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## **A Proposed Model of the Antecedents and the Consequences of Consumer Scepticism towards Fair Trade**

### **Abstract**

*“Large scepticism leads to large understanding. Small scepticism leads to small understanding. No scepticism leads to no understanding.” (Xi Zhi, 1130 – 1200)*

Fair Trade sales have grown steadily over the past few years and so has scepticism towards Fair Trade. The concept of Fair Trade is becoming increasingly popular; however, the existing literature on consumer behaviour lacks an understanding of this equivocal concept when viewed through a sceptic lens. Several studies suggest that consumers are sceptical towards Fair Trade, due to the fact that it leans too closely to charities or adheres to some extent to the colonial past, or, indeed, to the consumers’ perception that Fair Trade is not going to work in this capitalist world. Surprisingly, this very interesting and crucial aspect of consumer behaviour has not been taken up by scholars in Fair Trade research. This paper extends our knowledge of consumer behaviour by looking into the nature and the antecedents of scepticism towards Fair Trade. Based on previous literature and the use of interviews and focus groups, a conceptual model of scepticism regarding Fair Trade is proposed. The model includes four main antecedents which influence consumers’ scepticism towards Fair Trade: general scepticism of marketing, scepticism of advertising, scepticism of corporate social responsibility, and the link with charities. The model provides directions for empirical testing for future research.

**Keywords: Fair Trade, Consumer Behaviour, Scepticism.**

## **1. Introduction**

During the last decade, Fair Trade has emerged as an alternative to the prevailing capitalist trading system. The concept has grown almost exponentially and, by the end of 2008, sales of Fair Trade products had reached two thousand million pounds Sterling globally ([www.fairtrade.org.uk](http://www.fairtrade.org.uk), 2010). However, this phenomenally rapid increase in market penetration has not been without its problems. The ingrained suspicious nature of mankind has led many to question the validity of the ethos employed, as well as the reality of the claimed practices. The following questions arise: do the producers get a better deal? Does the money go to them? Or is “some fat cat somewhere skimming all the cream off the top”, leaving very little for the producers? Could it be, for example, that the producers are marginally better off, but are still being exploited? In addition, discovering that some alleged 'Fair Trade' organisations employ child labour and, even more, that these children live in conditions of filth and squalor, does nothing to reinforce the eleemosynary posture of the transnationals involved. Consumer scams (e.g., Langenderfer and Shimp, 2001), fraud, deceptive practices (Grazioli and Jarvenpaa, 2003; Olson and Dover, 1978), and consumer lawsuits remain prevalent parts of the global landscape. Their iniquitousness may cause consumers to become cynical, mistrusting of the motives of firms, and believing that firms will disparage or manipulate information for reasons of self-interest (Kanter, 1988).

This paper proposes a model of consumer scepticism towards Fair Trade, which includes the antecedent factors that give rise to this scepticism and the subsequent marketplace behaviour. The first section reviews the literature from different disciplines to define the construct of scepticism. Building on this definition, a conceptual model is developed, which integrates the antecedent drivers and the behavioural expressions of consumer scepticism towards Fair Trade. Arenas for future research are addressed and finally managerial implications are proposed.

## **2. Literature Review**

### **2.1. Definition of Scepticism**

Suspicion of other's motives is an almost all pervading attribute of human nature, in particular when these motives could be seen to be of benefit to the other person. This is derived from generations of evolution in which the man who trusted tended to end up as the

man who is dead. From this it could be asserted that a healthy dose of suspicion is a survival characteristic. The reaction to advertisers, who make apparently excessive claims for their products, manifests itself as scepticism.

The word scepticism derives from the Greek word "*Skepsis*" meaning inquiry or doubt. According to the Oxford English Dictionary (OED) the philosophical doctrine of scepticism is that the "real knowledge of anything is unattainable." In the OED, scepticism is further defined according to its various schools of thought. According to the philosophical school of thought, the doctrine of the Sceptics holds that real knowledge of any kind is unattainable. In the scientific school of thought, scepticism is a doubt or incredulity as to the truth of some assertion or supposed fact. In the Christian religion, scepticism is doubt or disbelief, and the general prevalence of infidelity and scepticism has been, with some degree of justice, attributed to enthusiasm in religion (OED).

According to the Webster's dictionary, a sceptical person is one "not easily persuaded or convinced". It is a common experience that very different degrees of "easiness of persuasion" can be met in everyday reasoning, ranging from credulous to extremely conservative attitudes. Another definition of scepticism from the Webster's dictionary is "an attitude of doubt or a disposition to incredulity either in general or towards a particular object and, the doctrine that true knowledge or knowledge in a particular area is uncertain". This dictionary also defines scepticism as "the method of suspended judgment, systematic doubt, or criticism characteristic of sceptics doubt concerning basic religious principles (as immortality, providence, and revelation)" (merriam-webster.com). Even when sharing the same initial information and the same reasoning steps, two people may reach different convictions about some topics. Mohr et al. (1998, p. 320) define scepticism as "a cognitive response that varies depending on the context and content of the communication."

In the context of consumer behaviour, scepticism indicates an attitude of mind inclined to doubt, criticism, or demand of absolute proof before accepting anything as true or likely. This attitude of mind is more than fully justified by the blatant cynicism exhibited by some marketers. From the foregoing, it becomes apparent that while scepticism has its origins in ancient Greek schools of philosophy, the meanings have changed substantially over the years and, in common parlance, scepticism tends to refer to a disbelief in information on the grounds that it is provided on the basis of self interest. Clearly, then, a sceptic is an advertiser's worst nightmare. Consequently, it is apparent that the more such a concept as

Fair Trade attempts to establish its bona fide, the more it will be doubted. Indeed, as a sceptical society, our reaction to repeated assertions is more likely to produce a negative result since we interpret that as attempted camouflage.

Recent research on scepticism extends across disciplines and contexts, including cause related marketing (Webb and Mohr 1998; Singh et 2009), marketplace behaviour (Forehand and Grier 2003), celebrity endorsement (Bailey 2007), corporate social responsibility (Vanhamme and Groben 2009), Fair Trade (Pelsmacker et al., 2006), advertising (Obermiller and Spangenberg, 2000; Koslow 2000; Obermiller et al, 2005; Madrigal et al, 2009; Thakor and Lessard, 2009) politics, and science – indeed, anywhere where it can be perceived that a vested interest lurks.

The primary emphasis of this paper is on the application of scepticism in the context of consumer behaviour in general, and specifically towards Fair Trade. The next section reviews the literature on scepticism in marketing.

### **3. Antecedents and Consequences**

The approach to scepticism in marketing tends to fall into two groups. The first one tends to examine general scepticism towards the propaganda-esque marketing ploys (Webb and Mohr 1998; Forehand and Grier 2003; Pelsmacker et al., 2006; Bailey 2007; Vanhamme and Groben 2009; Singh et al., 2009), and the second group tends to study scepticism in the context of advertising (Obermiller and Spangenberg, 2000; Koslow 2000; Obermiller et al., 2005; Madrigal et al., 2009; Thakor and Lessard, 2009). From an extensive review of the literature pertaining to scepticism in marketing and advertising we formulate the following hypotheses:

#### ***3.1 Scepticism towards marketing***

Webb and Mohr (1998) examined how consumers think about cause related marketing and developed a typology of consumers; *Sceptics*, *Balancers*, *attribution oriented* and *socially concerned*. In the same year, Mohr et al. (1998), examined consumer scepticism towards “green” marketing claims and developed a scale of scepticism towards environmental claims made in advertising and on product packaging. Forehand and Grier (2003) used the scepticism term to encompass negative affect and distrust of the marketplace. They argued

about two different types of scepticism; *situational scepticism*, which is a momentary state of distrust, and *dispositional scepticism*, as a person's pervasive tendency to suspicion.

Later, Bailey (2007) studied scepticism towards celebrity endorsements under different conditions (neutral, negative and positive) and the main finding reveals that consumer scepticism affects respondents' perceptions and attitudes towards celebrity endorsements. Research regarding scepticism towards corporate social responsibility (CSR) (Vanhamme and Groben 2009) show that the length of a company's involvement in CSR matters, so that the use of CSR claims in crisis communication is more effective for companies with a long CSR history than for those with a short CSR history, and that consumer scepticism lies at the heart of this phenomenon. Furthermore Singh et al. (2009) found that repeating claims help in overcoming scepticism towards CRM and it also reduces the adverse effects of scepticism towards advertising.

Pelsmacker et al., (2006) developed a model of Fair Trade buying behaviour and slightly touched upon scepticism as a general attitude towards Fair Trade. However no study to date has analysed scepticism towards Fair Trade. Along with the impact of Fair Trade knowledge, general attitude towards Fair Trade, attitude towards Fair Trade products and perception of quantity and quality of Fair Trade information, Pelsmacker et al., (2006) found that attitudes like concern and scepticism have a strong influence on consumers' buying behaviour towards Fair Trade products.

Clearly, consumers are sceptical of advertising and marketing and therefore, it could be contended that marketing sources of information could be viewed with relatively high levels of scepticism. However according to Obermiller and Spengenberg (2000) there is no clear evidence on different sources of information producing different levels of scepticism, given their statistical analysis shows no strong correlation between the sources of information and level of scepticism. As Calfee and Ringold (1994) note, "consumers have, over a long period of time, consistently reported a disbelief in advertising, while simultaneously reporting an equally consistent perception of advertising as a valuable source of information" (p. 20). The same is found in the research conducted by Helm (2006), who states:

*"All of my interview participants, not just cynics, indicated some degree of scepticism toward advertising, sometimes to the point of discounting its claims completely, yet many of them found advertising to be enjoyable and occasionally informative" (p. 46)*

However, Obermiller and Spangenberg (2000) propose that too much or too little scepticism is surely harmful because a healthy scepticism could control free advertising in the marketplace, whereas too much scepticism could lead to cynicism resulting in ultimate disbelief, they argue:

*“The totally disbelieving consumer ignores information in the marketplace, and the totally gullible consumer falls prey to exaggeration and deception” (p.320)*

Hence, we propose the following:

***H1: General scepticism of marketing is positively related to scepticism towards Fair Trade.***

### ***3.2 Ad Scepticism***

No doubt information from marketers has always been regarded warily, in particular, there is ample evidence in the literature regarding scepticism towards advertising (Obermiller and Spangenberg, 2000; Koslow 2000; Obermiller et al., 2005; Madrigal et al., 2009; Thakor and Lessard, 2009). Obermiller and Spangenberg (1998) developed a 9-item Likert scale to measure consumer scepticism of advertising. They proposed that ad scepticism is a narrower construct than consumer cynicism, specific to advertising messages rather than the whole marketplace and without the negative affect associated with cynicism. They defined ad scepticism as the tendency towards disbelief of advertising claims. They argued that ad scepticism is a stable characteristic of consumers that plays a role in responses to advertising.

Researchers like Forehand and Grier (2003) refer to scepticism as a negative term and distrust of the marketplace. Obermiller and Spangenberg (2000) further recognize that consumers may be sceptical “not only of the literal truth of ad claims but also of the motives of the advertisers; the value of the information to oneself or society; or the appropriateness of advertising for specific audiences,” however they have clarified that their conceptualisation is limited to a sense of disbelief and their definition of advertising as paid, non-personal commercial communication, and argue in favour of the existence of ad scepticism as a construct separate from general scepticism. However, the fact that Obermiller and Spangenberg (2000) found a strong correlation between ad scepticism and salesperson

scepticism suggests a limit to the extent to which consumers make fine distinctions, and although there may be other situational or individual difference factors to consider, their results suggest that consumers may generalize scepticism across marketer-controlled sources of information. They further argued that more sceptical subjects did not demonstrate such fine distinctions. Additional support for this argument was found in the work of Helm (2006) where she, in a very clear manner, differentiates scepticism from a related construct such as cynicism. According to her, ad scepticism is more widely spread than consumer cynicism.

Advertising scepticism is characterized as a needed consumer skill developed through socialization, and the definition do not address consumer anger, bitterness or other negative affect and, besides being more narrowly defined than consumer cynicism, advertising scepticism is more widespread (Boush et al., 1994). Previous research shows that consumers hold beliefs and attitudes specific to advertising (Andrews 1989; Meuhling 1987). In particular, Calfee and Ringold (1994) compiled a survey data of 60 years and revealed that 70% of the American population express scepticism towards advertising and, scepticism toward advertising is considered an important component of consumer persuasion (Friestad and Wright 1994). Mohr et al. (1998) suggest that due to its broader scope “a stronger negative sentiment leads to high scepticism” and that consumers accumulate disappointing and discouraging experiences from businesses in such areas as advertising, personal selling and pricing. On the positive side of scepticism, they argue that a free and healthy marketplace relies on easy consumer access to information, and to the extent that advertising provides information, consumers must not only have access to it, but they must believe it to be informative.

Calfee and Ringold (1994) found persistent evidence over time that a wide majority of consumers tend to disbelieve advertising claims, and they proposed that the effects of advertising can best be understood if we assume that consumers do not trust ad claims unless they have specific reasons to trust them. On the same lines, Duncan and Cavin (1990) propose that ad scepticism is a generalised belief about the way the marketplace works and Koslow (2000) argues that consumer scepticism may evolve as a defensive coping to pervasive advertising. Another view argues that ad scepticism is a stable characteristic of consumers that plays a role in responses to advertising, and that personality traits (cynicism), marketplace experience, education, and consumer socialization act as antecedents to ad scepticism (Obermiller and Spengenberg (1998, 2000).



Recently, Thakor and Lessard (2009) developed a measure of social-advertising scepticism and proposed that scepticism towards social advertising is distinct from commercial advertising. They developed a model of antecedents (parental influence and peer influence) and consequences (risky behaviour) of scepticism towards social-advertising. Tan (2002) identified four dimensions of scepticism towards advertising claims: credibility (mistrust), desirability (undesirable), informational value (misinform) of advertising claims and scepticism about the believability (disbelief). They found out that the type of ad and the extremity of the ad claim solicit responses on different dimensions of the scepticism construct. Therefore, we propose:

*H2: Ad scepticism is positively related to scepticism of fairtrade*

### ***3.3 Scepticism towards corporate social responsibility (CSR)***

In order that they might more favourably impress the customer, many large and small corporations adopt a policy of corporate social responsibility (CSR). CSR is an attempt at creating in the customer a sense of involvement in the company, and is achieved by, at least in theory, paying attention to such matters as employee welfare, the effect the company may have upon the community in which it exists, and upon a wider, possibly global, community. Characteristic of this attempted profile are the advertisements run regularly by Veolia, which paint Veolia as a caring company that leaves the air fresher and cleaner and the grass longer and greener, wherever it operates.

However, a link between a company's reputation for caring and its performance in the marketplace is not always established. This may be due to consumer scepticism, cynicism, or, more likely that the consumer does not really care much as long as he is able to buy what he wants at a price he wants. Castaldo and Perrini (2004) suggest that, not infrequently, customers fail to notice or consider the bad social behaviour of a firm when making their purchases, or they cynically dismiss it, allowing their own specific wants to overrule any sense of responsibility on their behalf. However, Castaldo et al. (2009) and Smith (2003) report that consumers claim to be influenced by the CSR reputation of the supplier, while Bhatyacharya and Sen (2006) conclude that while there may be a modest correlation between what the consumer says and what they do, this correlation is heavily dependent upon a

number of other variables, which may be pertinent at the point where the consumer makes the decision to buy. In fact, as Brown and Dacin (1997) indicate, when the product in question is new to the market, the company's reputation for quality of manufacture is likely to be far more important than its reputation for attention to social obligations.

This poses the question of why companies are expending funds on a possibly non-productive venture. Burke and Logsdon (1996) and Gaski (1999), among others, suggest that what companies are doing is ostensibly taking their social responsibilities into account along with their corporate. Similarly, Zadek (1999) consider that companies using CSR focus on what they refer to as the 'Triple Bottom Line' – profit, planet and people, whose consequences are, respectively economic, environmental and social. They then employ labelling in one way or another to attract the attention of their customers to their green, ecological or other credentials (Tallontire et al., 2001). Therefore, it can be implied that Fair Trade labelling and marketing are part of the people and planet components of the "Triple Bottom Line" given their claimed investment in infrastructure.

The rationale then flows that the consumer, impressed by the corporate care exhibited by a manufacturer, will choose that manufacturer as an effective trading partner, which will then reflect substantially in the manufacturer's revenue. Brown and Dacin (1997) suggest that CSR is better seen as a form of corporate insurance – while positive social responsibility has little effect on the consumer, negative associations have a disproportionate effect, and according to Porter and Kramer (2006), CSR actually acts as a kind of 'license-to-operate', and an attempt at avoiding potentially harmful social penalties. However, there is still a distinct gap between consumer attitude and behaviour (Boulstridge and Carrigan, 2000). Although consumers may express a willingness to invest in socially responsible products, ethics does not play much of a part at the till. Carrigan and Attalla (2001), and later, Castaldo and Perrini (2004), conducting surveys among college students into purchase patterns regarding Nike apparel, reached the conclusion that despite Nike's poor CSR reputation, most of the participants would still not only buy Nike products, but would be willing to pay a premium for so doing. Given these findings, the following sceptical remarks by many authors, as cited by Costaldo (2009, p. 3), are unsurprising:

*“There may be very little commercial reward in terms of consumer purchasing to be gained by behaving as an ethical maker” (Carrigan and Attalla, 2001)*

*“Evidence to suggest that a significant proportion of consumers will pay more for CSR is scant” (Smith, 2003)*

*“Studies of the effect of a company’s social reputation on consumer purchasing preferences... have been inconclusive at best” (Porter and Kramer, 2006)*

Previous research in the context of Fair Trade products sold by mainstream retail chains suggest that increased level of information regarding the social topic/issue adopted by a company’s CSR strategy does not substantially influence the level of consumer scepticism to CSR advertisements, however, it does affect the information specificity about the companies’ CSR claim, which is also affected by the consumer’s level of scepticism towards general advertisement, attitude towards CSR and attitude towards the social topic (Pomeroy, 2009).

Chocolate producers such as Cadbury’s, who have employed their involvement in Fair Trade as an attempted demonstration of their CSR, now find that they have shot themselves in the foot since the public has been made aware by a television documentary (BBC Panorama: Chocolate-The Bitter Truth) that Cadbury’s has been fully aware of the exploitation of children in the manufacture of their Fair Trade products. It is therefore unlikely that the public will trust Cadbury’s and similar organizations since they would feel that they have been betrayed and lied to. The use of CSR by large corporations to counter the negative impact of crisis is known, however its efficacy is uncertain, and it is highly likely that the corporation trust in CSR is not mirrored by the public perception of that company, which is bound to reflect scepticism (Vanhamme and Grobbs, 2009).

Concurring with the above discussion, participant 10 stated that:

*“...yeah, Cadburys is going to put it right? Yeah, I’ll believe that when I see it.”*

An example of the failure of the CSR can be shown in the Exxon-Valdez disaster of the Prince Williams Sound in Alaska in 1989. An untouched, pristine area of the Alaskan peninsular was severely damaged by an accident which was supposed to be impossible. Today, BP, Halliburton and others are attempting to use CSR to exonerate themselves from the consequences of the expanding wild life disaster in the Gulf of Mexico. These attempts at avoiding responsibility and proffering assurances that “all will be right in the future” are

worn so thin that the public will no longer believe in the lies and deceit offered to them. Other major organizations, for example Nike, Body shop, Texaco and IKEA are suffering from the same problem. A company's image has now been shown to be remarkably fragile when an accusation of misbehaviour has been alleged, whether true or not, because of the lies previously told, and the resulting negative publicity which severely damages consumer perception of the company and its products (Dean, 2004; De Raaf, 2000; Riezebos, 1996; Rossiter and Persie, 1998). For example, Texaco (1996) lost in excess of 700 million pounds after allegations of discrimination were made against them.

Ashforth and Gibbs (1990), suggest that the use of CSR can trigger a vicious dynamic reaction against the company, that is, when employing CSR to protect one aspect of the company can be seen as trying to cover-up a non related failure on the company's behalf (Maguire, 1985; Jones and Pittman, 1982). Several consumer surveys show that corporate engagement in CSR is quite likely to generate a cynical perception of the company rather than the intended objective (Webb and Mohr, 1998). In fact, Mohr et al. (2001) and Forehand and Grier (2003), found that consumers tend to regard CSR as just another "gimmick" used by manufacturers to manipulate the consumer. This shows that many of the efforts by corporate organizations to enhance or improve their status, simply contribute to increase scepticism on the part of the consumer towards business as a whole.

Following on from this, it would appear that CSR is just another blow to Fair Trade. If Cadbury's establish their Fair Trade reputation on a false platform -ignoring the fact of child labour exploitation- then when this is revealed, the blow is even more damaging, but the knock-on effect is that it hurts everybody else in the world of Fair Trade. As participant 2 stated:

*"...how can we believe anyone, when even someone as respected as Cadbury's are cheating us? "*

The recent take-over of Cadbury's provides an excellent example of this. The promise was made that when Cadbury's was bought, all jobs would be kept secure. This is clearly the 'people' aspect of the 'Triple Bottom Line', yet almost the first thing Kraft did was to start closing down areas of Cadbury's production and laying off the workforce. However, has this deception caused Kraft's value on the markets to fall? It does not seem so, because the public

did not react by not buying Cadbury and Kraft products, but continued exactly as before. Hence,

***H3: Scepticism of CSR is positively related to scepticism of Fair Trade***

### ***3.4 Fair Trade and Charities: A Sceptic link***

In a number of focus group discussions among Belgian consumers, Pelsmacker et al. (2006) found that consumers show scepticism towards Fair Trade in general. According to them consumers show disbelief in Fair Trade due to its inclination towards charity. Taking the UK as an example, it would be fair to state that the public in general is suffering from “charity shock”, as it is inundated with requests for help for all conditions of people, animals and the environment, conned by carefully written emotive pros. According to Nick Mathiason (2008) at *The Observer*, “Fair Trade is, in a sense, the purest form of aid and the British public knows it.” Similarly, when interviewed for the present study, a store manager of Sainsbury’s supermarket in the UK stated “...in the store I am used to receiving a minimum of six charity appeals a day” (*Participant 12*). She points out to the charity overload which is being experienced by the British public. Day Chocolate Company is an example of the “non-charitable” image of Fair Trade:

*Day Chocolate Company . . . started off on a commercial footing. It was not a niche product starting off only going into Fair Trade shops. . . . The theory behind [Day] was that of main stream products, that were to be got in supermarkets (Davies and Crane 2003, p. 83)*

From the above, and given that some companies try to banish the consumer perception of Fair Trade as “simple charity”, we propose that the link with charities is detrimental to Fair Trade. There is no previous research linking the two concepts together, therefore, based on the results of interviews and focus groups it can be proposed that:

***H4: Negative attitude towards charities is positively related to scepticism of Fair Trade.***

## **4. Consequences of Scepticism towards Fair Trade**

This section discusses the affects of scepticism on distrust of Fair Trade and ultimate, on the intention to buy Fair Trade. As discussed above, in consumer behaviour research, scepticism is typically conceptualised as a belief that gives rise to consumer distrust in marketing communication (Obermiller & Spangenberg, 1998) and creates a negative attitude toward the motives of marketers (Andrews, 1989; Boush, Friestad, and Rose, 1994; Calfee & Reingold, 1994; Mangleburg and Bristol, 1998). A sceptic perceives marketing firms as distrusting and, consequently, a natural response will be to distant himself from the system (Fair Trade). One way to distance himself is to stop purchasing from the firm (Fair Trade brand) or communicate to others that he does not trust the system (Fair Trade).

Researchers (Kanter and Wortzel 1985; Obermiller and Sangenberg 1998; Forehand and Grier, 2003) conceptualize scepticism as consumers' distrust of marketers' motives. Forehand and Grier (2003) further specify scepticism as situational scepticism and dispositional scepticism, where, situational scepticism is subject to a situation and is a temporal state of consumer distrust and dispositional skepticism is a personal trait or an ongoing state of distrusting of the firm. Darke and Ritchie (2007, p. 116) in their research on trust and distrust propose that "overall, then, existing evidence indicates that source-specific trust acts as a simple heuristic cue and that source-specific distrust increases the level of objective systematic processing." According to Web and Mohr (1998, p. 237) cause related marketing is the easiest way for a company to educate the consumer about its philanthropic activities, yet the involvement of advertising, a particularly distrusted form of communication, amplifies cynicism."

Consumers have been found to be distrusting of advertising (Obermiller, Spangenberg, and MacLachlam 2005), and, consumers' negative attitude toward the motives of marketing firms (Boush, Friestad, and Rose 1994; Calfee and RIngold, 1994; Mangleburg and Bristol 1998) gives rise to scepticism. Regardless of the social marketing ideology, the performance of Fair Trade Brand is contingent upon the general scepticism towards marketing, Ad scepticism (Obermiller and Spangenberg), scepticism of CSR (Burke and Logsdon 1996; Brown and Dacin 1997; Gaski (1999; Smith 2003; Castaldo and Perrini 2004; Bhatyacharya and Sen 2006; Castaldo *et al* 2009) and the information received from marketing firms (Maignan and Ferrell 2000). Based on the above discussion it can be contended that:

***H5: Scepticism towards Fair Trade is positively related to distrust in the Fair Trade brand.***

By distrusting the Fair Trade brand consumers establish negative feelings of the product which subsequently influence consumers' intention (Ajzen 1986) to buy Fair Trade. When consumers do not intend to buy Fair Trade products, they will not think of paying a social premium for the products. For the above reasons, the following three hypotheses are proposed:

***H6: Distrust in the Fair Trade brand is negatively related to intention to buy Fair Trade brand.***

***H7: Distrust in the Fair Trade Brand is negatively related to intention to pay a premium for Fair Trade brand.***

***H8: Intention to buy Fair Trade brand is positively related to intention to pay a premium for Fair Trade brand.***

The above hypotheses are proposed with the goal of closing a number of gaps in the literature. Both conceptual and methodological contributions to the body of knowledge will be achieved from this study thus providing useful implications for managers and policy makers.

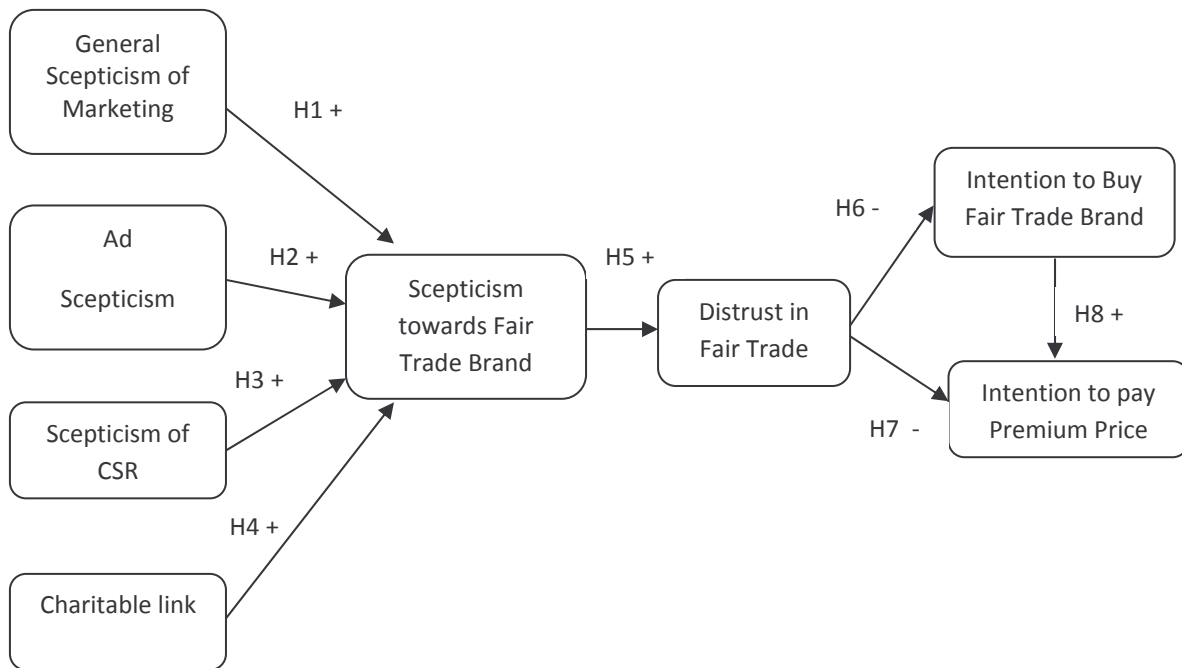
## **5. Conceptual Model**

The literature on scepticism towards marketing and advertising, along with the qualitative interviews and focus group discussions provide a useful basis for investigating consumer scepticism and its antecedents and consequences in the context of Fair Trade. Based on the qualitative interviews, focus groups and review of literature, a hypothesized model of the antecedents and consequences of consumer scepticism of Fair Trade is proposed in figure 1. The model identifies four antecedents of scepticism towards Fair Trade. First, general scepticism of marketing (H1) leads to the development of scepticism towards Fair Trade. Second, consumers scepticism of advertising affects consumer scepticism towards Fair Trade (H2), third, consumers overall suspicion of a company's CSR motives and scepticism towards CSR affect consumers' scepticism of Fair Trade (H3). Fourth, Fair Trade's link to charitable appeals leads to consumers' scepticism towards Fair Trade in general (H4). Because of the scepticism towards Fair Trade, consumers distrust Fair Trade brand (H5), and this distrust may also lead to intention not to buy from Fair Trade brand (H6) or it may lead



to intention not to pay a premium (if any) for the Fair Trade brand (H7), whereas consumers' intention to buy Fair Trade and their intention to pay a social premium is positively related (H8).

Figure 1: Hypothesised antecedents and consequences of Scepticism of Fair Trade.



This model is not all encompassing in a sense that it does not attempt to capture every possible antecedent and consequence of scepticism towards Fair Trade. However, it is focussed on capturing the most significant set of scepticism antecedents, conceptualised by qualitative interviews, focus group discussions and from different lines of previous research, presenting them as an integrated entity which can provide direction of empirical testing.

## 6. Conclusion

In conclusion, it can be said that, gradually, the public has awakened to the fact that the people who device the charity appeals are frequently paid quite extraordinary salaries for their work and that a large proportion of all the nation's wealth does not reach the deserving people. This has served to move public opinion away from scepticism into downright cynicism. Inasmuch as Fair Trade, this is reinforced by a) the apparent link between Fair Trade and charity, b) mistrust of marketing and advertising claims, and c) the realisation that



one of the major FT products, chocolates is produced using extensive child slave labour, where the children live in squalor.

The scepticism model presented in this paper provides a coherent framework for further empirical research on the phenomenon of scepticism towards Fair Trade. With appropriate operationalization and methodology, an empirical testing of the hypotheses generated from the model will lead to a better understanding of the role of scepticism with regard to consumer behaviour of Fair Trade products. The results will clarify and enrich the proposed model and will extend its boundaries. This will also inform Fair Trade practitioners as to which scepticism antecedent to focus on in order to increase customer trust and increase customer loyalty towards Fair Trade products. Finally, research into the scepticism model developed in this paper will accelerate the adoption of Fair Trade products by reducing or removing one of the major obstacles to its development, namely, scepticism.

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