



## **Clever or risky: talking the talk, without walking the walk**

The role of fair trade reputation in the relationship between fair trade communication and consumer behavior

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## **Abstract**

Throughout recent years, fair trade brands and their products are no longer limited to niche markets. However, consumer skepticism toward brands' prosocial initiatives is emerging. This study proposes that a brand's fair trade communication should be congruent to its fair trade reputation to prevent skepticism among consumers. Hence, this study investigates whether a clothing brand's incongruent fair trade communication and reputation lead to skepticism and whether a skeptical attitude affects consumer behavior. An experimental survey is conducted among 198 Dutch respondents in which a fair trade brand and a non-fair trade brand were presented as partly fair trade or 100% fair trade. More specifically, in two conditions the fair trade communication fitted the brands' reputation, while in the two other conditions the fair trade communication did not fit the brands' reputation. The research findings reveal that when a brand is presented differently from its reputation, consumers do not hold a more skeptical attitude toward the brand. Nevertheless, the results illustrate that consumers are generally more skeptical toward non-fair trade brands. The findings also demonstrate that consumer skepticism deters the consumers' purchase intention and their intention to engage with electronic word-of mouth. Based on these results, it can be argued that brands do not have to keep their reputation in mind when communicating fair trade initiatives. Yet, brands should ensure that their fair trade initiatives are perceived as genuine to inhibit a skeptical attitude and its subsequent negative influence on consumer behavior.

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## **1. Introduction**

Fair trade (FT) brands are no longer limited to niche markets that are hardly known by consumers since fair trade products have found their way to supermarkets and mainstream stores (Pharr, 2011). Also, consumers have become increasingly aware of the social features a product might have (e.g. FT label) and take these features into account while purchasing products (Andorfer & Liebe, 2011). However, even though consumers appear to be increasingly enthusiastic about the fair trade initiatives of brands, consumer skepticism toward social behavior of companies and brands is on the rise (e.g. Vanhamme & Grobben, 2009; Elving, 2012).

Since consumers have high expectations regarding companies' prosocial behavior (Carrol, 2015) and because of the demonstrated advantages (e.g. more customer loyalty), companies invest heavily in social activities and on the communication of these activities (Eberle, Berens, & Li, 2013). Furthermore, companies use various communication strategies to make consumers aware of their FT initiatives (Wagner, Lutz, & Weitz, 2009), for example, by communication through product labels. Andorfer and Liebe (2011) have reviewed studies that measured the effects of FT product labels on consumer responses. Most of these studies have only focused on the comparison between products presented as being 100% FT or as not being FT at all (e.g. De Pelsmacker, Driesen, & Rayp, 2005; Didier & Lucie, 2008). For instance, De Pelsmacker et al. (2005) has found that consumers were willing to pay more for coffee that was labeled as 100% FT than for coffee that was not labeled as fair trade.

Previous studies have demonstrated that the way consumers respond to a company's communication strategy is indissolubly linked with how they perceive the reputation of that specific company (Du, Bhattacharya, & Sen, 2010). In addition, according to Fombrun and Shanley (1990) consumers use reputation as a pre-existing schema upon which they rely when receiving conflicting information about a company or organization.

Hence, the question is, what happens if a company is presented in such a way that it does not fit its reputation. For example, how would consumers react if a company with a bad fair trade reputation starts to communicate that its products are 100% FT? Few scholars have found that if consumers receive information about a company or organization that is incongruent to the company's reputation, then this may lead to unfavorable consumer attitudes such as skepticism (e.g. Bae & Cameron, 2006; Elving, 2012). Yet, to date, no research has investigated how consumers respond to messages in which a company is presented as *partly* FT (e.g. 30%) while the consumer perceived the company's reputation as 100% FT. As such, the question is whether this will lead to a skeptical attitude.

The aim of this research is to investigate how a brand should communicate effectively about its FT initiatives while also considering the role of its FT reputation. More specifically, this research aims to explore whether incongruent FT communication and reputation leads to consumer skepticism and whether this skeptical attitude consequently results in unfavorable consumer behavior. Therefore, the research questions are as follows:

*To what extent does the communication of a fair trade message that misfits the fair trade reputation of a brand lead to consumer skepticism? To what extent does a relationship exist between consumer skepticism and negative consumer-related outcomes?*

Although reputation is considered to be a key factor in communication effectiveness (Du et al., 2010), the role of reputation in the relationship between prosocial communication strategies and consumer-related outcomes is understudied (Elving, 2012). Additionally, Skarmeas and Leonidou (2012) have claimed that too little attention has been paid to the determinants of consumer skepticism toward companies that engage with social initiatives. Moreover, skepticism is of interest since earlier studies have revealed that this attitude may

lead to negative consumer behavior, such as a reduced purchase intention (e.g. Ellen, Webb, & Mohr, 2006). In addition to the fact that this study includes the role of reputation in the process of prosocial communication, this study also focuses on presenting a brand as partly FT. As such, instead of presenting a brand as non-FT versus 100% FT, the current study uses a novel approach in which a brand is presented as either partly or 100% FT. For a brand that is not known for its FT reputation or has a bad FT reputation, it might be effective to present itself as partly FT which ‘fits’ with its reputation rather than presenting itself as 100% FT.

In addition, brands, such as Ikea and Apple, have started to experiment with presenting themselves as partly socially responsible (Ikea, 2015; RE100, 2014), yet, it is not known whether consumers respond favorably to this strategy. Additionally, as a brand it is tempting to establish a better FT reputation than what is feasible in practice (Elving, 2014). However, brands should be aware of the possible consequences this might have and whether they are running the risk that their efforts will backfire (Yoon, Gürhan-Canli, & Schwarz, 2006).

This paper has been divided into four parts. The first part will provide an overview of previous studies and findings that led to the hypotheses of this study. Then, the methodology used for the current study will be explained, followed by the results and conclusions.

## **2. Theoretical framework**

### **2.1. Corporate social responsibility and fair trade**

According to Carrol (2015), the concept of corporate social responsibility (CSR) derived from the 1960s, when several social movements were developed. Campaigns were launched by activists who demanded fair treatment of employees, philanthropic programs, and environmental practices, which made more and more consumers aware of CSR. As a result, consumers started to have expectations of companies considering their ethical and philanthropic obligations to the local and the global community (Haerens, 2014).

To offer a general idea of the concept of CSR, the World Business Council for Sustainable Development (2000) has explained CSR as “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large” (p. 8).

Despite the fact that CSR is a phenomenon that is implemented by companies in various ways, Pelozo and Shang (2011) have distinguished three broad categories of CSR activities, which are, philanthropy, business practices, and product-related activities. The authors have claimed that FT practice is an example of a CSR business practice. FINE (2006) has defined FT as:

a trading partnership, based on dialogue, transparency and respect, which seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers. Fair Trade organizations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade. (What is Fair Trade section, para. 1)



The idea of FT as a form of CSR is also supported by, for example, Mohan (2009) who has examined how FT has evolved as a form of CSR over the previous decade. More specifically, FT attempts to affect consumers' financial decisions, by providing assurance about the social and ethical impact of a business process on the producers and workers. Similarly, companies engaging with CSR influence consumers by communicating their social activities in taking care of worker welfare, and the environment. Thus, both FT and CSR reflect the rise and development of social responsibility (Mohan, 2009). Furthermore, Castaldo, Perrini, Misani and Tencati (2009) have examined the link between the consumer perception of a good CSR reputation and the consumer intention to purchase FT products. This study has revealed that if consumers believed that the company was committed to its socially oriented initiatives, then their trust in FT products of that specific company increased which resulted in a higher purchase intention. Furthermore, Carrol (1991) has represented the ethical dimension of CSR as the obligation to do what is right, just, and fair, which is closely linked to the concept of FT. In conclusion, the present study uses theories and findings concerning FT and consumer behavior that also derived from a CSR context since specific literature on FT is scarce (e.g. Shaw, Hogg, Wilson, Shui, & Hassan, 2006).

Although FT literature is sparse, scholars have started to explore the phenomenon of FT (Davenport & Low, 2013) which might be a result of an increasing number consumers who value ethical criteria of products such as decent working conditions (Andorfer & Liebe, 2011). Earlier studies have mainly established positive findings concerning FT products (i.e. products made according to ethical criteria) and FT consumption. To illustrate, scholars have ascertained that consumers are willing to pay an ethical premium for coffee (Trudel & Cotte, 2009), chocolate (Didier & Lucie, 2008), and shoes produced without child labor (Auger, Burke, Devinney, & Louviere, 2003). In addition, various researchers have found that customers are prepared to pay more for FT labeled products (e.g. De Pelsmacker et al., 2005,

Hiscox & Smyth, 2006). Research findings have also indicated that consumers are likely to reward companies that are socially oriented and punish the ones that are not (Bhattacharya & Sen, 2004). In other words, socially responsible companies will experience more advantages such as customer loyalty (e.g. Martínez & Rodríguez del Bosque, 2013), willingness to switch brands (Yoon et al., 2006), and an improved image (Bronn & Vrioni, 2001). In conclusion, a company that is contributing to a better world may also count on various advantages of its own interest.

Although a FT approach appears to yield positive outcomes for companies and brands, scholars have claimed that there has been little significant research on FT marketing and how brands can effectively make stakeholders aware of their FT policy (Pharr, 2011; Blomberg & Busk, 2013).

## **2.2. Fair trade communication**

Marketing efforts, such as communication, influence the way consumers perceive a company's stance toward socially responsible behavior (Stanaland, Lwin, & Murphy, 2011). Du, Bhattacharya and Sen (2007) have found that consumers need to possess strong beliefs about a company's prosocial initiatives before the company can profit from the advantages of its social behavior. More specifically, a key element of such a belief is the consumer's awareness of the specific initiatives. Therefore, Du et al. (2007) have suggested that companies and brands should communicate their prosocial behavior and consequently reinforce consumers beliefs. Additionally, research has demonstrated that companies have started to communicate about their well-willing results and social investments (e.g. KMPG International Survey 2015; Eberle et al., 2013) by using various channels such as websites, commercials and product packaging (Du et al., 2010). Additionally, Andorfer and Liebe (2011) have explored the communication strategy of providing information through product packaging. They have focused, for instance, on various factors such as consumers attitudes

concerning FT consumption. This review included several studies that investigated the effect of FT products labels on the consumption of these products. For example, Hustvedt and Bernard (2010) have ascertained that consumers' willingness to pay for a t-shirt increases if the t-shirt is labeled as sweatshop-free (e.g. produced without child labor or violation of wages). De Pelsmacker et al. (2005) have also revealed that consumers were willing to pay a premium of 10% for coffee that was labeled as FT. Reviewing studies that have focused on the strategy of communicating through product labeling, it can be concluded that the majority employed an "all or nothing" approach. This entails that consumers responses are often measured by presenting products only as 100% FT versus being a regular brand (e.g. De Pelsmacker et al., 2005; Didier & Lucie, 2008; Vanhamme & Grobben, 2009).

In business, brands have started to experiment with communicating various percentages of being socially responsible. For instance, Ikea communicates to its customers that 50% of its wood derives from sustainable sources (Ikea, 2015). Another (more abstract) example is that of Tony Chocolonely, which is a brand that positions itself as "being on our way toward 100% slave free chocolate" (Tony Chocolonely, 2017). Another example is that of the RE100 initiative, in which 96 influential companies committed to 100% renewable power (RE100, 2014). One of these companies is Apple, who currently communicates to be at a level of 93% renewable electricity and is also committed to reach the 100%. Thus, a number of companies have begun to implement a new strategy in which they present themselves as partly FT or "green".

Although increasingly more brands seem to use this specific communication, to the author's knowledge, no research has been conducted on how consumers react to such a new approach. Furthermore, for some controversial industries, it might be difficult to be completely FT. A case in point is that of the clothing industry in which many brands relocated their production overseas where newly industrializing and mainly poor countries welcome the

brands to produce clothes in substandard conditions (Rudell, 2006). Moreover, Daly and Towers (2004) have claimed that due to a shortcoming of financial resources and consumers who ask more and more for low-priced fashion, especially medium-sized clothing brands outsource their clothing productions to developing countries. Yet, brands also experience pressure from consumers who shop with a social conscience and from organizations that strive for an ethical marketplace (Rudell, 2006). As a result, clothing brands such as Nike, H&M, and Zara, started with prosocial initiatives, that focus on *single* stages of the chain (Kozlowski, Bardecki, & Searcy, 2012). This example illustrates the value of investigating how consumers would respond to brands presented as partly FT.

To summarize, companies and brands use various communication strategies to inform consumers about their social initiatives. A new, unexplored approach is that of brands positioning themselves as partly FT or green, however, no research has investigated consumer responses to this strategy yet. Research has revealed that consumer responses to brands' communication expressions are inextricably linked to how consumers perceive the brands' reputation (Du et al., 2010). More information about this connection between communication and reputation is provided in the following section.

### **2.3. Fair trade reputation**

An organization's FT communication is a key factor to create a FT reputation while, at the same time, FT reputation is also used by consumers to process FT communication (Du et al., 2010). Reputation has been defined as:

a stakeholder's overall evaluation of a company over time. This evaluation is based on the stakeholder's direct experiences with the company, any other form of communication and symbolism that provides information about the firm's actions and a comparison with the actions of other leading rivals. (Gotsi & Wilson, 2001, pp. 29)

Elving (2012) has argued that in earlier studies, reputation has often been approached as a dependent variable, influenced by prosocial activities and the communication of these activities. Yet, reputation could also be considered as a factor that influences the effects of FT communication (Elving, 2012). Only a number of scholars have acknowledged the role of reputation when consumers process received information from a company. Firstly, Fombrun and Shanley (1990) have discovered that reputation is used by consumers as a pre-existing schema to interpret received ambiguous information from a company. More specifically, when receiving information, consumers relied on reputation as a frame of reference to form opinions about a company. Secondly, Brown and Dacin (1997) have observed that consumers use their knowledge of a company as a whole (e.g. reputation) to process new information about the company's social initiatives and, consequently, to form product evaluations. Finally, a more recent study of Du et al (2010) has suggested that the extent to which prosocial advertisements and other messages about social activities are effective depends on company-specific factors such as reputation.

Thus, while numerous studies focused on the determinants of reputation and used this concept as an outcome (e.g. Brammer & Pavelin, 2006; Melo & Garrido-Morgado, 2011), a number of scholars revealed that reputation can also be considered as a factor that influences how consumers process communication. Moreover, research has demonstrated that if an organization's communication is not in line with its reputation, this might lead to unfavorable consumer attitudes such as skepticism (e.g. Elving, 2012).

#### **2.4. Fair trade skepticism**

Skepticism is explained as a sense of disbelief (Obermiller & Spangenberg, 1998) or one's tendency to doubt something (Forehand & Grier, 2003). In the context of consumer behavior, skepticism is considered as a trait that enables people to observe companies'

genuineness (Obermiller & Spangenberg, 1998) and to protect them from misleading claims (Mohr, Eroglu, & Ellen, 1998).

The phenomenon of consumer skepticism is essential, as prior studies have revealed its negative consequences for companies. These studies illustrated that consumers skepticism decreases the acceptance of advertising claims and negatively influences consumers' evaluations about brands and products (e.g. Forehand & Grier, 2003; Yoon et al., 2006; Kim & Lee, 2009). Skarmeas and Leonidou (2012) have found that the consumers' level of skepticism negatively affects the extent to which consumers become vulnerable to negative information about a retailer. Furthermore, they have argued that research on the determinants of skepticism is lacking despite the importance of the phenomenon. Additionally, Elving (2012) has claimed that although little is known about the role of reputation in processing prosocial communication, it might lead to a skeptical attitude. Yet, some scholars have revealed insights into the causes of skepticism that are valuable for the present study.

Firstly, earlier studies have established that a lack of consistency between newly received information and consumers' previous expectations will lead to a skeptical attitude (e.g. Boush, Friestad, & Rose, 1994; Folkes, 1988). Furthermore, Bae and Cameron (2006) have conducted an experiment in which a company with a good reputation that donated to charity was perceived as multi-beneficial, whereas a donation by a company with a bad reputation was perceived as self-interested and lead to increased skepticism (Skarmeas & Leonidou, 2012). Another example is the study of Kim and Lee (2009) in which they expected that a news article about the CSR actions of a company with a low CSR reputation would lead to more skepticism than the same article about a company with a high CSR reputation. Even though their expectation has not been confirmed, a trend has been observed that more distrust among consumers was present in the low CSR reputation conditions. In addition, academic literature in the context of green advertising provides much results that

companies do not “walk their talk” (e.g. Alves, 2009; Furlow, 2010). Therefore, consumers can receive contradicting information regarding a company’s performance and its advertising. Nylasi, Gangadharbatla and Paladino (2014) have found that consumers may become skeptical when green advertising and corporate performance are not consistent.

Since acting as FT reaps various advantages, it is attractive to create a good FT reputation or to communicate a better picture of the brand than achievable (Elving, 2014). Based on the findings mentioned in this section it can be questioned whether it is effective for a brand to “not practice what you preach” since consumers are likely to become skeptical. For this reason, the following hypothesis is constructed:

*H1: A communicated fair trade message that does not fit a brand’s fair trade reputation results in more skepticism than a communicated fair trade message that fits the brand’s fair trade reputation.*

## **2.5. The effects of skepticism on consumer behavior**

**2.5.1. Purchase intention.** In addition to the fact that conflicting FT communication and FT reputation lead to consumer skepticism, skepticism could also have a number of negative consequences for companies. To illustrate, the idea that consumers punish companies which they perceive as not genuine in their social behavior (Sen & Bhattacharya, 2001) might lead to a negative attitude and, consequently, to a reduced purchase intention (Obermiller & Spangenberg, 1998; Chen & Leu, 2011). Furthermore, it has been claimed that skepticism arising from a company’s contrasting prosocial messages and actions decreases the purchase intention as well (Becker-Olsen, Cudmore, & Hill, 2006). More recently, Skarmeas and Leonidou (2015) have found “green skepticism” and “purchase intent” to be negatively related. Based on these findings, it is likely to assume that the same might happen in a context of FT skepticism. Hence, the next hypothesis is formulated as follows:

*H2a: Skepticism relates negatively to a consumers' purchase intention to buy a fair trade product*

**2.5.2. Electronic word-of-mouth.** In addition to a reduced purchase intention, consumer skepticism could also result in a diminished intention to speak positively about a brand. Brands that implement socially responsible initiatives may count on consumers who will talk favorably about them to others (e.g. Curtis, 2006); this often leads to positive attitudes and behavior (Chu & Kim, 2009). Consumers talking about a brand to other consumers has moved from an offline to an online environment and is called “electronic word-of-mouth” (eWOM). Hennig-Thurau, Gwinner, Walsh, and Gremler (2004) defined eWOM as “any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet” (p. 39).

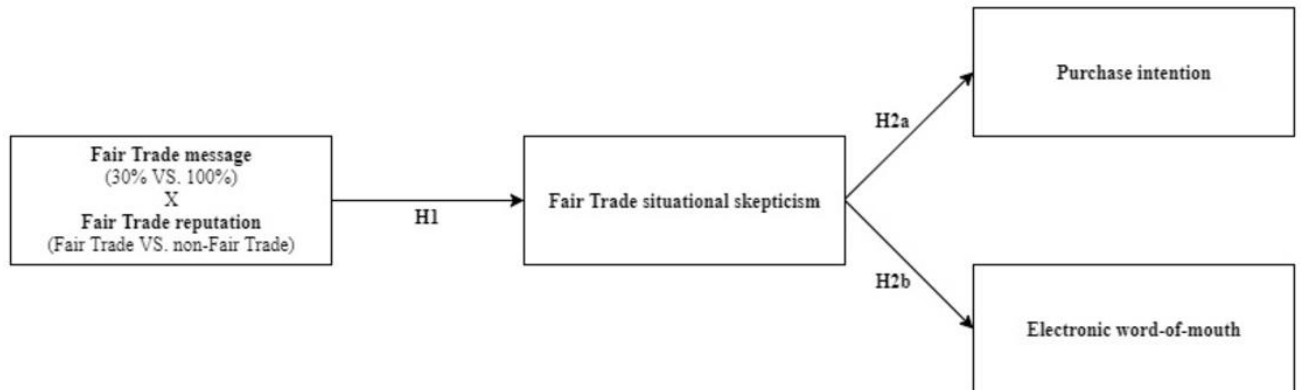
Many studies have indicated that consumers who are satisfied about a product or company will talk positively about it to other consumers (Anderson, 1998). Moreover, consumers who trust a company to a high extent are more likely to talk positively about the brand as well (e.g. Stanaland et al., 2011). Therefore, it is reasonable to assume that consumers who feel deceived by the information of a FT brand may feel a sense of distrust and will not talk positively about the concerned brand. The latter is confirmed by Skarmeas and Leonidou (2012), as they have ascertained that skepticism discouraged the willingness to talk positively about a company. Hence, based on previous findings, it is reasonable to assume that consumers with a skeptical attitude are less likely to engage with positive eWOM. Therefore, the following hypothesis is proposed:

*H2b: Skepticism relates negatively to the consumers' positive eWOM about a fair trade brand.*



## 2.6. Visual model

Figure 1 presents the above-mentioned ideas and defined hypotheses in a visual model.



*Figure 1.* Conceptual model of current study

### 3. Method

#### 3.1. Research design

In order to test the hypotheses, a 2 x 2 between-subject experimental design was employed including the following manipulations: FT message (30% FT or 100% FT) and FT reputation (FT or non-FT). For the variable FT reputation, two clothing brands were selected. Hence, the study included two clothing brands which were perceived as either FT or non-FT.

#### 3.2. Procedure pre-tests

Firstly, a pre-test was conducted in order to determine which clothing brand was perceived as being the most FT and which brand was not. A within-subject design was used which included six clothing brands, namely H&M, Zara, Primark, Kuyichi, TOMS and Nudie Jeans. A total of 29 respondents were asked whether they were familiar with the six brands. Then, three items deriving from a scale of Hsu (2012), measured to what extent the participants perceived the brand as being FT (i.e. FT reputation). Only respondents who indicated that they were familiar with the brand were included when the FT reputation was measured.

As shown in Table 1, participants perceived Kuyichi as being most FT, however, the difference with TOMS was very small. A dependent t-test showed that the difference between these two brands was not significant,  $Mdif = -.24$ ,  $t(10) = -.393$ ,  $p = .70$ , 95% CI [-1.51, .76]. Besides, more participants were familiar with the brand TOMS than with Kuyichi. Therefore, TOMS was selected as FT brand to include in the main study.

As for the brands who scored lowest on FT reputation, namely ZARA and Primark, a dependent t-test was conducted. The difference between the brands was significant,  $Mdif = 1.23$ ,  $t(28) = 4.24$ ,  $p < .01$ , 95% CI [.69, 1.77]. Therefore, Primark was obviously chosen as the non-FT clothing brand in this study, since Primark had the lowest average.

Table 1

*Scores on perceived fair trade reputation of the six clothing brands*

| Clothing brand | <i>N</i> | <i>M</i> | <i>SD</i> |
|----------------|----------|----------|-----------|
| Kuyichi        | 12       | 4.81     | 1.16      |
| TOMS           | 17       | 4.76     | 1.43      |
| Nudie Jeans    | 9        | 4.74     | .95       |
| H&M            | 29       | 3.40     | 1.12      |
| ZARA           | 29       | 2.83     | 1.10      |
| Primark        | 29       | 1.60     | 1.10      |

Once the two clothing brands were determined a *second* pre-test was established in order to check whether the created manipulations were successfully understood by the participants. A total of 48 respondents were randomly divided into two conditions, that is, either TOMS or Primark. Again the participants were asked to indicate whether they were familiar with the assigned brand and to what extent they perceived the brand as FT. An independent t-test confirmed that TOMS was perceived as a FT brand ( $M = 4.94$ ,  $SD = 1.63$ ) and Primark as non-FT brand ( $M = 1.75$ ,  $SD = 1.33$ ),  $Mdif = -3.19$ ,  $t(34) = -6.18$ ,  $p < .01$ , 95% CI [-4.23, -1.99]. Then, both groups were once more divided into two groups of which one group had to read a Facebook message in which the assigned brand (TOMS or Primark) was presented as 30% FT and the other group had to read a message in which the assigned brand was presented as 100% FT. The four different Facebook messages can be found in Appendix A. The conditions TOMS 100% and Primark 30% FT are in this study considered as fitting its reputation, whereas TOMS 30% and Primark 100% are misfitting their reputations. After reading the message, participants (dis)agreed on 3 statements considering the realism of the given scenario. Even though the fitting scenarios were considered as somewhat more realistic ( $M = 4.43$ ,  $SD = 3.71$ ) than the conditions that did not fit the perceived reputation ( $M = 3.71$ ,

$SD = 1.75$ ), this difference was not significant,  $Mdif = .72$ ,  $t(46) = 1.47$ ,  $p = .75$ . Furthermore, the perceived FT reputation was again measured after reading the manipulated messages. The differences in means before and after the manipulations were largest for the non-fitting conditions (Primark 100% and TOMS 30%). For example, participants who were in the TOMS 30% fair trade condition first scored an average of 5.14 ( $SD = 1.96$ ) and after the manipulation an average of 4.43 ( $SD = 1.85$ ). The differences were small, so the study was continued with the created manipulations.

Lastly, participants in the first pre-test were emphatically asked not to take part in the second pre-test and the main study and participants in the second pre-test were asked not to fill out the survey of the main study.

### **3.3. Procedure main study**

After conducting two pre-tests a final experimental survey was developed with the use of the online tool Qualtrics. Respondents for this survey were recruited through various social media channels such as Facebook and LinkedIn. Via a link respondents were directed to the first page of the survey which included a brief explanation of the study. Furthermore, it was explicitly mentioned that someone who had already participated in one of the pre-tests was not allowed to participate in this survey.

Once the participant had read the first page, the procedure was more or less the same as the second pre-test. Respondents were randomly assigned to either questions about the brand TOMS or the brand Primark. Then, again each group was randomly divided into again two different conditions, namely 30% FT or 100% FT. More specifically, at this point there were four different groups each of them presented a different Facebook message. So, there were two Facebook messages about TOMS and two about Primark, one presented the brand as 30% FT and the other presented the brand as being 100% FT.

After being exposed to the message the procedure became different than the second pre-test. Firstly, the study used various items as manipulation checks in order to check whether participants read the message and to check for realism and credibility of the Facebook messages. Then, participants were exposed to scales which measured situational skepticism, intended electronic Word-of-Mouth and purchase intention. Moreover, the survey included several control variables, that is, fair trade motives, customer-company identification, brand associations, dispositional skepticism and ethically minded consumer behavior. Finally, the respondents were asked to answer a few demographic questions such as age and gender. An overview of all scales used in this survey is available in Appendix B.

### **3.4. Sample**

A total of 338 participants started the survey of 69 were immediately excluded since they did not fill out the survey completely. Furthermore, 69 participants were excluded as they were not familiar with the assigned brand (the majority of this number was not familiar with TOMS). Finally, 2 more respondents were excluded considering the fact that they were aged below 18.

The final sample of this study consisted of 198 participants of which 152 were female and 46 were male. The average age of the sample was 29.27 ( $SD = 11.67$ ), ranging from 18 years old up to 75 years old. The majority was highly educated, that is, 82% of the sample had a university or college degree. Lastly, the nationality of the sample was Dutch since the survey was in Dutch and only participants with this nationality were invited to take part in this study.

Finally, due to the exclusion of participants based on their non-familiarity with the assigned brand, the eventual number of participants for each brand was uneven. More specifically, for TOMS ( $N = 70$ ) the 30% condition consisted of 31 participants and the 100%

condition of 39 participants. As for Primark ( $N = 128$ ), 68 participants in the 30% condition completed the survey and 60 full responses were included for the 100% condition.

### **3.5. Stimuli**

The stimuli for the second pre-test and for the main study consisted of four Facebook messages which were posted by Fair Trade Nederland (FNL). FNL is part of the worldwide Fair Trade movement (Max Havelaar, 2015) and in this study considered as an independent and neutral party. Yoon et al. (2006) have demonstrated that consumers react more negatively to a prosocial message received from a brand itself than from a neutral source, indicating that the sender of the message has an influence on consumer behavior. Therefore, FNL was the sender of the message in all conditions, so no effects can be attributed to the source since this factor was consistent across all conditions.

Each message presented a brand (TOMS or Primark) and a percentage of being FT (30% or 100%). Furthermore, each message started with the fact that the brand had joined the Fair Labor Association (FLA) which is an association known for its focus on a fair trade manufacturing process. Yet, in the condition of the brand being 100% FT the rest of the message elaborated on this association and the fact that the brand is doing really well. While in the 30% FT condition it is stated that even though the brand joined the FLA, a report determined that the brand is 30% FT and that still a large part of the production is produced in a non-fair way with all the consequences that entail. Furthermore, there were a few differences between the messages about Primark and TOMS. For example, in the TOMS 100% FT condition it is stated that TOMS has been FT from the beginning whereas in the condition of Primark being 100% FT it is concluded that Primark currently is doing a very good job.

Lastly, all messages were accompanied by a photograph of a woman working in a clothing factory. For the messages in the 30% FT condition, the photograph was neutral and the woman did not look in the camera whereas the woman in the photograph in the 100% FT condition was smiling into the camera.

### **3.6. Manipulation checks**

Similar to the pre-tests, a manipulation check was carried out in the main experiment to ensure that participants perceived TOMS as FT and Primark as non-FT. To measure how participants perceived both brands a scale employed by Hsu (2012) was partly adapted. In this study the scale consisted of three items which were measured on a 7-point Likert Scale. For example, participants were asked to indicate to what extent they agreed on the following statement: *“TOMS/Primark is a well-respected brand considering its fair trade products”* (1 = “strongly disagree”, 7 = “strongly agree”). The reliability of the scale was very high, namely Cronbach’s  $\alpha = .98$ .

In addition, another manipulation check measured how realistic the given scenario was experienced. An example of a specific item was: *“The Facebook message I just read is reliable”* (1 = “strongly disagree”, 7 = “strongly agree”). The scale had a good reliability (Cronbach’s  $\alpha = .89$ ). Then, it was measured how credible the source of the message (Fair Trade Nederland) was perceived. The scale consisted of two items of which an example was: *“Fair Trade Nederland is a reliable source”* (1 = “strongly disagree”, 7 = “strongly agree”). Again, the reliability of the scale was high (Cronbach’s  $\alpha = .89$ ).

### 3.7. Measures

#### 3.7.1. Dependent variables

***Situational skepticism.*** Forehand and Grier (2003) have argued that two types of skepticism can be distinguished, namely ‘predispositional’ and ‘situational’ skepticism. Firstly, predispositional skepticism is determined to be a feeling of resistance to marketing activities in general and is considered as an ongoing state of disbelief. While situational skepticism is explained as a temporary state of doubt toward, for example, a specific marketing message. Consumers may find themselves in a ‘state’ of skepticism, indicating that the effect of situational skepticism is not long lasting and that companies can to some extent control this type of skepticism (Kim & Lee, 2009). This study focused on situational skepticism toward the brands since responses are measured after reading a specific message about a brand. Moreover, understanding how this type of skepticism arises is critical since it can be influenced by marketers and how a brand is formulating its message (Kim & Lee, 2009).

In this study, situational skepticism was measured based on a scale that was developed by Obermiller and Spangenberg (1998). The scale was measured on a 7-point Likert Scale and participants were asked to give their opinion on three items. An example of an item was “*I am skeptical toward the fair trade production of TOMS/Primark*” (1 = “strongly disagree”, 7 = “strongly agree”). The Cronbach’s Alpha for this scale was good ( $\alpha = .80$ ), so the scale was considered to be reliable.

***Electronic Word-of-Mouth.*** Electronic Word-of-Mouth (eWOM) was measured with a scale by Eisingerich, Chun, Liu, Jia and Bell (2015). This scale was partly employed by the use of three items of this scale were used in order to measure to what extent participants would talk positively about TOMS or Primark on social media. All items were measured on a



7-point Likert Scale (1 = “very unlikely”, 7 = “very likely”) and were considered as reliable since the Cronbach’s Alfa for this scale was .85.

**Purchase intention.** Purchase intention was measured with the following item: *“It is my intention to purchase a product of TOMS/Primark in the following three months”*.

Participants were asked to indicate to what extent they agreed on this statement (1 = “Very unlikely”, 7 = “Very likely”).

**3.7.2. Control variables.** The experimental survey is designed in order to investigate whether the independent variables will affect the selected dependent variables. Therefore, other influences must be controlled for as much as possible to validate the results. Consequently, various control variables were added to the survey<sup>1</sup>.

**Fair trade motives.** Research has shown that consumers attribute various motives to companies regarding the question why a company is behaving socially responsible (Ellen et al., 2006). Also, Skarmeas and Leonidou (2012) have concluded that these different motives may lead to different levels of skepticism. Therefore, the scale of Ellen et al. (2006) was used to measure the various perceived motives, that is, values-driven motives (Cronbach’s  $\alpha = .51$ ), strategic-driven motives (Cronbach’s  $\alpha = .73$ ), stakeholder-driven motives (Cronbach’s  $\alpha = .60$ ) and egoistic-driven motives (Cronbach’s  $\alpha = .81$ ). For measuring each motive 2 items were used and each item was measured on a 7-point Likert Scale. The scale included items such as *“I believe TOMS/Primark invests in fair trade initiatives because she wants to increase its profits”* (1 = “strongly disagree”, 7 = “strongly agree”).

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<sup>1</sup> It was found that the variable ‘brand trust’ was measured on a 6-point scale in the TOMS conditions whereas it was measured on a 7-point scale in the Primark conditions. Therefore, this variable was excluded from the current study.

Since the scales for values- and stakeholder-driven motives were considered as unreliable, one item of both scales was selected that best represented each scale. So, to measure value-driven motives the following item was chosen "*I think TOMS/Primark invests in fair trade initiatives because it is in line with the norms and values of TOMS/Primark*". In order to measure stakeholder-driven motives, the item "*I think TOMS/Primark invests in fair trade initiatives because she thinks society expects this from TOMS/Primark*" was chosen.

**Customer identification.** Underwood, Bond and Bear (2001) have explained customer identification as the relationship between the customer and its consumed brands. Moreover, Algesheimer, Dholakia and Herrmann (2005) have suggested that customer identification with a specific brand has a positive influence on purchase behavior. Therefore, a scale developed by Leach, Van Zomeren, Zebe, Vliek, Pennekamp, Doosje, Ouwerkerk and Spears (2008) was included to measure customer identification with the assigned brand. The scale consisted of three items and was again measured on a 7-point Likert Scale. The Cronbach's Alfa was very high ( $\alpha = .95$ ), so the scale was reliable.

**Ethical minded consumer behavior.** A recently developed scale was used in order to control for ethical minded consumer behavior. That is to say, Sudbury-Riley and Kohlbacher (2016) have employed a 10-item scale which measures consumption choices with regard to environmental issues and CSR. In total, 3 items of the scale were used and measured this variable on a 7-point Likert scale. For instance, "*I have paid more for socially responsible products when there is a cheaper alternative*" (1 = "Strongly disagree", 7 = "Strongly agree"). The scale was highly reliable (Cronbach's  $\alpha = .83$ ).

**Dispositional skepticism.** Forehand and Grier (2003) have identified a type of skepticism which is defined as an ongoing state of disbelief, in other words, dispositional skepticism. In case respondents are dispositional skeptics, it might not matter what type of brand or how a brand positions itself considering its FT initiatives since respondents will be

skeptical in any way. Therefore, a scale consisting of 4 items based on Obermiller and Spangenberg (1998) was used to measure dispositional skepticism in a fair trade context. The scale included items such as *“In general I find companies that claim to engage in fair trade activities unbelievable”* (1 = “Strongly disagree”, 7 = Strongly agree). The scale proved reliable (Cronbach’s  $\alpha = .90$ ).

## 4. Results

### 4.1. Manipulation checks

Firstly, before participants were exposed to the manipulation, they were asked how FT they perceived the assigned brand. As intended, participants in the TOMS condition scored higher on FT reputation ( $M = 5.23$ ,  $SD = 1.16$ ) than participants in the Primark condition who scored very low on FT reputation ( $M = 1.57$ ,  $SD = .95$ ). An independent t-test showed a statistically difference between the groups ( $Mdif = 3.66$ ,  $t(120.31) = 22.60$ ,  $p < .01$ , 95% CI [3.34, 3.99]).

A second manipulation showed that overall participants experienced the given scenario fairly realistic ( $M = 4.03$ ,  $SD = 1.39$ ). An independent t-test demonstrated the difference between the fitting conditions ( $M = 4.20$ ,  $SD = 1.20$ ) and the non-fitting conditions ( $M = 3.87$ ,  $SD = 1.54$ ) was not significant ( $Mdif = 0.32$ ,  $t(185.37) = 1.65$ ,  $p = .10$ , 95% CI [-.08, .70]). Therefore, the manipulations were perceived as averagely realistic regardless of the conditions.

Lastly, it was investigated how credible the source who spread the message was perceived. Overall, Fair Trade Nederland was perceived as a credible and competent source ( $M = 4.83$ ,  $SD = 1.23$ ). In addition, there was a non-significant difference between the fitting ( $M = 4.85$ ,  $SD = 1.27$ ) and non-fitting conditions ( $M = 4.81$ ,  $SD = 1.20$ ),  $Mdif = .04$ ,  $t(196) = .23$ ,  $p = .82$ , 95% CI [-.34, .39].

### 4.2. Hypothesis testing

The first hypothesis investigated the effect of the misfit between FT communication and FT reputation on situational skepticism (H1). In the current study, it was proposed that the conditions in which TOMS is presented as 30% FT and Primark as 100% FT are not fitting the brands' reputation ( $N = 99$ ). This misfit was supposed to lead to more situational

skepticism than if the brand is presented as being FT that fits its reputation, that is, Primark 30% FT and TOMS 100% FT ( $N = 99$ ). In order to test this hypothesis, an independent t-test was performed in which the 'fit' was considered to be the independent variable and situation skepticism the dependent variable.

In this sample, participants in the non-fitting conditions ( $M = 4.44$ ,  $SD = 1.25$ ) were slightly more skeptical than participants in the fitting conditions ( $M = 4.20$ ,  $SD = 1.39$ ). However, this difference in skepticism between the conditions was not significant,  $Mdif = .24$ ,  $t(196) = -1.31$ ,  $p = .19$ . So, the hypothesis that a misfit between communication and reputation would lead to more participants' situational skepticism than fitting communication and reputation was rejected.

The second hypothesis (H2a) investigated whether there was a negative relationship between situational skepticism and someone's purchase intention. To investigate this relationship a single linear regression analysis was conducted in which skepticism was the predictor and purchase intention the outcome variable.

The linear regression analysis showed that someone's skepticism significantly predicts his or her purchase intention,  $b = -.36$ ,  $\beta = -.28$ ,  $t(196) = -4.06$ ,  $p < .01$ . In addition, 8% of the explained variance can be accounted for the predicting variable ( $R^2 = .08$ ,  $F(1,196) = 16.48$ ,  $p < .01$ ). The hypothesis that situational skepticism negatively relates to someone's purchase intention was supported by this study. This means that the more skeptical a consumer is toward a specific brand, the less likely he or she is to buy a product of that brand.

In order to test the final hypothesis (H2a), again a regression analysis was performed. This study proposed that situational skepticism was negatively related to electronic word-of-mouth. So, a linear regression analysis was conducted in which in which skepticism was the predicting variable and eWOM the outcome variable.

The regression analysis revealed that a person's level of situational skepticism is a significant predictor of his/her intended eWOM,  $b = -.33$ ,  $\beta = -.33$ ,  $t(196) = -4.98$ ,  $p < .01$ , 95% CI  $[-.45, -.20]$ . In addition, the predictor was accounted for 11.2% considering the explained variance of intended eWOM ( $R^2 = 11.2$ ,  $F(1,196) = 24.82$ ,  $p < .01$ ). The results support the hypothesis of this study, that is, the more skeptical consumers are the less becomes their intention to employ eWOM.

#### **4.3. Additional analyses**

**4.3.1. Main effect of fair trade reputation.** Although the main hypothesis of this study was not confirmed, the averages of skepticism for each condition were fairly high. Therefore, an additional analysis was performed to investigate whether the reputation of the brands had an influence.

A one-way ANOVA revealed a main effect of FT reputation on skepticism  $F(1,196) = 76.146$ ,  $p < .01$ , 95% CI  $[4.14, 4.50]$ . More specifically, overall participants in the Primark conditions were more skeptical ( $M = 4.84$ ,  $SD = 1.08$ ) than participants in the TOMS conditions ( $M = 3.34$ ,  $SD = 4.51$ ). In other words, in general participants were more skeptical toward the brand Primark than toward the brand TOMS, regardless of how FT the brand was presented.

A second one-way ANOVA was performed in order to investigate the effect of reputation on purchase intention. It was concluded that participants who were assigned to Primark scored lower on purchase intention ( $M = 2.16$ ,  $SD = 1.65$ ) than participants in the conditions of TOMS ( $M = 2.90$ ,  $SD = 1.72$ ),  $F(1,196) = 8.71$ ,  $p < .01$ , 95% CI  $[2.18, 2.66]$ .

Also, a significant difference was found between participants in the TOMS and Primark conditions considering eWOM,  $F(1, 95.32) = 48.55$ ,  $p < .01$ , 95% CI  $[1.81, 2.18]$ . More specifically, participants had a higher intention to talk online about TOMS ( $M = 2.88$ ,

$SD = 1.50$ ) than about Primark ( $M = 1.51$ ,  $SD = .88$ ). Table 2 presents an overview of all means per condition for each dependent variable which clearly shows higher scores for Primark on skepticism and lower scores on purchase intention and eWOM.

Table 2

*Descriptive statistics for each dependent variable per condition*

|                          |                    | Skepticism    | Purchase<br>intention | EWOM          |
|--------------------------|--------------------|---------------|-----------------------|---------------|
| Reputation               | Fair trade level   | <i>M (SD)</i> | <i>M (SD)</i>         | <i>M (SD)</i> |
| Non-fair trade (Primark) | Fitting (30%)      | 4.75 (1.18)   | 2.31 (1.77)           | 1.52 (.93)    |
|                          | Not fitting (100%) | 4.93 (1.13)   | 2.00 (1.51)           | 1.50 (.82)    |
| Fair trade (TOMS)        | Fitting (100%)     | 2.98 (1.00)   | 3.03 (1.58)           | 2.94 (1.46)   |
|                          | Not fitting (30%)  | 3.69 (1.04)   | 2.79 (1.84)           | 2.83 (1.55)   |

**4.3.2. Correlation analysis.** A multiple correlation analysis was performed in order to investigate whether other variables were related to the dependent variables of this study. The analysis included all control variables (values-, strategic-, stakeholder-, and egoistic-driven FT motives, customer-company identification, ethical minded consumer behavior and dispositional skepticism) and the three dependent variables (situational skepticism, purchase intention, and eWOM). Since multiple variables showed skewness as well as kurtosis in the distribution of the data and due to multiple significant Kolmogorov-Smirnov tests it was decided to use a Spearman's rho correlation as this test does not rely on a normal distribution. The analysis revealed multiple interesting results which are presented in Table 3. The strongest correlations are explained in this section.

Firstly, several control variables were related to the participants' purchase intention. For example, a strong correlation was found between CC-identification and purchase

intention. So, the more participants could identify with the brand the more likely they were to buy a product of the brand ( $r_s = .53, p < .01$ ).

Considering the effect of control variables on eWOM the analysis showed multiple significant correlations. Again, CC-identification showed the strongest correlation for this dependent variable ( $r_s = .58, p < .01$ ), that is to say, the more participants could identify with the brand the more likely they were to speak positively online about the brand. Furthermore, the analysis showed a negative correlation between perceived strategic-driven motives and eWOM ( $r_s = -.28, p < .01$ ). So, if participants perceived the brand as investing in FT initiatives only to attract new customers or to increase profit, they were less likely to talk online about the brand. On the contrary, if participants perceived the brand as behaving in a FT context since this is in line with the brands' norms and values than participants were more likely to perform eWOM ( $r_s = .48, p < .01$ ).

Lastly, a few control variables showed correlations with situational skepticism. Amongst others CC-identification correlated negatively with situational skepticism ( $r_s = -.42, p < .01$ ). In addition, both perceived strategic-driven ( $r_s = .31, p < .01$ ) and egoistic-driven motives ( $r_s = .34, p < .01$ ) were positively related to situational skepticism. Also, perceived value-driven motives that correlated negatively to situational skepticism ( $r_s = -.49, p < .01$ ).

A final note should be made about the control variable dispositional skepticism that showed no correlations with one of the dependent variables.



Table 3

*Means and standard deviations of dependent variables and control variables as well as their correlations (N = 198)*

|                                     | <i>M (SD)</i> | 1.             | 2.             | 3.             | 4.             | 5.             | 6.            | 7.           | 8.            | 9.   |
|-------------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|---------------|--------------|---------------|------|
| 1. Purchase intention               | 2.42 (1.71)   | -              |                |                |                |                |               |              |               |      |
| 2. Electronic Word-of Mouth         | 1.99 (1.31)   | <b>.43***</b>  | -              |                |                |                |               |              |               |      |
| 3. Situational skepticism           | 4.32 (1.33)   | <b>-.30***</b> | <b>-.35***</b> | -              |                |                |               |              |               |      |
| 4. Values-driven motives            | 3.66 (1.73)   | <b>.31***</b>  | <b>.48***</b>  | <b>-.49***</b> | -              |                |               |              |               |      |
| 5. Strategic-driven motives         | 5.14 (1.40)   | <b>-.16*</b>   | <b>-.28***</b> | <b>.31***</b>  | <b>-.35***</b> | -              |               |              |               |      |
| 6. Stakeholder-driven motives       | 4.89 (1.62)   | .08            | -.032          | .14            | -.07           | <b>.29***</b>  | -             |              |               |      |
| 7. Egoistic-driven motives          | 4.37 (1.17)   | -.04           | <b>-.18*</b>   | <b>.34***</b>  | <b>-.33***</b> | <b>.48***</b>  | <b>.72***</b> | -            |               |      |
| 8. CC-identification                | 1.86 (1.09)   | <b>.53***</b>  | <b>.58***</b>  | <b>-.42***</b> | <b>.58***</b>  | <b>-.36***</b> | -.04          | <b>-.18*</b> | -             |      |
| 9. Ethical minded consumer behavior | 4.36 (1.43)   | <b>-.33***</b> | <b>-.20**</b>  | <b>.23**</b>   | <b>-.18*</b>   | <b>.14*</b>    | .09           | <b>.16*</b>  | <b>-.19**</b> | -    |
| 10. Dispositional skepticism        | 2.81 (1.07)   | -.06           | .01            | .11            | .01            | .07            | .06           | <b>.21**</b> | .06           | -.03 |

*Note.* Significant correlations are in **boldface** (\*p <.05, \*\*p <.01, \*\*\*p <.001)

**4.3.3. Control variables as predictor(s) of situational skepticism.** Since a main effect of FT reputation on skepticism was found and due to multiple significant correlations between control variables and skepticism, it was decided to perform a multiple regression analysis. To investigate the role of reputation and various control variables in predicting skepticism, two regression models were built. In the first model, reputation and FT motives were included as these factors showed in the present study or in a previous study (Skarmeas & Leonidou, 2012) to be significant contributors to skepticism. In the second model, all other control variables (i.e. those that significantly correlated with skepticism) were included.

The first model with perceived reputation and the various motives is an improvement over the null model ( $R^2_{adj} = .335$ ,  $F_{change}(4, 193) = 25, 827$ ,  $p < .01$ ). As shown in Table 4, this is due to the significant contribution of reputation, values- and egoistic-driven motives. Furthermore, strategic-driven motives had no significant contribution to the model. The second model with newly added variables, CC-identification and ethical minded consumer behavior, showed no significant improvement ( $R^2_{adj} = .341$ ,  $F_{change}(2, 191) = 1,822$ ,  $p = .164$ ). The latter is explainable since both added variables did not significantly contribute to the model.

Based on this analysis, FT reputation is the greatest predictor of skepticism, subsequently values-driven motives and lastly egoistic-driven motives. More specifically, the more the brand was perceived as FT and values-driven, the less skeptical participants were, and the more the brand was perceived as egoistic-driven the more skeptical participants were.

Table 4

*Linear model of predictors of situational skepticism*

|                                  | <i>b</i>    | <i>SE</i>  | $\beta$     | <i>p</i>    |
|----------------------------------|-------------|------------|-------------|-------------|
| <i>Model 1</i>                   |             |            |             |             |
| Constant                         | 4.51        | .47        |             |             |
| Fair trade Reputation            | -.21        | .05        | <b>-.32</b> | <b>.000</b> |
| Values-driven motives            | -.17        | .06        | <b>-.22</b> | <b>.008</b> |
| Strategic-driven motives         | .05         | .07        | .05         | .443        |
| Egoistic-driven motives          | .174        | .08        | <b>.154</b> | <b>.029</b> |
| <i>Model 2</i>                   |             |            |             |             |
| Constant                         | 4.22        | .52        |             |             |
| Fair trade Reputation            | <b>-.19</b> | <b>.06</b> | <b>-.29</b> | <b>.001</b> |
| Values-driven motives            | <b>-.16</b> | <b>.07</b> | <b>-.20</b> | <b>.018</b> |
| Strategic-driven motives         | .04         | .07        | .04         | .608        |
| Egoistic-driven motives          | <b>.16</b>  | <b>.08</b> | <b>.15</b>  | <b>.040</b> |
| CC-identification                | -.06        | .09        | -.05        | .515        |
| Ethical Minded Consumer Behavior | .10         | .06        | .11         | .079        |

*Note.* Significant predictors are in **boldface**

**4.3.4. Effectiveness of fair trade reputation on fair trade motives.** Multiple scholars have suggested that skepticism toward companies' social behavior derives from the consumers' attributed motives to this specific behavior (e.g. Forehand & Grier, 2003; Elving 2012). Therefore, two additional independent t-tests were performed. In both tests, the independent variable was the FT reputation (i.e. TOMS is high, Primark is low) and the dependent variable for the first test was perceived values-driven motives and for the second test egoistic-driven motives. So, both tests were performed regardless of the fitting and non-fitting conditions.

The first independent t-test showed that participants in the conditions of TOMS ( $N = 70$ ) perceived the brand much more values-driven than Primark ( $N = 128$ ). This difference was significant,  $Mdif = 2.27$ ,  $t(196) = 11.27$ ,  $p < .01$ .

Then, the second test showed that participants who answered questions about TOMS perceived the brand less egoistic-driven than the participants who were assigned to Primark. Again, this difference was significant  $Mdif = -.71$ ,  $t(196) = -4.23$ ,  $p < .01$ . The results of both tests are presented in Table 5.

In conclusion, participants attributed more values-driven motives to the FT initiatives of TOMS than the initiatives of Primark indicating that TOMS is perceived more genuine in its prosocial behavior. In addition, Primark was perceived as implementing FT initiatives in order to increase its own welfare more than TOMS.

**Table 5.**

Descriptive statistics for values-, and egoistic-driven motives per brand

|         | Values-driven motives | Egoistic-driven motives |
|---------|-----------------------|-------------------------|
|         | <i>M (SD)</i>         | <i>M (SD)</i>           |
| TOMS    | 5.13                  | 3.91                    |
| Primark | 2.86                  | 4.62                    |

## **5. Discussion and conclusion**

The aim of the present research was to examine how brands should present themselves as being FT and to what extent FT reputation had an influence in this context. Despite the fact that various studies have investigated the effects of reputation (e.g. Bae & Cameron, 2006; Du et al., 2010; Elving, 2012) and a 100% FT label (e.g. De Pelsmacker et al., 2005; Didier & Lucie, 2008) on consumer responses, no previous research has investigated whether presenting a brand as being partly FT in combination with varying levels of FT reputation affects consumer responses. Therefore, the present study explored whether communicating different levels of a brand being FT in combination with fitting and non-fitting FT reputation would increase consumers' situational skepticism toward the brand. Additionally, the second aim of this study was to investigate the effect of situational skepticism on consumer behavior, which is, in the present study, eWOM and purchase intention.

### **5.1. Summary of findings**

The research findings resulted in various conclusions that are summed up in this section. Firstly, the results did not confirm that a misfit between FT communication and FT reputation leads to more situational skepticism (H1). The results of this study indicated that if a brand with a good FT reputation is presented as being less FT or if a brand, which is not considered to be FT, is presented as FT, then participants did not exhibit a higher degree of skepticism than when the brand is presented with a fitting FT message.

Next, the findings confirmed hypothesis 2a of this study, as the more skeptical consumers are toward a brand, the less likely it becomes that they will purchase a product of that specific brand.

Third, results confirmed the hypothesis that situational skepticism relates negatively to the consumers' intended positive eWOM about a FT brand (H2b). As such, the more skeptical consumers are regarding a specific brand, the less likely they are to say something positive about the brand, recommend the brand to friends or follow the brand on social media.

In addition to testing the main hypotheses of this study, some additional analyses were performed, which revealed that a brand's FT reputation affected participants' skeptical attitude, purchase intention, and intended eWOM. As a result, regardless of the 30% or 100% FT conditions, participants who were assigned to Primark were more skeptical, less likely to purchase a product of Primark and less likely to engage in positive eWOM about the brand than participants who were assigned to TOMS. Furthermore, results demonstrated that especially the FT motives, CC-identification and ethically minded consumer behavior related to skepticism, purchase intention, and eWOM. It was also revealed that participants were less skeptical when a brand was perceived as more FT and values-driven and when a brand was perceived as less FT, and egoistic-driven, the participants became more skeptical. In addition, participants considered Primark as taking more advantage of 'being' FT than TOMS (i.e. egoistic-driven). Similarly, in comparison to TOMS, participants viewed Primark as behaving much less socially responsible because of the values and norms the brand has (i.e. values-driven).

## **5.2. Discussion and theoretical implications**

The present study expands previous research on the role of reputation in FT communication and on how consumers respond to FT communication of clothing brands. As mentioned, only a few studies have examined the ethical aspects of the clothing industry and consumer responses to related FT communication. In addition, none of these studies

conducted research in a Dutch context. The present study also provides a first step with regard to profiling a brand as partly FT and with explicit percentages of being FT.

From a theoretical perspective, the rejection of the main hypothesis of this study is in contrast with numerous studies. Despite the fact that the current study adopted a new approach as presenting a brand as partly FT, it was expected that contradicting communication and reputation would increase consumers' skepticism. This expectation was based on earlier studies such as the study of Bae and Cameron (2006), in which they have discerned that companies with a bad reputation do not automatically profit from the advantages of being socially responsible behavior. Moreover, Yoon et al. (2006) have also discovered a higher level of skepticism for companies with a bad reputation who engaged with CSR than companies with a good reputation and engaged with CSR.

An explanation for the contrasting results of the current study might be the observed effect of FT reputation on skepticism. Participants who were assigned to Primark were overall more skeptical toward the brand than participants who were assigned to TOMS, regardless of whether they were in the fitting or non-fitting condition. Elving (2012) has argued that if a company has a bad reputation, then this will automatically lead to skeptical and negative responses to all activities of that company. Moreover, Ashforth and Gibbs (1990) have claimed that the lower the reputation of a company, the more effort a company will put into improving its reputation. Yet, the more a company tries to improve its reputation, the more skeptical consumer responses will be. This vicious circle can be described as the legitimacy theory which might explain the found effect of reputation on consumer skepticism. The findings of the present study are in accordance with these claims since there was almost no difference considering the scores on skepticism between the fitting and non-fitting conditions of Primark. Additionally, even participants who were in the fitting condition of Primark were much more skeptical than participants who were in the non-fitting condition of TOMS. Elving

(2014) has emphasized the importance of a good reputation when communicating about FT initiatives, which will otherwise be perceived as insincere, which generates skepticism. Since Primark is perceived as more egoistic-driven and less values-driven than TOMS, the results of this study confirm Elving's claim (2014). Therefore, it can be argued that if brands with such a bad FT reputation as Primark are presented as partly FT, consumers will still consider this as unbelievable and therefore will be skeptical anyway.

As for TOMS, the brand that was considered to have a good FT reputation, results deviate slightly from expectations, as the difference in skepticism between the 30% and 100% condition is small. This result may be explained by the fact that, although participants indicated they knew TOMS and considered the brand as FT, they may not be fully aware of what TOMS exactly initiates in a FT context. Moreover, participants were asked to indicate their brand associations and even though they were familiar with TOMS, they often mentioned that they associate the brand only with "summer shoes". To illustrate the contrast, participants who were asked for associations with Primark often made it clear that they associate the brand with child labor and other bad labor conditions. It should also be pointed out that the majority of the participants have never bought a product of TOMS. Therefore, it is assumable that consumers who never buy from a specific brand are not enough informed about FT initiatives and are likely to agree on a message in which the brand is presented as less FT. This is in line with earlier studies that have found that consumers are often not accurately aware of brands' prosocial behavior (Sen, Bhattacharya, & Korschun, 2006; Du et al., 2007)

Finally, the scores on skepticism are in all cases considerably high. These results could be explained by the bad reputation of the clothing industry in general. Shaw et al. (2006) have argued that consumers are more and more aware of child labor and the fact of pertinent issues and concerns in the clothing industry. The media also is often reports on scandals about



clothing brands that violate ethical norms (Islam & Deegan, 2010). Moreover, Du et al. (2010) have claimed that the reputation of a specific industry moderates the effectiveness of communication about socially responsible behavior. Hence, another explanation for the contrasting results with previous studies might be that participants consider the clothing industry as having a bad reputation and are therefore already skeptical about any FT message deriving from any clothing brand.

Based on the found effect of FT reputation, it is concluded that this study extends research in the area of determinants of skepticism (e.g. Forehand & Grier; Skarmeas & Leonidou, 2015). Since the results of this study confirmed the role of reputation in the determination of skepticism, Elving's claim (2012) that more research is required regarding brands' reputation and the brands' engagement with prosocial initiatives is supported.

In line with various other scholars, the results of this study verify that skepticism toward a brand decreases the intention to purchase a product of that specific brand (e.g. Becker-Olsen et al., 2006; Ellen et al., 2006). Nevertheless, it should be taken into account that it is difficult to assess a consumers' purchase intention regarding clothes. Additionally, clothing brands have other reputations than only FT, namely price and style reputations, which might also affect purchase intention (Shaw et al., 2006).

Furthermore, similar to previous research (e.g. Ferguson, Ellen, & Piscopo 2011, Skarmeas & Leonidou, 2012), the results confirmed the third hypothesis, indicating the negative relationship between skepticism and eWOM. These results support the idea of Stanaland et al. (2011) who have suggested that consumers are more likely to talk positively about a brand once they trust a brand. Since being skeptical is not in agreement with trusting a brand (Forehand & Grier, 2003), this attitude decreases the intention to engage with eWOM.

### **5.3. Practical implications**

From a practical perspective, this study has a number of managerial implications regarding the influence of the fit between FT reputation and FT communication. The research findings suggest that every brand, FT or not, should be cautious when communicating about its FT initiatives. As for brands that are considered as non-FT, the focus should be put on establishing and maintaining a good FT reputation before communicating about any social initiative. Moreover, brands which are considered as FT at first glance should thoroughly investigate to what extent the public regards them as FT and whether this engagement with FT is perceived as values-driven motives (Ellen et al., 2006).

Once a good FT reputation has been obtained and companies or brands start to communicate about their initiatives, a careful approach is suggested. The reason for this is that other factors might still influence a skeptical attitude such as good-will companies that communicate too frequently about their social initiatives may count on the attribution of egoistic-driven motives due to exaggeration (Elving, 2012). In short, a moderate position should be found to be perceived as a FT brand as well as value-driven.

As for the negative consequences of situational skepticism on consumer behavior, it should be kept in mind that situational is temporary (Forehand & Grier, 2003). As such, brands can induce this attitude by investing in their reputation and being genuine in their motives (Kim & Lee, 2009). Overall, consumers do not appear skeptical toward FT initiatives in general (i.e. dispositional skepticism), which is positive for FT brands or companies. Nonetheless, brands in the clothing industry should be extra careful due to an assumable bad reputation of the industry (Du et al., 2010).

### **5.4. Limitations and future research**

The present study has a number of limitations. The key limitation is that it was difficult to find a brand which was considered as being FT and also known by the general

public. Although the first pre-test revealed that TOMS was the most suitable choice, many participants in the main study were excluded because they were not familiar with the brand. As a result, the sample was not equally divided, which entails that more participants answered questions about Primark than about TOMS. This issue may have lowered the external reliability of the results since differences between the groups are less negligible (Treadwell, 2011).

Another limitation is that the proposed misfit condition of TOMS was probably not experienced the way it was supposed to. To elucidate, participants perceived the misfit condition in which TOMS was presented (30% FT) as valid, which made them less skeptical. Du et al. (2007) have found in their study that frequent buyers of a brand are more aware of the brand's social initiatives and, therefore, attribute more intrinsic and less extrinsic motives to the brand's social behavior. Based on this finding, future research might only include participants who have frequently purchased products from the assigned brand to ensure the participants are more familiar with the brand.

Moreover, by including only participants who often purchased or purchases products from the brand another limitation might be avoided. To illustrate, by doing so, purchase intention might not only be influenced by skepticism but also by a form of self-expression or style (Kim & Damhorst, 1999). The latter indicates that consumers are critical in selecting brands they purchase products from. Since the majority of participants in the current study indicated that they never bought something from TOMS, it was difficult to measure purchase intention as a consequence of skepticism.

As for the fitting condition of Primark, chances are likely that a level of 30% FT was still too much considering Primark's FT reputation. For this reason, the latter can be considered as a weakness of this study as the 30% FT message of Primark was probably still experienced as a misfit and, therefore, increased the average of skepticism toward the fitting

conditions in this study. Consequently, further research should explore the effects of adding a new condition besides the levels of 30% and 100%, namely presenting the brands a 0% FT, as this is a more realistic condition for Primark and a non-fitting condition for TOMS. This suggested approach is in line with the study of Du et al. (2007) which included three brands, and these had different degrees of CSR activities. To elucidate, they have selected one brand which truly focused on CSR, one that focused mainly on quality and expertise, and one brand that was in between. The authors have illustrated with their study that consumers react differently to the same CSR actions of each brand.

Finally, although the present study included a measurement of attitude toward companies' FT initiatives, it was not specified toward the clothing industry. As research has demonstrated that companies operating in a controversial industry have to deal with a reputation of that industry as a whole (Bhattacharya & Sen, 2004; Yoon et al., 2006) it is possible that this factor increased the level of skepticism among participants. More specifically, the media often reports about the scandalous irresponsible social behavior of clothing brands such as Nike (Skarmeas & Leonidou, 2012) and Primark (BBC, 2014). These reports might negatively affect the reputation of the clothing industry (Wartick, 1992) which consequently moderates prosocial communication effectiveness (Du et al. 2010). For this reason, it would be useful to include this factor in future research by measuring the FT reputation of the clothing industry. Additionally, the dispositional skepticism scale of Obermiller and Spangenberg (1998) should be modified to measure skepticism towards fair trade initiatives of the clothing industry specifically.

## **5.5. Conclusion**

Upon investigation, this study allows one to conclude that consumer skepticism is not dependent on the incongruence between a brand's fair trade communication and its fair trade reputation. Nonetheless, results revealed that consumer skepticism toward a brand is

determined by the brand's fair trade reputation alone. In addition, the more skeptical consumers feel toward a brand, the less likely they will be to buy a product of that specific brand or to engage with positive electronic Word-of-Mouth. Therefore, it is advisable that brands establish a strong fair trade reputation before proactively communicating their fair trade initiatives. Once a brand starts to communicate about its prosocial activities it should ensure that their initiatives are perceived as value-driven, otherwise the famous saying "what goes around comes around" comes into effect and any prosocial effort might backfire.

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## APPENDIX A

### Stimuli of experimental survey



Fairtrade Nederland

16 april om 11:46 · 🌐

Dit-wil-je-weten-woensdag! Het merk TOMS is al voor lange tijd aangesloten bij de Fair Labor Association (FLA). FLA doet er alles aan om de productie van kleding en schoenen op eerlijke wijze en onder goede omstandigheden te laten verlopen. Merken die aangesloten zijn bij FLA, hebben de arbeidsomstandigheden van hun medewerkers optimaal in orde en zijn 100% fair trade. Dit betekent: een leefbaar loon voor arbeiders, een veilige en gezonde werkplek, geen kinderarbeid, geen gedwongen arbeid en geen discriminatie op de werkvloer. Daarnaast verloopt het inkoopproces bij de textielfabrieken eerlijk en houdt TOMS er een manier van werken op na die rekening houdt met klimaat en milieu. Sinds haar oprichting staat TOMS al bekend om haar fair trade aanpak en dat levert alle betrokken partijen veel voordelen op!



👍 Leuk

💬 Opmerking plaatsen

➦ Delen

Figure 2A. Facebook message used for condition TOMS 100% fair trade (high fair trade reputation x fitting message)





Fairtrade Nederland

16 april om 11:46 · 🌐

Dit-wil-je-weten-woensdag! Het merk TOMS is al voor lange tijd aangesloten bij de Fair Labor Association (FLA). FLA doet er alles aan om de productie van kleding en schoenen op eerlijke wijze en onder goede omstandigheden te laten verlopen. Uit een rapport is gebleken dat TOMS op dit moment 30% van haar productie op fair trade wijze produceert. Dit betekent dat de schoenen op eerlijke wijze worden verkregen en in goede omstandigheden worden gemaakt. Dat betekent ook dat een groot deel van TOMS' productie (nog) niet eerlijk geproduceerd en verkregen wordt. Er bestaat dus nog het risico dat er sprake is van kinderarbeid en arbeidsomstandigheden die niet zijn wat ze zouden moeten zijn. Met een fair trade percentage van 30% zet TOMS een goede stap in de juiste richting, maar is de situatie rondom haar productie zeker nog niet ideaal.



👍 Leuk

💬 Opmerking plaatsen

➦ Delen

*Figure 2B.* Facebook message used for condition TOMS 30% fair trade (high fair trade reputation x non-fitting message)



**Fairtrade Nederland**

16 april om 11:46 · 🌐

Dit-wil-je-weten-woensdag! Het merk Primark is aangesloten bij de Fair Labor Association (FLA). FLA doet er alles aan om de productie van kleding en schoenen op eerlijke wijze en onder goede omstandigheden te laten verlopen. Merken die aangesloten zijn bij FLA, hebben de arbeidsomstandigheden van hun medewerkers optimaal in orde en zijn 100% fair trade. Dit betekent: een leefbaar loon voor arbeiders, een veilige en gezonde werkplek, geen kinderarbeid, geen gedwongen arbeid en geen discriminatie op de werkvloer. Daarnaast verloopt het inkoopproces bij de textielfabrieken eerlijk en houdt Primark er een manier van werken op na die rekening houdt met klimaat en milieu. Primark is dus echt fair trade bezig en dat levert alle betrokken partijen veel voordelen op!



👍 Leuk

💬 Opmerking plaatsen

➦ Delen

*Figure 2C.* Facebook message used for condition Primark 100% fair trade (low fair trade reputation x non-fitting message)





Fairtrade Nederland

16 april om 11:46 · 🌐

Dit-wil-je-weten-woensdag! Het merk Primark is aangesloten bij de Fair Labor Association (FLA). FLA doet er alles aan om de productie van kleding en schoenen op eerlijke wijze en onder goede omstandigheden te laten verlopen. Uit een rapport is gebleken dat Primark op dit moment 30% van haar productie op fair trade wijze produceert. Dit betekent dat de kleding en schoenen op eerlijke wijze worden verkregen en in goede omstandigheden worden gemaakt. Dat betekent ook dat een groot deel van Primarks' productie (nog) niet eerlijk geproduceerd en verkregen wordt. Er bestaat dus nog het risico dat er sprake is van kinderarbeid en arbeidsomstandigheden die niet zijn wat ze zouden moeten zijn. Met een fair trade percentage van 30% zet Primark een goede stap in de juiste richting, maar is de situatie rondom haar productie zeker nog niet ideaal.



👍 Leuk

💬 Opmerking plaatsen

➦ Delen

Figure 2D. Facebook message used for condition Primark 30% fair trade (low fair trade reputation x fitting message)

## **APPENDIX B**

### **Scales used in experimental survey**

#### *Manipulation check scales*

##### **1. Fair trade reputation**

- a) TOMS/Primark is a well-respected brand considering its fair trade products
- b) TOMS/Primark has a good reputation with regard to fair trade products
- c) In general TOMS/Primark is positively known for its fair trade products

##### **2. Reliability scenario**

- a) The Facebook message I just read is reliable
- b) The Facebook message I just read is believable
- c) The Facebook message I just read is realistic

##### **3. Reliability source**

- a) Fair Trade Nederland is a reliable source
- b) Fair Trade Nederland knows what she is talking about

### *Dependent variables scales*

#### 1. Situational skepticism

- a) I find TOMS/Primark unreliable considering its fair trade production
- b) I find that TOMS/Primark communicates misleading about its fair trade production
- c) I am skeptical toward the fair trade production of TOMS/Primark

#### 2. eWOM

- a) It is ... that I will say positive things about TOMS/Primark on social media such as Facebook
- b) It is ... that I will encourage friends and relatives to buy TOM's/Primark's products is
- c) It is ... that I will follow TOMS/Primark on social media is

#### 3. Purchase intention

- a) I have the intention to purchase a product of TOMS/Primark in the next three months

### *Control variables scales*

#### 1. Fair trade motives

##### a) Values-driven motive

- a. I think TOMS/Primark invests in fair trade initiatives because it is in line with the norms and values of TOMS/Primark

##### b) Strategic-driven motives

- a. I believe TOMS/Primark invests in fair trade initiatives because she wants to increase its profits
- b. I believe TOMS/Primark invests in fair trade initiatives because she wants to attract more customers

##### c) Stakeholder-driven motives

- a. I think TOMS/Primark invests in fair trade initiatives because she thinks society expects this from TOMS/Primark

##### d) Egoistic-driven motives

- a. I think TOMS/Primark has a hidden agenda
- b. I think TOMS/Primark invests in fair trade initiatives because of egoistic motives

#### 2. Customer-Company identification

- a) I feel a bond with TOMS/Primark
- b) I feel solidarity with TOMS/Primark
- c) I feel committed to TOMS/Primark

### 3. Ethical consumer behavior

- a) I will not buy a product if I know that the brand that sells it is socially irresponsible
- b) I do not buy products from brands that I know use sweatshop labor, child labor, or other poor working conditions
- c) I have paid more for socially responsible products when there is a cheaper alternative

### 4. Dispositional skepticism

- a) In general I am skeptical toward companies that claim to engage in fair trade initiatives
- b) In general I find companies that claim to engage in fair trade initiatives unbelievable
- c) In general I find companies that claim to engage in fair trade initiatives unreliable
- d) In general I find companies that claim to engage in fair trade initiatives misleading