

Fair Trade & Consumerism

Research Purpose: Explore The Reasons Why Northern Consumers Purchase Fair Trade Products

Key Principles of Fair Trade:

- In opposition to the conventional marketplace.
- Aims to bridge the gap between Southern Producers and Northern Consumers.
- Products sold within the market, are to be *respectful, dignified, and above all fair* to each stakeholder.

Research Needed!

There is an recognized need within the academic literature to understand Fair Trade/ ethical consumerism.

Last major study conducted in 2008.

Fair Trade Today

Unprecedented Growth

- Fair Trade products have been sold in thousands of 'World Shops', supermarkets etc. in the North at a groundbreaking rate.
 - Ex. Pacific Rim and North American markets increased sales by 40%.
 - Ex. Since 2000, the Fair Trade movement has increased sales by 20%.
 - Ex. Co-operative News: details consumer sales of Fair Trade between 2013-2014 are 6.61 billion dollars worldwide.

Minimal Financial Impact

- Fair Trade products represent less than 1% of international trading today.
- Glass ceiling may have been reached in maturer markets.
 - Ex. Switzerland, Germany, and the United Kingdom.
 - Identified by the European Free Trade Association (EFTA).
- Word-Deed Gap
 - Of the 30% of consumers who say they will purchase Fair, only 3% do.

Global North Consumers

Loyal Consumers

Are willing to change to purchasing habits in order to appeal to good intentions.

11%

... of the General Population

Intermittent Consumers

Are typically benevolent and idealist, but not very different, from the average consumer. 1/2 of these who like Fair Trade, do not buy items.

40%

Present Controversy: Price vs. Goodness

Non-Consumers

Motivations for not purchasing Fair Trade is unclear. 3 possible arguments: Economic Rationalist, Economic Development Reality, Government Dependency.

49%

Key Finding: These habits remained the same during the 2008 global recession.

Key Conclusion: Global North's Fair Trade trend is not reflective of general consumer habits; corporates are shown to be influencing the market.

Significance: Role of Corporate Social Responsibility and Consumer Sovereignty

The Paradox of Consumer Behavior:

Once an individual establishes trust with a corporation's "goodness", they are more likely to purchase their products; without further investigation.

Future Considerations:

- How to solve Fair Trade's untapped/ tapped market?
- How to solve these communication challenges?
- Word-Deed Gap Controversy? More research needed?
- How to move away from the benevolent Fair Trade image?
- Ways Fair Trade can reach out to non-consumers?
- Role of Corporations included in Fair Trade image?