.15*	.10	.04	.18*	.11	.09	.03	.06	.08
H27	Thinking about buying SR products	.30**	.36**	.40**	.29**	.37**	.32**	.45**	.37**	.37**
H18	Lifestyle <sup>b</sup>	R <sup>2</sup> = .11**	R <sup>2</sup> = .07**	R <sup>2</sup> = .07**	R <sup>2</sup> = .14**	R <sup>2</sup> = .10**	R <sup>2</sup> = .07	R <sup>2</sup> = .03	R <sup>2</sup> = .07	R <sup>2</sup> = .09**
H19	Political preference <sup>b</sup>	R <sup>2</sup> = .10**	R <sup>2</sup> = .05**	R <sup>2</sup> = .06**	R <sup>2</sup> = .17**	R <sup>2</sup> = .08**	R <sup>2</sup> = .06	R <sup>2</sup> = .04	R <sup>2</sup> = .07	R <sup>2</sup> = .08**

\* = Significant using  $\alpha = .05$

\*\* = Significant using  $\alpha = .01$

a = Table shows Spearman's partial rank correlation coefficients, controlled for age (except for H13), level of education (except for H14) and gender (except for H16)

b = Table shows Nagelkerke pseudo-R<sup>2</sup> resulting from an ordinal regression analysis using dummy variables as independent variables, controlled for age and level of education

However, these correlations are not significant for all four low-involvement SR products that were used in the questionnaire. Hypotheses 14 and 20, stating that level of education and the amount that people donate to charity are positively related to buying SR products, are therefore partly supported. For marital status, the sign of the significant correlations is opposite from what was stated in the hypotheses. An additional analysis shows that 'cohabitating with a steady partner' is also negatively correlated to buying SR products (bivariate correlation coefficients between  $-.018$  and  $-.096$ ). Hypothesis 15 is therefore not supported by the data. Rather, the claim that married people buy *less* SR products than others is partly supported by the data. A reason for this may be that married people live in households with an above-average size (a t-test confirms this). This means that more products will be bought by the household, which also increases the number of times that the price premium for SR products would have to be paid. This may therefore decrease the incentive to buy such products. The relationship between household size and buying SR products is negative for all six SR products, but is only significant for organic meat ( $r = -.09$ ) and free-range eggs ( $r = -.12$ ).

Furthermore, respondents who read more newspapers buy significantly more Fair Trade products. The effect is still significant (though less strong) after correcting for level of education. The correlation coefficients have the expected sign for all SR products. Hypothesis 23 is therefore partly supported by the findings.

Furthermore, table 5.24 shows that political preference and lifestyle are significantly related to the total score for buying SR products. However, these relationships are only significant for low-involvement SR products. The findings therefore partly support hypotheses 18 and 19.

In order to provide more insight in the relationship between lifestyle and buying SR products, table 5.25 presents the average score for buying SR products for each of the eight lifestyle groups that were defined. The highest three scores in each column are printed in bold to facilitate the interpretation of this table. The respondents with the lifestyles 'open minded', 'organics' and 'demanding' generally buy more SR (especially low-involvement) products than other consumers. Interestingly, these lifestyles are all positioned on the lower half of the 'lifestyle spectrum', as appendix F shows. According to this lifestyle model, these consumers are more focused on 'being' than on 'having'. They are said to be more helpful, more focused on personal relationships and less self-interested and focussed on wealth and status than consumers in the upper half of the spectrum. Indeed, table 5.25 shows that 'homebodies' and 'dreamers', who are both positioned in the upper half of the spectrum, are generally not likely to buy SR products. These findings therefore provide further support for the claim that the variable 'lifestyle' is related to buying (especially low-involvement) SR products.

Table 5.25

Average score for buying SR products for different lifestyle groups<sup>a</sup>

Lifestyle	Fair Trade Coffee	Org. Meat	Free-range eggs	Fair Trade choc. spr.	Total low-involv. prod.	Green Seat tickets	FSC Wood	Total high-involv. prod.	Total
Settled	1.17	1.24	1.85	1.00	1.35	<b>1.45</b>	1.95	1.76	1.40
Homebodies	1.05	1.16	1.67	1.04	1.25	1.26	2.18	1.75	1.34
Dreamers	1.08	1.27	1.85	1.04	1.37	1.03	2.08	1.50	1.41
Adventurers	1.11	1.30	1.88	1.06	1.43	1.35	<b>2.61</b>	<b>1.93</b>	1.54
Open-minded	<b>1.31</b>	<b>1.57</b>	<b>2.51</b>	<b>1.15</b>	<b>1.74</b>	1.37	<b>2.42</b>	<b>1.89</b>	<b>1.80</b>
Organics	<b>1.33</b>	<b>1.54</b>	<b>2.50</b>	1.11	<b>1.64</b>	<b>1.67</b>	<b>2.56</b>	<b>2.31</b>	<b>1.71</b>
Rational-realists	1.13	1.35	1.91	<b>1.17</b>	1.39	<b>1.67</b>	2.05	1.63	1.45
Demanding	<b>1.44</b>	<b>1.53</b>	<b>2.49</b>	<b>1.26</b>	<b>1.70</b>	1.39	2.28	1.67	<b>1.71</b>

<sup>a</sup> The three highest scores per column are printed in bold to facilitate interpretation.

An additional interesting finding related to political preference is that respondents who indicated to have a political preference (regardless of which preference) buy on average more of all six SR products than respondents without political preference. The difference is significant for Fair Trade coffee, chocolate sprinkles and GreenSeat tickets ( $\alpha = .05$ ). This result indicates that the level of involvement in politics influences buying SR products. Furthermore, the analyses show that people who have the political preference 'Groen Links' (a left-wing party with strong emphasis on environmental issues) buy significantly more SR products than other people ( $\alpha = .05$ , calculated using the Mann-Whitney test, which can be used for differences between two groups of ordinal variables (Field, 2005)). Moreover, people who have the political preference 'SGP' (a Christian reformed party) buy significantly less of all SR products than the rest of the sample ( $\alpha = .05$ ). For none of the other political preferences, significant deviations from the rest of the sample were found.

Table 5.24 shows no significant correlations between income and buying SR products (age, level of education and gender were controlled for in the analysis for a proper interpretation of this finding). This is an interesting result, as one may expect people with a higher income to be better able to pay the price premium that is demanded for SR products, and therefore to buy more SR products. Hypothesis 12 is therefore not supported by the data.

Furthermore, some weak support for the statement that age is positively related to buying SR products was found. This relationship is significant for Fair Trade coffee. Hypothesis 13 is therefore not supported, as the relationship between age and buying SR products was assumed to have the opposite sign.

The sign of the relationship between gender and buying SR products varies across the different SR products. Only for buying FSC wood, the relation with gender is found to be significant: men seem to buy significantly more FSC wood than females. An explanation may be that men buy more wood than women, with a certain part of that wood being FSC wood. Again, this finding is opposite from what hypothesis 16 predicted. This hypothesis is therefore not supported by the data.

Also hypothesis 17 is not supported by the findings: none of the relationships between locus of control and buying SR products was found to be significant, and the sign of the relationships is not consistent across products. The same goes for hypothesis 21, which concerns 'being religious' and for hypothesis 22, which is related to the amount of time that consumers spend watching TV.

In addition to the question about the amount of money that respondents donate to charity, respondents were asked to what type of charity they donate money (question 15 of the questionnaire). Table 5.26 shows the results, and also shows whether respondents who donate to a type of charity buy significantly more SR products than others (using the Mann-Whitney test). It is interesting to see that the type of charity that people donate money to is related to the type of SR products they buy. For example: people who donate money to causes in developing countries buy significantly more Fair Trade products than others, whereas this relationship is not found for people who donate money to support animal welfare. However, these consumers buy significantly more organic meat and free-range eggs (and also more GreenSeat tickets and FSC wood).

Table 5.26  
*Types of charity and buying SR products*

<i>Type of charity</i>	Freq.	FT coffee	Org. Meat	Free-range eggs	FT choc spr.	Total SR conv. prod.	Green Seat tickets	FSC Wood	Total high price prod.	Total SR prod.
International help	300	*			*					
Health and schools in dev. countries	382	*			*	*				*
Animal welfare	299		*	*		*	*	*	*	*
The environment	386	*	*	*		*	*	*	*	*
Health care	598			*						
Culture and well-being	139			*		*				
Other	257									

\* = Significantly more than people who do not donate to this type of charity ( $\alpha = .05$ )

### *Miscellaneous data*

In this section, the relationships between additional variables obtained from the database of GfK (see section 5.3) and SR buying behaviour are tested. These analyses are not used to test hypotheses, but rather have an exploratory nature.

### *Employment status and working hours per week*

No significant differences in buying SR products between employed and unemployed respondents are found. Also, there are no significant differences between self-employed respondents and those on a payroll. Finally, differences in buying SR products between respondents with a full-time job and others were also not found.

### *Internet use*

The number of hours that people use the internet per day is not related to buying any of the SR products that were used as example in the questionnaire, except for Fair Trade coffee. For this product, a significant negative relationship between time spent on the internet and buying it is found, but the relationship is weak:  $r = -.07$ .

### *Listening to the radio*

The time per day that consumers listen to the radio does not have a significant influence on buying SR products. Additionally, time spent listening to the radio is significantly negatively related to the level of education ( $r = -.19$ ). This suggests that 'blue collar workers' listen to background music during their work more often than 'white collar workers'.

Conversely, the favourite radio station of respondents does seem to be related to buying SR products: listeners of radio stations with mainly news and documentaries (Radio 1 and BNR News Radio) buy significantly more low-involvement SR products than others, with correlation coefficients ranging from .08 to .11. This result provides further support for the suggestion that people who are more 'involved' in society buy more SR products.

### *Subjective wellbeing*

The score for subjective wellbeing is not significantly related to buying any of the SR products. Individually felt happiness does therefore not seem to be an important condition for (or: determinant of) buying SR products.

### *Interest in topics*

Interest in several topics was found to be related to buying SR products. Table 5.27 presents the Spearman's correlation coefficients for these relationships. For the topics that are not mentioned in table 5.27, no significant relationships were found. Buyers of SR products are significantly more interested in some aspects of human society (e.g. history, culture and literature) but less in others (such as celebrities). They are also significantly more interested in animals and the environment, and in activities such as gardening and cooking (the latter finding may be explained by a higher perceived quality of organic meat and free-range eggs). However, these findings are especially based on buyers of low-involvement SR products. Buyers of high-involvement SR products are significantly more interested in the environment



and in gardening, but not in any of the other topics in table 5.27. Note that this may be explained by the type of high-involvement SR products that were used as example, as these both have a social goal related to the environment.

Furthermore, interest in religion is significantly related to buying Fair Trade products, but not to any of the other SR products. As was mentioned before, this may be explained by the fact that Fair Trade was originally a Christian initiative.

Interest in animals is significantly positively related to buying SR products that have a social goal related to animal welfare (organic meat and free-range eggs), but not to buying any of the other SR products that were used as example. Apparently, the interests of consumers influence their buying behaviour regarding SR products.

Table 5.27

*The relationship between topics of interest and buying SR products (Spearman's rho)*

	Fair Trade Coffee	Organic Meat	Free-range eggs	Fair Trade choc. spr.	Total low-involv. prod.	Green Seat tickets	FSC Wood	Total high-involv. prod.	Total score
The environment	.15**	.17**	.17**	.07	.20**	.17**	.15**	.23**	.22**
Religion	.08*	.05	.05	.09*	.06	.06	-.08	-.05	.05
History	.12**	.12**	.09**	.14**	.15**	.05	.06	.07	.15**
Culture	.15**	.18**	.17**	.20**	.23**	.03	.03	.01	.21**
Literature	.13**	.15**	.13**	.18**	.18**	.02	.03	.03	.17**
Cars and motorcycles	-.11**	-.03	-.06	-.10**	-.09**	.09	.04	.02	-.03
Cooking	.00	.12**	.13**	.10**	.15**	.06	.08	.13	.16**
Animals	.04	.11**	.13**	.01	.13**	.06	.06	.09	.13**
Celebrities	-.10**	-.06	-.04	-.09*	-.09**	.03	-.10*	-.08	-.09**
Gardening	.06	.10**	.09**	.05	.10**	.09	.14**	.15*	.13**

\* = Significant using  $\alpha = .05$

\*\* = Significant using  $\alpha = .01$

#### *Conclusion: profile of buyers of SR products*

Generally, the findings are consistent with findings from previous studies, which are inconclusive about the influence of socio-demographic variables on buying SR products (sometimes weak, sometimes no relationships are found). Also in the present study, only weak and partial support for some of these hypotheses is found. Furthermore, the explanatory power of such individual variables is rather low. This implies that buying SR products depends only to a minor extent on socio-demographic characteristics, none of which (at least none of those under investigation in this study) has much more predictive power than any of the other variables.

Nevertheless, based on the analyses, some remarks about the characteristics of buyers of SR products can be made. They seem to be somewhat higher educated and older than the average consumer. Also, they are more likely to be unmarried, and to donate an above-average amount of money to charity. Moreover, they seem to be more 'involved' in society: buyers are more likely to have a clear political preference (which is relatively often 'Groen Links'), read more newspapers and listen to radio stations that broadcast news and documentaries more often. Furthermore, they are especially interested in the environment, culture, literature, cooking, gardening and animals, but have relatively little interest in celebrities. Most important, however, is that they have thought about the option to buy SR products more often than 'non-buyers'. This reflection on the possibility to buy SR products seems to contribute to actually buying SR products. This indicates that many consumers have not (yet) formed an opinion about buying SR products, and do not buy such products in this case. This would imply that 'not buying SR products' is the normal thing to do, and 'buying SR products' generally only happens after a consumer has consciously chosen to do so. Thinking about buying SR products therefore increases the probability that a consumer will buy SR products. Note that these findings further supports similar findings from the qualitative study (see chapter 4).

Buyers of SR products are more likely to be found in the lifestyle categories 'open minded', 'organics', and 'demanding'. They are less likely to be found in the lifestyle categories 'settled', 'homebodies' and 'dreamers' (see appendix F for a description of the lifestyle categories). Generally, the amount of variation explained by this variable is quite low. Nevertheless, it can still contribute modestly to explaining the variation in buying low-involvement SR products.

### ***5.5.5 Characteristics of consumers with a positive attitude towards buying SR products***

In section 5.5.4, relationships between a large number of socio-demographic variables on the one hand and buying SR products on the other hand were tested. It was found that such relationships are generally weak or non-identifiable. One possible explanation for this may be the fact that SR products are not bought often (see table 5.18), leading to little variation in the dependent variable. An important omission in these analyses is that no difference is made between consumers who have a negative attitude towards buying SR products (and therefore not buy them) and consumers who have a positive attitude towards buying SR products but also do not buy them. However, this distinction is relevant, because it can be assumed that it is easier to give consumers with a positive attitude towards SR products 'the last push' so that they will buy SR products than convincing consumers with a negative attitude towards SR products to buy them. In other words: if groups of consumers can be identified that have a more positive attitude towards buying SR products, this is –next to theoretically interesting- useful for targeting purposes. Therefore, relationships between socio-demographic variables on the one hand and the attitude towards buying SR products on the other hand are tested.

The attitude towards buying the six SR products that are used throughout this study is measured by means of one question per SR product: to what extent do

respondents agree with the statement “I think it is a positive thing that people buy X” (where the relevant SR product is mentioned instead of X). Although the use of one question to measure attitude is unconventional, Bergkvist and Rossiter (2007) show that there is no difference in the predictive validity of multiple-item and single-item measures, and recommend the use of single-item measures. An added advantage is that it limits the length of the questionnaire. Answers were given on a 5-point Likert scale. Table 5.28 gives an overview of the results, and shows that the attitude towards buying SR products is generally more positive than what may be expected based on the buying behaviour in the sample.

Table 5.28  
*Attitudes towards buying SR products*

	Disagree very much 1	I somewhat disagree 2	Neutral 3	I somewhat agree 4	Agree very much 5	Average score on 5- point scale
Fair Trade coffee	10	33	228	375	324	3.77**
Organic Meat	25	24	292	369	320	3.91**
Free range eggs	17	27	253	348	385	4.03**
Fair Trade chocolate sprinkles	14	30	321	365	300	3.88**
GreenSeat tickets	89	105	330	275	231	3.44**
FSC wood	10	15	194	367	444	4.18**

\*\* Significantly different from the neutral score (3) using  $\alpha = .01$ .

First, bivariate correlations between socio-demographic variables and the attitude towards buying SR products were analysed. Table 5.29 presents the results, and reveals several interesting findings. Generally, it can be said that the power of the socio-demographic variables that are used to predict attitude towards buying SR products is higher than their power to predict actual buying behaviour. The variables that showed to be significantly correlated to buying SR products are also significantly correlated to the attitude towards buying SR products. As in the previous analyses, some of the variables show not to be useful in these analyses (e.g. age, income, being married and reading newspapers). On the other hand, some variables are significantly correlated to the attitude towards buying SR products although there generally was no significant relationship in the analyses with actual buying behaviour as dependent variable. This applies to level of education (a higher level of education correlates with a more positive attitude), gender (females have a more positive

attitude) and watching TV (which has a negative influence on the attitude). Furthermore, the locus of control and 'being religious' are more important in these analyses as well. A more internal locus of control leads to a more positive attitude (significant for half of the SR products). Being religious has the same effect (significant for four of six SR products). The influence of lifestyle and political preference on the attitude towards buying SR products is comparable to their influence in the analysis that uses actual buying behaviour as dependent variable. Finally, it is found that also in this analysis 'thinking about buying SR products' is positively correlated with having a positive attitude towards buying SR products.

From these findings, it can be concluded that female consumers, higher educated consumers and consumers watching less TV than the average consumer are more likely to have a positive attitude towards buying SR products. For some SR products, consumers who are religious and consumers with an internal locus of control also have a more positive attitude towards buying them.

The finding that having a positive attitude towards buying SR products is positively correlated with donating money to charity is interesting, as it supports the notion that consumers have a general attitude towards 'being social', and do not substitute one social activity for another. This corresponds with the finding that buying SR products is complementary to buying other SR products.

#### **5.5.6 Factor analyses: arguments for (not) buying SR products**

In this section, I set out to identify correlation between arguments for (not) buying SR products (represented by the variables in table 5.20). Such correlation suggests that those variables could be measuring aspects of the same underlying latent variables (Thompson, 2004). By using exploratory factor analyses, two goals will be achieved: (1) better understanding the structure of the variables used in this study; and (2) reducing the number of variables to a more manageable size while retaining as much of the original information as possible.

The fact that all variables were measured individually for each of the six SR products that were used as example provides the opportunity to carry out six factor analyses. Comparing the results of these analyses gives an indication of the extent to which they are robust across different SR products.

Conducting the factor analyses is done following the procedure suggested by Field (2005). A first step is to create a correlation matrix to see how the variables are related. Table 5.30 presents this matrix For Fair Trade coffee. The matrices for the other SR products can be found in appendix G. Total scores are determined by averaging the scores for the different relevant questions<sup>23</sup>. The matrices show that there is no extreme multicollinearity (very high correlation) or singularity (perfect correlation) between the variables (this can also be derived from the fact that the determinants of the correlation matrices are all greater than the required 0.00001). Consequently, none of the variables is excluded from the analyses.

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<sup>23</sup> E.g. the total score for 'the perception of buying low-involvement SR products as a moral duty' was determined by averaging the answers to the questions about the perception of buying Fair Trade coffee, chocolate sprinkles, organic meat and free-range eggs as a moral duty.

Table 5.29

*Correlation between buyers' characteristics and buying SR products*

Variable	Attitude towards buying Fair Trade Coffee	Attitude towards buying Organic Meat	Attitude towards buying Free-range eggs	Attitude towards buying Fair Trade chocolate sprinkles	Attitude towards buying Green Seat tickets	Attitude towards buying FSC Wood
Income <sup>a</sup>	.03	.06	.04	.03	.02	.08*
Age <sup>a</sup>	-.03	-.06	.22	-.04	.03	.02
Level of education <sup>a</sup>	.17**	.19**	.11**	.16**	.07*	.16**
Being married <sup>a</sup>	-.02	-.07	-.03	-.03	.02	-.01
Gender <sup>a</sup> (female)	.15**	.14**	.14**	.13**	.12**	.07*
Locus of control <sup>a</sup>	-.08**	-.07**	-.03	-.08**	-.01	-.05
Donating to charity <sup>a</sup>	.20**	.15**	.15**	.19**	.12**	.17**
Being religious <sup>a</sup>	.09**	.04	.07*	.08**	.07*	.03
Watching TV <sup>a</sup>	-.10**	-.08*	-.07*	-.10**	-.08**	-.07*
Reading newspapers <sup>a</sup>	.04	.03	.06	.04	-.03	.04
Thinking about buying SR products	.34**	.28**	.29**	.27**	.06	.25**
Lifestyle <sup>b</sup>	.08**	.07**	.06**	.08**	.05**	.06**
Political preference <sup>b</sup>	.05**	.04**	.04**	.04**	.04**	.06**

\* = Significant using  $\alpha = .05$ \*\* = Significant using  $\alpha = .01$ 

a = Table shows Spearman's partial rank correlation coefficients, controlled for age (except for H13), level of education (except for H14) and gender (except for H16)

b = Table shows Nagelkerke pseudo-R<sup>2</sup> resulting from an ordinal regression analysis using dummy variables as independent variables, controlled for age and level of education

Table 5.30  
Correlation between variables (Fair Trade coffee)

	1	2	3	4	5	6	7	8	9
2	.49**								
3	.42**	.52**							
4	.40**	.45**	.39**						
5	.16**	.21**	.19**	.24**					
6	.00	-.04	-.02	.03	.04				
7	.39**	.46**	.42**	.43**	.27**	.06**			
8	.35**	.38**	.37**	.40**	.27**	.04	.54**		
9	.07*	.11**	.07*	.05	.00	-.09**	.15**	.14**	
10	.28**	.42**	.31**	.29**	.19**	-.08**	.40**	.37**	.21**

\* = Significant using  $\alpha = .05$

\*\* = Significant using  $\alpha = .01$

1 = Perception of buying Fair Trade coffee as a moral duty

2 = Feeling good about oneself when buying Fair Trade coffee

3 = Perceived importance of the social problems of coffee farmers

4 = Perceived effectiveness of Fair Trade coffee in solving the social problem

5 = Perceived own responsibility for the social problem of coffee farmers

6 = Perceived opinion of relevant others

7 = Perceived affordability of Fair Trade coffee

8 = Perceived price fairness of Fair Trade coffee

9 = Perceived quality of Fair Trade coffee

10 = Perceived availability of Fair Trade coffee

Next, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is considered. A value of close to 1 implies that patterns of correlation are relatively compact and factor analysis should therefore yield distinct and reliable factors. Kaiser (1974) recommends accepting values between .7 and .8 as good and values between .8 and .9 as excellent. For the data of the present study, the KMO measure is between .87 and .90 for all six SR products and the totals. Factor analysis can therefore said to be appropriate for these data.

Also Bartlett's test of sphericity (testing a null hypothesis that states that there is no correlation in the matrix) has a significance value of below 0.001 for all six SR products and for the totals, further supporting the claim that factor analyses are appropriate.

The factor analyses are run using principal component analysis as the extraction method. This method seeks a linear combination of variables such that the maximum variance is extracted from the variables. It then removes this variance and seeks a second linear combination which explains the maximum proportion of the remaining variance, and so on (Field, 2005).

The eigenvalues of the 10 initial factors (there should be as many initial factors as variables) are ranked from high to low in a 'scree plot'. Figure 5.6 presents the scree plot for Fair Trade coffee. For the other SR products and for the totals, the scree plots can be found in appendix G. The eigenvalues associated with each factor represent the variance explained by that particular component. By graphing them, the relative importance of each factor becomes apparent. Typically, there will be a few

factors with quite high eigenvalues, and many factors with relatively low eigenvalues. Jolliffe (1986) argues that all factors with eigenvalues above 0.7 should be retained, as these represent a substantial amount of variation. However, the criterion set by Kaiser (1960) that factors with an eigenvalue above 1 should be retained is more commonly used. In the present study, this implies the use of two factors in all the analyses. Cattell (1966) argued that the cut-off point for selecting factors should be at the point of inflexion of this curve. Stevens (1992) argues that with a sample of more than 200 participants, the scree plot indeed provides a fairly reliable criterion for factor selection. For the present study, this also implies the use of two factors for all analyses. Consequently, two factors are used.

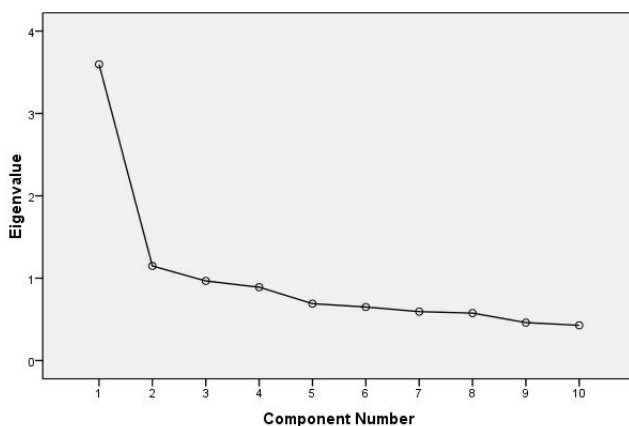


Figure 5.6: Scree plot from the factor analysis (Fair Trade coffee)

Factor rotation is used to better discriminate between the factors. Rotating the axes in the factor space can lead to the nature of the underlying constructs becoming more obvious. As the original location of the axes is completely arbitrary, the axes can indeed be rotated in every possible way (Thompson, 2004). However, the 90 degrees angle between the factors is maintained, so that the rotated factors will remain uncorrelated. This procedure is referred to as 'orthogonal rotation'. Different forms of orthogonal rotation are possible. The most common method is chosen: varimax rotation. This type of rotation attempts to maximize the dispersion of loadings within factors, resulting in more interpretable clusters of factors. Table 5.31 presents the loading of the 10 variables on the two factors (which are obviously the two factors with the highest eigenvalue) for all analyses. Loadings above 0.4 are printed in bold to facilitate the interpretation of the table. In addition, table 5.31 shows the amount of variance in each variable (out of a total of 1) that can be explained by the retained factors ('communalities').

Table 5.31 shows that the variables that are related to the affordability and the availability of SR products load strongly on factor 2 (and not on factor 1). Both of these variables are related to the investment that consumers have to do in order to buy the SR product (either a financial investment or a time investment). The

underlying dimension of factor 2 can therefore be said to be related to the costs (but note that a higher factor score means lower perceived costs). Of these two variables, the affordability seems to be somewhat more important than the availability, especially for high-involvement SR products.

Furthermore, the analyses show that the eight other variables have a reasonable to high loading on factor 1. The underlying dimension can be said to be related to the social responsibility of the SR product. For example, a consumer might make the following 'social' statement: *"My family and I feel good about ourselves when buying Fair Trade coffee, because we believe it is our moral duty to take an effective step in alleviating an important social problem for which we are responsible."* Furthermore, 'feeling good' and 'effectiveness' are found to have the highest factor loadings, implying that these have a large influence on the factor score of factor 1. The influence of 'perceived quality', on the other hand, is lowest of all variables for all analyses.

It is concluded that the two most important factors underlying the arguments for (not) buying SR products are (1) *the perceived social responsibility* and (2) the (low) *costs*. This finding reveals the core of the trade-off that consumers make when they consider to buy SR products: there is a perception of the overall social responsibility of buying the product on the one hand and costs (in time and money) to buy the SR product on the other hand. The perceived social responsibility relative to the perception of the magnitude of the costs determines whether respondents buy the SR product or not.

#### *Factor analysis: Conclusion*

In executing factor analyses for each of the six SR products that were used as example in the questionnaire and for the totals, similar results are found. In all the analyses, the same two underlying dimensions are obtained. Convergent validity can therefore be said to be high. All variables load strongest on the first factor, except for the perceived availability and the perceived affordability of the SR product, which load strongest on the second factor. The first factor is labelled 'perceived social responsibility', and the second factor (low) 'costs' (time- and money wise) of buying the SR product. The analyses show that 'effectiveness' and 'feeling good' have the largest influence on the first factor, and 'quality' has least influence. Affordability seems to have somewhat more influence on the second factor than availability, especially for high-involvement SR products.

Based on the factor loadings, the regression method is used to determine standardized factor scores per product and total scores for each respondent. This method is used in order to stabilize variable variances across the variables (Field, 2005).



Table 5.31  
Component matrices of factor analyses

	Fair Trade coffee			Organic Meat			Free-range eggs			Fair Trade chocolate sprinkles			Total conv. prod.		
	F1	F2	C	F1	F2	C	F1	F2	C	F1	F2	C	F1	F2	C
<i>Eigenvalue</i>	3.596	1.148		3.648	1.151		4.039	1.136		3.6	1.085		4.036	1.125	
Moral duty	<b>0.70</b>	0.05	0.49	<b>0.70</b>	0.17	0.51	<b>0.70</b>	0.21	0.53	<b>0.68</b>	0.12	0.48	<b>0.70</b>	0.10	0.50
Feeling good	<b>0.75</b>	0.05	0.57	<b>0.76</b>	0.14	0.59	<b>0.77</b>	0.16	0.62	<b>0.74</b>	0.09	0.55	<b>0.77</b>	0.06	0.60
Importance of problem	<b>0.67</b>	0.06	0.44	<b>0.62</b>	-0.24	0.44	<b>0.68</b>	-0.09	0.47	<b>0.67</b>	-0.10	0.46	<b>0.69</b>	-0.10	0.49
Effectiveness	<b>0.75</b>	-0.05	0.58	<b>0.73</b>	-0.09	0.54	<b>0.80</b>	0.00	0.65	<b>0.76</b>	-0.09	0.59	<b>0.81</b>	0.03	0.65
Responsibility	<b>0.69</b>	0.04	0.48	<b>0.68</b>	-0.10	0.47	<b>0.70</b>	-0.06	0.50	<b>0.71</b>	-0.01	0.51	<b>0.71</b>	-0.02	0.50
Relevant others	<b>0.70</b>	0.16	0.49	<b>0.69</b>	-0.10	0.49	<b>0.71</b>	-0.04	0.31	<b>0.72</b>	-0.05	0.52	<b>0.72</b>	-0.08	0.53
Affordability	0.21	<b>0.69</b>	0.49	0.15	<b>0.73</b>	0.56	0.21	<b>0.72</b>	0.37	0.10	<b>0.77</b>	0.60	0.15	<b>0.72</b>	0.55
Price fairness	<b>0.57</b>	-0.30	0.47	<b>0.59</b>	0.275	0.46	<b>0.62</b>	0.28	0.53	<b>0.56</b>	0.33	0.50	<b>0.60</b>	0.37	0.50
Quality	<b>0.44</b>	0.28	0.25	<b>0.57</b>	0.25	0.41	<b>0.58</b>	0.18	0.55	<b>0.40</b>	-0.07	0.17	<b>0.59</b>	0.07	0.37
Availability	0.00	<b>-0.70</b>	0.49	0.15	<b>-0.56</b>	0.33	0.11	<b>-0.71</b>	0.46	0.12	<b>-0.56</b>	0.32	0.14	<b>-0.67</b>	0.47

F1 = Factor 1

F2 = Factor 2

C = Communalities

Table 5.31  
Component matrices of factor analyses (continued)

	GreenSeat tickets			FSC wood			Total high inv. prod.			Total SR products		
	F1	F2	C	F1	F2	C	F1	F2	C	F1	F2	C
<i>Eigenvalue</i>	3.467	1.112		3.426	1.176		3.631	1.156		4.064	1.129	
Moral duty	<b>0.71</b>	0.03	0.50	<b>0.70</b>	0.24	0.54	<b>0.70</b>	0.11	0.50	<b>0.70</b>	0.08	0.50
Feeling good	<b>0.76</b>	-0.07	0.58	<b>0.71</b>	0.17	0.54	<b>0.74</b>	0.11	0.56	<b>0.77</b>	0.08	0.59
Importance of problem	<b>0.57</b>	0.31	0.43	<b>0.52</b>	-0.03	0.27	<b>0.61</b>	-0.16	0.39	<b>0.70</b>	-0.10	0.50
Effectiveness	<b>0.76</b>	0.11	0.59	<b>0.74</b>	0.08	0.55	<b>0.78</b>	-0.02	0.61	<b>0.82</b>	0.00	0.67
Responsibility	<b>0.71</b>	0.11	0.52	<b>0.71</b>	-0.04	0.51	<b>0.73</b>	-0.05	0.54	<b>0.72</b>	-0.03	0.52
Relevant others	<b>0.65</b>	0.27	0.50	<b>0.71</b>	-0.10	0.51	<b>0.70</b>	-0.17	0.52	<b>0.73</b>	-0.11	0.54
Affordability	0.17	<b>0.86</b>	0.21	0.12	<b>0.76</b>	0.59	0.11	<b>0.79</b>	0.64	0.13	<b>0.76</b>	0.59
Price fairness	<b>0.68</b>	-0.16	0.76	<b>0.54</b>	0.31	0.39	<b>0.61</b>	0.25	0.43	<b>0.61</b>	0.34	0.48
Quality				<b>0.49</b>	-0.14	0.26	<b>0.43</b>	-0.17	0.22	<b>0.60</b>	0.03	0.37
Availability	0.14	<b>-0.43</b>	0.49	0.10	<b>-0.66</b>	0.45	0.13	<b>-0.60</b>	0.37	0.14	<b>-0.64</b>	0.43

F1 = Factor 1

F2 = Factor 2

C = Communalities

### 5.5.7 Multivariate analyses

In this section, the factors and variables discussed in the previous sections are combined into multivariate models. The dependent variable of these models is 'having bought SR products in the recent past', in dichotomous form (yes / no)<sup>24</sup>. For the six SR products, the value '1' ('0') implies that the respondent has (not) bought the SR product in the recent past. For the total scores, the value '1' ('0') implies that the respondent has (not) bought at least one of the relevant SR products.

A logistic regression model is used. Such a model can be used to predict an outcome variable that is a categorical dichotomy using predictor variable that are continuous or categorical (Field, 2005). The general form of this equation is the following:

$$P(Y) = \frac{1}{1 + e^{-(b_0 + b_1x_1 + b_2x_2 + \dots + b_nx_n)}} \quad (5.1)$$

P(Y) refers to the probability of Y (in this case: buying an SR product) occurring. As such, the value resulting from the equation is a probability that varies between 0 and 1. The parameters  $b_0$  through  $b_n$  are estimated by fitting models, based on the available predictors, to the sample data. More specifically, the parameters are estimated using maximum likelihood estimation, which selects coefficients that make the observed values most likely to have occurred.

We start by placing the two factors derived from the arguments for (not) buying SR products (see section 5.5.5) and the characteristics of consumers (see section 5.5.6) except for 'donating to charity'<sup>25</sup> into the regression model in one block (forced entry method<sup>26</sup>). This procedure is repeated for all six SR products. Table 5.32 provides an overview of the results.

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<sup>24</sup> I choose to use the dichotomous variable instead of the ordinal variable for buying SR products because most cases fall in one category ('never bought the SR product'), as is shown in table 5.18. The relatively low number of cases in the other categories and the large number of predictor variables leads to ordinal regression techniques not being useful, as the 'parallel regression' (also called 'proportional odds') requirement necessary for this procedure is not satisfied. In other words, ordinal logistic regression assumes that the coefficients that describe the relationship between, for example, the lowest versus all higher categories of the response variable are the same as those that describe the relationship between the next lowest category and all higher categories, and so on. If the relationship between all pairs of groups is the same, there is only one set of coefficients (only one model). However, the null hypotheses stating that this assumption is valid is rejected with statistical significance (using  $\alpha = .05$ ) in all models. I would therefore need to use multinomial regression techniques to obtain different models that each describe the relationship between a pair of outcome categories. However, also such analyses would have limited value due to the relatively small number of cases in many of the categories. Also, such models would be more difficult to interpret.

<sup>25</sup> Donating to charity is not used as predictor because it is also a measure of 'social behavior' (as is buying SR products) as opposed to the other characteristics. It may therefore be expected that the correlation does not point at a causal relationship. Inclusion of this variable in the multivariate analyses may therefore suggest that the predictive power of the resulting models is overestimated.

<sup>26</sup> According to Studenmund & Cassidy (1987), this is the only appropriate method for theory testing, as stepwise techniques are influenced by random variation in the data.

Table 5.32  
Results of multivariate analyses

Significant variables	Fair Trade coffee		Organic meat		Free-range eggs		Fair Trade chocolate sprinkles		Total low-involvement SR products	
	b (SE)	Exp(b) (95% C.I.)	b (SE)	Exp(b) (95% C.I.)	b (SE)	Exp(b) (95% C.I.)	b (SE)	Exp(b) (95% C.I.)	b (SE)	Exp(b) (95% C.I.)
Factor 1	0.995** (0.176)	2.706 (1.92;3.82)	0.734** (0.110)	2.084 (1.68;2.59)	0.828** (0.102)	2.288 (1.87;1.79)	0.953** (0.280)	2.593 (1.49;4.49)	0.712** (0.097)	2.038 (1.69;2.46)
Factor 2	0.379** (0.136)	1.461 (1.12;1.91)	0.437** (0.102)	1.549 (1.27;1.89)	0.620** (0.093)	1.858 (1.55;2.23)	0.765* (0.288)	2.151 (1.19;3.74)	0.388** (0.086)	1.474 (1.25;1.74)
Thinking about buying SR products	0.467** (0.145)	1.595 (1.20;2.12)	0.612** (0.111)	1.845 (1.49;2.29)	0.425** (0.086)	1.529 (1.29;1.81)	1.122 (0.259)	3.071 (1.85;5.11)	0.499 (0.099)	1.648 (1.36;2.00)
Married							-1.030* (0.454)	0.357 (0.15;0.87)		
Being religious					0.510** (0.188)	1.665 (1.15;2.41)	1.146** (0.533)	3.144 (1.11;8.94)	0.554** (0.175)	1.740 (1.24;2.45)
Reading newspapers	0.037* (0.019)	1.038 (1.00;1.08)								
CONSTANT	-5.081		-2.965		-1.864		-6.073		-2.005	
Nagelkerke R <sup>2</sup>	.373		.328		.374		.510		.321	
Model $\chi^2$	178.5**		216.9**		276.0**		138.5**		243.5**	

\* = Significant using  $\alpha = .05$

\*\* = Significant using  $\alpha = .01$

Table 5.32  
Results of multivariate analyses (continued)

Significant variables	GreenSeat tickets		FSC wood		Total high-involvement SR products		Total SR products	
	b (SE)	Exp(b) (95% C.I.)	b (SE)	Exp(b) (95% C.I.)	b (SE)	Exp(b) (95% C.I.)	b (SE)	Exp(b) (95% C.I.)
Factor 1	0.552** (0.173)	1.737 (1.24;2.44)	0.405** (0.123)	1.499 (1.18;1.91)	0.299** (0.085)	1.348 (1.14;1.59)	0.635** (0.090)	1.888 (1.58;2.25)
Factor 2	0.793** (0.356)	2.210 (1.87;2.68)	0.731** (0.136)	2.078 (1.59;2.71)	0.342** (0.087)	1.408 (1.19;1.67)	0.440** (0.086)	1.553 (1.31;1.84)
Thinking about buying SR products	0.857 (0.189)	2.356 (1.63;3.41)	0.689 (0.121)	1.992 (1.57;2.53)	0.725 (0.101)	2.065 (1.69;2.52)	0.561 (0.108)	1.753 (1.42;2.17)
Married								
Being religious							0.440* (0.173)	1.553 (1.11;2.18)
Reading newspapers								
CONSTANT	-5.549		-2.056		-2.164		-1.127	
Nagelkerke R <sup>2</sup>	.317		.317		.214		.259	
Model $\chi^2$	93.4**		115.7**		145.5**		186.2**	

\* = Significant using  $\alpha = .05$

\*\* = Significant using  $\alpha = .01$

As in linear regression, observed and predicted values can be used to assess the fit of the models. The measure used in logistic regression is the log-likelihood. This can be calculated for the baseline model (a model with only a constant) and for the full model. The  $\chi^2$ -value in table 5.32 is a measure for the difference between these two models. If the value is significant, the full model was significantly improved by adding the variables to the constant. As table 5.32 shows, all models are significant.

In order to further assess the models, Nagelkerke  $R^2$  is presented (see also section 5.5.4). This measure is an analogue to the  $R^2$  value in linear regression, and can be seen as similar in that it provides a gauge of the substantive significance of the model (Field, 2005). In the models, Nagelkerke  $R^2$  varies between .317 and .510 for the individual products, and from .214 to .321 for the total scores.

In order to assess the contribution of individual predictors to the model, the Wald statistic is used. This is an analogous statistic to the t-statistic used in linear regression. The significance of the Wald statistic shows whether the b-coefficient of a predictor is significantly different from zero, in which case the predictor can be assumed to make a significant contribution to the outcome (Y). Table 5.32 only shows predictors for which the Wald statistic is significant.

Table 5.32 also presents the b-statistic and its standard error for each significant predictor. However, remember that these predictors should be inserted in equation 5.1. Interpretation of these numbers is therefore not as intuitive as in linear regression. Therefore, table 5.32 also reports the value of  $\exp(b)$ , which is the exponent of b (also denoted as  $e^b$ ), and a 95% confidence interval for that value.  $\exp(b)$  corresponds to a constant multiplication of the odds that the dependent variable takes the value 1 instead of 0. As such, it is easier to understand because it doesn't require a logarithmic transformation. For example: a unit increase in factor 1 for Fair Trade coffee leads to the probability of consumers buying Fair Trade coffee multiplying by 2.706. If the value of  $\exp(b)$  is greater than 1, it indicates that as the predictor increases, the odds of the outcome occurring increase. A value less than 1 indicates that as the predictor increases, the odd of the outcome occurring decrease.

#### *Interpretation of results*

All models are significant, showing that they have a certain ability to predict buying SR products. However, the values for Nagelkerke  $R^2$  are relatively low, especially for the high-involvement SR products, showing that most of the variation in buying SR products remains unexplained. This will be subject of further investigation (see section 5.5.7).

The two factors derived from the arguments for (not) buying SR products and 'thinking about buying SR products' are consistently found to have a significant influence on buying SR products. This implies that the perceived social responsibility, the perceived investment and the amount of reflection about the possibility to buy SR products are of main importance in determining the buying behaviour of consumers regarding SR products.

Some of the characteristics of consumers have a significant influence on buying some of the SR products, but have no influence on buying other SR products. This applies to being married (which has a negative influence on buying Fair Trade chocolate sprinkles), being religious and to reading newspapers (both of which increase the probability that a consumers buys SR products). Income, age, gender, locus of control and lifestyle were not found to significantly contribute to any of the models. One explanation for this may be that much of the variation in these variables was already accounted for in the two factor scores.

An additional interesting finding is that for the low-involvement SR products, the first factor (perceived social responsibility) is more important than the second factor (costs), whereas for the high-involvement SR products, the second factor is more important than the first factor. Apparently, the influence of the price premium and availability becomes relatively larger for higher priced high-involvement SR products. Again, this shows that the distinction between low- and high-involvement SR products is important to make when studying consumer behaviour related to SR products.

### **5.5.8 Interaction effects**

In order to further increase the understanding of consumer behaviour regarding SR products, I test for differences in importance of predictors between subgroups of the sample. In other words: I test for moderating effects of characteristics of consumers on the relationships between the predictors and buying SR products. A general way to test whether a variable moderates a relationship is by entering a so-called 'interaction variable' in the linear regression model. For example:

$$Y = b_0 + b_1X_1 + b_2X_1X_2 + \varepsilon \quad (5.2)$$

If the coefficient  $b_2$  is significant in the model,  $X_2$  can be said to moderate the relationship between  $X_1$  and  $Y$  (Keller, 2005). Analogue procedures can be used to complement the logistic regression models presented in section 5.5.7. The equation will then take the general form of equation 5.3.

$$P(Y) = \frac{1}{1 + e^{-(b_0 + b_1x_1 + b_2x_1x_2 + \dots + b_nx_n)}} \quad (5.3)$$

In the following section, it is tested for each characteristic of consumers investigated in the multivariate analyses (see section 5.5.6) whether it influences the relationships between any of the proposed predictors and buying SR products. The goal of this procedure is to provide more insight in how variables 'cooperate' in predicting buying SR products, and therefore to further improve the models that were estimated in section 5.5.7. Table 5.33 presents the results.

Table 5.33

*Interaction terms in logistic regression models*

<i>Significant interaction term</i>	Low-involvement SR products		High-involvement SR products		Total buying SR products	
	b	Exp(b)	b	Exp(b)	b	Exp(b)
	(SE)	(95% C.I.)	(SE)	(95% C.I.)	(SE)	(95% C.I.)
Level of education *	0.272	1.312				
Factor 1	(0.12)	(1.04;1.66)				
<i>R<sup>2</sup> increase resulting from including the interaction terms</i>	.321 → .337		-		-	

Table 5.33 shows that the logistic regression model for low-involvement SR products can be slightly improved by including the level of education as an interaction term. No other interaction terms were found to have a significant influence on this regression model. For the other two regression models, no significant influence of interaction terms was found.

In the model predicting whether a consumer has bought a low-involvement SR product in the recent past, the positive influence of factor 1 ('perceived social responsibility') increases if the level of education of the respondent increases. This implies that the perceived social responsibility is somewhat more likely to translate into purchasing SR products by higher educated people.

### **5.5.9 Multivariate analyses: Conclusions and discussion**

This section presented the results of the empirical quantitative study into the relationship between reasons for (not) buying SR products and consumer characteristics on the one hand, and buying SR products on the other hand.

From the results it becomes apparent that awareness of the SR products differs across products. Furthermore, only a minority of the respondents have bought SR products in the recent past. Interestingly, most consumers either do not buy SR products at all, or buy them regularly. This implies that once the choice is made to buy an SR product, consumers tend to keep buying the SR version whenever they need the product (habit formation). Also, it is found that consumers that buy SR products are more likely to also buy other SR products (complementarity rather than substitution).

The distinction between low- and high-involvement products is important when studying buying SR products. Whereas buying behaviour regarding different low-involvement SR products is correlated, this correlation is lower or absent between buying low- and high-involvement SR products. Also in other analyses, different results for these two categories are found.



All arguments for (not) buying SR products were shown to be correlated with buying SR products, except for 'perceived availability', the variation of which is relatively unimportant in explaining buying SR products. An explanation for this may be that consumers that buy SR products are more aware of the lower availability of such products than consumers that do not buy SR products. This would offset the assumed positive effect of availability on buying SR products, leading to the relationship being insignificant. Support for this explanation is provided in table 5.23, which shows that for several products, the availability of SR products is perceived to be lower by buyers than by non-buyers of SR products.

Factor analyses showed that the same two factors can be identified as 'underlying dimensions' for each of the six SR products that were used as example and for the total scores. The results can therefore be called stable. Based on the loading of the variables on the two factors, the two factors were labelled 'perceived social responsibility' and 'costs' (i.e. the burden of paying the price premium and dealing with the lower availability). These two factors are thought of as revealing the core of the trade-off that consumers make when they consider to buy SR products: extra social responsibility versus the extra costs.

These two factors and the variable 'thinking about buying SR products' have a significant influence on buying SR products in all the logistic regression models. This implies that there are three determinants of buying SR products that are of main importance: (1) the perceived social responsibility, (2) the perceived costs and (3) whether consumers have given the option to buy SR products much thought. Especially the last finding is interesting, as the variable is not often used in studies into buying SR products. It seems as if not buying SR products is the 'normal' thing to do. Many consumers therefore do not buy SR products, but have no clear arguments for it. Rather, not buying SR products is a habit. Therefore, explicit consideration of the option of buying SR products is therefore necessary in order to switch to buying SR products. This new behaviour may then also change into a habit.

For the variables marital status, religion and 'reading newspapers', the direct influence on buying some of the SR products is also significant. Level of education was found to have a moderating effect on the relationship between the first factor (perceived social responsibility) and buying low-involvement SR products.

### *Discussion*

All logistic regression models are significant, showing that they have some predictive power. However, the amount of variation that is explained by the models is generally quite low: more than half of the variation in buying SR products remains unexplained.

The low adjusted  $R^2$  value may be explained by the fact that most consumers did not buy SR products in the recent past, although some of these consumers may have a positive attitude towards buying SR products. These consumers are expected to buy SR products by the model, but still score low on the dependent variables that measure reported behaviour, causing the  $R^2$  value to be low. Support for this explanation can be found by letting the same models predict the attitude towards buying SR products (measured by question 12DA-12DF of the questionnaire). Table 5.34 shows that the degree of explained variance does indeed increase noticeably when attitude is used as dependent variable.

Table 5.34

*Attitude versus behaviour as dependent variable*

	Fair Trade coffee	Org. Meat	Free-range eggs	Fair Trade choc. spr.	Total conv. prod.	Green Seat ticket	FSC wood	Total high inv. prod.	Total SR prod.
Adjusted R <sup>2</sup> (dep. var. is reported behaviour)	.373	.328	.374	.510	.321	.317	.317	.214	.259
Adjusted R <sup>2</sup> (dep. var. is attitude)	.654	.613	.518	.588	.625	.613	.581	.580	.611

From this, it can be derived that there is a considerable difference between the attitude towards buying SR products and the behaviour towards SR products. This 'attitude-behaviour gap' was described before in this study (see section 2.5). A positive attitude towards SR products increases the likelihood that a consumer will buy SR products, as is shown in table 5.35: all correlation coefficients are positive and significant. However, the correlations are far from perfect. This further supports the finding that 'thinking about buying SR products' is important. For many consumers, a positive attitude towards buying SR products will only be translated into buying behaviour after explicit consideration of the option to buy SR products.

Table 5.35

*Relationship between attitude towards buying SR products and buying SR products*

Spearman correlation	Buying FT coffee	Buying Organic Meat	Buying Free-range eggs	Buying FT choc. spr.	Buying SR conv. prod.	Buying Green Seat ticket	Buying FSC wood	Buying SR high inv. prod.	Buying SR prod.
Attitude towards buying SR products	.41**	.43**	.59**	.31**	.48**	.21**	.28**	.20**	.42**

#### **5.5.10 Willingness to pay for SR products**

Willingness to pay for SR products was used as dependent variable in hypotheses 24-26. Table 5.36 provides an overview of the maximum price premium that respondents are willing to pay for SR products. Data were obtained from the answers to question 17-22. The numbers in between brackets show the base price that was used in the questionnaire. Note that the questions measure willingness to pay, which is an attitude (not actual behaviour).

Results show that the average price premium that the respondents are willing to pay for SR products is around 10% for the low-involvement products and around 4% for the high-involvement SR products. As was expected, the number of respondents still willing to pay the price premium generally decreases as the price premium increases.

An additional interesting finding that can be derived from the results presented in table 5.36 is that the total turnover (price \* number of buyers) decreases as a result of every possible increase in price premium. The highest turnover is reached when there is no price premium. This result is consistently found for all six SR products.

Table 5.36  
*Willingness to pay a price premium for SR products*

	Fair Trade Coffee (€ 1,69)	Organic Meat (€ 2,75)	Free- range eggs (€ 1,45)	Fair Trade chocolate sprinkles (€1,09)	GreenSeat tickets (€ 550)	FSC wood (€ 1299)
No premium	293	300	267	316	461	440
+ 3%	185	140	218	158	202	298
+ 6%	148	219	140	209	243	174
+ 12%	145	187	163	106	66	79
+ 18%	160	106	78	105	42	20
+ 30%	56	41	80	76	9	9
+ 40%	25	19	63	34	4	8
+ 60%	9	6	14	10	1	3
+ 75%	9	12	8	15	3	0
Average willingness to pay as a premium (€)	€ 0,16	€ 0,25	€ 0,16	€ 0,11	€ 22,40	€ 49,24
Average willingness to pay as a premium (%)	9,6%	8,9%	11,1%	10,1%	4,1%	3,8%

In order to gain more insight into the relationship between the willingness to pay a price premium for SR products and the base price, a linear regression equation for this relationship was estimated. The dependent variable is constituted by the price premium that respondents reported to be willing to pay for each of the six SR products. The independent variable is the relevant base price, which was mentioned in the questionnaire. The resulting equation is the following (values in € 1,-):

$$\text{Willingness to pay} = 0.093 + 0.043 * \text{base price} - 0.00000336 * \text{base price}^2 \quad (5.4)$$

Note that the variable “base price<sup>2</sup>” was included to allow a non-linear relationship. The regression model is significant ( $p < .01$ ) and has an adjusted  $R^2$  value of .192. The parameter ‘base price’ is significant ( $p < .01$ ) as is the parameter ‘base price<sup>2</sup>’ ( $p < .05$ ). This shows that the amount that consumers are willing to pay as a price premium is related to the base price. The coefficients in the regression equation show that the average willingness to pay increases as the base price increases, but at a decreasing rate (the coefficient for “base price<sup>2</sup>” is negative).

### Hypotheses

*H24: The price elasticity of demand for SR products is negative and large.*

The price elasticity of demand is determined by dividing the percent change in quantity demanded by the percent change in price that caused the change in demand. For Fair Trade coffee, the price premium is around 18% (see table 1.1). The analysis suggests that a price increase of 10.2% (from a price premium of 18% to a price premium of 30%) leads to a decrease in demand of 61.8% (from 259 buyers to 99 buyers in the sample) for Fair Trade coffee. These findings suggest that the price elasticity of demand for Fair Trade coffee is around -6.

If the price of Fair Trade coffee would be decreased by 5.1% (from a price premium of 18% to a price premium of 12%), the quantity demanded would increase by 56% (from 259 buyers to 404 buyers in the sample). This suggests a price elasticity of -11.

Similar analyses were done for all six SR products that were used as example in the questionnaire. Table 5.37 presents the results. The estimated price elasticity of demand is large and negative for all products, which supports hypothesis 24.

Table 5.37  
*Price elasticity of demand (PED) of SR products*

	Fair Trade Coffee (€ 1,69)	Organic Meat (€ 2,75)	Free-range eggs (€ 1,45)	Fair Trade chocolate sprinkles (€1,09)	GreenSeat tickets (€ 550)	FSC wood (€ 1299)
Current price premium	18%	60%	30%	18%	12%	12%
PED when price is increased	-6	-3.6	-6.3	-4.3	-9.8	-12.4
PED when price is decreased	-11	-8.4	-5.1	-8.7	-36	-27

*H25: The average amount that consumers are willing to pay as a price premium is higher when the base price of the product is higher.*

Table 5.36 shows that the average amount that respondents are willing to pay is lowest for the product with the lowest base price (Fair Trade chocolate sprinkles), and increases if the base price of the SR product increases. This is confirmed by the regression model (see equation 5.4) which shows that the willingness to pay increases when the base price increases throughout the range for which data is available. These findings support hypothesis 25.

*H26: The average percentage that consumers are willing to pay as a price premium is lower when the base price of the product is higher.*

The findings that are presented in table 5.36 also support hypothesis 26. The average price premium that respondents are willing to pay (expressed as a percentage of the base price) decreases when the base price increases. Especially the difference between willingness to pay for low-involvement SR products and high-involvement SR products makes this distinction visible.

Furthermore, the regression model (see equation 5.4) shows that the amount that consumers are willing to pay as a price premium increases as the base price increases, but at a decreasing rate (the coefficient for “base price<sup>2n</sup>” is significant in the regression model). This finding further supports hypothesis 26.

#### *Additional analyses*

Table 5.38 shows Spearman’s partial rank correlation coefficients for the relationships between arguments for (not) buying SR products and willingness to pay (WTP) for SR products, controlled for age, level of education and gender. Also the correlation coefficients for the relationships between factors scores (see section 5.5.5.) and willingness to pay for SR products are shown.

Table 5.38 shows that the correlation coefficients are generally high and significant, implying that these arguments are related to willingness to pay for SR products. Note that the correlation coefficients are generally higher than those in table 5.23, which shows relationships between arguments and reported buying behaviour. This may be explained by the fact that reported willingness to pay a price premium is an attitudinal measure (as opposed to reported behaviour), and is therefore more in agreement with the arguments in table 5.38, which are also attitudinal measures.

Furthermore, comparison of table 5.38 with table 5.23 shows that the relative importance of the arguments is quite similar. The only noticeable difference is that perceived price fairness is much more strongly related to the willingness to pay a price premium for SR products ( $r = .41$ ) than to the reported buying of SR products ( $r = .19$ ). This shows that an influence on attitude translates into an influence on behaviour, but in a weaker form, which may be seen as another example of the ‘attitude-behaviour gap’.

Table 5.38

Correlation between willingness to pay (WTP) and arguments for (not) buying SR products, controlled for age and level of education

Variable	Spearman's partial rank correlation coefficient									
	Fair Trade coffee	Organic Meat	Free-range eggs	Fair Trade chocolate sprinkles	Total low-involvement s products	Green Seat tickets	FSC wood	Total high-involvement SR products	Total SR products	
Moral duty	.38**	.34**	.37**	.32**	.38**	.35**	.31**	.37**	.39**	
Feeling good	.41**	.39**	.42**	.37**	.44**	.38**	.34**	.38**	.45**	
Importance of social problem	.31**	.22**	.26**	.26**	.30**	.31**	.22**	.30**	.33**	
Effectiveness	.42**	.35**	.39**	.38**	.45**	.37**	.31**	.40**	.46**	
Responsibility	.35**	.33**	.36**	.34**	.38**	.39**	.29**	.37**	.39**	
Relevant others	.31**	.30**	.30**	.30**	.33**	.30**	.27**	.32**	.34**	
Affordability	.24**	.24**	.28**	.26**	.30**	.11**	.15**	.14**	.25**	
Price fairness	.38**	.35**	.38**	.36**	.41**	.34**	.27**	.34**	.41**	
Quality	.22**	.34**	.35**	.20**	.38**	N.A.	.12**	.12**	.37**	
Availability	.03	.02	-.06	.02	.00	.09**	.03	.06*	.02	
Factor 1	.53**	.48**	.39**	.41**	.53**	.51**	.41**	.51**	.54**	
Factor 2	.15**	.19**	.19**	.17**	.22**	-.02	.10**	.08*	.18**	

\* = Significant using  $\alpha = .05$

\*\* = Significant using  $\alpha = .01$

Table 5.38 further shows that factor 1 (representing 'perceived social responsibility') is more strongly correlated with willingness to pay a price premium for SR products than factor 2 (representing 'investment required'), which is analogous with the results of the analyses in 5.5.5 and 5.5.6.

Table 5.39 shows correlation coefficients for the relationship between willingness to pay for SR products and several consumer characteristics. Consumers with a higher income show a slightly but significantly larger willingness to pay a price premium for SR products. This may be explained by stating that paying the extra amount is less of a financial burden if the income is higher. However, table 5.24 shows that this does not translate into buying more SR products ( $r = .00$  for the column 'total' in that table).

Furthermore, respondents who are higher educated show a larger willingness to pay a price premium (note that income differences were controlled for in the analysis). Higher educated respondents may be more aware of the social problems, and may therefore have a more positive attitude towards paying a price premium in order to buy products that contribute to alleviating these problems. Table 5.24 shows that in the sample, higher educated people also buy more SR products. However, the difference is not statistically significant (using  $\alpha = .05$ ).

The same goes for consumers with an internal locus of control, for consumers who donate a higher amount to charity and for respondents who read more newspapers: they are significantly more willing to pay a price premium for SR products. In the sample, these respondents also buy more SR products, but the difference is not significant.

Females and people who watch less TV are also more likely to be willing to pay a price premium for SR products than males and people who watch more TV, respectively. However, table 5.24 shows that in the sample, this does not translate into buying more SR products.

Lifestyle and political preference are significantly related to the willingness to pay a price premium for SR products. Respondents with the political preference 'Groen Links' (a left-wing party) are willing to pay significantly more for SR products than other respondents ( $\alpha = .05$ , calculated using the Mann-Whitney test). Respondents with the lifestyles 'open minded', 'organics' and 'demanding' are generally more willing to pay for SR products than other consumers. 'Homebodies' and 'dreamers' are generally less willing to pay for SR products. Table 5.24 shows that these variables are also related to the reported buying of SR products, with equally high levels of association. Also in that analysis, respondents with the political preference 'Groen Links' and respondents with the lifestyle categories 'open minded', 'organics' and 'demanding' were found to be most likely to buy SR products.

Generally, the direction of the relationship between most consumer characteristics and the willingness to pay a price premium for SR products is found to be similar as in the relationship between these consumer characteristics and the reported buying of SR products. However, the attitudinal measure 'willingness to pay' is often stronger related to these characteristics than the actual behaviour. This again shows that not all positive attitudes towards paying a price premium for SR products are translated into actually buying these SR products: another example of the discrepancy between attitude and behaviour.

Table 5.39

Association between variables and willingness to pay (WTP) for SR products

Variable	Fair Trade Coffee	Organic Meat	Free-range eggs	Fair Trade chocolate sprinkles	Total low-involvement SR products	Green Seat tickets	FSC Wood	Total high-involvement SR products	Total SR products
Income <sup>a</sup>	.06	.13**	.13**	.07*	.11**	.11**	.10**	.12**	.11**
Age <sup>a</sup>	.06	.04	.06*	.01	.04	.07*	.06*	.06*	.05
Level of education <sup>a</sup>	.12**	.15**	.14**	.14**	.16**	.07*	.09**	.10**	.15**
Being married <sup>a</sup>	-.06	-.06	-.09**	-.05	-.07*	-.03	-.03	-.05	-.07
Gender (female) <sup>a</sup>	.13**	.06	.08**	.10**	.10**	.04	.03	.04	.09**
Locus of control <sup>a</sup>	-.10**	-.14**	-.13**	-.12**	-.14**	-.11**	-.08**	-.12**	-.14**
Donating to charity <sup>a</sup>	.31**	.29**	.31**	.28**	.33**	.27**	.28**	.31**	.34**
Being religious <sup>a</sup>	.09**	.03	.03	.05	.06*	.12**	.04	.09**	.07
Watching TV <sup>a</sup>	-.11**	-.10**	-.09**	-.15**	-.13**	-.08**	-.10**	-.10**	-.13**
Reading newspapers <sup>a</sup>	.10**	.11**	.11**	.08*	.11**	.07*	.09**	.09**	.11**
Lifestyle <sup>b</sup>	.08**	.08**	.09**	.07**	.09**	.06**	.06**	.07**	.09**
Political preference <sup>b</sup>	.06**	.07**	.07**	.07**	.08**	.05**	.06**	.07**	.08**

\* = Significant using  $\alpha = .05$

\*\* = Significant using  $\alpha = .01$

a = Table shows Spearman's partial rank correlation coefficients, controlled for age (except for H13) and level of education (except for H14)

b = Table shows Nagelkerke pseudo-R<sup>2</sup> resulting from an ordinal regression analysis using dummy variables as independent variables, controlled for age and level of education



In addition, logistic regression analyses were carried out to find predictors of willingness to pay for SR products (yes / no) for the three total scores. Factor 1 and 2 and all characteristics of consumers (see table 5.39) except for donating money to charity are entered as predictors in these analyses. Table 5.40 presents the results (only significant predictors are shown).

Table 5.40 presents several interesting findings. First, having the lifestyle 'open minded' strongly and significantly increases the probability that a person is willing to pay a price premium for SR products. This is found both for low- and high-involvement SR products. Note that this variable does not significantly contribute to a model in which the reported buying of SR products is used as dependent variable.

Factor 2 (costs) had a larger influence on buying high-involvement SR products than factor 1 (perceived social responsibility). Using this attitudinal dependent variable, the opposite is found: factor 1 has a larger influence on willingness to pay for high-involvement SR products than factor 2. This implies that perceived social responsibility are important in explaining attitudes towards paying a price premium for high-involvement SR products, but less important in explaining actual purchasing behaviour, where the costs become more important.

Finally, the  $R^2$  value is larger when the predictor variables are used to explain willingness to pay for SR products compared to when they are used to explain actual buying behaviour. Apparently, the variables measured have a larger influence on attitude than on actual behaviour (a statement also supported by table 5.34).

Table 5.40  
*Logistic regression models predicting willingness to pay a price premium for SR products*

	Low-involvement SR products		High-involvement SR products		Total buying SR products	
	b (SE)	Exp(b) (95% C.I.)	b (SE)	Exp(b) (95% C.I.)	b (SE)	Exp(b) (95% C.I.)
Factor 1	1.241 (0.135)	3.460 (2.65;4.51)	1.030 (0.104)	2.801 (2.29;3.43)	1.249 (0.135)	3.485 (2.67;4.54)
Factor 2	0.505 (0.113)	1.656 (1.33;2.07)	0.319 (0.128)	1.376 (1.07;1.77)	0.417 (0.114)	1.517 (1.21;1.90)
Lifestyle: open minded	1.199 (0.526)	3.318 (1.18;9.30)	0.914 (0.360)	2.494 (1.23;5.06)	1.471 (0.544)	4.354 (1.50;12.66)
Nagelkerke $R^2$	.476		.455		.470	

## 5.6 Conclusions

This chapter describes a quantitative study that aims to answer the question 'why do consumers (not) buy SR products'. Data were obtained from a representative sample of 1030 Dutch respondents who filled out an extensive questionnaire.

The results show that familiarity with these SR products differs much from one product to another. Also, only a minority of respondents had bought SR products in the past. Interesting, though, is the finding that consumers tend to buy the SR version of a product (almost) always when they buy that product, or (almost) never. Very few consumers buy the SR product 'every now and then'. This implies that habit formation plays an important role in the purchasing of SR products, or that consumers make a clear choice (not) to buy the SR version as often as possible.

It was also found that only a minority of the respondents state that they would also have bought the product if it had not had the SR characteristics. These results clearly show that, even though other reasons may play a role, the SR characteristics are most important for consumers to buy SR products.

Furthermore, buying a low-involvement SR product correlates positively and significantly with buying several other low-involvement SR products, but does not correlate as well with buying high-involvement SR products. This implies that buying SR products increases the probability of (rather than substituting) buying other SR products, but the effect is especially strong within the same product category.

Regarding the hypotheses, it was found that consumers think of the social problem that SR products aim to alleviate as important. Some support was also found for the hypotheses that consumers perceive SR products to be effective in alleviating these social problems, that the perceived quality of SR products is better than that of non-SR products and that the availability of SR products is sufficient. Only weak support was found for the hypotheses that buying SR products is perceived as a moral duty, that consumers feel responsible for the social problems that SR products aim to alleviate, that consumers think of SR products as being affordable and that the price of SR products is fair. The hypothesis stating that relevant others approve of buying SR products was accepted nor rejected. Based on the data, the hypothesis stating that consumers feel good about themselves when buying SR products was rejected.

Finally, it was found that the opinions about SR products differ across subgroups in the population. Especially age, level of education and gender ('being female') have a (generally positive) effect on such opinions.

Nine of the ten reasons for (not) buying SR products were found to be significantly correlated with buying SR products. Only the perceived availability of SR products is not related to buying SR products. Highest correlation coefficients were found for the perceived quality, perception of buying SR products as a moral duty, feeling good about yourself when buying SR products and the perceived effectiveness of the SR product in alleviating the social problem. However, there is not one single variable

that showed to be much more important than the other variables: each variable may explain only a modest part of the total variation in buying SR products.

In addition, it is found that the variables under investigation are best able to predict buying SR products related to animal welfare (especially free-range eggs), and least able to predict buying high-involvement SR products.

On the contrary, most socio-demographic variables were not found to influence buying SR products. Only the level of education, age, marital status and religion were found to have some modest relation to buying SR products. The same goes for the variable 'lifestyle'. However, that donating money to charity is positively related to buying SR products. This is interesting, as it supports the notion that consumers have a general attitude towards 'being social', and do not substitute one social activity for another – as was already argued before, when it was found that buying SR products is complementary to, instead of substituted by, other SR products.

Despite the lack of predictive power of socio-demographic variables, the results suggest that buyers of SR products seem to be somewhat more 'involved' in society: they are more likely to have a clear political preference (which is relatively often 'Groen Links' and not so often 'SGP'), they read more newspapers and listen to radio stations that broadcast news and documentaries instead of music more often. Furthermore, they are especially interested in the environment, culture, literature, cooking, gardening and animals, but have relatively little interest in celebrities.

Most important, however, is that buyers have thought about the option to buy SR products more often than 'non-buyers'. This reflection on the possibility to buy SR products seems to contribute to actually buying SR products, which further supports similar findings from the qualitative study (chapter 4).

If the attitude of consumers is regarded instead of actual buying behaviour, female and higher educated consumers are found to be more likely to have a positive attitude towards buying SR products. For some SR products, religious consumers and consumers with an internal locus of control also have a more positive attitude towards buying them.

All factor analyses that aim to find drivers of SR buying behaviour result in the same two underlying dimensions; convergent validity can therefore be said to be high. The first factor is labelled 'perceived social responsibility', and the second factor 'costs' (time- and money wise) of buying the SR product.

Individual factor scores of consumers were entered in multivariate analyses, alongside with socio-demographic variables. All resulting models are significant, showing that they have a certain ability to predict buying SR products.

In the models, the two factors derived from the arguments for (not) buying SR products and 'thinking about buying SR products' are consistently found to have a significant influence on buying SR products. Some of the characteristics of consumers were found to have a significant effect on buying some of the SR products, but have no effect on buying other SR products.

An additional interesting finding is that for the low-involvement SR products, the first factor (perceived social responsibility) is more important than the second factor (related to the costs), whereas for the high-involvement SR products, the second factor is more important than the first factor. Apparently, the influence of the price premium and availability becomes relatively larger for higher priced high-involvement SR products.

Although the models are all significant, the values for Nagelkerke  $R^2$  are relatively low, especially for the high-involvement SR products, showing that most of the variation in buying SR products remains unexplained. The low adjusted  $R^2$  value may be explained by the fact that most consumers did not buy SR products in the recent past, even though some of these consumers may have a positive attitude towards buying SR products. These consumers are expected to buy SR products by the model, but still score low on the dependent variables that measures reported behaviour, causing the  $R^2$  value to be low. Indeed, the degree of explained variance is found to increase noticeably when 'attitude towards buying SR products' rather than actual buying behaviour is used as dependent variable. From this, it can be derived that there is a considerable difference between the attitude towards buying SR products and the behaviour towards SR products. Still, a positive attitude towards SR products increases the likelihood that a consumer will buy SR products.

Furthermore, it was found that the average price premium that the respondents are willing to pay for SR products is around 10% for the low-involvement SR products and around 4% for the higher priced high-involvement SR products. As was expected, the number of respondents who are willing to pay the price premium decreases as the price premium increases. It was also found that the average willingness to pay increases as the base price increases, but at a decreasing rate. Moreover, the price elasticity of demand was estimated to be negative and relatively large.

Generally, the direction of the relationship between most explanatory variables that influence buying behaviour and the willingness to pay a price premium for SR products is found to be similar as in the relationship between these variables and the reported buying of SR products. However, the attitudinal measure 'willingness to pay' is often stronger related to these characteristics than the actual behaviour. This also results in the finding that a larger part of the variation in 'willingness to pay' than of the variation in actual buying behaviour can be explained by the multivariate models mentioned above.

## 6.1 Introduction

This chapter provides the final conclusions of the research as well as some reflections on the results. In section 6.2, the results of the literature survey (chapter two), the qualitative study (chapter four) and the quantitative study (chapter five) into buying SR products are compared and integrated. Based on the results, the research questions of this study are answered. In section 6.3, similarities and differences between findings of the present Dutch study and findings from other countries are discussed. Section 6.4 provides a discussion of the implications of the findings, leading to recommendations for practice and policy. The chapter concludes with a reflection on the study and recommendations for further research, which can be found in section 6.5.

## 6.2 Comparison and integration of the qualitative and quantitative study

First of all, this research is the first to give a clear answer to the question whether buying SR products is complementary to or substituted by buying other SR products. Although one may expect that consumers who bought an SR product feel they 'fulfilled their duty' and are therefore less likely to buy other SR products, both the qualitative and the quantitative study show that complementarity exists between buying different SR products. In other words: consumers who buy an SR product are significantly more likely to also buy other SR products. From this, it can be derived that buying SR products is driven by a *general* attitude towards SR products rather than by attitudes towards different SR products that are completely independent of each other. The approach of identifying groups of consumers most likely to buy SR products *in general* is therefore justified. However, it should be added that even though the correlation between buying different SR products is positive in all the cases, it is stronger for SR products of the same product category (e.g. food products) than across different product categories (e.g. a food product and a plane ticket). Buyers of an SR product are therefore more likely to also buy other SR products, but especially from the same product category.

Furthermore, there is also a significant *positive* correlation between buying SR products and donating money to charity, which shows that buying SR products is also not substituted by other 'social behaviour' of consumers. This shows that a general attitude towards 'social behaviour' is important, rather than attitudes towards different forms of 'social behaviour' that are independent of each other. It is therefore even justified to identify groups of consumers most likely to perform social behaviour

*in general*. Also here, however, it should be noted that the correlation between donating to charity and buying SR products is largest when the social problem that the SR product aims to alleviate and the social problem that the charitable institution aims to alleviate are in similar domains (e.g. related to animal welfare). People who donate to charity are therefore more likely to buy SR products, but especially products that aim to alleviate social problems from a similar domain.

#### *What are the reasons for buying SR products?*

First of all, the qualitative study showed that the most often used reason for buying an SR product is related to the social characteristics of that product. This was further confirmed by the quantitative study, which showed that a large majority of the respondents who bought SR products would not have done so if the product had not had the social characteristics. Buyers of SR products therefore perceive the social aspect of the product as a product feature that adds value. However, also non-buyers of SR products seem to attach some value to the social aspect of the product, but not enough to be persuaded to buy such products. Also, the quantitative study shows that the respondents (the majority of whom are non-buyers) think of the SR products as being *effective* in solving an *important* problem.

Although the social characteristics add value for consumers, there is also a downside of buying SR products: consumers have to give up something in order to buy them. The quantitative analysis shows that there are two dimensions underlying the arguments for buying SR products: indeed the 'perceived social responsibility' of the SR product is found, but also the 'costs' (in terms of time and money) of buying the SR product. In all six analyses (for six SR products), the same two underlying dimensions were obtained. Both in prior literature and in the qualitative study, these two underlying dimensions were not revealed. These factors can, however, be thought of as revealing the core of the trade-off that consumers face: they appreciate the SR characteristics of products on the one hand, but also lose utility from buying SR products because of the (perceived) extra effort and money that it requires.

What do consumers think about this trade-off? Some conclusions can be drawn with regard to that question. First of all, many consumers think of buying SR products as a moral duty. However, the norm 'not enforcing your opinion upon others' seems to deter consumers from stating this to others; 'moral duty' sounds much too pedantic according to many consumers. The quantitative study further supports the finding that consumers do not reveal to others that they think of buying SR products as a moral duty: the perceived opinion of 'relevant others' about SR products is not significantly different from 'neutral'. It may therefore be concluded that in the (rather individualist) Dutch society, social pressure to buy SR products is low. On the other hand, consumers do acknowledge that buying SR products is in fact a moral duty.

However, although many know that buying SR products is 'the right thing to do', the factor 'costs' (time and money) stands in the way of them being intrinsically motivated to act accordingly. As a result of this, the perceived moral duty to buy SR products is easily traded-off or overridden by other preferences. Especially if a person does not have a large budget, this is a widely accepted argument for not buying SR products.

Furthermore, non-buyers of SR products are not found to think about buying SR products often: the qualitative study revealed that buyers of SR products have much more clearly defined reasons for their buying behaviour than non-buyers. 'Having thought about the possibility to buy SR products' was therefore included in the quantitative study as a factor that potentially influences buying SR products. Indeed, this variable showed to be strongly and positively related to buying SR products, both in the bivariate and in the multivariate analyses. It can therefore be concluded that buying SR products is a choice that is often made more consciously than the choice not to buy SR products. Not buying SR products is the 'habitual behaviour', which will only change into buying SR products after serious consideration of this alternative. The result that this 'serious consideration' does not occur may result from lack of external stimulus that triggers thinking about buying SR products, but may also be partly attributed to consumers not being willing to consider the alternative, because they do not want to be reminded of their moral duty.

Moreover, many consumers are not convinced about the effectiveness of buying SR products in alleviating a social problem, but sellers are usually given the benefit of the doubt. It is therefore important for a seller of an SR product that the perceived effectiveness of that product remains unchallenged. Especially because many consumers are not sufficiently intrinsically motivated to buy SR products, reasons to doubt the effectiveness of SR products in alleviating a social problem may be a 'convenient truth' for such consumers: they will be happy to use such reasons to justify their refusal to buy SR products.

The research showed that doubts about effectiveness of SR products cannot only be fuelled by reports in the media about low effectiveness of SR products, but also by a decrease in the perceived effectiveness of charitable institutions. Consumers therefore seem to think of sellers of SR products and charitable institutions as being related: they are perceived to operate in the same domain, and are therefore also perceived as comparable in terms of the extent to which they are effective in alleviating social problems.

Up to here, it was stated that consumers are generally not willing to fulfil their perceived moral duty to buy SR products. However, things change when consumers have personal experience with a social problem that an SR product aims to alleviate. These consumers perceive these social problems to be much more important than consumers without such experience. For example: the low animal welfare in the bio-industry is perceived to be a much more important problem by people who have visited such farms. This implies that many consumers are not fully aware of the seriousness of the social problems that SR products aim to alleviate. One could therefore argue that the decision (not) to buy SR products is made based on a perception of the importance of the social problem that results from imperfect information. The research results indicate that at least some non-buyers of SR products would buy such products if they fully appreciated the seriousness of the social problems. This 'imperfect information' can therefore be said to lead to a form of market failure.

A final interesting result is that if consumers decide to buy SR products, they like to be 'rewarded' for this social behaviour by gaining the approval of others. For example, some consumers like to 'show off' their socially responsible behaviour (for example by serving Fair Trade coffee in coffee cups bearing the Fair Trade trademark) if they believe that others approve of buying SR products.

*What are the characteristics of (potential) buyers of SR products?*

Many studies tested for relationships between socio-demographic variables and buying SR products or 'socially conscious buying behaviour' in general. A reason why many studies tried to find such a relationship is probably that it would be convenient if there would be such a relationship, as this would be helpful to sellers of SR products. However, an overview of the results shows that such relationships are often not found, and that *if* they are found, they are weak and have different signs (pointing at positive and negative relationships) across different studies. Based on the literature survey, it was concluded that socio-demographic variables are not very useful in predicting who will buy SR products. These conclusions were further supported by the findings in the quantitative study: most socio-demographic variables did not show to be related to buying SR products, and the relationships that were found are weak. It can therefore be concluded that socio-demographic variables are not useful in discriminating people who are more likely to buy SR products.

The literature further suggested that 'lifestyle' (using segmentation criteria from one of several available 'lifestyle models') may be a useful variable in discriminating between buyers and non-buyers of SR products. Indeed, lifestyle was found to be related to buying SR products. But, contrary to what was expected based on the literature, the relationship is weak. Pursuing the strategy of targeting only certain lifestyle groups does therefore not seem to be very effective.

However, the results point at a new direction for finding variables that can discriminate between buyers and non-buyers of SR products: buyers of SR products seem to be more 'involved' in society: they donate more money to charity (also after correcting for income), read more newspapers and listen to radio stations that broadcast news and documentaries more often. Furthermore, they have an above-average interest in the environment, history, culture and literature. These findings can be regarded as some first evidence of the importance of the variable 'involvement in society' in this respect.

*What is the influence of the price premium?*

Respondents in the quantitative study were asked how much they would be willing to pay for SR products. Because respondents did not actually pay the amount they mentioned when filling out the questionnaire, these questions measure an attitude rather than actual behaviour. However, the reported willingness to pay for SR products is significantly and positively related to actual buying behaviour regarding these SR products, which shows that the measure used is relevant.

The literature survey suggested that consumers are willing to pay an average price premium of about 20% for SR products, although there were some differences across SR products. In the present study, the findings are less positive: an average willingness to pay around 10% for low-involvement SR products and of around 4%



for high-involvement SR products was found. The maximum willingness to pay is higher for people who donate more money to charity. Again, this shows that some general attitude towards 'social behaviour' exists.

Furthermore, based on the data available in prior literature, it was assumed that the price elasticity of demand is large for SR products. This implies that a higher price premium will cause demand to fall quite rapidly. The quantitative data indeed support this (absolute values of the estimated price elasticity are generally not below 4, and often much higher). This implies that for SR products, changes in the price tend to have large effects on the level of demand. One obvious explanation for this is that substitute products are easy to obtain: non-SR versions of the products are usually widely available. This finding contrasts the view that consumers who have chosen to buy SR products are willing to pay large price premiums 'out of principle'; the opinion of the 'homo economicus' still plays an important role in the decision.

The price premium that consumers are willing to pay was assumed to increase with the base price of the product (the market price of the non-SR version of the product), but at a decreasing rate. Also this finding was supported by the quantitative study.

Both during the qualitative and the quantitative study, it was found that the influence of the price premium does not only depend on the size of it, but also on the frequency with which it has to be paid. A similar price premium will be felt as a higher burden if the product is bought more frequently. Consumers therefore take purchase frequency into account when deciding what price premium they are willing to pay. This implies that consumers do not just consider one single purchase, but have a longer-term perspective. However, the qualitative study shows that consumers do not behave rationally in this respect. For example: having to pay a small amount many times is felt as a larger burden than paying the sum of all these amounts in one transaction.

### **6.3 A new conceptual model**

Section 2.6 showed a conceptual model that was based on the literature survey (see figure 2.10). This model can now be adapted based on the empirical findings of the present research project. The resulting conceptual model is presented in figure 6.1.

Figure 6.1 shows the variables that were found to have a significant influence on buying SR products. The two largest boxes represent the two factors that resulted from the factor analyses: 'perceived social responsibility' and 'perceived costs'. Furthermore, 'thinking about SR products' and 'religion' were found to influence buying SR products (see table 5.32). Level of education was found to moderate the relationship between 'perceived social responsibility' and buying SR products. However, this moderating effect was only found for low-involvement SR products, hence the 'semi-transparent' arrow. Finally, there is an arrow that runs from 'buying SR products' back to that same variable, indicating that consumers are more likely to buy SR products if they have bought SR products before. This arrow represents both the effect of habit formation and the observed complementarity between buying different SR products.

There are some interesting differences between the conceptual model based on prior literature (figure 2.10) and the new conceptual model in figure 6.1. First of all, the new conceptual model only includes two consumer characteristics: religion and level of education. As was stated before, the present study has shown that most socio-demographic variables are not able to discriminate between buyers and non-buyers of SR products. In fact, only religion seems to have such an ability. The level of education does not have a direct influence on buying SR products, but was found to have moderating influence on the relationship between 'perceived social responsibility' and buying SR products.

Another interesting difference between the conceptual models is that in the new model, the distinction between 'perceived personal importance' and 'problem and solution' has disappeared. Indeed, the related variables showed to correspond with one and the same factor in the quantitative analyses: perceived social responsibility. Furthermore, the variables 'perceived price fairness' and 'perceived quality' are also associated with this factor, and should not be grouped under 'perceived characteristics of SR products' as was done in figure 2.10.

Furthermore, the new conceptual model includes the variable 'thinking about buying SR products', which refers to how often consumer think about the possibility of buying SR products. This could also be referred to as the extent to which buying SR products is in the 'mind set' of consumers, or as 'salience'. Figure 2.10 did not include this variable because prior literature did not identify this variable to have an effect on buying SR products.

Finally, the new conceptual model includes an arrow from *and* to 'buying SR products', showing both the effects of habit formation and of the complementarity between buying different SR products. These effects were not identified in prior literature and were therefore not included in the conceptual model in figure 2.10.

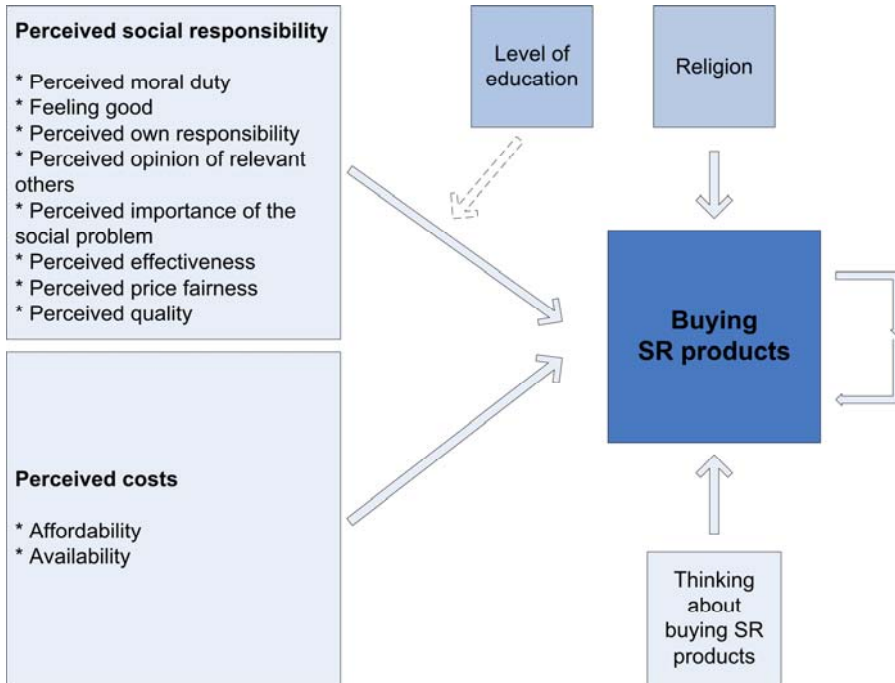


Figure 6.1: A new conceptual model

## 6.4 Comparison with results from other countries

As was stated in the introduction, this study focuses on the Dutch market in order to complement and further validate findings for countries such as the UK, the US, Belgium and Denmark, where research into buying SR products was done before. This section will therefore compare the results of the present study to results of research from these countries.

### *What are the reasons for buying SR products?*

Table 2.1 provides an overview of reasons for buying SR products resulting from studies from several countries. The present study into the Dutch market generally validates these findings: all variables listed in table 2.1 are related to buying SR products in bivariate analyses, and contribute to one of the factors resulting from the factor analysis that are also found to be significant predictors of buying SR products in the multivariate analyses. One exception is availability: although the qualitative analysis shows that this variable has an effect on buying SR products, this effect was not found to be significantly related to buying SR products in the bivariate analyses. It was suggested that an explanation for this may be that consumers that buy SR products are more aware of the lower availability of such products than consumers that do not buy SR products. This would offset the assumed positive effect of availability on buying SR products, leading to the relationship being insignificant. The fact that this relationship was found to be significant in Belgium could be explained by greater availability of SR products in Belgium than in The Netherlands. Indeed, data

suggest that the availability of well-known SR products is higher in Belgium than in The Netherlands: there are 7% more Fair Trade shops per inhabitant, there are 55% more people working in Fair Trade organisations per inhabitant and there are 60% more licensees (organisations with the right to market Fair Trade products) in absolute terms (Krier, 2008). Also, there is almost 10% more agricultural land per inhabitant devoted to the production of organic foods than in The Netherlands (Willer & Kilcher, 2009). It can therefore be concluded that all findings summarized in table 2.1 are supported by the findings of the present study.

Furthermore, the findings from previous research are complemented by the present study in The Netherlands. Two more reasons were found to have a significant influence on buying SR products: 'buying SR products makes people feel good about themselves' and 'perceived price fairness'. In addition, the combination of many reasons for buying SR products in one factor analysis led to the identification of two important factors that underlie these reasons. This is something that was not done in previous studies. In fact, none of the previous studies combined more than three reasons for buying SR products, while the present study combines ten reasons.

#### *What are the characteristics of (potential) buyers of SR products?*

Studies from several countries identified four socio-demographic variables that significantly influence buying SR products, as is shown in table 2.2. However, these variables (and many others) were not found to have this significant influence in other studies. The results of previous studies can therefore be called 'mixed'. The present study also shows that the effect of socio-demographic variables is weak, as was discussed in section 6.2 as well. In that sense, the present study into the Netherlands further validates the results for other countries.

In addition to previous studies, the present study found the variable 'lifestyle' to be significantly related to buying SR products, although the relationship is weak. This finding complements prior studies in the sense that the effect of this variable on buying SR products has not been studied in any other country.

#### *What is the influence of the price premium?*

As was discussed in section 6.2, the present Dutch study generally provides further support for findings from other countries. Indeed, also in The Netherlands, the price elasticity of demand for SR products was found to be high. Furthermore, the price premium that consumers are willing to pay for SR products was also found to increase with the base price, but at a decreasing rate. Furthermore, also in The Netherlands, a considerable part of the consumers is not willing to pay any price premium for SR products.

However, the present study suggests a willingness to pay of about 10% for low-involvement products and about 4% for high-involvement products, whereas studies from other countries suggest a higher willingness to pay. This difference may partly be attributed to differences in research methods between different studies, but it may also point at Dutch consumers being less willing to pay a price premium than consumers in other countries.

## 6.5 Policy implications and practical recommendations

### *For sellers of SR products*

The research has found that there are two main drivers of buying SR products: the 'perceived social responsibility' of the SR products and the 'costs' (time and money) involved in buying the SR product. In order to sell more SR products, a seller should try to (1) increase the level to which consumers perceive the product to have SR characteristics and (2) decrease the costs. Although both actions are important, action (1) is likely to have a larger effect on sales volume than action (2) for low-involvement products. In order to increase the level to which consumers perceive the product to have SR characteristics and decrease the costs, sellers should especially focus on the perceived effectiveness of the SR product and the extent to which consumers feel good about themselves when buying the SR product, as these two reasons have the largest impact on the factor 'perceived social responsibility'. For example, sellers of organic meat should point out the difference in animal welfare between animals in the bio-industry and animals on organic farms to consumers. This is likely to enhance the perceived effectiveness of buying organic meat in increasing animal welfare, and will then also increase the extent to which people feel good about themselves when buying organic meat.

In order to decrease the costs, sellers could lower prices of SR products (and clearly point out the decrease in prices to consumers, as most do not look at price tags in stores). Because the price elasticity is estimated to be large, this is likely to lead to larger turnovers. On the other hand, it will obviously put pressure on the profit margin per product and may also have adverse effects on quality perceptions, as higher prices are often perceived to indicate a higher quality. Therefore, a better option may be to increase the availability of SR products by increasing the distribution coverage and by trying to convince shop owners to put SR products in good locations (e.g. not on the bottom shelf).

The notion that buying SR products is complementary to buying other SR products can be useful for sellers of such products, as it implies that such buying is driven by *general* attitudes towards SR products rather than by attitudes towards different SR products that are independent of each other. For example, an attempt to persuade consumers to buy more organic meat is likely to influence this general attitude, which will have a positive effect on the sales of, for example, Fair Trade products. The existence of such positive spin-off effects implies that cooperation in advertising (perhaps even exploiting economies of scale) and other forms of marketing between sellers of SR products is likely to be beneficial for all parties involved.

Also, the positive correlation between donations to charity and buying SR products is interesting. It may imply that targeting communication about SR products to people who donate to charity (especially to charitable institutions that aim to alleviate similar social problems as the SR product) is more effective than 'general communication' about SR products.

Our study also showed that habit formation plays a role in purchasing SR products. Sellers should therefore try to find a way to have consumers switch from their habit of not buying SR products to a habit of buying SR products. Temporarily lowering prices may not have the desired effect. On the one hand, it may induce people to try the SR product (which will perhaps increase perceived quality), but on the other hand, it will fuel doubts about the effectiveness of the SR product: do coffee farmers benefit if consumers buy coffee at a discount price?

A more effective way to have consumers break their habits would, for example, be to cooperate with TV stations or magazines in making documentaries about social problems related to the production of non-SR products (sellers of SR products are likely to have expertise in this field). Especially if such documentaries are rather confronting, they are likely to have an impact on SR buying behaviour. Advertisements for SR products are likely to be more effective in the period in which such documentaries are broadcasted.

In order to stimulate consumers to stick to their 'new' habit of buying SR products, a seller could try to help buyers of SR products in gaining the approval of others, for example by providing durable complementary products to consumers, such as coffee cups with the Fair Trade hallmark or Fair Trade T-shirts. Consumers then have the possibility to 'show off' their socially responsible behaviour to others.

This research has also identified some 'dissatisfiers': if the quality of an SR product is perceived to be below-average or if the product is not perceived to be effective in alleviating the social problem, this is a reason for consumers not to buy these products. Currently, these perceptions are generally positive for quality. For effectiveness, however, consumers give SR products the benefit of the doubt, implying that they have doubts. It is therefore recommended that sellers of SR convincingly communicate about the social benefits of buying SR products. Moreover, it is recommended that sellers of SR products monitor perceptions about quality and effectiveness at all times, and make sure that they remain positive.

A general impression resulting from the research is that it is difficult to identify groups in society that are more likely to buy SR products than others. Socio-demographic variables do not have much power in discriminating buyers of SR products from non-buyers. The same goes for lifestyle and involvement in society: these variables are significantly related to buying SR products, but the amount of explained variance is low. It can therefore be concluded that market segmentation based on these variables will not be very effective, as buyers of SR products can be found in many subgroups of society.

However, if a seller wishes to focus on smaller groups in society (for example to reduce costs) it may be recommended to focus on female and higher educated consumers, as these groups generally have a more positive attitude towards SR products. These consumers are therefore most likely to switch to buying SR products. Furthermore, it can be recommended not to use TV advertising, as consumers with a positive attitude towards buying SR products spent less time watching TV than the average consumer.

The research suggests that for low-involvement products, the average willingness to pay is around 10% (using products with a base price of below € 3). It was also found that if the base price of the product increases, the percentage that consumers are willing to pay as a price premium decreases. For high-involvement products (using products with a base price above € 500), this percentage was around 4%. A final recommendation for sellers is therefore to keep the price difference with normal SR products within these limits.

#### *For governments*

Next to these recommendations for sellers of SR products, another question needs to be addressed: does the fact that most consumer products do not have 'SR' product features result from market failure? A case for this view can be made, as it was found that consumers who have full information about the social problems that SR products aim to alleviate (e.g. 'having seen it with their own eyes') are more likely to buy SR products than consumers with 'imperfect information'. People who indeed agree on this may argue that a government should take action to solve this market failure by setting compulsory 'SR standards' for producers of all products. This would also remove the feeling of being trapped in a sub-optimal outcome of a prisoners' dilemma (which might lead to consumers not buying SR products), as all consumers would buy products that are produced according to these standards. Moreover, it is likely to increase the total utility of Dutch consumers, as it was found that a large majority of consumers attaches value to SR characteristics of products.

## **6.6 Limitations of the study and recommendations for further research**

This study was done using six SR products: Fair Trade coffee, organic meat, free range eggs, Fair Trade chocolate sprinkles, GreenSeat tickets and FSC wood. The advantage of the use of multiple products is that it can be tested whether findings are similar across SR products. In the present study, findings were similar across the four low-involvement SR products, but were often different for GreenSeat tickets and FSC wood. One important finding in this study is therefore that a distinction should be made between different types of SR products. The results of the present study are applicable to the most common SR products: SR food available in supermarkets. However, the data about GreenSeat tickets and FSC wood do not provide enough certainty to make statements about other product categories, such as SR travel (e.g. GreenSeat, Boabab travel), SR building (e.g. FSC wood, SFI<sup>27</sup> wood) SR clothing (e.g. Kuyichi or 'Blue button') and so on. Further research, involving a larger number of SR products, is needed in order to find out to what extent findings for SR food products are also valid for other product categories.

It was found that habit formation plays a large role in SR buying behaviour. The moment that consumers break their old habit and start buying SR products is therefore of crucial importance. Whereas the present study is cross-sectional (it has taken a look at the buying behaviour of a large representative group of consumers), it

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<sup>27</sup> Sustainable Forestry initiative

would be interesting to study only consumers who buy many SR products, and focus on the first time they bought SR products. The question how people came to buy an SR product for the first time may be answered in more detailed in such a study.

Furthermore, the research has focused on the buying behaviour of individual consumers. It would be both interesting from a theoretical perspective as well as practically relevant to study the extent to which the findings also apply to the behaviour of 'communities' (such as companies, but especially also more 'social communities' such as churches and labour unions), and where there are differences. Furthermore, it would be interesting to investigate the extent to which a company's buying behaviour regarding SR products influences buying SR products of the people working for that company. Because awareness / thinking about buying SR products is an important determinant of SR buying behaviour, it is assumed that this effect can be observed.

Finally, a direction for further research originates from the idea of looking at an SR product as a combination of a base product and a social characteristic, as was done in the conclusion of section 2.4. It may be interesting to find whether consumers are willing to buy the social characteristic when it is not tied to the base product. For example, perhaps consumers would be willing to buy 'Fair Trade cards' at the checkout of the supermarket to support the Fair Trade foundation without actually buying Fair Trade products. Reasons could be that consumers do not like the taste of some Fair Trade products but would like to support Fair Trade, or that consumers want to donate more to the Fair Trade foundation than the price premium on Fair Trade products.

In addition, it could be studied whether consumers are willing to buy SR products where the social characteristic is not directly related to the base product. For example, consumers may be willing to pay a price premium to support coffee farmers when buying coffee cups or coffee machines. Or: consumers may be willing to pay a price premium to support organic farming when buying cooking equipment. If such willingness exists, a whole new range of possibilities to support the alleviation of social problems would be revealed.



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In the empirical research (both qualitative and quantitative), six products were used as examples. This appendix describes each of these products.

### *Fair Trade*

Although I speak of 'Fair Trade coffee' in this report, I said 'Fair Trade coffee of coffee with the Max Havelaar trademark' during the interviews and in the questionnaire. Although Max Havelaar appears to be a brand, it is in fact a very prominent trademark that is carried by mostly unknown brands. The trademark is owned by a foundation (also called Max Havelaar), which was established in 1988. The goal of this foundation is to improve the social and economic position of small coffee farmers in developing countries. This is done by certifying coffee that was bought at a 'fair price'<sup>28</sup> and under 'fair conditions' (according to the foundation) with the Max Havelaar trademark. If a coffee brand carries the trademark, the coffee is bought directly from cooperations of small coffee farmers in Africa and Latin America. Distributive trades are eliminated wherever possible. The farmers receive a price for their product that is considered to be 'fair' by the foundation. This price is always higher than the world-market price for coffee. Also other trade conditions are beneficial to the coffee farmers. For example, long-term trade agreements are set, which is meant to bring security and continuity for the coffee farmers. Furthermore, coffee farmers can receive up to 60% of the price for their coffee in advance. This way, they are never forced to do business with middlemen that pay too low a price, but pay in cash. Since 1988, the Dutch initiative has been copied by fair coffee trade organizations in 20 other Western countries. Some of them are also named Max Havelaar; others are named Transfair or Fairtrade Foundation (UK) or have a completely different name (Scandinavia). In 1997, Max Havelaar and several other fair trade certifying organizations have agreed to participate in an international umbrella organization called 'Fairtrade Labelling Organization'.

More information can be found on [www.fairtrade.net](http://www.fairtrade.net) (retrieved 12-30-2009).



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<sup>28</sup> Gielissen and Graafland (2009) provide an elaboration on concepts of price fairness in the Dutch coffee market.

### *Organic meat*



Organic meat complies with standards set by the European Union that are also included in Dutch law. As opposed to non-organic farming, animals can go outside all year long if the farming is organic. Furthermore, animals have more space indoors, and the quantity of concentrate they eat is restricted. The rest of the nourishment is organic. Furthermore, there are more stringent demands regarding pressure on the environment resulting from the meat production.

More information can be found on [www.milieucentraal.nl](http://www.milieucentraal.nl) (retrieved 12-30-2009).

### *Free-range eggs*

Whereas I speak of 'free-range eggs' in this report, I said 'free-range eggs or organic eggs during the interviews and in the questionnaire. Since 2001, all eggs need to be stamped with a code that indicates the type of chicken farming. This code provides information for consumers: the lower the first number of the code, the better is the life of the chicken that laid the egg. In this report, I call eggs with code 0 (organic) or 1 (free-range) SR products, and refer to eggs with code 2 or 3 as 'non-SR'. Codes 0 and 1 imply that the chicken can go outside at least eight hours per day, which is not the case for code 2 and 3. There should not be more than six (nine) chicken per square meter in the coups in organic (free-range) farming. The space available for the chicken outside is at least four (two and a half) square meter in organic (free-range) farming.



More information can be found on [www.milieucentraal.nl](http://www.milieucentraal.nl) (retrieved 12-30-2009).

### *Fair Trade chocolate sprinkles*



The cacao for Fair Trade chocolate sprinkles is bought from cacao farmers in Cameroon, Ivory Coast, Ghana, Dominican Republic and Ecuador. The same trading principles are used as in buying Fair Trade coffee: a 'fair price' (which is always above the world market price) is paid to the cacao farmers. Also the other terms of trade are comparable to what was described about Fair Trade coffee above.

More information can be found on [www.fairtrade.net](http://www.fairtrade.net) (retrieved 12-30-2009).



### *FSC Wood*

FSC is an independent, non-governmental, not-for-profit organization established in 1993 to promote the responsible management of the world's forests. FSC is a certification system that provides internationally recognized standard-setting, trademark assurance and accreditation services to companies and organizations interested in responsible forestry. The FSC label provides a link between responsible production and consumption of forest products. FSC is nationally represented in more than 50 countries around the world. The FSC criteria include managerial aspects as well as environmental and social requirements. Examples include:



- Prohibit conversion of forests or any other natural habitat
- Respect of international workers rights
- Respect of Human Rights with particular attention to indigenous peoples
- Prohibit the use of hazardous chemicals
- No corruption – follow all applicable laws
- Identification and appropriate management of areas that need special protection (e.g. cultural or sacred sites, habitat of endangered animals or plants)

More information can be found on [www.fsc.org](http://www.fsc.org) (retrieved 12-30-2009).

### *GreenSeat tickets*



GreenSeat is part of Climate Neutral Group. It provides consumers with the opportunity to offset the emissions caused by a flight via the sustainable energy and forestry projects of GreenSeat. Participation requires consumers to pay a price premium on top of the ticket price.

The size of the premium depends on the estimated CO<sub>2</sub>-emissions resulting from the flight. Examples of carbon offset projects include wind farms, hydropower plants, solar panels and biogas and biocompost projects. Climate Neutral Group also invests in sustainable afforestation projects. Protecting, repairing and planting forests are ways of absorbing CO<sub>2</sub> from the atmosphere.

More information can be found on [www.greenseat.nl](http://www.greenseat.nl) (retrieved 12-30-2009).

“The interview is part of a study into consumer behaviour. Please note that there are no wrong answers. Just try to answer all questions as honest and complete as possible. If a question is unclear, don’t hesitate to ask for further clarification. All answers will be dealt with confidentially.”

*Part 1*

Do you ever buy coffee? If yes:

Do you ever buy Fair Trade (Max Havelaar) coffee? If yes: how often?

What is the most important argument or reason for this?

What other arguments or reasons play a role?

*Similar questions follow about (organic) meat, (free-range) eggs and (Fair Trade) chocolate sprinkles.*

*Part 2*

*In this part, the arguments and reasons stated during part 1 are further discussed. The following topics are always discussed:*

Importance of the problems that ‘Fair Trade coffee’ claims to alleviate

Effectiveness of buying Fair Trade coffee in alleviating the problem

The price of Fair Trade coffee

Relative quality of Fair Trade coffee

Relative availability of Fair Trade coffee

*Similar questions follow about (organic) meat, (free-range) eggs and (Fair Trade) chocolate sprinkles.*

To what extent do you think that buying SR products is a moral duty?

Do you think that ‘important people’ in your life think positively about buying SR products?

*After each of the questions above, the respondent is asked: What role does this play in your consumption behaviour?*

After all of the above, the interviewer asks: “Are there any other issues that you think are relevant in the context of this interview?” If the answer is ‘no’, the interview ends.

**APPENDIX**

**C**

**AGREEMENT ABOUT CLASSIFICATION OF RESPONSES**

<b>Question</b>	<b>Classification of answers</b>	<b>Agreement</b>
- How often does the respondent (R) buy Fair Trade coffee?	1 = Never	84%
- How often does R buy organic meat?	2 = Seldom	76%
- How often does R buy free-range eggs?	3 = Sometimes	84%
- How often does R buy Fair Trade chocolate sprinkles?	4 = Regularly	96%
	5 = Always	
<hr/>		
- Does R see buying SR products as a moral duty?	1 = Not at all	72%
- Does R feel good about him- / herself when buying SR products?	(2>4 not anchored)	76%
- Does R find the problems SR products aim to alleviate important?		72%
- Does R think of SR products as being effective in alleviating problems?	5 = Certainly	84%
- Are important people in the life of R positive about buying SR products?		88%
- Is the higher price an important argument for not buying SR products?		88%
- Is a lower perceived quality of SR products an important argument for not buying SR products?		96%
- Is a lower availability of SR products an important argument for not buying SR products?		

## APPENDIX

# D

## QUESTIONNAIRE

### Vraag 1

Heeft u of iemand in uw huishouden in de afgelopen 6 maanden de hieronder genoemde producten gekocht? (meerdere antwoorden mogelijk → ja zelf en ja een ander, bij nee maar één antwoord mogelijk) (randomiseren)

<i>Producten randomiseren</i>	Ja, zelf gekocht	Ja, iemand anders uit het huishouden gekocht	Nee, niet gekocht
Koffie			
Chocolade hagelslag			
Eieren			
Vlees			

### Vraag 2

Heeft u of iemand in uw huishouden in de afgelopen 2 jaar de hieronder genoemde producten gekocht? (randomiseren)

<i>Producten 1 t/m 12 randomiseren</i>	Ja, zelf gekocht	Ja, iemand anders uit het huishouden gekocht	Nee, niet gekocht
1. vliegtickets			
2. houten producten			

Vraag 3: Van welke van de volgende producten heeft u wel eens gehoord?

(meer antwoorden mogelijk) (randomiseren van antwoordcategorieën)

1. Fair Trade koffie / Max Havelaar koffie
2. Biologisch vlees
3. Fair Trade hagelslag
4. Biologische eieren / 'vrije uitloop' eieren
5. Vliegtickets waarbij u extra betaalt om de CO<sub>2</sub>-uitstoot te compenseren
6. Houten producten met een FSC keurmerk
7. Geen van bovenstaande

### Vraag 4

Heeft u of iemand in uw huishouden in de afgelopen 6 maanden de hieronder genoemde producten gekocht? (meerdere antwoorden mogelijk) (randomiseren)

1. Fair Trade koffie / Max Havelaar koffie (alleen voorleggen als men bij V1 koffie heeft gekocht en bij V3 Fair Trade koffie / Max Havelaar koffie kent)
2. Fair Trade rijst
3. Fair Trade suiker

4. Fair Trade hagelslag (*alleen voorleggen als men bij V1 heeft gekocht en bij V3 kent*)
5. Fair Trade vruchtensap
6. Fair Trade thee
7. Fair Trade bananen
8. Producten uit de wereldwinkel
9. Kleding met het 'Made By' logo (kleding met het blauwe knoopje)
10. Biologische eieren of 'vrije uitloop' eieren (*alleen voorleggen als men bij V1 heeft gekocht en bij V3 kent*)
11. Biologisch vlees (*alleen voorleggen als men bij V1 heeft gekocht en bij V3 kent*)
12. Tony Chocolonely chocolade

Producten 1 t/m 12	Ja, zelf gekocht	Ja, iemand anders uit het huishouden gekocht	Nee, niet gekocht
Product 1			
Product 2 (etc)			

#### Vraag 5

Heeft u of iemand in uw huishouden in de afgelopen 2 jaar de hieronder genoemde producten gekocht? (randomiseren)

1. Houten producten met FSC keurmerk  
(*alleen voorleggen als men bij V2 heeft gekocht en bij V3 kent*)
2. Vliegtickets waarbij u extra betaalt om de CO<sub>2</sub>-uitstoot te compenseren  
(*alleen voorleggen als men bij V2 heeft gekochten en bij V3 kent*)

	Ja, zelf gekocht	Ja, iemand anders uit het huishouden gekocht	Nee, niet gekocht
Product			
Product			

#### **Vraag 6: Doorvragen over Fair Trade koffie / Max Havelaar koffie**

##### Vraag 6a

(*alleen stellen als men bij V1 wel kent en bij V3 zelf of iemand anders uit het huishouden Fair Trade koffie / Max Havelaar koffie heeft gekocht*)

U geeft aan dat u of iemand in uw huishouden in de afgelopen 6 maanden Fair Trade koffie / Max Havelaar koffie heeft gekocht. Wanneer u of iemand uit uw huishouden koffie (voor thuisgebruik) koopt, hoe vaak wordt er dan Fair Trade koffie / Max Havelaar koffie gekocht?

1. Altijd
2. Meestal
3. Regelmatig
4. Af en toe

##### Vraag 6b

(*alleen stellen als men bij V1 wel kent en bij V3 zelf of iemand anders uit het huishouden Fair Trade koffie / Max Havelaar koffie heeft gekocht*)

U (of iemand in uw huishouden) heeft in de afgelopen 6 maanden Fair Trade koffie / Max Havelaar koffie gekocht. Zou u (of iemand uit uw huishouden) deze koffie ook tegen dezelfde

prijs hebben gekocht als de koffieboeren in ontwikkelingslanden geen hogere prijs dan de wereldmarktprijs zouden krijgen?

1. Ja
2. Nee
3. Weet ik niet

### **Vraag 7: Doorvragen over biologisch vlees**

#### Vraag 7a

*(alleen stellen als men bij V1 wel kent en als bij V3 zelf of iemand uit het huishouden biologisch vlees heeft gekocht)*

U geeft aan dat u of iemand in uw huishouden in de afgelopen 6 maanden biologisch vlees heeft gekocht. Wanneer u of iemand uit uw huishouden vlees koopt, hoe vaak wordt er dan biologisch vlees gekocht?

1. Altijd
2. Meestal
3. Regelmatig
4. Af en toe

#### Vraag 7b

*(alleen stellen als men bij V1 wel kent en bij V3 zelf of iemand anders uit het huishouden biologisch vlees heeft gekocht)*

U (of iemand in uw huishouden) heeft in de afgelopen 6 maanden biologisch vlees gekocht. Zou u (of iemand uit uw huishouden) dit vlees ook tegen dezelfde prijs hebben gekocht als dit vlees niet diervriendelijker was dan ander vlees?

1. Ja
2. Nee
3. Weet niet

### **Vraag 8: Doorvragen over Fair Trade hagelslag**

#### Vraag 8a

*(alleen stellen als men bij V1 wel kent en als bij V3 zelf of iemand uit het huishouden Fair Trade hagelslag heeft gekocht)*

U geeft aan dat u of iemand in uw huishouden in de afgelopen 6 maanden Fair Trade hagelslag heeft gekocht. Wanneer u of iemand in uw huishouden hagelslag koopt, hoe vaak wordt er dan Fair Trade hagelslag gekocht?

1. Altijd
2. Meestal
3. Regelmatig
4. Af en toe

#### Vraag 8b

*(alleen stellen als men bij V2 wel kent en men zelf of iemand anders uit het huishouden Fair Trade hagelslag heeft gekocht)*

U (of iemand in uw huishouden) heeft in de afgelopen 6 maanden Fair Trade hagelslag gekocht. Zou u (of iemand uit uw huishouden) deze hagelslag ook tegen dezelfde prijs hebben gekocht als cacaoboeren in ontwikkelingslanden geen hogere prijs dan de wereldmarktprijs zouden krijgen?

1. Ja
2. Nee

3. Weet niet

### **Vraag 9: Doorvragen over biologische eieren / 'vrije uitloop' eieren**

#### Vraag 9a

*(alleen stellen als men bij V1 wel kent en bij V3 zelf of iemand uit het huishouden biologische eieren of 'vrije uitloop'eieren heeft gekocht)*

U geeft aan dat u of iemand in uw huishouden in de afgelopen 6 maanden biologische eieren of 'vrije uitloop'eieren heeft gekocht. Wanneer u of iemand uit uw huishouden eieren koopt, hoe vaak worden er dan biologische eieren of 'vrije uitloop'eieren gekocht?

1. Altijd
2. Meestal
3. Regelmatig
4. Af en toe

#### Vraag 9b

*(alleen stellen als men bij V1 wel kent en bij V3 zelf of iemand anders uit het huishouden biologische eieren of 'vrije uitloop'eieren heeft gekocht)*

U (of iemand in uw huishouden) heeft in de afgelopen 6 maanden biologische eieren of 'vrije uitloop'eieren gekocht. Zou u (of iemand uit uw huishouden) deze eieren ook tegen dezelfde prijs hebben gekocht als de productie hiervan niet diervriendelijker was dan die van andere eieren?

1. Ja
2. Nee
3. Weet ik niet

### **Vraag 10: Doorvragen over vliegen met CO<sub>2</sub> compensatie**

#### Vraag 10a

*(alleen stellen als men bij V1 wel kent en bij V5 men zelf of iemand uit het huishouden heeft gekocht)*

U geeft aan dat u of iemand in uw huishouden in de afgelopen twee jaar vliegtickets heeft gekocht, waarbij extra is betaald voor CO<sub>2</sub>-compensatie. Wanneer u of iemand uit uw huishouden vliegtickets koopt, hoe vaak wordt er dan extra betaald voor CO<sub>2</sub>-compensatie bij vliegtickets?

1. Altijd
2. Meestal
3. Regelmatig
4. Af en toe

#### Vraag 10b

*(alleen stellen als men bij V1 wel kent en men bij V5 zelf of iemand anders uit het huishouden vliegtickets met CO<sub>2</sub>-compensatie heeft gekocht)*

U (of iemand in uw huishouden) heeft in de afgelopen twee jaar vliegtickets met CO<sub>2</sub>-compensatie gekocht. Zou u (of iemand uit uw huishouden) deze vliegtickets ook tegen dezelfde prijs hebben gekocht als de CO<sub>2</sub>-uistoot niet gecompenseerd zou worden?

1. Ja
2. Nee
3. Weet ik niet

## Vraag 11: Doorvragen over houtproducten met FSC keurmerk

### Vraag 11a

*(alleen stellen als men bij V1 wel kent en bij V5 men zelf of iemand uit het huishouden heeft gekocht)*

U geeft aan dat u of iemand in uw huishouden in de afgelopen twee jaar houten producten met het FSC keurmerk heeft gekocht. Wanneer u of iemand uit uw huishouden houten producten koopt, hoe vaak wordt er dan houten producten met het FSC keurmerk gekocht?

1. Altijd
2. Meestal
3. Regelmatig
4. Af en toe

### Vraag 11b

*(alleen stellen als men bij V1 wel kent en men zelf of iemand anders uit het huishouden houten producten met het FSC keurmerk heeft gekocht)*

U (of iemand in uw huishouden) heeft in de afgelopen twee jaar houten producten met het FSC keurmerk gekocht. Zou u (of iemand uit uw huishouden) deze houten producten ook tegen dezelfde prijs hebben gekocht als het geen FSC logo zou hebben gehad?

1. Ja
2. Nee
3. Weet ik niet

## Vraag 12: Stellingen

*De vragen 12a, 12b, 12c, 12d en 12e worden gerandomiseerd*

*Let op: 12e en 12f altijd achter elkaar!!!*

### Vraag 12a:

Hieronder staat een aantal stellingen. Wilt u per stelling aangeven in hoeverre u het eens of oneens bent met de volgende stellingen?

Stelling randomiseren	Geheel mee oneens	Een beetje mee oneens	Niet mee eens of oneens	Een beetje mee eens	Geheel mee eens
1. Ik vind het een groot probleem als koffieboeren in ontwikkelingslanden een lage prijs krijgen voor de koffie die zij produceren					
2. Ik vind het een groot probleem als varkens en koeien onder slechte omstandigheden leven voordat ze worden geslacht					
3. Ik vind het een groot probleem als cacao boeren een lage prijs krijgen voor de cacao die zij produceren.					
4. Ik vind het een groot probleem als kippen weinig ruimte hebben					
5. Ik vind de uitstoot van CO <sub>2</sub> door vliegtuigen een groot probleem					



6. Ik vind het verdwijnen van bossen op verschillende plaatsen in de wereld een groot probleem					
--	--	--	--	--	--

Vraag 12b:

Hieronder staat een aantal stellingen. Wilt u per stelling aangeven in hoeverre u het eens of oneens bent met de volgende stellingen?

Stelling randomiseren	Geheel mee oneens	Een beetje mee oneens	Niet mee eens of oneens	Een beetje mee eens	Geheel mee eens
1. Ik denk dat ik koffieboeren in ontwikkelingslanden echt help als ik Fair Trade koffie of Max Havelaar koop					
2. Ik denk dat het leven van koeien en varkens op een biologische boerderij een stuk beter is dan dat van dieren in de niet-biologische veehouderij					
3. Ik denk dat ik cacaoboeren in ontwikkelingslanden echt help als ik Fair Trade hagelslag koop.					
4. Ik denk dat het echt een positieve invloed op het welzijn van kippen heeft als ik biologische eieren of 'vrije uitloop' eieren koop					
5. Ik denk dat het echt een positief effect op het milieu heeft als ik extra betaal voor een vliegticket om daarmee CO <sub>2</sub> uitstoot te compenseren					
6. Ik denk dat het echt een positief effect heeft op de hoeveelheid bos in de wereld als ik hout koop met het FSC keurmerk					

Vraag 12c:

Hieronder staat een aantal stellingen. Wilt u per stelling aangeven in hoeverre u het eens of oneens bent met de volgende stellingen?

Stelling randomiseren	Geheel mee oneens	Een beetje mee oneens	Niet mee eens of oneens	Een beetje mee eens	Geheel mee eens
1. Wanneer koffieboeren een te lage prijs krijgen voor hun koffie is dat ook mijn eigen verantwoordelijkheid als ik geen Fair Trade of Max Havelaar koffie koop					

2. Wanneer varkens en koeien dieren onder slechte omstandigheden leven is dat ook mijn eigen verantwoordelijkheid als ik geen biologisch vlees koop					
3. Wanneer cacaoboeren in ontwikkelingslanden onder slechte omstandigheden werken is dat ook mijn eigen verantwoordelijkheid als ik geen Fair Trade hagelslag koop					
4. Wanneer kippen weinig ruimte hebben is dat ook mijn eigen verantwoordelijkheid als ik geen biologische of 'vrije uitloop' eieren koop					
5. Wanneer het milieu schade lijdt door CO <sub>2</sub> uitstoot is dat ook mijn verantwoordelijkheid als ik de mogelijkheid om extra te betalen voor compensatie van CO <sub>2</sub> emissie niet gebruik					
6. Wanneer er wereldwijd bossen verdwijnen is dat ook mijn verantwoordelijkheid als ik hout koop zonder FSC keurmerk					

Vraag 12d:

Hieronder staat een aantal stellingen. Wilt u per stelling aangeven in hoeverre u het eens of oneens bent met de volgende stellingen?

Stelling randomiseren	Geheel mee oneens	Een beetje mee oneens	Niet mee eens of oneens	Een beetje mee eens	Geheel mee eens
1. Ik vind het positief dat mensen Fair Trade / Max Havelaar koffie kopen					
2. Ik vind het positief dat mensen biologisch vlees kopen					
3. Ik vind het positief dat mensen Fair Trade hagelslag kopen					
4. Ik vind het positief dat mensen biologische of 'vrije uitloop' eieren kopen					
5. Ik vind het positief dat mensen bij het kopen van een vliegticket een meerprijs betalen voor CO <sub>2</sub> compensatie.					
6. Ik vind het positief dat mensen hout kopen met een FSC keurmerk					

Vraag 12e:

Hieronder staat een aantal stellingen. Wilt u per stelling aangeven in hoeverre u het eens of oneens bent met de volgende stellingen?

Stelling randomiseren	Geheel mee oneens	Een beetje mee oneens	Niet mee eens of oneens	Een beetje mee eens	Geheel mee eens
1. Mensen die voor mij belangrijk zijn waarden het als mensen Fair Trade / Max Havelaar koffie kopen.					
2. Mensen die voor mij belangrijk zijn waarden het als mensen biologisch vlees kopen					
3. Mensen die voor mij belangrijk zijn waarden het als mensen Fair Trade hagelslag kopen					
4. Mensen die voor mij belangrijk zijn waarden het als mensen biologische of 'vrije uitloop' eieren kopen					
5. Mensen die voor mij belangrijk zijn waarden het als mensen bij het kopen van een vliegticket een meerprijs betalen voor CO <sub>2</sub> compensatie.					
6. Mensen die voor mij belangrijk zijn waarden het als mensen hout kopen met een FSC keurmerk					

Vraag 12f: De mensen die voor mij belangrijk zijn (waar ik bij de vorige vraag steeds aan dacht), zijn (meerdere antwoorden mogelijk):

1. Mijn gezinsleden
2. Mijn familie (geen gezinsleden)
3. Mijn vrienden
4. Mijn collega's
5. Anders, namelijk.....

Vraag 13: Naar welke van onderstaande politieke partijen gaat uw voorkeur het meest uit?

- |                  |                                 |
|------------------|---------------------------------|
| 1. SP            | 7. D66                          |
| 2. Groen Links   | 8. VVD                          |
| 3. PvdA          | 9. Trots Op Nederland (Verdonk) |
| 4. CDA           | 10. PVV (Wilders)               |
| 5. Christen Unie | 11. Anders                      |
| 6. SGP           | 12. Geen voorkeur               |

Vraag 14: Hoeveel geld geeft uw huishouden gemiddeld per maand aan goede doelen?

- |                         |                            |
|-------------------------|----------------------------|
| 1. Niets                | 6. Tussen 51 en 100 euro   |
| 2. Tussen 1 en 5 euro   | 7. Tussen 101 en 250 euro  |
| 3. Tussen 6 en 10 euro  | 8. Tussen 251 en 500 euro  |
| 4. Tussen 11 en 25 euro | 9. Tussen 501 en 1000 euro |
| 5. Tussen 26 en 50 euro | 10. Meer dan 1000 euro     |

Vraag 15: Aan wat voor soort goede doelen doneert u of uw huishouden? (Meerdere antwoorden mogelijk). *(Alleen voorleggen als vraag 14 is 2 t/m 10)*

Aan doelen die te maken hebben met:

1. Rampenbestrijding en internationale hulp
2. Gezondheidszorg en scholing in ontwikkelingslanden
3. Dierenwelzijn
4. Natuur en Milieu
5. Gezondheid
6. Cultuur en welzijn
7. Andere goede doelen

Vraag 16.

Hieronder staat een aantal stellingen. Wilt u per stelling aangeven in hoeverre u het eens of oneens bent met de volgende stellingen?

Stellingen randomiseren	Geheel mee oneens	Een beetje mee oneens	Niet mee eens of oneens	Een beetje mee eens	Geheel mee eens
1. Succesvol worden is een kwestie van hard werken; geluk heeft er weinig tot niets mee te maken.					
2. De wereld wordt bestuurd door een klein groepje mensen met macht, en de man in de straat kan daar weinig aan doen.					
3. Het is niet altijd verstandig om ver vooruit te plannen, omdat veel dingen toch van toeval afhankelijk zijn.					
4. Ik heb vaak het gevoel dat ik weinig invloed heb op de dingen die mij gebeuren.					
5. Er is een duidelijke verband tussen hoe hard ik studeer(de) en de cijfers die ik krijg (kreeg).					
6. Op lange termijn zijn mensen zelf verantwoordelijk voor slecht overheidsbeleid, zowel op landelijk als op lokaal niveau.					
7. Vervelende dingen overkomen mensen vooral omdat ze zelf fouten maken					

## Vraag 17 t/m 22: Randomiseren

Vraag 17: Een normaal pak koffie kost € 1,69. Wat is de **maximale prijs** waarbij u zou overwegen om Fair Trade koffie of koffie met het Max Havelaar keurmerk te kopen?

- |    |        |    |        |
|----|--------|----|--------|
| 1. | € 1,69 | 6. | € 2,19 |
| 2. | € 1,74 | 7. | € 2,39 |
| 3. | € 1,79 | 8. | € 2,69 |
| 4. | € 1,89 | 9. | € 2,99 |
| 5. | € 1,99 |    |        |

Vraag 18: Een normale biefstuk kost € 2,75. Wat is de **maximale prijs** waarbij u zou overwegen om een biologische biefstuk te kopen?

- |    |        |    |        |
|----|--------|----|--------|
| 1. | € 2,75 | 6. | € 3,55 |
| 2. | € 2,85 | 7. | € 3,90 |
| 3. | € 2,90 | 8. | € 4,35 |
| 4. | € 3,10 | 9. | € 4,85 |
| 5. | € 3,25 |    |        |

Vraag 19: Een normaal pak hagelslag kost € 1,09. Wat is de **maximale prijs** waarbij u zou overwegen om Fair Trade hagelslag te kopen?

- |    |        |    |        |
|----|--------|----|--------|
| 1. | € 1,09 | 6. | € 1,40 |
| 2. | € 1,13 | 7. | € 1,55 |
| 3. | € 1,15 | 8. | € 1,73 |
| 4. | € 1,23 | 9. | € 1,93 |
| 5. | € 1,29 |    |        |

Vraag 20: Een normale doos met 10 eieren kost € 1,45. Wat is de **maximale prijs** waarbij u zou overwegen om biologische / vrije uitloop eieren te kopen?

- |    |        |    |        |
|----|--------|----|--------|
| 1. | € 1,45 | 6. | € 1,86 |
| 2. | € 1,50 | 7. | € 2,06 |
| 3. | € 1,53 | 8. | € 2,30 |
| 4. | € 1,64 | 9. | € 2,56 |
| 5. | € 1,71 |    |        |

Vraag 21: Een normale vlucht naar New York € 550,-. U kunt echter ook een vlucht boeken die 'klimaatneutraal' wordt uitgevoerd (uitstoot van CO<sub>2</sub> wordt gecompenseerd door het aanplanten van bossen). Wat is de **maximale prijs** waarbij u zou overwegen om een 'klimaatneutrale' vlucht te boeken?

- |    |         |    |         |
|----|---------|----|---------|
| 1. | € 550,- | 6. | € 710,- |
| 2. | € 565,- | 7. | € 780,- |
| 3. | € 580,- | 8. | € 870,- |
| 4. | € 620,- | 9. | € 970,- |
| 5. | € 650,- |    |         |

Vraag 22: Een set houten tuinmeubels die u graag wil kopen kost € 1299,-. Wat is de **maximale prijs** waarbij u zou overwegen om dezelfde set tuinmeubels te kopen, maar dan met het FSC keurmerk?

- |    |          |    |          |
|----|----------|----|----------|
| 1. | € 1299,- | 6. | € 1675,- |
| 2. | € 1335,- | 7. | € 1840,- |
| 3. | € 1369,- | 8. | € 2055,- |
| 4. | € 1465,- | 9. | € 2290,- |
| 5. | € 1535,- |    |          |

Vraag 23: Hoe schat u de kwaliteit en smaak van de volgende producten in, vergeleken met de 'normale' variant van dit product? (Bijvoorbeeld: Fair Trade koffie in vergelijking met normale koffie).

Product	Veel slechter	Iets slechter	Gelijk	Iets beter	Veel beter
1. Fair Trade / Max Havelaar koffie					
2. Biologisch vlees					
3. Fair Trade hagelslag					
4. Biologische / vrije uitloop eieren					
5. Hout met een FSC keurmerk					

Vraag 24: Hoeveel extra moeite denkt u dat u zou moeten doen om de volgende producten te kopen (bijvoorbeeld door naar een andere winkel te gaan) in vergelijking met de 'normale' variant van dit product?

Product	Geen	Weinig	Niet veel, niet weinig	Vrij veel	Zeer veel
1. Fair Trade / Max Havelaar koffie					
2. Biologisch vlees					
3. Fair Trade hagelslag					
4. Biologische / vrije uitloop eieren					
5. Vliegtickets <b>met</b> compensatie voor CO <sub>2</sub>					
6. Hout met een FSC keurmerk					

Vraag 25:

Hieronder staat een aantal stellingen. Wilt u per stelling aangeven in hoeverre u het eens of oneens bent met de volgende stellingen?

Stellingen randomiseren	Zeer mee oneens	Enigszins mee oneens	Neutraal	Enigszins mee eens	Zeer mee eens
1. Bij mijn aankopen vind ik het belangrijk of iets in de aanbieding is.					
2. Ik weet altijd vrij nauwkeurig hoeveel geld er op mijn bankrekening staat					
3. Ik geef gemakkelijk geld uit aan leuke dingen die ik niet echt nodig heb.					
4. Ik ben een spaarzaam persoon					

**Vraag 26 t/m 31: Randomiseren**

Vraag 26: In hoeverre krijgt u een goed gevoel over uzelf als u de volgende producten zou kopen?

<i>random</i>	Helemaal niet	Een beetje	Neutraal	Best wel	Zeker wel
1. Fair Trade koffie					
2. Biologisch vlees					
3. Fair Trade hagelslag					
4. Biologische / Vrije uitloop eieren					
5. Vliegtickets met een prijsopslag voor CO <sub>2</sub> compensatie					
6. Hout <b>met</b> FSC keurmerk					

Vraag 27: In hoeverre vindt u dat mensen de volgende producten behoren te kopen?

<i>random</i>	Helemaal niet	Niet echt	Neutraal	Eigenlijk wel	Zeker wel
1. Fair Trade koffie					
2. Biologisch vlees					
3. Fair Trade hagelslag					
4. Biologische / Vrije uitloop eieren					
5. Vliegtickets met een prijsopslag voor CO <sub>2</sub> compensatie					
6. Hout <b>met</b> FSC keurmerk					

Vraag 28: In hoeverre kunt u zich de volgende producten veroorloven?

<i>random</i>	Helemaal niet	Met moeite	Enigszins	Vrij goed	Geen enkel probleem
1. Fair Trade koffie					
2. Biologisch vlees					
3. Fair Trade hagelslag					
4. Biologische / Vrije uitloop eieren					
5. Vliegtickets met een prijsopslag voor CO <sub>2</sub> compensatie					
6. Hout <b>met</b> FSC keurmerk					

Vraag 29: Welk beeld heeft u bij de eerlijkheid van de prijs van de volgende producten?

<i>random</i>	Zeer Oneerlijk	Een beetje oneerlijk	Neutraal	Vrij eerlijk	Zeer eerlijk
1. Fair Trade koffie					
2. Biologisch vlees					
3. Fair Trade hagelslag					
4. Biologische / Vrije uitloop eieren					
5. Vliegtickets met een prijsopslag voor CO <sub>2</sub> compensatie					
6. Hout <u>met</u> FSC keurmerk					

Vraag 30: Hoe vaak heeft u nagedacht over de mogelijkheid om de volgende producten te kopen?

	Nooit	Bijna nooit	Af en toe	Regelmatig	Vaak
1. Fair Trade koffie					
2. Biologisch vlees					
3. Fair Trade hagelslag					
4. Biologische / Vrije uitloop eieren					
5. Vliegtickets met een prijsopslag voor CO <sub>2</sub> compensatie					
6. Hout <u>met</u> FSC keurmerk					

Vraag 31:

Met een 'maatschappelijk verantwoord product' wordt bedoeld: een product dat, vergeleken met andere producten, extra goed is voor andere mensen, dierenwelzijn of het milieu. Denk bijvoorbeeld aan Fair Trade producten, biologisch vlees en hout met een FSC keurmerk.

Welke van de volgende stellingen komt het meest overeen met uw mening?

1. Ik betaal liever regelmatig een klein bedrag extra voor een 'maatschappelijk verantwoord' product dan af en toe een groot bedrag.
2. Ik betaal liever af en toe een wat groter bedrag extra voor een 'maatschappelijk verantwoord' product dan regelmatig een klein bedrag.
3. Geen voorkeur



Vraag 32: In welk veld past uw (hoogst genoten) opleiding het beste?

1. Algemene vorming / Algemene (basis-)opleiding
2. Technische opleiding
3. Economische / Commerciële opleiding
4. Gezondheidszorg
5. Kunst en cultuur
6. Onderwijs
7. Politie / Defensie
8. Anders

Vraag 33a: Tot welke levensbeschouwing / religie rekent u zichzelf?

- |                  |                            |
|------------------|----------------------------|
| 1. Geen          | 7. Rooms katholiek         |
| 2. Humanistisch  | 8. Protestants christelijk |
| 3. Joods         | 9. Evangelisch             |
| 4. Islamitisch   | 10. Reformatorisch         |
| 5. Boeddhistisch | 11. Anders, namelijk ..... |
| 6. Hindoeïstisch |                            |

Vraag 33b

*(alleen voorleggen als vraag 33a is 2 t/m 11)*

Hoe vaak bezoekt u de bijeenkomsten van uw geloofsgemeenschap?

1. Nooit
2. Zelden
3. 1 keer per maand
4. 2 tot 3 keer per maand
5. 1 of meerdere keren per week
6. (Bijna) Dagelijks

Vraag 33c

*(alleen voorleggen als vraag 33a is 2 t/m 11)*

Hoe vaak bidt of mediteert u?

1. Nooit
2. Zelden
3. 1 keer per maand
4. 2 tot 3 keer per maand
5. 1 of meerdere keren per week
6. (Bijna) Dagelijks

Vraag 34: Hoeveel zou uw huishouden per maand kunnen sparen denkt u?

- |                              |  |
|------------------------------|--|
| 1. Niets                     | 12. Meer dan 2000 euro                       |
| 2. 25 euro of minder         | 13. Op deze vraag wil ik geen antwoord geven |
| 3. Tussen 26 en 50 euro      |  |
| 4. Tussen 51 en 100 euro     |  |
| 5. Tussen 101 en 200 euro    |  |
| 6. Tussen 201 en 300 euro    |  |
| 7. Tussen 301 en 500 euro    |  |
| 8. Tussen 501 en 750 euro    |  |
| 9. Tussen 751 en 1000 euro   |  |
| 10. Tussen 1001 en 1500 euro |  |
| 11. Tussen 1501 en 2000 euro |  |

Nr.	Variable	Answer categories	
35	Date of birth	Open	
36	Gender	Male / Female	
37	Postal code	Open	
38	Number of persons older than 12 years in the household	Open	
39	Number of persons from 0 to 11 years old in the household	Open	
40	Place in the household	Main breadwinner Partner of breadwinner Child Other family member Other person (no family)	
41	Civil status	Married Divorced Widow(er) Never been married	
42	Cohabiting with a steady partner	Yes / No	
43	Highest education followed	Low	* Primary (first two years) * Primary (third year and up) * Other lower education * Lower secondary education * Special secondary education * Intermediate / higher secondary education (up to third year) * Apprenticeship
		Medium	* Intermediate / higher secondary education (fourth year and up) * Intermediate professional education
		High	* Higher professional education * Post higher professional education * Academic education (propedeutic phase) * Academic Education (doctorate phase / Master)
44	Highest education finished successfully?	See 43	
45	Are you currently following education?	Yes, full time Yes, part time Yes, training No	
46	How are you employed?	Self-employed	

		(semi-) civil servant On payroll I don't know I am not employed
47	If applicable: How many hours per week do you work?	<8 8-11 12-18 19-24 25-30 31-35 36+
48	If not employed: What applies to you?	Disabled Unemployed / looking for work Government benefits Retired (younger than 65) Retired (older than 65) Studying Housewife / Househusband Other
49	In which country were you born?	The Netherlands Turkey Morocco Surinam Antilles Indonesia Germany Belgium North-America South / Middle America Other European country Other African country Other Asian country Australia / New Zealand Other country Don't know / Don't want to say
50	In which country was your father born?	See 49
51	In which country was your mother born?	See 49
52	What is your net personal monthly income?	No income Below € 700,-- € 700,-- - € 900,-- € 900,-- - € 1.100,-- € 1.100,-- - € 1.300,-- € 1.300,-- - € 1.500,-- € 1.500,-- - € 1.700,-- € 1.700,-- - € 1.900,-- € 1.900,-- - € 2.100,-- € 2.100,-- - € 2.300,-- € 2.300,-- - € 2.500,-- € 2.500,-- - € 2.700,-- € 2.700,-- - € 2.900,--

		€ 2.900,-- - € 3.100,-- € 3.100,-- - € 3.300,-- € 3.300,-- - € 3.500,-- € 3.500,-- - € 3.700,-- € 3.700,-- - € 3.900,-- € 3.900,-- - € 4.100,-- € 4.100,-- of meer Don't know / Don't want to say
53	How many days per week do you use internet?	<1 1 2 3 4 5 6 7
54	How long do you use internet per day (on average)?	0-15 minutes 15-30 minutes 30-45 minutes 45-60 minutes 1 - 1 ½ hours 1 ½ - 2 hours 2 – 3 hours More than 3 hours
55	Do you ever buy things in a supermarket?	Yes / No
56	Do you do the daily groceries?	Yes / No
57	Subjective Wellbeing - Most aspects of my life are close to perfect - My living conditions are outstanding - I am happy with my life - Up to now, I have achieved the most important things that I wanted to achieve - If I could live my life again, I would change almost nothing	5-point scales (disagree / agree)
58	To what extent do the following topics interest you? * News * Economics and Finance * Computers, internet and multimedia * History * Environment * Religion * Culture * Movies * Literature * Music * Sports * Cars and motorcycles * Cooking * Travelling	5-point scale (not at all / very much)

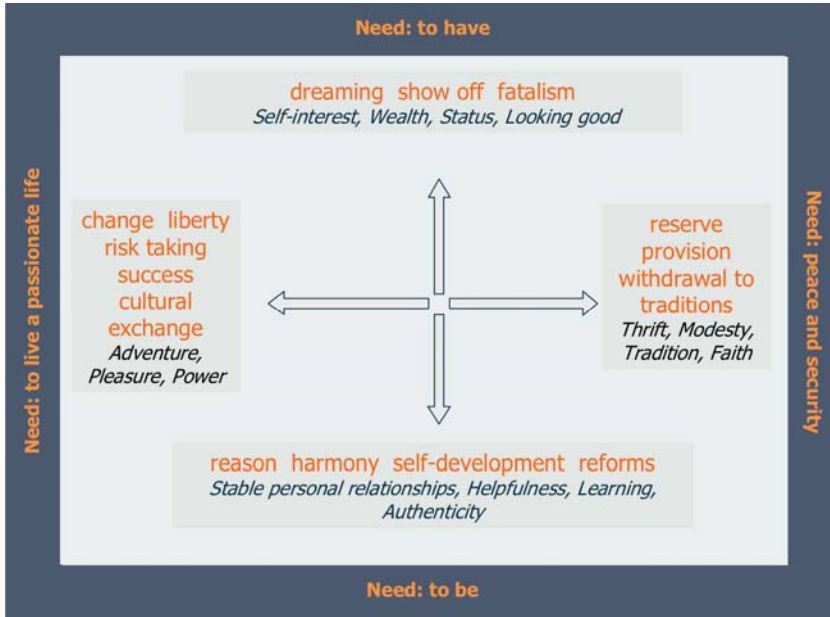
	<ul style="list-style-type: none"> <li>* Animals</li> <li>* Celebrities</li> <li>* Health</li> <li>* Babies and upbringing</li> <li>* Family life</li> <li>* Fashion</li> <li>* Beauty</li> <li>* Garden</li> <li>* Do it yourself</li> <li>* Decoration</li> <li>* Wether</li> <li>* Traffic</li> </ul>	
59	<p>How often do you read the following newspapers?</p> <ul style="list-style-type: none"> <li>* Algemeen Dagblad</li> <li>* Telegraaf</li> <li>* Volkskrant</li> <li>* NRC Handelsblad</li> <li>* NRC Next</li> <li>* Het Parool</li> <li>* Trouw</li> <li>* Local paper</li> <li>* Spits</li> <li>* Metro</li> <li>* De Pers</li> </ul>	7-point scale (never / all issues)
60	How many days per week do you listen to the radio?	Open
61	How long do you listen per day (on average) on the days on which you listen to the radio?	Open
62	What is your favorite radio station?	<p>Choose one from:</p> <ul style="list-style-type: none"> <li>Radio 1</li> <li>Radio 2</li> <li>Radio 3FM</li> <li>Radio 4</li> <li>Radio 5</li> <li>Radio 538</li> <li>CAZ!</li> <li>Classic FM</li> <li>Radio 10 Gold</li> <li>Radio Veronica</li> <li>BNR Nieuwsradio</li> <li>Slam FM</li> <li>Q-music</li> <li>Sky Radio</li> <li>Arrow Classic rock</li> <li>Arrow Jazz FM</li> <li>100% NL</li> <li>Local station</li> <li>Other station</li> </ul>
63	How many days per week do you watch	Open

	television?	
64	How long do you watch TV per day (on average) on the days on which you watch TV?	Open
65	What is your favorite TV station?	Choose one from: Nederland 1 Nederland 2 Nederland 3 RTL 4 RTL 5 RTL 7 SBS 6 RTL 8 Net5 The Music Factory (TMF) Comedy Central MTV Veronica Nickelodeon Jetix Z@pp Discovery Channel National Geographic Channel (NGC) Local station Regional station Other station No favorite station
66	Roper Consumer Styles Lifestyle Classification	Not revealed

APPENDIX

F

ROPER CONSUMER STYLES



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## Huiselijken

## Gesettled



### Huiselijken

Verlangen naar zekerheid en status

Vrienden en directe omgeving spelen belangrijke rol in het leven. Georiënteerd op gemak.

#### Consumptie

Producten en diensten die zekerheid bieden. Geaccepteerde producten en merken merken. Gemak.

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### Gesettled

Verlangen naar rust en harmonie

Traditioneel ingesteld. Relatief meer ouderen.

#### Consumptie

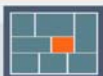
Een sobere consumptiestijl. Sterke relatie met familie en directe vriendenkring. Thema 's zijn: familie, veiligheid en gezondheid.

GfK

19

## Realisten

## Plichtsgetrouwen



### Realisten

Hard werken en respect voor de natuur

Kritisch en bezette mensen die de blik richten op een toekomst en een betere wereld.

#### Consumptie

Besteed tijd aan zoektocht naar producten en diensten (en merken) die corresponderen met hun eigen hoge eisen.

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### Plichtsgetrouwen (veel eisenden)

Sterk plichtsbef en gedisciplineerd

Nauwgezette mensen met traditionele achtergrond. Stellen hoge eisen aan zichzelf en hun omgeving.

#### Consumptie

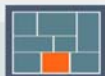
Hoge eisen aan productkwaliteit en kwaliteit van dienstverlening.

GfK

20



## Maatschappelijk betrokkenen



### Maatschappelijk betrokkenen

Zoektocht naar duurzaamheid en intellectuele verrijking

Sterk verbonden met de omgeving en maatschappij zonder de hedonistische kant van het leven te verwaarlozen.

#### Consumptie

Rationele consumptiestijl die georiënteerd is op hoge kwaliteit en duurzaamheid.

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## Wereldburgers



### Wereldburgers (open minded)

Grote sociale verantwoordelijkheden, maar gelijktijdig gericht op succes.

Hedonistisch, tolerante intellectuelen die zoeken naar individualiteit en persoonlijke harmonie.

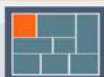
#### Consumptie

Consumptiestijl met aandacht op leefstijl en sfeer.

GfK

21

## Dromers



### Dromers

Dromen van een interessante toekomst

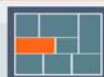
Intuïtief, jong van geest, materialistische ingesteld. Nemen beperkte risico's.

#### Consumptie

Producten en diensten met een goed imago. Merkkeuze belangrijk.

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## Spanningzoekers



### Spanningzoekers

Leven met passie

Jonge, dynamische mensen. Streven naar succes en (materialistische) onafhankelijkheid.

#### Consumptie

Consumptie die georiënteerd is om vrije tijd maximaal te benutten. Early adopters van innovatieve producten.

GfK

22

APPENDIX

G

CORRELATION MATRICES AND SCREE PLOTS

This appendix provides correlation matrices and scree plots from the factor analyses in section 5.5.6. (Note that these figures are available in the main text for Fair Trade coffee)

*Organic Meat*

Correlation between variables

	1	2	3	4	5	6	7	8	9
2	.44**								
3	.35**	.46**							
4	.37**	.40**	.41**						
5	.24**	.40**	.29**	.29**					
6	.06*	.05	.08**	.08**	-.01				
7	.36**	.44**	.41**	.43**	.41**	.08**			
8	.29**	.36**	.35**	.41**	.39**	.07**	.57**		
9	.03	.07*	.08**	.05**	.14**	-.06*	.17**	.15**	
10	.20**	.32**	.32**	.34**	.30**	-.01	.39**	.38**	.21**

\* = Significant using  $\alpha = .05$

\*\* = Significant using  $\alpha = .01$

1 = Perception of buying organic meat as a moral duty

2= Feeling good about oneself when buying organic meat

3= Perceived importance of the social problems

4 = Perceived effectiveness of organic meat in solving this social problem

5 = Perceived own responsibility for the social problem

6 = Perceived opinion of relevant others

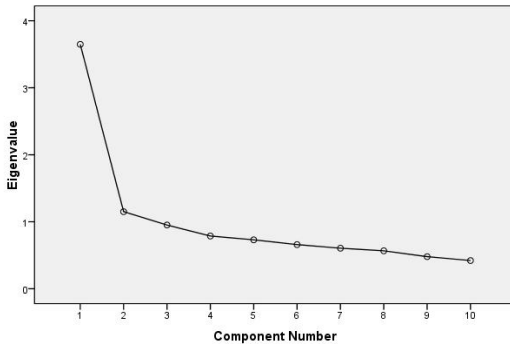
7 = Perceived affordability of organic meat

8 = Perceived price fairness of organic meat

9 = Perceived quality of organic meat

10 = Perceived availability of organic meat

Scree Plot



## Free-range eggs

### Correlation between variables

	1	2	3	4	5	6	7	8	9
2	.53**								
3	.43**	.55**							
4	.41**	.50**	.44**						
5	.30**	.41**	.28**	.33**					
6	-.01	-.01	.02	.01	-.02				
7	.42**	.55**	.44**	.45**	.42**	.02			
8	.34**	.45**	.36**	.45**	.37**	.01	.61**		
9	.10**	.15**	.15**	.12**	.18**	-.13**	.25**	.26**	
10	.30**	.45**	.35**	.36**	.36**	-.05*	.45**	.42**	.23**

\* = Significant using  $\alpha = .05$

\*\* = Significant using  $\alpha = .01$

1 = Perception of buying free-range eggs as a moral duty

2 = Feeling good about oneself when buying free-range eggs

3 = Perceived importance of the social problems

4 = Perceived effectiveness of free-range eggs in solving this social problem

5 = Perceived own responsibility for the social problem

6 = Perceived opinion of relevant others

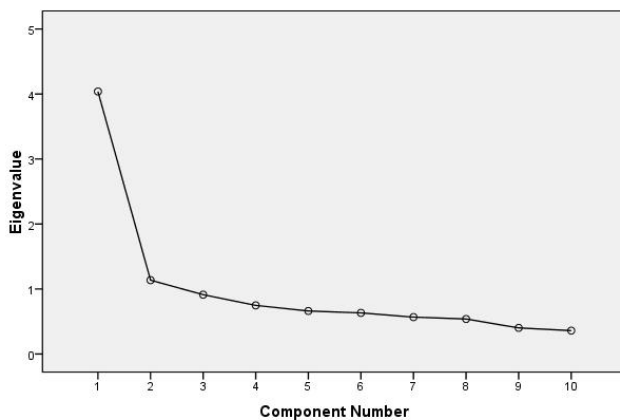
7 = Perceived affordability of free-range eggs

8 = Perceived price fairness of free-range eggs

9 = Perceived quality of free-range eggs

10 = Perceived availability of free-range eggs

Scree Plot



## Fair Trade chocolate sprinkles

### Correlation between variables

	1	2	3	4	5	6	7	8	9
2	.48**								
3	.41**	.56**							
4	.40**	.49**	.41**						
5	.15**	.17**	.21**	.25**					
6	.06*	-.01	.01	.03	.01				
7	.38**	.46**	.42**	.44**	.22**	.07			
8	.35**	.37**	.36**	.41**	.25**	.04	.53**		
9	.06*	.10**	.07**	.05*	.00	-.02	.13**	.14**	
10	.26**	.41**	.32**	.31**	.21**	-.04	.40**	.35**	.21**

\* = Significant using  $\alpha = .05$

\*\* = Significant using  $\alpha = .01$

1 = Perception of buying Fair Trade chocolate sprinkles as a moral duty

2 = Feeling good about oneself when buying Fair Trade chocolate sprinkles

3 = Perceived importance of the social problems

4 = Perceived effectiveness of Fair Trade chocolate sprinkles in solving this social problem

5 = Perceived own responsibility for the social problem

6 = Perceived opinion of relevant others

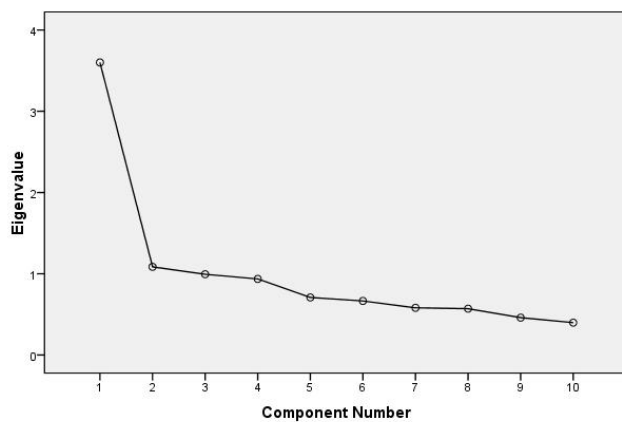
7 = Perceived affordability of Fair Trade chocolate sprinkles

8 = Perceived price fairness of Fair Trade chocolate sprinkles

9 = Perceived quality of Fair Trade chocolate sprinkles

10 = Perceived availability of Fair Trade chocolate sprinkles

Scree Plot



Total low-involvement SR products

**Correlation between variables**

	1	2	3	4	5	6	7	8	9
2	.58**								
3	.36**	.44**							
4	.43**	.55**	.56**						
5	.38**	.46**	.44**	.58**					
6	.44**	.46**	.45**	.52**	.44**				
7	.16**	.16**	.06*	.11**	.09**	.06*			
8	.39**	.43**	.29**	.45**	.35**	.35**	.22**		
9	.40**	.40**	.31**	.41**	.32**	.36**	.09**	.33**	
10	.07*	.10**	.05*	.02	.04	.06*	-.07*	-.04	.03

\* = Significant using  $\alpha = .05$

\*\* = Significant using  $\alpha = .01$

1 = Perception of buying low-involvement SR products as a moral duty

2= Feeling good about oneself when buying low-involvement SR products

3= Perceived importance of the social problems

4 = Perceived effectiveness of low-involvement SR products in solving these social problems

5 = Perceived own responsibility for the social problems

6 = Perceived opinion of relevant others

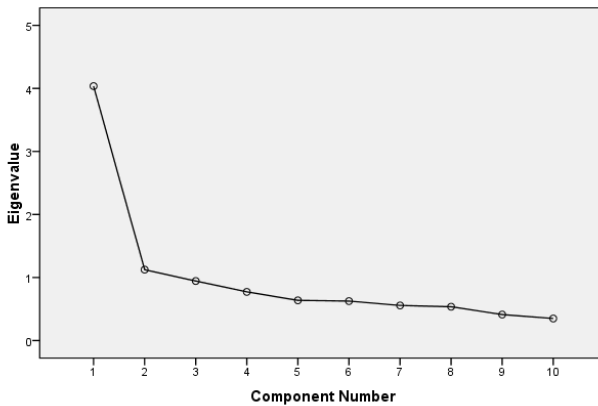
7 = Perceived affordability of low-involvement SR products

8 = Perceived price fairness of low-involvement SR products

9 = Perceived quality of low-involvement SR products

10 = Perceived availability of low-involvement SR products

**Scree Plot**



*GreenSeat tickets.*

**Correlation between variables**

	1	2	3	4	5	6	7	8
2	.41**							
3	.38**	.55**						
4	.36**	.47**	.42**					
5	.06*	.10**	.11**	.10**				
6	.33**	.46**	.41**	.40**	.14**			
7	.33**	.40**	.37**	.39**	.12**	.54**		
8	-.06*	.03	.05	-.05	-.06*	.12**	.04*	
9	.25**	.45**	.38**	.31**	.07*	-.44*	.42**	.10**

\* = Significant using  $\alpha = .05$

\*\* = Significant using  $\alpha = .01$

1 = Perception of buying GreetSeat tickets as a moral duty

2= Feeling good about oneself when buying GreetSeat tickets

3= Perceived importance of the social problems

4 = Perceived effectiveness of GreetSeat tickets in solving this social problem

5 = Perceived own responsibility for the social problem

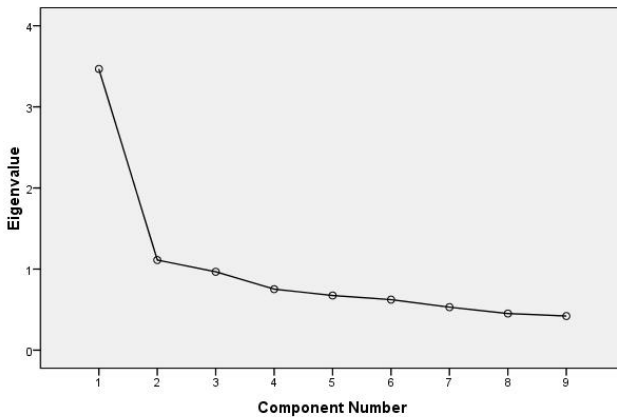
6 = Perceived opinion of relevant others

7 = Perceived affordability of GreetSeat tickets

8 = Perceived price fairness of GreetSeat tickets

9 = Perceived availability of GreetSeat tickets

**Scree Plot**



FSC wood

**Correlation between variables**

	1	2	3	4	5	6	7	8	9
2	.35**								
3	.31**	.50**							
4	.27**	.47**	.42**						
5	.00	-.04	.02	.03					
6	.26**	.41**	.40**	.42**	.03				
7	.25**	.41**	.41**	.40**	-.04	.57**			
8	.07*	.13**	.06*	.03	-.13**	.17**	.18**		
9	.18**	.35**	.30**	.27**	-.02	.36**	.35**	.21**	
10	.16**	.26**	.24**	.27**	.05	.25**	.24**	.02	.24**

\* = Significant using  $\alpha = .05$

\*\* = Significant using  $\alpha = .01$

1 = Perception of buying FSC wood as a moral duty

2= Feeling good about oneself when buying FSC wood

3= Perceived importance of the social problems

4 = Perceived effectiveness of FSC wood in solving this social problem

5 = Perceived own responsibility for the social problem

6 = Perceived opinion of relevant others

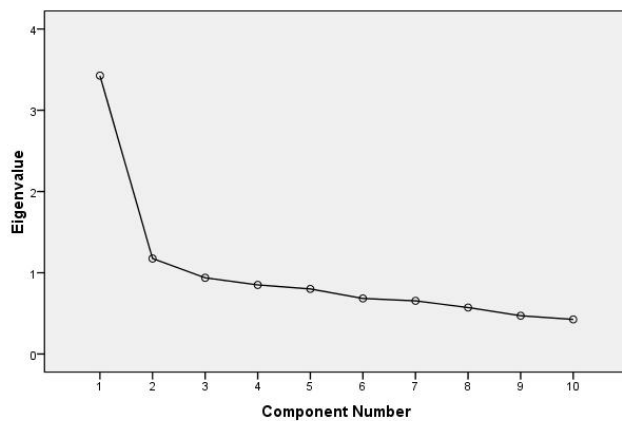
7 = Perceived affordability of FSC wood

8 = Perceived price fairness of FSC wood

9 = Perceived quality of FSC wood

10 = Perceived availability of FSC wood

**Scree Plot**



Total high-involvement SR products

**Correlation between variables**

	1	2	3	4	5	6	7	8	9
2	.56**								
3	.31**	.35**							
4	.41**	.47**	.45**						
5	.41**	.43**	.40**	.57**					
6	.41**	.42**	.37**	.50**	.45**				
7	.09**	.12**	-.01	.05*	.05	-.03			
8	.36**	.39**	.22**	.42**	.36**	.30**	.14**		
9	.23**	.22**	.20**	.26**	.22**	.27**	-.00	.23**	
10	.06*	.10**	.05	.06*	.09**	.08**	-.10**	.03	.08**

\* = Significant using  $\alpha = .05$

\*\* = Significant using  $\alpha = .01$

1 = Perception of buying high-involvement SR products as a moral duty

2 = Feeling good about oneself when buying high-involvement SR products

3 = Perceived importance of the social problems

4 = Perceived effectiveness of high-involvement SR products in solving these social problems

5 = Perceived own responsibility for the social problems

6 = Perceived opinion of relevant others

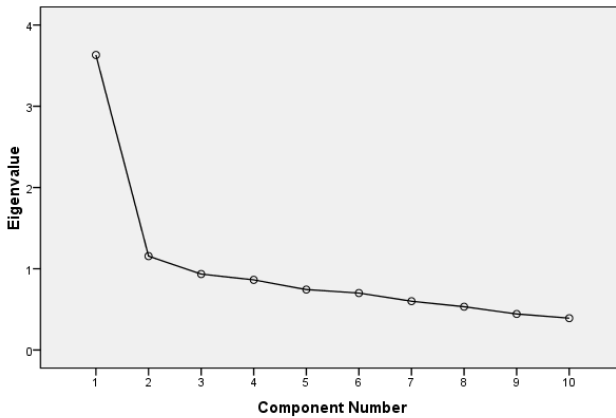
7 = Perceived affordability of high-involvement SR products

8 = Perceived price fairness of high-involvement SR products

9 = Perceived quality of high-involvement SR products

10 = Perceived availability of high-involvement SR products

**Scree Plot**





Total SR products

**Correlation between variables**

	1	2	3	4	5	6	7	8	9
2	.58**								
3	.37**	.44**							
4	.44**	.55**	.58**						
5	.39**	.46**	.45**	.60**					
6	.44**	.46**	.46**	.55**	.46**				
7	.13**	.13**	.04	.09**	.07*	.02			
8	.38**	.41**	.29**	.46**	.36**	.36**	.19**		
9	.39**	.39**	.33**	.41**	.33**	.37**	.06*	.33**	
10	.08**	.11**	.05*	.05*	.07*	.08**	-.08**	-.02	.05

\* = Significant using  $\alpha = .05$

\*\* = Significant using  $\alpha = .01$

1 = Perception of buying SR products as a moral duty

2= Feeling good about oneself when buying SR products

3= Perceived importance of the social problems

4 = Perceived effectiveness of SR products in solving these social problems

5 = Perceived own responsibility for the social problems

6 = Perceived opinion of relevant others

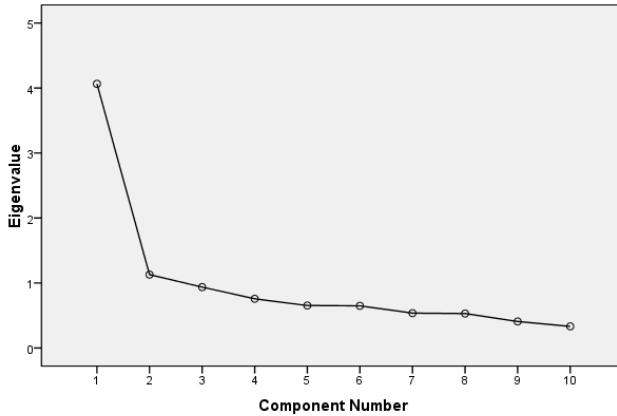
7 = Perceived affordability of SR products

8 = Perceived price fairness of SR products

9 = Perceived quality of SR products

10 = Perceived availability of SR products

**Scree Plot**





## SUMMARY

### How consumers make a difference

An inquiry into the nature and causes of buying socially responsible products

#### *Introduction*

This research concerns socially responsible (SR) products. These products are defined as products with socially responsible characteristics and an above-market price. Examples of SR products include Fair Trade products, organic food and GreenSeat plane tickets.

In The Netherlands, the sales volume of SR products has grown dramatically in recent years. Whether this trend will continue in the near future depends on whether more Dutch consumers can be persuaded to buy these products. Consequently, information on arguments for buying / not buying SR products and about groups of consumers most likely to buy these products is of great importance. Therefore, this research aims to provide more insight into Dutch consumers' reasons for buying / not buying SR products. The main research question is formulated as follows:

'Why do consumers buy socially responsible products with an above-market price?'

Numerous studies on 'socially conscious' buying are available, but most of these studies do not focus explicitly on social products for which a price premium has to be paid by the consumer. Asking consumers to pay a price premium could, however, have a large impact on their behavior.

Some studies into buying SR products have been done, especially in the UK, the US, Belgium and Denmark. The present research aims to extend this research in several directions. Firstly, as opposed to most studies, I use both a qualitative and a quantitative approach. The qualitative method allows detecting new relevant factors influencing consumer behavior, which could not have been found with only a quantitative method. Secondly, as opposed to many other studies that focus on one SR product, I use several different SR products in the same study, which enables me to test for robustness of findings across different products and to test whether buying an SR product complements or substitutes buying other SR products. Thirdly, whereas prior research mostly studied the effect of variables on attitude or behavior towards SR products, I also analyze the level of these variables to see to what extent they are relevant. Fourthly, I focus on the Dutch market in order to complement and further validate findings for the UK, the US, Belgium and Denmark. The results for The Netherlands could easily be unlike those found in other Western countries, as markets for SR products are at different stages of development.

The research project consists of three studies: an extensive literature survey, a qualitative study and a quantitative study. The combination of these studies is used to answer three research questions that together lead to an answer to the main research question. These three research questions are formulated as follows:

1. What are the reasons that consumers have for (not) buying SR products?
2. What are the characteristics of (potential) buyers of SR products?
3. What price premium are consumers willing to pay for SR products?

#### *Literature survey*

The literature study identified ten reasons for buying / not buying SR products. Interestingly, all reasons were encountered in more than one study, but no study has combined more than three of these reasons into one study. These ten reasons, which are used as starting point for the empirical research, are the following:

- It is a moral duty to buy SR products;
- Buying SR products makes consumers feel good about themselves;
- The social problems that SR products aim to alleviate are important;
- SR products are effective in alleviating specific social problems;
- Consumers feel responsible for social problems;
- 'Relevant others' approve of buying SR products;
- SR products are perceived as more costly than non-SR products;
- The prices of SR products are perceived as fair prices;
- The perceived quality of SR products is higher than of non-SR products;
- The perceived availability of SR products is lower than of non-SR products.

Regarding the second research question, the literature survey suggests that socio-demographic variables have little power to discriminate between people who are willing to buy SR products and people who are not. Only level of education and income may be somewhat useful, but still the support from literature cannot be called strong. On the other hand, the literature suggests that the variable 'lifestyle' may be useful in discriminating between buyers and non-buyers of SR products. However, prior research into this specific topic is rather limited. As a starting point for the empirical research, the following variables are assumed to influence the likelihood that a consumer buys SR products:

- Household income;
- Age;
- Level of education;
- Marital status;
- Gender;
- Locus of control;
- Lifestyle;
- Political preference;
- Donations to charity;
- Religion;
- Time spent watching TV;
- Time spent reading magazines.

Finally, the literature study focused on the third research question that concerns willingness to pay an above-market price for SR products. Many studies show that a significant percentage of consumers (between 20% and 60%) is not willing to buy SR products if the price premium is greater than zero. Furthermore, the price elasticity of demand for SR products is not only expected to be negative (which is rather obvious), but also to be larger than the price elasticity of comparable non-SR products. Other hypotheses used as starting point for the empirical research state that the willingness to pay a price premium increases with the base price of the product (which is the price of an equivalent product without the social characteristic), but at a decreasing rate.

In addition to these hypotheses related to the three research questions, it is assumed that buying SR products complements buying other SR products.

### *Qualitative study*

Although most prior studies into buying SR products suggest a relationship between variables, few studies provide insight into the nature of these relationships and variables. There is therefore a need for a better understanding of the proposed relationships. In order to obtain this, a qualitative method is used. The major advantage of such a method is that there is no predefined list of answer options that may limit the freedom that respondents have in answering. A second goal of the qualitative research is to identify variables that influence buying SR products that were not identified in prior research.

In the period January–May 2008, 25 semi-structured face-to-face interviews were held with Dutch individuals. The interviews were recorded with a digital voice recorder and transcribed. During the interview, the following six examples of SR products were used: Fair Trade coffee, organic meat, Fair Trade chocolate sprinkles (a chocolate sandwich filling), free-range eggs, FSC wood and GreenSeat airplane tickets. These six SR products were chosen because of the fact that they are relatively well-known in The Netherlands. Furthermore, the six products are of different categories. This enables testing whether results are valid across these different categories. During the interviews, the reasons for (not) buying these SR products were elicited, and topics related to the hypotheses of the first research question were elaborated on.

The answers of the respondents regarding key issues were categorized by the researcher and by three other coders based on the transcript of the interviews. Where differences in the choice of a category arose, the initial choice of the researcher was reconsidered. The goal of this procedure was to make the outcome of the qualitative analysis less subjective and therefore more reliable. Furthermore, the interviews were analyzed using grounded theory procedures developed by Glaser and Strauss.

### *Quantitative study*

The goal of the quantitative study is to test the assumed relationships for significance. Also, the relative importance of variables can be tested in multivariate analyses and identify fundamental drivers that underlie the variables in factor analyses. Finally, this study also provides an answer to questions of a more quantitative nature such as willingness to pay and price elasticity of demand.

A large and representative sample of Dutch consumers (n = 1030) filled in an extensive questionnaire. Data is gathered from a consumer panel of GfK (a Dutch market research company). One of the reasons for choosing GfK is that this company developed a validated and patented lifestyle classification model: the Roper Consumer Styles model. Working with GfK gives me the opportunity to use this model and to relate the different lifestyles to SR product-buying behavior.

### *Findings*

Both the qualitative and the quantitative study show that if a consumer buys an SR product, this increases the likelihood that this consumer will also buy other SR products. However, the correlation between buying different SR products is strongest for SR products of the same product category. Furthermore, there is a significant positive correlation between buying SR products and donating money to charity.

The qualitative study shows that the most often used reason for buying an SR product is related to the social characteristic of that product. This was further confirmed by the quantitative study, which showed that a large majority of the respondents who bought SR products would not have done so if the product had not had the social characteristic. Furthermore, non-buyers of SR products seem to attach some value to the social aspect of the product, but not enough to be persuaded to buy such products. Furthermore, the quantitative study shows that the respondents (the majority of whom are non-buyers) think of the SR products as being *effective* in solving an *important* problem.

The quantitative analysis shows that there are two dimensions underlying the arguments for buying SR products: the 'perceived social responsibility' and the 'costs' (in terms of time and money) of buying the SR product. In all the analyses, these same two underlying dimensions were obtained. This can be thought of as revealing the core of the trade-off that consumers face: they appreciate the social responsibility of SR products on the one hand, but also lose some utility from buying such products because of the (perceived) extra effort and money that it requires.

What do consumers think about this trade-off? First of all, many consumers think of buying SR products as a moral duty. However, the norm 'not enforcing your opinion upon others' seems to deter consumers from stating this to others. The quantitative study further supports the finding that consumers do not reveal to others that they think of buying SR products as a moral duty: the perceived opinion of 'relevant others' about SR products is not significantly different from 'neutral'.

Furthermore, non-buyers of SR products are found not to think about buying SR products very often: the qualitative study revealed that buyers of SR products have much more clearly defined reasons for their buying behavior than non-buyers. 'Having thought about the possibility to buy SR products' was therefore included in the quantitative study as a factor that potentially influences buying SR products. Indeed, this variable showed to be strongly and positively related to buying SR products, both in the bivariate and in the multivariate analyses. It can therefore be concluded that buying SR products is a choice that is often made more consciously than the choice not to buy SR products. Not buying SR products is the 'habitual behavior', which will only change into buying SR products after serious consideration of this alternative. If this 'serious consideration' does not occur, this may be caused by a lack of an external stimulus that triggers thinking about buying SR products. It may also be partly attributed to consumers not being willing to consider the alternative, because they do not want to be reminded of their moral duty.

Furthermore, many consumers are not convinced about the effectiveness buying SR products has in alleviating a social problem, but give it the benefit of the doubt. The research showed that doubts about effectiveness of SR products cannot only be fueled by reports in the media about low effectiveness of SR products, but also by a decrease in the perceived effectiveness of charitable institutions.

Consumers who have personal experience with a social problem that an SR product aims to alleviate perceive these problems to be much more important than consumers without such experience. This may imply that many consumers are not fully aware of the seriousness of the social problems that SR products aim to alleviate. One could therefore argue that the decision (not) to buy SR products is made based on a perception of the importance of the social problem that often results from imperfect information. The research results suggest that some non-buyers of SR products would buy SR products if they fully appreciated the seriousness of the social problems. This 'imperfect information' can therefore be said to lead to a form of market failure.

A final interesting result is that if consumers decide to buy SR products, they like to be 'rewarded' for this social behavior by gaining the approval of others. For example, some consumers like to 'show off' their socially responsible behavior if they believe that others approve of buying SR products.

As the literature survey suggested, the quantitative analysis shows that most socio-demographic variables are not related to buying SR products, and the relationships that were found are weak. It can therefore be concluded that socio-demographic variables are not useful in discriminating people who are more likely to buy SR products.

As was expected based on the literature survey, lifestyle was found to be related to buying SR products. But, contrary to what was expected, the relationship is weak. Pursuing the strategy of targeting only certain lifestyle groups does therefore not seem to be very effective.

One interesting finding is that buyers of SR products seem to be more 'involved' in society: they donate more money to charity (also after correcting for income), read more newspapers and listen to radio stations that broadcast news and documentaries more often. Furthermore, they are interested in the environment, history, culture and literature.

In the present study, an average willingness to pay around 10% extra for low-involvement SR products and around 4% for high-involvement SR products was found. Furthermore, the quantitative data supports the hypothesis stating that the price elasticity of demand is large for SR products. One explanation for this is that substitute products are easy to obtain: non-SR versions of the products are usually widely available. Furthermore, the price premium that consumers are willing to pay has been found to increase with the base price of the product, but at a decreasing rate. Moreover, both the qualitative and the quantitative study show that a similar price premium will be felt as a higher burden if the product is bought more frequently. Consumers therefore take purchasing frequency into account when deciding what price premium they are willing to pay.

### *Recommendations*

Based on the findings in this study, several recommendations were made for sellers of SR products. For example, it is recommended that sellers of SR products cooperate in influencing attitudes towards SR products. As another example: sellers should try to break consumers' habits by evoking thoughts about buying SR products. This could, for example, be done by broadcasting confronting documentaries or publishing confronting articles about the social problems that SR products aim to alleviate.

Furthermore, governments are recommended to consider introducing mandatory 'SR standards' for all consumer goods. This research provides arguments for such a measure, as lack of information about SR products and the social problems they aim to alleviate lead to market failure.

Finally, recommendations for further research were made. For example, it is suggested that research with other types of SR products is needed to find out to what extent findings for SR food products are also valid for other product categories. Another suggestion is to investigate drivers of SR buying behavior by communities (such as companies, churches, and so on) instead of individual consumers.



## SAMENVATTING

### Hoe consumenten een verschil maken

Een onderzoek naar de aard en oorzaken van het kopen van maatschappelijk verantwoorde producten

#### *Introductie*

Dit onderzoek gaat over maatschappelijk verantwoorde producten (hierna: MV producten). Deze producten zijn gedefinieerd als *producten met maatschappelijk verantwoorde kenmerken en een prijs die boven de gangbare marktprijs ligt*. Voorbeelden van MV producten zijn Fair Trade producten, biologisch voedsel en GreenSeat vliegtickets.

In Nederland zijn de laatste jaren veel meer MV producten verkocht dan in de jaren daarvoor. Of deze trend zal doorzetten is ervan afhankelijk of meer Nederlandse consumenten kunnen worden overgehaald om dergelijke producten te kopen. Daarom is het belangrijk om informatie te verkrijgen over redenen van consumenten om (geen) MV producten te kopen. Dit onderzoek probeert daarom meer inzicht daarin te verschaffen. De belangrijkste onderzoeksvraag is als volgt geformuleerd:

'Waarom kopen consumenten maatschappelijk verantwoorde producten met een prijs die boven de gangbare marktprijs ligt?'

Er is een behoorlijk aantal onderzoeken naar 'maatschappelijk bewust' kopen gedaan, maar deze richten zich niet expliciet op producten waarvoor een prijspremie moet worden betaald. Echter, de hogere prijs kan een grote invloed hebben op het gedrag van consumenten.

Onderzoeken naar het kopen van MV producten zijn vooral gedaan in het VK, de VS, België en Denemarken. Dit eerder onderzoek wordt door het huidige onderzoek in verschillende richtingen uitgebreid. Ten eerste gebruik ik, in tegenstelling tot de meeste onderzoeken, zowel een kwalitatieve als een kwantitatieve benadering. De kwalitatieve methode biedt de mogelijkheid nieuwe relevante factoren te identificeren die niet gevonden zouden worden wanneer alleen een kwantitatieve methode gebruikt zou worden. Ten tweede: terwijl voorgaande onderzoeken zich op één MV product richten, kijkt dit onderzoek naar een aantal verschillende MV producten. Dit maakt het mogelijk te onderzoeken of de bevindingen consistent zijn voor verschillende MV producten, en of het kopen van een MV product de kans dat ook een ander MV product wordt gekocht vergroot (complementariteit) of juist verkleint (substitutie). Ten derde richt dit onderzoek zich niet alleen op het effect van variabelen op de houding of het gedrag ten aanzien van MV producten, maar ook op het niveau van deze variabelen, om zo te kunnen vaststellen of deze variabelen wel relevant zijn. Ten vierde richt dit onderzoek zich op Nederland. Hiermee worden

bevindingen uit eerder onderzoek gevalideerd en aangevuld. Het is niet evident dat de bevindingen in Nederland gelijk zijn aan die in andere westerse landen, omdat de markten voor MV producten zich in verschillende ontwikkelingsfasen bevinden.

Het onderzoek bestaat uit drie studies: een uitgebreide literatuurstudie, een kwalitatief onderzoek en een kwantitatief onderzoek. De combinatie van de resultaten van deze studies wordt gebruikt voor het beantwoorden van drie onderzoeksvragen die samen een antwoord op de belangrijkste onderzoeksvraag vormen. Deze drie onderzoeksvragen zijn als volgt geformuleerd:

1. Wat zijn redenen die consumenten hebben om (geen) MV producten te kopen?
2. Wat zijn kenmerken van (potentiële) kopers van MV producten?
3. Welke prijspremie zijn consumenten bereid te betalen voor MV producten?

#### *Literatuurstudie*

De literatuurstudie heeft geresulteerd in tien redenen om (geen) MV producten te kopen. Een interessante bevinding is dat al deze redenen in meer dan één studie werden gevonden, maar dat geen enkele studie meer dan drie van zulke redenen heeft gecombineerd. De tien redenen, die gebruikt werden als startpunt voor het empirisch onderzoek, zijn:

- Het kopen van MV producten is een morele plicht;
- Het kopen van MV producten geeft consumenten een goed gevoel over zichzelf;
- De problemen die MV producten proberen op te lossen zijn belangrijk;
- MV producten zijn effectief in het oplossen van deze problemen;
- Consumenten voelen zich verantwoordelijk voor deze problemen;
- 'Belangrijke anderen' zijn positief over het kopen van MV producten;
- MV producten worden gezien als duurder dan niet-MV producten;
- De prijs van MV producten wordt gezien als een eerlijke prijs;
- De kwaliteit van MV producten wordt gezien als hoger dan van niet-MV producten;
- De beschikbaarheid van MV producten is lager dan van niet-MV producten.

Over de tweede onderzoeksvraag suggereerde de literatuur dat socio-demografische variabelen niet erg geschikt zijn om mensen te onderscheiden die bovengemiddeld bereid zijn om MV producten te kopen. Alleen het opleidingsniveau en het inkomen leken enig onderscheidend vermogen te hebben. Verder gaf de literatuur aanwijzingen dat de variabele 'levensstijl' geschikt zou kunnen zijn om kopers en niet-kopers te onderscheiden. Echter, onderzoek naar dit verband is nog nauwelijks gedaan. Als startpunt voor het empirisch onderzoek is verondersteld dat de volgende variabelen de kans beïnvloeden dat een consument MV producten koopt:

- |                        |  |
|------------------------|--|
| - Het huishoudinkomen; | - Politieke voorkeur;  |
| - Leeftijd;            | - Het geven aan goede doelen;                                |
| - Opleidingsniveau;    | - Religie;   |
| - Huwelijkse staat;    | - De tijd die besteed wordt aan TV kijken;                   |
| - Geslacht;            | - De tijd die besteed wordt aan het lezen van tijdschriften. |
| - 'Locus of control';  |  |
| - Levensstijl;         |  |

De literatuurstudie heeft ook aandacht besteed aan de derde onderzoeksvraag, die gaat over de bereidheid om een prijspremie te betalen voor MV producten. Veel studies laten zien dat een aanzienlijk deel van alle consumenten (namelijk tussen de 20 en 60%) niet bereid is om MV producten te kopen als er een prijspremie voor betaald moet worden. Daarnaast is de prijselasticiteit van de vraag naar SR producten naar verwachting niet alleen negatief (wat voor de hand ligt), maar is de absolute waarde groter dan die van vergelijkbare niet-MV producten. Een andere hypothese die als startpunt voor het empirisch onderzoek werd gebruikt is dat de prijspremie die consumenten bereid zijn te betalen toeneemt als de basisprijs (de prijs zonder het maatschappelijk verantwoorde kenmerk, ofwel de gangbare marktprijs) stijgt. Deze stijging is echter minder dan evenredig aan de stijging van die basisprijs.

Naast de hypothesen die gerelateerd zijn aan de drie onderzoeksvragen werd ook verondersteld dat het kopen van MV producten complementair is aan het kopen van andere MV producten, in plaats van dat het één als substituuut voor het ander werkt.

#### *Kwalitatieve studie*

Hoewel de meeste voorgaande studies naar het kopen van MV producten een verband tussen variabelen veronderstellen, geven maar weinig studies inzicht in de aard van deze variabelen en verbanden. Om een beter begrip hiervoor te krijgen is een kwalitatieve studie gebruikt. Het voordeel van een dergelijke methode is dat er geen vooraf vastgestelde antwoordmogelijkheden zijn die de vrijheid van respondenten in het geven van antwoorden kunnen beperken. Een tweede doel van de kwalitatieve studie was het vinden van nieuwe variabelen die het kopen van MV producten beïnvloeden.

In de periode januari - mei 2008 zijn 25 semi-gestructureerde 'face-to-face' interviews met Nederlandse consumenten gehouden. De interviews werden opgenomen en uitgeschreven. Tijdens de interviews werden zes voorbeelden van MV producten gebruikt: Fair Trade koffie, biologisch vlees, Fair Trade hagelslag, vrije uitloop eieren, FSC hout en GreenSeat vliegtickets. Deze producten zijn gekozen omdat ze relatief bekend zijn in Nederland. Bovendien zijn het producten van verschillende categorieën, wat het mogelijk maakt om te toetsen of resultaten gelden voor verschillende categorieën. Tijdens de interviews werd gevraagd waarom mensen deze MV producten (niet) kopen. Vervolgens werden onderwerpen besproken die gerelateerd zijn aan de hypothesen behorend bij de eerste onderzoeksvraag.

De antwoorden van de respondenten ten aanzien van belangrijke onderwerpen zijn gecategoriseerd door de onderzoeker en door drie andere 'coders', gebaseerd op de transcripten van de interviews. Bij verschillende keuzes is de oorspronkelijke keuze van de onderzoeker opnieuw in overweging genomen. Het doel van deze procedure is de uitkomsten van de kwalitatieve analyse minder subjectief en dus betrouwbaarder maken. Voorts zijn de interviews geanalyseerd volgens 'grounded theory' procedures, die door Glaser en Strauss zijn ontwikkeld.

### *Kwantitatieve studie*

Het doel van de kwantitatieve studie was testen of de veronderstelde verbanden statistisch significant zijn, het testen van het relatieve belang van variabelen in multivariate analyses en het (via factoranalyse) identificeren van fundamentele 'drivers' die ten grondslag liggen aan de bestudeerde variabelen. Daarnaast geeft deze studie ook een antwoord op vragen van een meer kwantitatieve aard, zoals de bereidheid om een prijspremie te betalen en de prijselasticiteit van de vraag.

Een grote representatieve steekproef van Nederlandse consumenten (n = 1030) heeft een uitgebreide vragenlijst ingevuld. De data is verkregen uit een consumentenpanel van GfK (een marktonderzoeksbureau). Eén van de redenen om voor GfK te kiezen is dat dit bedrijf een gevalideerd en gepatenteerd levensstijlmodel heeft ontwikkeld: het Roper Consumer Styles model. Het werken met GfK biedt de mogelijkheid dit model te gebruiken, en de verschillende levensstijlen te relateren aan het koopgedrag ten aanzien van MV producten.

### *Bevindingen*

Zowel de kwalitatieve als de kwantitatieve studie hebben laten zien dat er complementariteit bestaat tussen het kopen van verschillende MV producten. De correlatie is het sterkste voor MV producten uit dezelfde categorie. Daarnaast wordt een positieve correlatie gevonden tussen het kopen van MV producten en het doneren aan goede doelen.

De kwalitatieve studie heeft laten zien dat de meest gebruikte redenen om een MV product te kopen gerelateerd zijn aan het maatschappelijk verantwoorde aspect ervan. Dit werd bevestigd door de kwantitatieve studie, die liet zien dat een grote meerderheid van de kopers van MV producten deze producten niet gekocht zou hebben als het product niet het maatschappelijk verantwoorde kenmerk had gehad. Ook niet-kopers van MV producten lijken waarde te hechten aan het maatschappelijk verantwoorde kenmerk, maar niet voldoende om overgehaald te worden om MV producten te kopen. Verder laat de kwantitatieve studie zien dat de respondenten (waarvan de meerderheid niet-koper is) denken dat MV producten effectief zijn in het oplossen van een belangrijk probleem.

De kwantitatieve analyses hebben laten zien dat er twee dimensies zijn die ten grondslag liggen aan de redenen om MV producten te kopen: het 'waargenomen MV karakter' van het MV product en de 'kosten' (in termen van tijd en geld) van het kopen van het MV product. In alle analyses zijn dezelfde twee factoren gevonden. Dit onthult de kern van de afweging die consumenten moeten maken: ze waarderen het maatschappelijk verantwoorde aspect van het product, maar ondervinden ook nadeel bij het kopen van zulke producten omdat het extra tijd en geld kost.

Hoe denken consumenten over deze afweging? Ten eerste: veel consumenten beschouwen het kopen van MV producten als een morele plicht. Echter, de norm 'je mening niet aan anderen opleggen' lijkt consumenten ervan te weerhouden om dit tegen anderen te zeggen. De kwantitatieve studie geeft verdere ondersteuning voor

de bevinding dat consumenten niet naar anderen uiten dat ze vinden dat het kopen van MV producten een morele plicht is: de waargenomen mening van 'belangrijke anderen' verschilt niet significant van 'neutraal'.

Verder wordt gevonden dat niet-kopers van MV producten niet vaak over het kopen van MV producten nadenken: de kwalitatieve studie heeft laten zien dat kopers van MV producten veel doordachtere redenen hebben voor hun koopgedrag dan niet-kopers. 'Nagedacht hebben over de mogelijkheid om MV producten te kopen' is daarom als verklarende variabele meegenomen in de kwantitatieve studie. En inderdaad bleek deze variabele sterk positief gecorreleerd te zijn aan het daadwerkelijk kopen van MV producten. Er kan daarom worden geconcludeerd dat het kopen van MV producten een keuze is die vaker bewust wordt gemaakt dan de keuze om geen MV producten te kopen. Het niet kopen van MV producten is het 'gewoontegedrag' dat alleen gewijzigd wordt na het serieus overwegen van dit alternatief. Dat dit 'serieus overwegen' niet plaatsvindt kan liggen aan een gebrek aan externe stimuli om dit te doen, maar kan er ook liggen aan dat consumenten het alternatief niet willen overwegen, omdat ze niet aan hun morele plicht herinnerd willen worden.

Veel consumenten zijn niet overtuigd van de effectiviteit van het kopen van MV producten als middel om een maatschappelijk probleem op te lossen, maar geven de producten wel het voordeel van de twijfel. Het onderzoek heeft laten zien dat twijfels over de effectiviteit van MV producten niet alleen gevoed kunnen worden door berichten in de media over lage effectiviteit van MV producten, maar ook door een afname van de gepercipieerde effectiviteit van goede doelen.

Consumenten die persoonlijke ervaring hebben met een maatschappelijk probleem dat een MV product probeert op te lossen vinden deze problemen veel belangrijker dan anderen. Dit laat zien dat veel consumenten niet geheel op de hoogte zijn van de ernst van de maatschappelijke problemen die MV producten proberen op te lossen. Men kan daarom stellen dat de beslissing om (geen) MV producten te kopen wordt gemaakt op basis van een perceptie over een maatschappelijk probleem die gevormd wordt op basis van 'imperfecte informatie'. De onderzoeksresultaten suggereren dat sommige niet-kopers van MV producten deze producten wel zouden kopen als ze volledig geïnformeerd zouden zijn over de ernst van het maatschappelijke probleem. Deze 'imperfect informatie' kan daarom worden gezien als iets dat tot marktfalen leidt.

Een ander interessant resultaat is dat wanneer consumenten besluiten om MV producten te kopen, ze graag 'beloond' willen worden voor dit gedrag door de goedkeuring van anderen te krijgen. Sommige consumenten willen bijvoorbeeld hun maatschappelijk verantwoord gedrag tentoon spreiden, omdat ze denken dat anderen het kopen van MV producten positief vinden.

Zoals de literatuurstudie suggereerde, laat de kwantitatieve analyse zien dat de meeste socio-demografische variabelen niet gerelateerd zijn aan het kopen van MV

producten, en dat de verbanden die wel worden gevonden zwak zijn. Er kan daarom geconcludeerd worden dat socio-demografische variabelen niet geschikt zijn om mensen te onderscheiden waarvan de kans groter is dat ze MV producten kopen.

Zoals werd verwacht op basis van de literatuur is gevonden dat levensstijl is gerelateerd aan het kopen van MV producten. Echter, in tegenstelling tot wat werd verwacht is het verband zwak. De strategie om alleen te focussen op groepen met een bepaalde levensstijl lijkt daarom niet aan te bevelen.

Een interessante bevinding is dat kopers van MV producten meer 'betrokken' lijken te zijn bij de maatschappij: ze geven meer aan goede doelen (ook na correctie voor inkomen), lezen meer kranten en luisteren vaker naar radiostations die nieuws en documentaires uitzenden. Ook zijn ze meer dan gemiddeld geïnteresseerd in het milieu, in geschiedenis en in literatuur.

In ons onderzoek wordt een gemiddelde bereidheid om 10% extra te betalen voor *low-involvement* MV producten en circa 4% extra voor *high-involvement* MV producten gevonden. Dit is een gemiddelde voor alle respondenten, niet alleen voor 'kopers' van MV producten. De kwantitatieve data ondersteunt de hypothese dat de prijselasticiteit van MV producten hoog is. Een verklaring hiervoor is dat substituu-producten volop aanwezig zijn: niet-MV varianten zijn gemakkelijk verkrijgbaar. Verder neemt de prijspremie die consumenten bereid zijn te betalen toe als de basisprijs stijgt, maar op een minder dan proportionele wijze. Bovendien laten zowel de kwalitatieve als de kwantitatieve studie zien dat een gelijke prijspremie gezien wordt als een grotere last als het product vaker wordt gekocht. Consumenten nemen dus de koopfrequentie in overweging als ze bepalen welk prijspremie ze bereid zijn te betalen.

### *Aanbevelingen*

Op basis van de bevindingen van dit onderzoek worden aanbevelingen gedaan voor verkopers van MV producten. Er wordt bijvoorbeeld aanbevolen dat verkopers van MV producten samenwerken bij het beïnvloeden van de houding van consumenten ten opzichte van MV producten. Ook zouden verkopers moeten proberen om de gewoonte van consumenten te doorbreken, door het denken over het kopen van MV producten te stimuleren. Dit kan bijvoorbeeld gedaan worden door confronterende documentaires uit te zenden of door confronterende artikelen te publiceren over de maatschappelijke problemen die MV producten proberen te verhelpen.

Verder wordt aan overheden aanbevolen om de mogelijkheid te onderzoeken om verplichte 'MV standaarden' in te stellen voor alle consumentenproducten. Dit onderzoek biedt argumenten voor een dergelijke maatregel, omdat een gebrek aan informatie over MV producten en de problemen die ze proberen te verhelpen tot marktfalen lijkt te leiden.

Tot slot worden aanbevelingen voor vervolgonderzoek gedaan. Als voorbeeld: onderzoek naar andere typen MV producten is nodig om te bepalen in hoeverre de bevindingen voor MV-voedsel ook gelden voor andere productcategorieën. Een andere aanbeveling is om invloeden op het koopgedrag door groepen (zoals bedrijven, kerken, enzovoorts) ten aanzien van MV producten te onderzoeken.

## CURRICULUM VITAE

Robert Gielissen was born on 31 August 1983 in Eindhoven, The Netherlands. He studied economics at Tilburg University between 2001 and 2005. His graduation thesis, which was done as an assignment for the sustainability department of Unilever, concerned perceptions of price fairness. Based on this thesis, two articles were published in international scientific journals:

- Gielissen, R. B., Graafland, J. J. & Dutilh, C. (2008). Perceptions of price fairness: an empirical research. *Business & Society*, 47, 370-389.
- Gielissen, R. B. & Graafland, J. J. (2009). Concepts of price fairness: empirical research into the Dutch coffee market. *Business Ethics: A European Review*, 18 (2), 165-178.

From 2005 up to the present day, he works as a lecturer at Fontys University of Applied sciences. He teaches courses in economics as well as introductory courses in statistics. Furthermore, he is responsible for the 'academic orientation' program which prepares students for an academic master program. He is also chairman of 'Fontys Young Professionals': an active network of more than 300 young employees of Fontys.

Published by:  
Printed by:  
ISBN:

Uitgeverij BOXPress, Oisterwijk  
Proefschriftmaken.nl || Printyourthesis.com  
978-90-8891-179-8