

# PURCHASING BEHAVIOR OF FAIRTRADE CUSTOMERS

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## Abstract

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The volume of corporate social responsibility (CSR) activities is increasing worldwide; the European Union considers CSR to be one of the ways to achieve the most competitive economy and CSR awareness is also rising among companies in the Czech Republic, their customers, and the public. Bearing this in mind, Fairtrade goods, a subset of CSR and sustainable development, is an attractive step for vendors to take towards their customers. In this paper, we try to learn who the buyers of Fairtrade products are and what their motivation is in order to help Fairtrade dealers know their target group better, while at the same time helping expand this target group for organizations such as Fairtrade Czech Republic. We utilize an empirical survey and employ both univariate and bivariate statistical analyses (descriptives, associations, correlations) for this purpose. While some previous findings were confirmed, such as (the influence of age and education on Fairtrade purchasing behavior, moral principles and quality of the product being stated as the most important motives to buy Fairtrade products, the significance of the Fairtrade logo and certificate for the buyers' awareness) one was disproved. According to the gathered data, the economic situation of a household does not affect Fairtrade purchasing behavior.

Corporate Social Responsibility, Fairtrade, political consumer, competitive advantage, buyers' motivation, buyers' behavior, empirical research

As reported by Ransom (2009) the principle of the free market involves many risks. Free market guarantees all its participants neither evenly distributed opportunities nor a possibility to benefit from it evenly.

Disadvantaged groups should be protected ideally by the state. However, as e.g. Hertz (2003) notes, it does not always happen. It is beneficial for companies to place production in countries where the labor and environment protection are lower, and where there is no need to pay such high wages as for instance in the EU. Products are then exported to countries with higher purchasing power, and taxes are paid in the countries with the highest tax cuts or lowest tax rates.

Such a system is called the comparative advantage of individual countries (e.g. Ransom, 2009). Nevertheless, the question remains to what extent it is moral and just. It is the concept of corporate social responsibility (CSR) that deals with this issue, among others.

It includes a voluntary application of responsible practices in companies, i.e. practices that are beyond the scope of legislative regulation and do not represent a mere effort to maximize profits. CSR emphasizes transforming the orientation from short-term objectives ("here and now") to long-term objectives – from the "profit only" view to the so-called Triple bottom line – i.e. assessing one's own behavior from the perspective of its impact on people, planet and profit.

The introduction of CSR into a corporate strategy might result in a cost increase in a business, but the companies also gain a competitive advantage this way (Kašparová, Kunz, 2013), such as value added to the current goods or services of the organization. This can help a company get their stakeholders' permanent loyalty, which in the context of this text means primarily permanent customer loyalty. Higher corporate financial performance of companies with higher corporate social performance has been evidenced by numerous

studies. Meta-analysis by Allouche and Laroche (2005) lists 82 of them.

## THEORETICAL BACKGROUND

### Fairtrade concept

For example Kuldová (2010) offers the support of the Fairtrade movement (FT) as one way of fulfilling the CSR concept and integrating its principles into the company's strategy. In our case, i.e. researching chain stores offering customers especially foodstuff, it particularly means including FT products in the assortment of supplied goods.

Kuldová (2010) defines FT as a kind of trading based on supporting small manufacturer and other producers in developing countries. FT gives them a chance to get out of poverty by their own efforts and thus to ensure having decent conditions for their lives. A dialog and partnership between producers and consumers is very important in this case. "The main economic effect of Fairtrade, on the long term, is to free producers from the risk of price variation, which forces them to look for work outside of their production zone on a periodical basis, or to sell their evolution of their production system." (Laroche, Guittard, 2009).

Also Ransom (2009) describes in his book that, for example, growers are dependent on conditions given by middlemen as well as the current situation on the stock market in developed countries, which causes large deviations in the purchase prices of their products.

Members of the movement, who encourage the spread of FT principles, therefore offer the farmers an alternative. Cooperatives of farmers, artisans, or plantations, which joined the certification system of Fairtrade Labelling Organizations International (FLO) are for instance guaranteed a fixed purchase price (Kouřil, 2010). As Ransom (2009) adds, farmers are, on the other hand, expected to use less (preferably no) chemicals than it is usual for foodstuffs supplied for the current market. Emphasis is also placed on the quality of the supplied foodstuffs.

It is currently a global concept, which supports producers in developing countries and their products are subsequently bought by people in developed countries. The principle of partnership and equality, not charity is important here. Organization Fairtrade Czech Republic (2012) states that "currently there are 827 Fairtrade-certified producer organizations in the world, representing 1.2 million producers from 58 countries."

The international certification mark Fairtrade is awarded by the Fairtrade Labelling Organizations International, founded in 1996. This organization also oversees compliance with standards and ensures a strict control mechanism. Certification is internationally registered as a trademark. In the Czech Republic it is registered with the Industrial Property Office and Fairtrade Czech Republic has been commissioned to administer it.

Including Fairtrade-labeled products into the range of offered goods, when their support pervades a company's whole strategy, can be beneficial in several ways. Above all, it is a brand that many people know, and the retail chain that offers such products does not need to deal with its further promotion. It is the nonprofit sector and other stakeholders that focus on expanding awareness of this brand. Besides the brand itself even the values it guarantees are well presented. Therefore it is not only up to the retail chain to explain the intentions it has when it supports this initiative, which certainly reduces the cost of the given corporation or retail chain.

Hyperbolically speaking, this is the way companies "outsource" the supervision of offered values. The company itself does not have to monitor compliance with the safety conditions in which people work, respect for human rights, ecologically-sound management of natural resources and other things, the maintenance of which is guaranteed by the brand itself.

The simple symbol of a Fairtrade product is also often more understandable and clearer for a buyer than would be a complex presentation of all the steps that the company has made towards fair trading as well as the relationship to its stakeholders. Such behavior could be perceived by the public with suspicion that it is surreptitious advertising.

These considerations correspond with Lucie Kuldová's view (2010) who states: "Support for the so-called fair trading – Fair Trade might be considered one of the signs of socially responsible corporate behavior. Within the CSR strategy a company purchases products labeled as Fair Trade<sup>1</sup>, uses them as promotional items or corporate gifts for business partners and its employees." Thus, the supply of fair trade goods could be a cheap and at the same time effective way of fulfilling the CSR concept for retail chains.

Retail chains would in this case rely on so-called political consumers, described in publications by e.g. Kuldová (2010)<sup>2</sup>, Ransom (2009), or Blažek *et al.* (2004): "In an environment of political apathy and disengagement it is conscious consumerism

1 A literal transcript from the publication. The correct name of the trademark is Fairtrade. Fair trade – written as two words, is a method of fair trading. Nevertheless, the text implies that it is really about a certification, awarded by the Fairtrade Labelling Organizations International (FLO).

2 "The future of the CSR concept is thus in the hands of the consumers. They are increasingly aware of the need for companies to behave responsibly and ethically not only to employees and the environment, but also the community in which they operate, and their shopping behavior can change many things" (Kuldová, 2010).

that takes the place of civic awareness. It involves behavior when citizens put their beliefs into practice and exert their pressure against big business subjects by what and from whom they buy. It is a preference for products of those companies that do not abuse their position and behave fairly and responsibly towards their employees, customers, environment, etc."

### Previous findings

The subject of further research was whether such behavior can be expected from customers and whether consumers will appreciate the efforts of companies on CSR, or who these customers are, and what motivates them.

For example, companies engaged in the promotion of FT trading talk in their materials about the progressive increase in sales of fair trade products. The 2010 annual report of the Czech Fair Trade Association, for instance, includes the following: "Czech consumers bought fair trade products worth 80 million CZK. It is as much as 60% more than in 2009" (Czech Fair Trade Association, 2010).

According to available information and analyses this trend follows the global development. As the FLO annual report (2009) notes, the sale of Fairtrade-labeled products has experienced great progress over the last 20 years. "Sales of Fairtrade certified products have increased phenomenally. Marginalized farming communities throughout the global South now benefit from fairer trade conditions."

Sales of FT products did not decrease even in times of the economic crisis. The trend can be explained through consumers' effort to invest in quality products and not to experiment in an uncertain period, which is consistent with Kuldová's view (2010): "The main target group currently consists of people who demand quality foodstuff and keep in their minds sustainable development in their consumer behavior." It is also obvious that holding certain values and beliefs by buyers about the need to promote responsible business is long-term.

For instance as the results of research by the Society for Fair Trade, conducted in 2010 (Kouřil, 2010), report, 63% of respondents claim that they are interested in the origin of the products they buy. 50% of respondents regularly promote socially and environmentally sound production, and 37% prefer products that have been manufactured under the conditions that do not violate working and human rights. These data speak in favor of the FT trading concept, as the mentioned priorities of buyers are guaranteed by the Fairtrade certification.

The same research also offered a profile of a typical customer who looks for Fairtrade-certified goods. "Respondents with the highest knowledge of the Fairtrade brand include people with university education (38%) who live either in Prague or in cities with more than 100,000 inhabitants (25%). Higher knowledge of the brand was also found among

respondents under 25 years of age (23%), members of families with incomes above 30,000 CZK (22%), and finally among respondents who buy products labeled BIO (21%)." (Kouřil, 2010) In contrast, the detriment of FT certified products can be seen in the fact that out of 1,028 respondents in this research only 5% buy them. The rest of those who claimed that they are interested in the production conditions of purchased commodities probably fulfill their values differently or they do not include these values in their purchasing strategies despite their belief.

Hinzmann *et al.* (2010) familiarized their respondents at the end of polling with the FT concept, and regardless of whether these people buy FT products or not, it tried to find out what the respondents consider sympathetic about this concept. It turned out that it is positively evaluated by  $\frac{3}{4}$  of the respondents. "What I appreciate most about fair trading is the fact that it helps people from developing countries to improve their standard of living (26%) and also that it supports the disadvantaged (14%), establishes equal opportunities and eliminates discrimination (6%). 60% of the respondents found no negatives in the concept while 3% do not like the overpricing of fair trade" (Kouřil, 2010).

A similar topic is covered by research conducted by Canadian company Globescan in 2011 (Globescan, 2011) on the Czech territory. It shows that what people include in the biggest problems in today's world is environmental pollution, maintaining human rights, and they are also aware of the problems of poverty in some countries. 85% of the respondents also state that companies play an important role in protecting the environment. Nearly three-quarters of them believe that companies can help reduce poverty – through their business.

These results correspond with the data obtained from the above-mentioned research presented by Hinzmann *et al.* (2010). Both surveys point to the fact that people are mostly familiar with the issues that supporters of the FT movement deal with. It is therefore conceivable that if customers had a choice between products with a guarantee of a higher ethical credit and goods whose origin is hard to trace, they would choose the firstly mentioned ones.

On the other hand, the same respondents of a survey made by company Globescan (2011) stated in 89% of cases that the biggest problem of our time is foodstuff prices. The research does not indicate any further whether the respondents thought about purchase prices of foodstuff in developing countries in their responses, or on the shelves of Czech shops. Probably, however, the latter is the case. The system of FT business is thus at a disadvantage since it, as mentioned above, depends on the consumers' willingness to pay more for fair trade and business conditions generally.

The same research by company Globescan (2011) also shows that respondents like to follow product certification. The vast majority, namely 72% of the

respondents, said that the best way to check the veracity of claims about a product is its certification by a third party. Thus it appears that labeling a product with a trusted brand makes it easier for consumers to make a purchase decision; it also lets him know clearly and reliably what to expect from the product and what qualities are guaranteed when buying it. This actually reduces the transaction costs: time and effort spent on obtaining and checking information.

These studies suggest possibilities to gain competitive advantage by supporting the FT movement and meet the principles of the CSR concept. It is clear, however, that it cannot include so-called “ad hoc” activities, but the entire corporate strategy must address this initiative. To do this, it is necessary to identify a potential customer who is interested in a higher ethical credit of products, as well as their purchasing strategies. Based on this information, it is then necessary to properly set the corporate strategy and communication channels, through which the business activities will be well presented to the customers.

For this reason, we set the following objective of empirical research: “To learn, who the buyers of Fairtrade products are and what their motivation is.” We operationalized the objective in two research questions and three hypotheses:

- RQ1: What motivates buyers to buy Fairtrade products?  
 RQ2: What is the purchasing behavior of the Fairtrade product buyers?  
 H1: “The interest of customers to buy Fairtrade products will be affected by the level of their education.”  
 H2: “The interest of customers to buy Fairtrade products will be affected by the economic situation of their household.”  
 H3: “The interest of customers to buy Fairtrade products will be affected by their age.”

The research questions should extend the current knowledge of FT buyers in the Czech Republic while testing hypotheses should confirm or refute claims arising from previous research (e.g. Kouřil, 2010). The result should specify the characteristics, motivations and shopping behavior of the target group for FT dealers, and also help to expand this target group for organizations such as Fairtrade Czech Republic.

## DATA

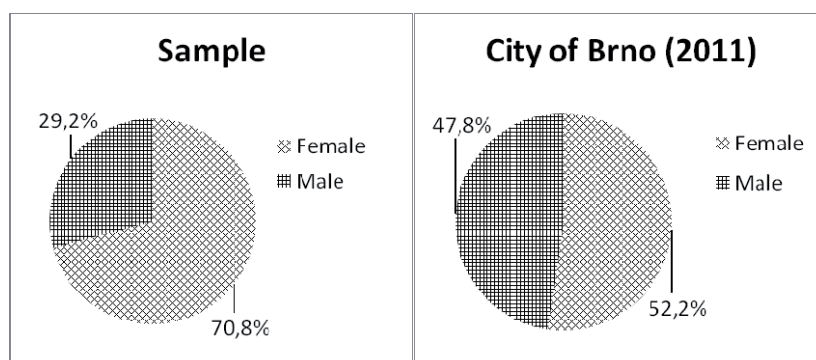
### The population, the sample and the controlling variables

The population was defined as customers with experience of Fairtrade product purchase, who will shop at selected places in the city of Brno. These places were three shops<sup>3</sup>, which offered Fairtrade products; they were of different size and geographically dispersed in Brno. The data were obtained via a questionnaire handed out directly on the premises of the businesses to any customer who claimed to know the Fairtrade concept and buy these goods at least from time to time. The data were collected in the autumn of 2012 at various times on various days.

Because we cannot obtain some needed information for the population as defined above, we will assume that any citizen of the city of Brno had the same chance to get into the sample and therefore we will compare the characteristics of the sample to the characteristics of Brno-city where appropriate.

The achieved sample size was 120 respondents, where 71% were women and 29% men. This is substantially different from the Brno population, where 52.2% are women and 47.8% are men.

Another deviated characteristic is the occupation. Almost half of the respondents were employed (44.5%), followed by students (39.5%). There were distinctively fewer respondents on parental leave



1: Comparison of the gender in the sample and in Brno  
 Source: Czech Statistical Office, 2011, authors

3 <http://www.fairtrade.cz/91-brno/>, <http://www.firmy.cz/detail/674876-pramen-brnenka-brno-stranice.html>, <http://www.bio-point.cz/bio/bio-point-brno.php>



(7.6%) or self-employed (5.9%). Only two respondents were unemployed (1.7%) and only one respondent was retired (0.8%). On the other hand, Brno has a smaller share of people employed (35.2%), studying (13.1%), and on parental leave (0.9%), about the same share of self-employed and larger share of unemployed (4.7%) and retired (21.5%) people.

Other characteristics, the age, income and education are examined thoroughly later. Here we can conclude that women, students and people on parental leave were much more present while men, the unemployed and retired were much less present in the sample than in Brno-city. However, these variables do not show any statistically significant impact on the frequency of Fairtrade product purchases.

Regarding the point of sales, the first food store is a small grocery store offering Fairtrade products among many regular products and belongs to a local franchise network. Let us denote it as BR. The second one is also a grocery store, offering Fairtrade products among many others as the first one, but its overall range of products is smaller and more focused on organic products and health food. Let us denote it as BI. The third one is a small shop specialized in Fairtrade products. Let us denote it as FA. The number of products previously bought by respondents questioned in this shop is significantly higher ( $\alpha = 0.002$ ) than in the other shops (mean FA: 3.35, BR: 1.81, BI: 1.59). From the distribution channel point of view, we did not include super/hypermarkets and online shops in our sample. Representatives of both were asked for their cooperation but they refused.

### Measurement of the constructs

Regarding the measures, attention will primarily be paid to the extent to which the respondents buy Fairtrade products. This information was obtained by the question "How many Fairtrade products have you bought during the last month", which was answered by 118 respondents with the mean value of

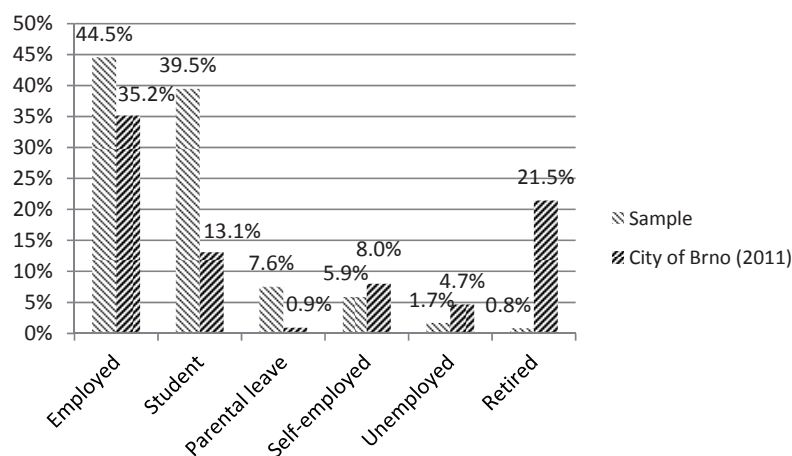
approximately 2 Fairtrade products. We want to examine the effect of age, education and income on the number of Fairtrade products purchases, where the measurement of age and education is simple. However, where age is used as a control variable for a relationship, which cannot be assessed by correlations, there is the sample divided into younger and older parts using median age as the threshold.

We assume here that the respondents' buying behaviour depends on household income rather than on the respondent's own income. For this purposes our dataset includes the information about the monthly income of respondent's household and about the number of household members. Accepting that the respondent shops for the entire household, the household income divided by the household members should be appropriate measure of the respondent's purchasing power. The same measure can be obtained from the Czech statistical office for Brno-city.

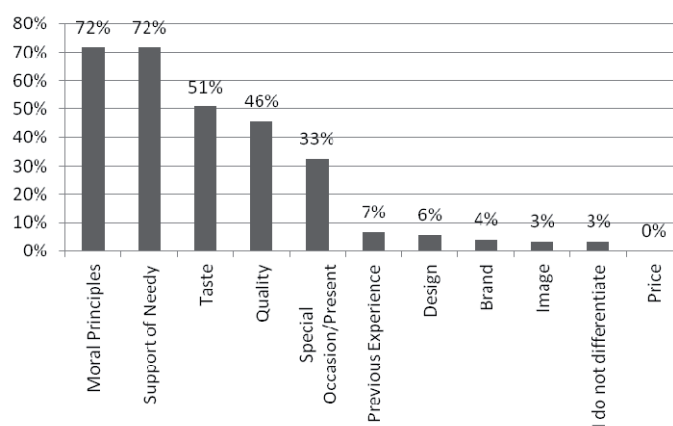
## RESULTS

### Research question No. 1: What motivates buyers to buy Fairtrade products?

Almost three quarters of the respondents (71%) said that they have not bought some product as a result of a disagreement with its production or distribution policy during the last 12 months. About the same share (72%) bought Fairtrade products because of the moral principles it represents or as a way of supporting those who are in need. If we combine these two reasons, we achieve 92% of the sample. From the remaining 10 respondents, 4 did not differentiate Fairtrade products from others. On the third and fourth positions of purchase reasons were taste (51%) and quality (46%). Fifth was purchase for special occasion such as birthday gift (33%). Other motives with a much lower frequency followed: design (6%), brand (4%), and image



2: Comparison of the occupation in the sample and in Brno-city  
Source: Czech Statistical Office, 2011, authors



3: Reasons for Fairtrade product purchases  
Source: Authors

I: Statistics on importance of conditions met by the product

	Quality	No Child Labour	Green Production	Product sold by socially responsible company	Czech Product	Fair Price	Low Price
Mean	3.92	3.78	3.31	3.31	3.25	3.20	1.96
Std. deviation	1.45	1.60	1.16	1.41	1.49	1.52	1.34

Source: Authors.

II: Statistics on preferred information sources

	Label	Certification	Friends	Internet	Shop assistant
Mean	3.58	2.33	1.82	1.63	1.03
Std. Deviation	1.96	2.13	1.94	1.92	1.59

Source: Authors

(3%). Some respondents stated that they do not differentiate between Fairtrade products and others, while nobody chose low price as the deciding factor when choosing the product”.

To summarize, almost three quarters of the respondents bought Fairtrade product for the common good, whereas about half of them for their own good. The purchases for special occasions cannot be classified in these categories as we do not know what was special about the Fairtrade product for the buyer and the same goes for those who gave previous experience as the reason.

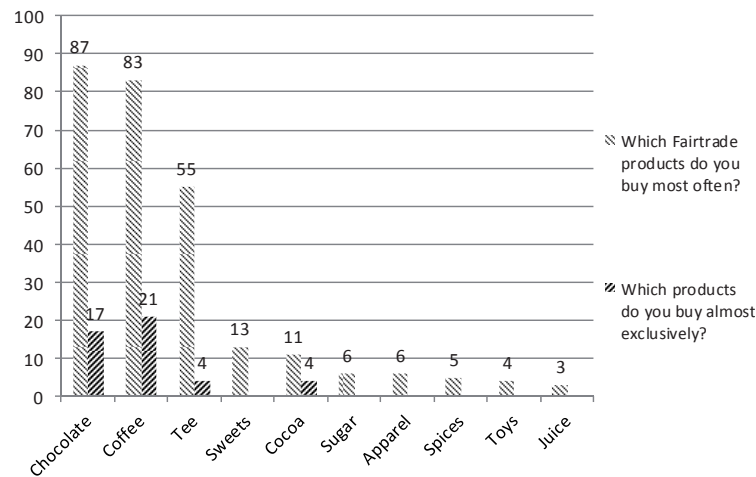
The respondents also answered a question pertaining to how important certain conditions are for them. On a scale from 0 – *not important* to 5 – *has to be met always* the quality of the product was most important (mean 3.92), followed by no child labour (3.78), “green” production (3.31) together with the fact that the product was sold by a socially responsible company (3.31 as well). These were followed by it being a Czech product (3.25) and at a fair price (3.20). Low price was in last place with a mean value of 1.96.

### Research question No. 2: What is the purchasing behaviour of the Fairtrade product buyers?

The respondents bought approximately two Fairtrade products on average during the last month. Almost half of them (47%) stated that they know exactly where to find these products, 14% was looking for the Fairtrade logo, and 5% used both ways. One third applied the opposite approach; 32% of respondents bought a Fairtrade product only when they came across it by chance (“I do not look for it, but if I see it, I buy it sometimes”) and 2% stated “I do not buy these products on purpose”.

The labels on products were the most used information source. On scale from 0 – *I do not use this information source* to 5 – *most used information source*, the mean of importance of labels was 3.58. This was followed by certification (2.33), friends (1.82), internet (1.63) and shop assistants (1.03) as the preferred information sources.

Fairtrade products bought most often were chocolate and coffee (mentioned 87 and 83 times, respectively). Tea was in third place (55), while other commodities followed after distinct interval (sweets: 13 etc.). Only coffee (21 times mentioned), chocolate (17), tea and cocoa (both 4) were products bought exclusively as Fairtrade goods.



4: Frequency of different Fairtrade products purchases  
Source: Authors

### III: Zero level effect of education on frequency of Fairtrade products purchases and the moderating effect of gender

Level	Finished education	Mean	t statistics	$\eta^2$	$\alpha$
Sample	Secondary	2.26	-2.342	0.048	0.022
	Higher	2.88			
Females	Secondary	2.43	-1.329		0.188
	Higher	2.87			
Males	Secondary	1.75	-2.568	0.175	0.016
	Higher	2.88			

Source: Authors

#### Hypothesis No. 1: The interest of customers to buy Fairtrade products will be affected by the level of their education.

There are two options how to test this hypothesis with the data available. First of all, we have the information about how often the respondents bought the Fairtrade products and what their education was. The only two numerous represented groups by education were those who completed higher (70%) and secondary (27.5%) education. Therefore, we can test the difference between those with a higher education (mean value of number of Fairtrade products bought during the last month 2.88) and others (2.39). This is statistically significant with the effect of education  $\eta^2 = 0.024$  at  $\alpha = 0.048$ . If we test the difference between those who have completed higher education and secondary education (mean value of number of bought Fairtrade products during the last month 2.26), we also find a statistically significant difference with a stronger effect of education  $\eta^2 = 0.048$  at  $\alpha = 0.022$ . This effect can be interpreted as small to medium. Age, income and occupation do not influence this relationship. However, gender considerably moderates it. The level of education has no effect on the frequency of Fairtrade product purchases among women while among men it is much stronger than in the whole sample, in fact the effect of  $\eta^2 = 0.175$  can be regarded as strong. Again, higher

education means more frequent purchases. This effect is not false, because the difference in Fairtrade product purchases by gender (mean females: 2.08, mean males: 1.93) is neither statistically nor factually significant.

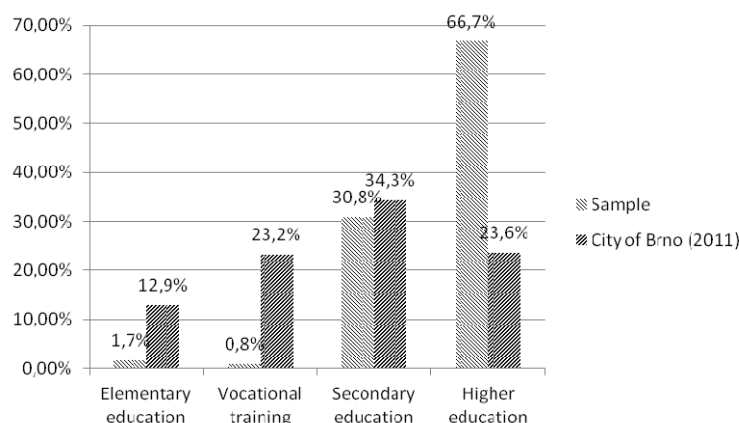
The next moderating variable is the point of sale. While for shoppers from BR the effect of education stands at  $\eta^2 = 0.17$  at  $\alpha = 0.004$  and for shoppers from FA  $\eta^2 = 0.292$  at  $\alpha = 0.009$ , this relationship is not statistically significant for shoppers from BI. The reason might be that the average education of BI shoppers is higher than at the other point of sales (this difference is not statistically significant).

The other way is to compare the characteristics of Brno and of the sample. If the education level of Brno is significantly lower than that of our sample, we cannot falsify null hypothesis of H1. As we can see in the graphs below, secondary education is very similarly represented, whereas lower education is much less frequent and the higher education much more frequent in the sample. Dividing the sample by gender does not change the differences between the sample and Brno much. This supports the hypothesis that education matters in Fairtrade buying behaviour. The data for the Brno do not allow controlling for age in this case.

## IV: Differences in education level completed from the point of sale view

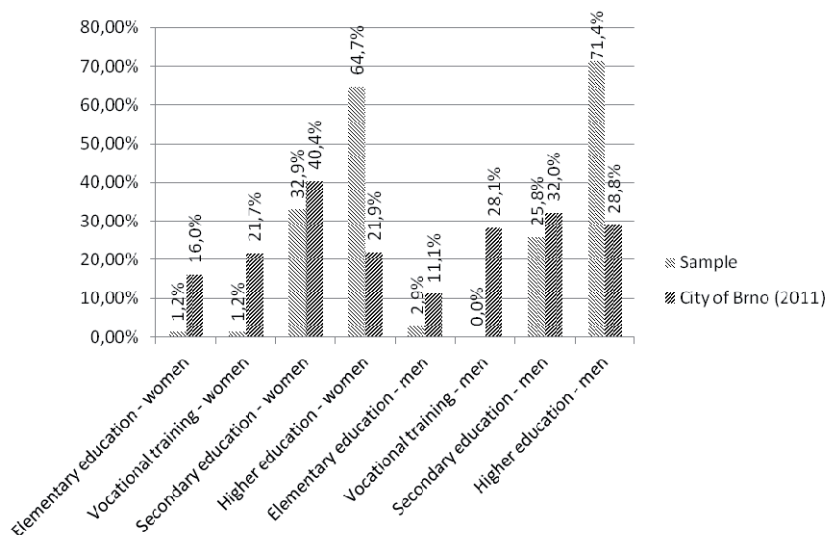
Point of sale	Education		Total
	Secondary	Higher	
BR	Count	16	32
	% within Point of sale	33.3%	66.7%
BI	Count	9	33
	% within Point of sale	21.4%	78.6%
FA	Count	8	15
	% within Point of sale	34.8%	65.2%

Source: Authors



5: Comparison of education completed in the sample and in Brno

Source: Czech Statistical Office, 2011, authors



6: Comparison of the finished education by gender in the sample and in Brno

Source: Czech Statistical Office, 2011, authors

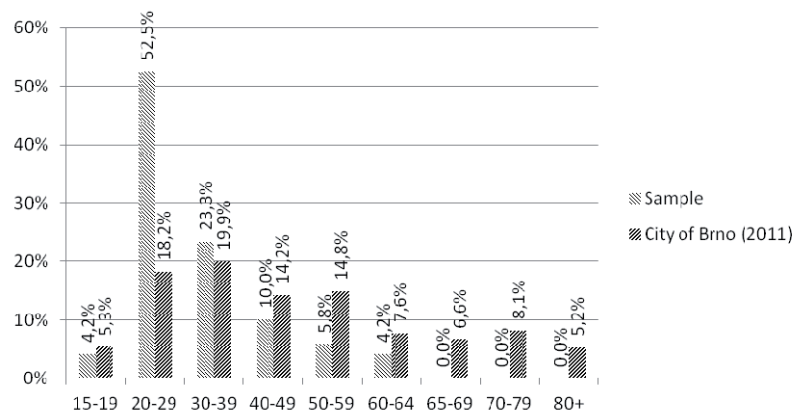
**Hypothesis No. 2: The interest of customers to buy Fairtrade products will be affected by the economic situation of their household.**

No statistically significant relationship was found between the purchasing power and the frequency of Fairtrade products purchases or between the

household monthly income and the frequency of Fairtrade products purchases. This means that the null hypothesis cannot be falsified. The control variables do not change this result.

Also the approximate average monthly income was CZK 12,392 in our sample, whereas for the





7: Comparison of the age groups in the sample and in Brno-city

Source: Czech Statistical Office, 2011, authors

South Moravian Region<sup>4</sup> it was in 2012 CZK 12,547<sup>5</sup>. The difference is not statistically or factually significant.

### Hypothesis No. 3: The interest of customers to buy Fairtrade products will be affected by their age.

There is no correlation or non-linear association between the age of the respondents and the frequency of Fairtrade products purchases in our sample. This does not change any of the control variables. On the other hand, our sample strongly deviates from the Brno population in this characteristic. Most of the sample falls between the age of 20 and 29 (52.5%) whereas in Brno it is 18.2% only. Also, the average age of the sample is 31.6 years while the average age in Brno was in 2011 42.3 years and 47.6 years excluding the age group 0–14, which had almost no chance to get into the sample. The differences between the sample and Brno population are statistically significant in both cases at the level  $\alpha = 0.001$ .

## DISCUSSION AND CONCLUSION

The most important motives for purchasing FT products were moral principles, something we could call the common good. This was a valid argument for more than 90% of the respondents. However, roughly half of the respondents thought of their own good as well, while listing taste (51%), higher quality of the product (46%) or other, less important reasons. Still, from those who were able to differentiate between the FT and other products only 5% did not mention moral principles at all.

Another perspective provides the importance of conditions met by the product. Here the quality won with the mean importance of 3.92 on a 5-point scale. The absence of child labour, green production

and CSR activities of the producer/seller followed closely.

The preferences of moral principles and quality (taste and some other categories we offered can be regarded as subsets of quality) are consistent with other consumer surveys, for example the one quoted by Kuldová (2010). Also, the importance of the “support of needy” in our sample (72%) corresponds to the data from a consumer survey carried by Fairtrade.cz (Kouřil, 2010) (done on representative sample of Czech population,  $n = 1028$ ), where this support was the second most important reason as well.

Regarding the way of choosing the vendor of FT products, about half of the respondents stated that they know exactly where to find these products and about one fifth of them kept an eye out for the FT logo. On the other hand one third bought FT products kind of unintentionally – if they see it, they may buy it. The preferred information sources were labels and then certificates. This means that the FT logo and certificate are very important informants for the buyer. Their advantage is that they do not require the information recipient to make extra effort to obtain and verify such information. It is contextually available (labels) or its trustworthiness is guaranteed by independent organization (certificates). This is consistent with the survey by Globescan (2011).

We have set three hypotheses testing the dependence of FT product purchasing behaviour on education, income and age. These were based, besides others, on the Fairtrade.cz survey (Kouřil, 2010). The first hypothesis was worded “The interest of customers to buy Fairtrade products will be affected by the level of their education”. The level of education was definitely confirmed for men, where higher education was a strong incentive to buy more FT products. However, this relationship was not valid for women. On the other hand, we might

4 The data are not available at the level city of Brno.

5 Total net income per capita, Statistics on Income and Living Conditions (Czech Statistical Office, 2012).

draw a similar conclusion, such as “women are more interested in FT products purchases” from the fact that the education of women in our sample is much higher than the education in Brno-city.

Household income does not seem to influence the tendency to buy FT products, at least not in the direction assumed by Kouřil (2010) “the higher the income, the higher the interest to buy FT products”. There was no relationship between the income per capita and number of bought FT products in our sample and the average income per capita in the sample was about the same as in Brno-city. None of the controlling variables changed this result and the null hypothesis: “There is no relationship between the interest of customers to buy FT products and the economic situation of their household” could not be falsified.

The third hypothesis: “The interest of customers to buy Fairtrade products will be affected by their age” was verified with statistically and factually

significant difference between the age distribution of the sample and of the Brno-city. Because the number of Fairtrade products purchases did not depend on the age in the sample and because there were not available necessary data, it was not possible to control this relationship for gender, education, etc.

We can conclude that younger and more educated people buy FT products often or they buy more of them, while this behaviour does not depend on income. This is interesting finding as FT products are usually perceived as more expensive than other goods (also none of the respondents gave lower price as the reason for buying FT products). The strongest motives to buy FT products were moral principles, first and foremost, and the quality of the product in second. The Fairtrade certificate, logo and the labels were very important information sources for the buyers.

## SUMMARY

The volume of corporate social responsibility (CSR) activities is increasing worldwide; the European Union considers CSR to be one of the ways to achieve the most competitive economy and CSR awareness is also rising among companies in the Czech Republic, their customers, and the public. Based on these facts, Fairtrade goods, a subset of CSR and sustainable development, is a possible step for vendors to make towards their customers. In this research, we have set the goal “to learn, who the buyers of Fairtrade products are and what their motivation is” and operationalized it into two research questions (RQ1: What motivates buyers to buy Fairtrade products?, RQ2: What is the purchasing behavior of the Fairtrade product buyers?). There were also tested three hypotheses concerning the influence of education, economic situation and age on the interest of customers to buy Fairtrade products. We believe that the results will help vendors of Fairtrade products to know their target group, and also help to expand this target group for organizations such as Fairtrade Czech Republic. We utilized a questionnaire and employed both univariate and bivariate statistical analyses for this purpose. The population was defined as customers with the experience of purchasing a Fairtrade product, who will shop at selected places in the city of Brno and the achieved sample size was 120 respondents. Most of the findings confirmed previous research and general notions about Fairtrade products buyers. In the first place, the motives for buying Fairtrade products, moral principles and quality, were the most important. Next, the significance of the Fairtrade logo and certificate was confirmed for the buyers’ awareness. Finally, the hypotheses testing the dependence of Fairtrade purchasing behavior on age and education were verified. However, the previously generally accepted notion and result of some earlier research about the economic situation of a household as a factor of Fairtrade purchasing behavior was disproved. This contradiction might be ascribed to the employment of more sophisticated methods in this research as the previous ones seem to rely on descriptive statistics only.

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