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# At the Intersection of Politics & Consumption: A Review of Ethical Shopping in America

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## ABSTRACT

*This paper condenses the existing literature on ethical shopping in the United States with the goal of providing an up-to-date review of the topic. It profiles the ethical shopper and distinguishes the various institutions and instruments of political consumerism evident in the Fair Trade movement. It also provides recommendations for more rigorous study of moral consumer behavior and implications for implementing fair trade marketing strategies.*

## INTRODUCTION

*Ethical shopping, political consumption, ethical consumption, and fair trade consumption* are terms often used interchangeably to denote the practice by consumers of including moral, societal, or environmental factors in their everyday purchase decisions. Brinkman (2004) describes ethical shopping in this manner:

“Everyday we choose between different products. Our purchase decisions do not only affect us ourselves; the way the products have been produced can make a big difference to other people, to nature, the environment, and to animals. Ethical purchasing is about taking responsibility for the influence we ourselves control through our buying choices.”

Thus *ethical shopping* invites consumers to consider how other people, the natural environment, and animals are affected by the production and consumption of certain products and to take personal ethical and moral responsibility for the consequences of their buying behavior with regard to these products.

Although *ethical shopping* can encompass choices surrounding green or environmentally friendly products, organic and natural products, products that have not been tested on animals or that avoid animal cruelty, and vegan products, it has come to be associated primarily with products that are made by people whose human rights as workers are protected (Brinkman 2004). Companies that make (or sell) fair trade goods must ensure that they and their suppliers meet certain production goals and standards for workers. Among these goals are:

- Employment is freely chosen and not coerced
- The right to organize and bargain collectively is respected
- No child labor is used
- No harsh or inhumane treatment is practiced

- Safe and hygienic working conditions are ensured
- Working hours and production shifts are not excessive
- Regular, reliable, and living wages are paid
- No discrimination is practiced

Ethical shopping has also been called “shopping for human rights” (Micheletti et. al. 2007) and is more specifically associated with avoiding products whose manufacture disregards human rights than are the other forms of political consumption like veganism, green shopping, or organic shopping (Wilkinson 2007).

## **GROWTH IN FAIR TRADE CONSUMPTION**

Average sales of fair trade products have increased by 102 percent cumulatively in the United States since 2004 (see “Facts and Figures” at <http://www.fairtradefederation.org>) and by 20-56 percent annually since 2000 in Europe where fair trade markets are more mature (Davies 2007, Strong 1997). The rapid growth may be accounted for by increased product “mainstreaming,” i.e. more widespread distribution penetration in traditional shopping outlets, and by the increased use of labels. Fair trade products are now extensively available in mainstream retail outlets like supermarkets and big-box chain stores and have moved beyond the limited realm of niche markets that existed when the movement first began. Doran (2009) reports that there are currently over 35,000 retail outlets in the United States that carry fair trade products. Ethical shopping has been further stimulated and simplified by the proliferation of non-governmental (NGO) labeling and certification programs that help consumers recognize and identify fair trade products. The most prominent U.S. organizations that certify fair trade goods are TransFair USA (<http://www.transfairusa.org>) and the Fair Trade Federation (<http://www.fairtradefederation.org>)

Coffee, cocoa, fresh fruit (principally bananas and mangoes), honey, sugar, tea, rice, cotton, flowers, spices, wine, textiles, clothing, accessories, jewelry, furniture and handicrafts are the most commonly sold fair trade products (Doran 2009). Coffee is the most widely consumed fair trade product in the U.S. and its sales continue to grow at the fastest rate (Doran 2009). It is considered the “poster child” of fair trade products because of its association with the movement from the beginning and because fast food chains like Starbucks, which pioneered “supply chain ethics,” and McDonalds and Dunkin’ Doughnuts procure fair trade coffee to serve in their establishments around the globe (Wilkinson 2007).

## **ETHICAL SHOPPERS—WHO ARE THEY?**

Despite the obvious growth in ethical shopping, research on fair trade consumption in the United States is sparse. In particular, little is known about what motivates U.S. consumers to buy fair trade products or the extent to which demographic data contribute to a meaningful profile of ethical shoppers. In one of the few studies to focus on American shoppers (as opposed to Euro Zone shoppers on which extensive research exists), Doran (2009) found significant interactions between personal values and fair trade consumption. Using the Schwartz Value Survey (SVS),

Doran found *Universalism*<sup>1</sup> most important among 10 SVS value categories that also included *Benevolence, Conformity, Tradition, Security, Achievement, Power, Hedonism, Stimulation, and Self-direction* in distinguishing fair trade consumers from non-fair-trade shoppers. *Power*<sup>2</sup> values were the least important contributors to explaining ethical shopping. And, while European studies are equivocal on the ability of demographics (with the exception of education) to explain ethical consumption, Doran (2009) found neither age, gender, marital status, race, nor education level able to significantly explain variance in patterns of U.S. fair trade consumption.

With the diffusion of political consumerism markedly uneven across continents, cross-cultural researchers have recently demonstrated the importance of *nationality* in explaining differences in the way individuals conceptualize their roles and responsibilities as ethical shoppers (Jacobsen et. al. 2007). In countries where political consumerism has advanced from a grassroots effort to a more organized and cohesive movement, people were more likely to attribute moral significance to their everyday purchases (Kjaernes et. al. 2007). Also focusing on the importance of the nation-state in ethical consumption, Hartlieb and Jones (2009) found a link between the number of NGO fair trade institutions present in a country and the extent to which consumers in that country said they were interested in and motivated to buy fair trade products.

European researchers recently produced a typology of ethical shoppers based on respondents' interest in, commitment to and frequency of ethical shopping (*The Grocer*, 2008). They described five groups within the overall market of consumer goods shoppers:

- Conscience Casuals (21% of market) – show little or no interest in ethical shopping
- Blinkered Believers (16% of market) – focus concern on a single ethical issue when shopping (e.g. products that are not tested on animals)
- Aspiring Activists (21 % of market) –express interest in many ethical areas and intend to buy more ethical products (e.g. fair trade products) in the future
- Focused Followers (27% of market) – practice ethical shopping but pick and choose their areas of interest; not broad-based supporters
- Ethical Evangelists (15% of market) – buy regularly across the broad spectrum of ethical issues and are committed to ethical consumption as a lifestyle

Similar research has not been conducted in the United States; however, Doran (2009) found U.S. consumers' propensity to purchase fair trade products was tied to their values profiles. While the most frequent and committed ethical shoppers were singularly controlled by Universalism values, less loyal ethical shoppers were more multifaceted. The latter group displayed

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<sup>1</sup> *Universalism* was comprised of the value of inner harmony, broadminded equality, protecting the environment, social justice, unity with nature, wisdom, a peaceful world, and a world of beauty.

<sup>2</sup> *Power* was comprised of the value of social status, wealth, authority, social recognition, and public image.

significantly different levels of value in Benevolence<sup>3</sup>, Achievement<sup>4</sup>, and Self-direction<sup>5</sup> than the most loyal ethical shoppers. These findings suggest loyal ethical shoppers have a more holistic worldview than do intermittent ethical shoppers who exhibit greater in-group (e.g. family) loyalty and less universal social concern. Research has linked one's worldview and participation in social movements like political consumerism to media usage. Shah et. al. (2007) found respondents' desire and intent to express political concerns through consumer behavior significantly increased as their rates of both conventional and online news use increased.

Political perspective may also provide a rich vein along which to investigate Americans' proclivities toward ethical shopping. Jacobsen et. al. (2007) argues the increasing attribution of moral significance to the choice of everyday consumer goods has *politicized* the act of shopping. Through "voting" at the checkout, consumers are able to make political statements. When people refuse to purchase (i.e. boycott) a certain good, corporations are held accountable for their choices and consumers are empowered as collective agents in their own *governance*. Since governance (the regulation of issues) normally resides within the political domain, consumption becomes an exercise in political statement-making and consumers act as *political agents* (Halkier and Holm 2008). This implies the political leanings of citizens should be studied in conjunction with their consumption patterns.

Pharr (2008) contends that political affiliation may well be the key to predicting how consumers in the United States feel toward fair trade. Since previous research has shown conservatives and liberals appear to differ in the ways they *conceptualize* morality (Haidt & Graham 2007), Pharr argues that different notions of what it means to "act morally" lead to differences in the *content* of moral judgments. Issues that conservatives view as moral topics liberals see as amoral and overly politicized (e.g. gay marriage), and issues that liberals view as moral topics conservatives see as amoral and overly politicized (e.g. free trade). Moreover, problem solutions seen as morally expedient by one group (e.g. free trade promotes human rights; the choice of marriage partner is an autonomous human right) are perceived as immoral by the other (e.g. free trade exacerbates social and economic injustice; gay marriage undermines society). Pharr (2008) demonstrates how "religiosity" (as measured by the frequency of church attendance) can serve as a surrogate measure of political affiliation and is superior to the more common measure of religious denomination in predicting how individuals view fair trade.

## THE "STRUCTURE" OF FAIR TRADE

The way in which the fair trade movement is structured may provide further guidance for understanding and exploring its ability to impact widespread consumer behavior.

Over time the Fair Trade movement has splintered into two factions: (1) the *solidarity economy* wing comprised of alternative trading organizations (ATOs) like non-profit and small-scale retail outlets dedicated to the exclusive sale of fair trade products, and (2) the *mainstream* wing

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<sup>3</sup> The *Benevolence* values are forgiving, helpful, honest, loyal, responsible, mature love, true friendship, and meaning in life.

<sup>4</sup> The *Achievement* values are ambitious, influential, capable, successful, and intelligent.

<sup>5</sup> The *Self-direction* values are freedom, creativity, independent, choosing one's own goals, and self-respect.

comprised of licensed importers and large-scale as well as traditional retailers who market fair-trade-labeled products as an extension of their merchandise mixes. Mainstreaming has clearly outpaced alternative retailing in recent years due largely to the sharp increase in the number of importers and their initiatives to “grow the market” (Wilkinson 2007).

Davies (2007) identifies five types of participant groups involved in the marketing of fair trade products. While not all of these organizations sell fair trade products, all have been influential in the growth of fair trade consumption in North America. They are:

1. Fair trade authorities like the World Fair Trade Organization (WFTO) (<http://www.wfto.com>), TransFair USA, and the Fair Trade Federation (see above). These organizations oversee fair trade, audit related organizations, and award licenses to carry marks of certification. They do not themselves sell fair trade products but wield significant authority within the industry due to their abilities to frame issues and grant certifications.
2. Alternative trading organizations (ATOs). These are not-for-profit organizations that have taken a significant role in fair trade development. The term covers both charities and organizations that work directly with producers (no middlemen) to improve work standards. One of their main goals is to push residual profit back into communities where the actual work is being done for developmental outcomes. They are not profit driven.
3. Fair Trade Trading Companies (for-profit ATOs). Resellers set up to handle the logistics and marketing of fair trade products for profit. The companies focus specifically on fair trade products and have few if any products not of fair trade origin. Although classified as ATOs, they warrant separate classification because they pursue commercial objectives to increase sales volume and profit while representing fair-trade-licensed developing world producers to assist in their growth through higher prices and community development.
4. Fair trade adopters. Organizations whose products preexisted fair trade initiatives but have since been significant adopters of the ideological principles of fair trade sourcing and production. Adopters are companies that offer fair trade products within their broader product mixes.
5. Fair trade branders, including Whole Foods and Nestle. Companies who predominantly make or deal in non-fair-trade branded products but have fair trade varieties as an extension to a preexisting line of products. While they may not be significant adopters of fair trade principles across their businesses, firms like these offer their own fair-trade-labeled products to capitalize on the market growth.

Ethical shopping, while closely allied with fair trade consumption, is but one form of political consumerism. Political consumerism is considered a broader *social movement* (Wilkinson 2007) and is defined as “actions by people when making choices among producers and products with

the goal of changing objectionable institutional or market practices” (Micheletti et. al. 2007). Several different *instruments* of political consumerism have been developed to galvanize the movement including product labeling, certification programs, voluntary production standards, corporate codes of conduct, deliberative democratic initiatives like citizen juries, consensus conferences, and neighborhood councils (Klintman 2009), alternative business and trade systems (e.g. ATOs), social alliances, “boycotts,” and shareholder activism (Bakker et. al. 2008). Instruments like these permit consumers to more easily practice ethical consumption.

## **FAIR TRADE MARKET DYNAMICS**

The structure and instruments of fair trade demonstrate both *push* and *pull* dynamics at work in the market. Push is evidenced in the actions of producers, their supply chain partners, and licensing organizations to avail end users of goods that meet fair trade standards. Pull is evidenced when end users demand fair trade products from the producers and retailers with whom they trade or avoid trade via the process of consumer voting. At issue now is the relative efficacy of each of these market dynamics. Micheletti and Follesdal (2007) question whether consumer pull is a “fair weather option” that loses its appeal in economic downturns when consumers are financially pressed and find it harder to take the moral high road. Recent statistics lend credence to this argument. A large-scale trade study of food shopping conducted last year in the United Kingdom reports that less than one in five British shoppers buy ethical products no matter the cost (*The Grocer*, 2008). The top three reasons given by intermittent ethical shoppers—who comprise the overwhelming majority of British consumers—for their sporadic behavior were (in order of importance): (1) high price, (2) lack of availability, and (3) lack of trust in the product.

As intermittent ethical shopping becomes more widespread, researchers wonder whether economic and functional criteria will mediate personal ethics when making purchase decisions (Hartlieb et.al. 2009). Shoppers’ concerns with the price and availability of fair-trade labeled products belie this question. Moreover, a new-found tendency among corporations to “self certify” their products as fair trade, has led shoppers to question the integrity of increasing numbers of fair-trade-labeled products (Micheletti et. al. 2007). A recent study found that as many as two-thirds of Americans already suspect some companies merely pretend to be ethical because of the effect of corporate social responsibility claims on brand image (see “Increasing Demand for Ethical Shopping,” *Strategic Direction*, 2007). Amid these concerns, researchers have investigated the relationship between fair trade consumption and the institutionalization of the fair trade movement (Gulbrandsen 2006), the effects of labeling on consumer choice as ethical certifications proliferate and compete for buyers’ consideration amongst other product factors like price and quality (Hartlieb et.al. 2009; Iwanow et.al. 2005), and the effects of strategies used by corporations to implement and communicate fair trade policies (Bakker 2008; Hamilton 2008; Botterill & Klein 2007). Labeling research suggests fair trade claims become another “utility” among brand traits as the number of certified products increases (Hartlieb et.al. 2009) while price, quality, and style carry much greater weight in apparel purchases than do country-of-origin information or fair-trade-label claims (Iwanow et.al. 2005).

Mainstreaming has also raised several concerns among ideologues. Some think mainstreaming has transformed fair trade from an ideological alternative movement to a market-based competitive approach (Michelletti et.al. 2007). Qualitative data from various case studies suggest corporations embrace fair trade practices in pursuit of profit impact rather than out of any genuine concern for social responsibility (Hamilton 2008; Botterill & Klein 2007). Wilkinson (2007) identifies a growing contingent within the Fair Trade movement that believes human rights abuses are problems that transcend market solutions. This group advocates a new kind of push, one that comes from *governments* instead of private producers or citizens. Serious fair trade activists, who can be distinguished from more casual fair trade consumers (Tormey 2007), increasingly believe action must be regulatory rather than voluntary. Hardliners advocate international laws that incorporate human rights obligations be applied directly to businesses and corporations in all aspects of sourcing, production, and trade. Consequently, research is needed to determine how the various instruments of political consumerism differ in effectiveness as the movement progresses and changes.

## **CONCLUSIONS, IMPLICATIONS, AND RECOMMENDATIONS FOR FUTURE RESEARCH**

While concerns about fair trade have been around for decades in both the United States and Europe (Botterill & Klein 2007), empirical evidence suggests the fair trade movement is more mature and institutionalized in Europe than in the U.S. (Wilkinson 2007). To date, little research on the American fair trade consumer has been conducted, although recent study (Doran 2009) indicates the loyal and committed ethical shopper in the United States can be distinguished by her universal and holistic (out-group) values rather than by more traditional benevolent (in-group) values or any consistent demographic profile. Additional research is needed to determine the extent to which media usage, political affiliation, and religiosity distinguish ethical consumers from shoppers that display no ethical concerns, especially since all these variables have been linked by previous research to involvement in political consumerism.

As the Fair Trade movement evolves in the United States and becomes more mainstream, as evident in the growing number of fair-trade-labeled products and retailers that carry them, more rigorous study of the consumer's commitment to ethical shopping and the extent to which this loyalty can be mediated by economic and functional product factors like price, quality, and availability is needed. More widespread but less intense levels of personal commitment to ethical shopping are apparent in Europe as the movement has mainstreamed and splintered into various factions. European shoppers now say that price is the single biggest reason they don't buy ethical products more often or consistently over non-fair-trade-labeled brands.

The anthropological view of ethical consumption as a form of social change has also brought new concerns to light. Qualitative evidence suggests corporations embrace fair trade ideology in their procurement and production activities to pursue profit motives and for capitalistic ends rather than out of any true sense of corporate social responsibility. Ideologues fear that if fair trade becomes tantamount to nothing more than a business strategy, the movement will stall and lose its potential to deliver social justice. The concept of personal morality as manifested in political perspective appears to hold promise for better understanding *if* and *why* this may occur.



Recent research shows the conservative view of free trade as the quickest and least-obstructed path to human rights is at odds with the liberal view that human problems transcend market solutions. The ability of moral worldviews to impact the practice of politics, particularly in the United States where fair trade initiatives are just beginning to more widely diffuse, may help the marketer better gauge the promise of political consumerism as a tool of public policy and social change.

Finally, an overarching conceptual framework from which to approach ethical shopping and other social movements would help marketers better understand this and other forms of political consumerism. From this review, it appears fair trade consumption (and various other kinds of ethics-based product purchase) integrates aspects of moral, ethical, social, political and consumer behavior into a single decision-making framework. To provide a better understanding of the antecedents, practice, and consequences of ethical shopping, we must endeavor through continuing research to examine it from all these perspectives.

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