The Significance of price and the key drivers when individuals are contemplating ethical purchases

Bernadette Hogan

MSc in Management

National College of Ireland

August 2012

Declaration

I hereby declare that the following material which I now submit for assessment of the programme of study leading to the award of MSc in Management is entirely my own work. Any material included by others has been cited within the text and acknowledged in the list of references of this dissertation.

Signed:

Bernadette Kogen

Date:

31th August 2012

Student Number: 08500509

Abstract

The level of awareness surrounding business ethics has increased dramatically over the last number of years as adverse situations arose in the corporate world Consumers are now more aware and want more information about organisations and the way in which they conduct business. Furthermore ethically produced goods have always attracted a premium price and this thesis aims to address whether or not price is a significant deciding factor for individuals when purchasing groceries and clothing coupled with whether they are willing to pay a higher price for goods certified as ethical. It will also aim to address the key drivers for ethical purchasing and the level of consumer awareness regarding ethical and unethical companies

The method adopted for the collection of rich appropriate data is solely qualitative data collection methods, more specifically a questionnaire was constructed to gather information. The purpose was to explore the hypotheses developed from the literature thus producing findings and results which compliment the research topic.

Dedication

I would like to dedicate this thesis to my parents, Cheryl and Paul, for their support and encouragement throughout my college years, thank you.

Ň

Acknowledgments

Firstly I would like to thank my supervisor Susan Brooks for her guidance and advice throughout the project.

Secondly a special thank you to my parents, Cheryl and Paul, and my boyfriend, Richard, for their encouragement, support and patience, it is very much appreciated.

:

Finally to friends and fellow class mates, thank you guys

Without the help of these people completing the task would have been impossible.

Contents

Chapter 1 Introduction	1
1 1 Background to the topic and the research .	1
1 2 Ethical theories	2
1 3 The complex nature of business .	3
1 4 The reasons for undertaking the topic in question	3
1 5 The current environment	4
1.6 Structure of the thesis	4
Chapter 2 Literature review .	6
2 i Ethical theories	6
2 2 Developments in ethics	8
2.3 Traditional and alternative views of the organisations purpose	10
2 4 Ethical companies	13
2 5 Unethical companies	17
2.6 The relationship between ethical practices and consumer purchasing	20
2 7 Ethical consumerism vs green consumerism	23
Chapter 3 Methodology	25
3 1 Introduction to research	25
3 2 Research hypothesis	26
3 3 Aims and objectives of the research	26
3 4 Approaches to conducting research	27
3 5 Qualitative Vs quantitative research methods .	28
3 6 Advantages and disadvantages of both methods	29
3 7 Research philosophy -	30
37 Research instruments	. 30
3 7 1 Drafting the questionnaire and its structure	31
3 7 2 The validity of the questionnaire	32
3 8 Ethical considerations	34
3 9 Carrying out the process	34
Chapter 4 Findings and discussion	35
Figure 1 Results of question 4	35
Figure 2 Results of Question 5	36
Figure 3 Results of Question 6	.37
Figure 4 Results of Question 7	38

Figure 5 Results of Questions 8	40
Figure 7 Results of Question 10	4 4
Figure 8 Results of Question 11.	46
Figure 9 Results of Question 12	48
Figure 10 Results of Question 13	50
Figure 11 Results of Question 14	52
Figure 12 Results of Question 15	55
Figure 13 Results of Question 16	57
Figure 14 Results of Question 17	. 58
Figure 15 Results of Question 18.	59
Figure 16 Results of Question 19	61
Figure 17 Results of Question 20	63
Chapter 5 Discussion	65
Chapter 6 Conclusion	69
61 Limitations of the research questions in questionnaire	69
6 2 Ethical implications of the research	70
6 3 A final note on the continuation of ethical studies	70
Chapter 7 References .	72
Chapter 8 Appendices	. 81
Appendix 1 Carroll's Four Part model of Corporate Social Responsibility	81
Appendix 2 Five Stage Model of the Consumer Buying Process	82
Appendix 3 Questionnaire	83

Chapter 1: Introduction

1.1. Background to the topic and the research

In light of recent and historical events over shadowing the corporate world ranging from corporate collapses to the unethical production and marketing of many consumer products has evoked strong public reaction. It has been the reaction from consumer and activist groups in outrage to the actions of these organisations which has forced organisations to reconsider their actions and the impact upon society and adopt a more ethical approach to conducting business.

In essence ethics is a branch of philosophy which covers the morals of what is right and wrong. There are many definitions available to define ethics however they are all similar and equally accurate in their own right. Ethics is distinct from the law in the sense that whilst something may be legal it may be unethical in the eyes of some individuals due to their moral reasoning. Therefore as an individual's understand of what is ethical is based on morals, each individual will have different moral judgement which will in turn means ethics will have a different meaning for each individual. More specifically business ethics refers to the ethical matters which arise in the course of business to distinguish between what is right and wrong (Crane and Matten, 2007). Often there is an element of confusion between ethics and morality however Boatright (2007) effectively distinguishes between the two as morality being "a sociological phenomenon" which are the "rules and standards of conduct" in existence within society (Boatright, 2007, p. 22). On the other hand ethics differs from morality as it aims to "denote the field of moral philosophy" (Boatright, 2007, p. 22). Business ethics is therefore a specialised field within ethics which is concerned with distinguishing right from wrong by addressing "moral standards as they apply to business."

policies, institutions and behaviour" (Velasquez, 2002, p 13). As this thesis covers the area of business ethics more specifically how individuals view ethical and unethical companies, their views on the price of ethically produced items and the key drivers associated with ethical purchasing. Therefore is it important to understand the ethical theories most relevant to business ethics, the need to apply the theory when other options fail and the impact each one has on the decisions made. The items which will be addressed are as follows, the ethical theories, the obligations of an organisation to be morally responsible, a description of ethical and unethical organisation how they have been categorised as such and consumers' attitudes towards them, the concept of ethical consumerism, fair trade and organic which are two important types of ethical produce covered in the research and finally ethical practices and consumer purchasing

On that note the purpose of the thesis is to primarily understand the significance of price for ethical consumption with the aid of a hypothesis detailed in the methodology section chapter 3 In addition to understanding the significance of price it will also address key drivers in consumer decision making process for ethical consumption. And lastly it aims to establish the level of consumer awareness and their views towards ethical and unethical companies

1.2. Ethical theories

There are a number of ethical theories which address ethical dilemmas from different perspectives each one having their own grounding in literature. The theories provide guidelines for the appropriate decision making process to be undertaken and are a necessary foundation for ethical decisions. Among these theories is the well-known Freeman's (1974) Stakeholder theory which is of the opposing view of Friedman's (1970) which in essence he believes that an organisation is benefitting society by being in existence and in order to do so they must be generating a profit otherwise the business would cease to exist and those

involved would suffer (Choy, 2012) The importance of ethical theories and their application within a business context will be addressed in the literature review section, chapter 2, in more detail

1.3. The complex nature of business

The business world has changed in dimensions as globalisation has enabled businesses to expand globally however in terms of ethical implications this can prove difficult for managers of multinational organisations when greeted with the dynamic between countries as the decisions they face become more complicated. With multi nationals having a presence in other nations it provides them with opportunities to move operations between countries which raises more ethical issues as it allows the company to avail of cheaper labour in countries with less stringent labour laws (Velasquez, 2002)

1.4. The reasons for undertaking the topic in question

In light of current conditions within the economy and the impact it has had upon individuals finances it has meant many families and individuals have had to re-address their spending patterns and make different choices. Knowing that ethically produced goods more often than not carry a higher price than other goods raises questions around whether or not ethical produce is bypassed for cheaper items given the financial constraints on consumers since money is scarcer than ever before. There has been conflicting evidence in the literature with some stating the consumption of ethical goods will continue to rise during the recession and others stating it will fall due to the high price those goods carries. There has been extensive research done in the area of ethical consumerism which has been the basis for this research.

1.5. The current environment

The current economic environment has posed a number of obstacles for individuals For instance the reduction in wages, pay freezes, loss of jobs and job uncertainty have all contributed to consumers adopting a more prudent approach to managing their finances thus they are addressing the items they are purchasing and evaluating the prospect of buying at a lower cost With ethical goods attracting a higher price than their unethical counterparts it is important to discover whether consumers are willing to purchase ethical items and whether they are continuing to purchase them

1.6. Structure of the thesis

Chapter 1 as outlined above covers the background to ethics and a brief introduction to some of the items going to be dealt with over the course of the thesis It discusses events which have had an impact upon society's views of organisations and their level of responsibility to society as a whole It will finally outline the structure of the thesis

Chapter 2 literature review takes an extensive look at the academic literature governing the research topic. The relevant theory, concepts and research conducted in the relevant area will be examined and critiqued to give a balanced view of the topic.

Chapter 3 Methodology, this section will discuss the aims and objectives of the research, outline the hypothesis, justify the research methodology to be applied to the research, the research instruments to be deployed and the manner in which the information will be collected

Chapter 4: Findings, this section will show the results from the questionnaires both diagrammatically and verbally. It will also give a brief explanation of what the results mean

Chapter 5 Discussion, this section aims to discuss the findings of the research and the implications for the hypothesis

Chapter 6 Conclusion will outline a few final points before concluding the thesis

Chapter 2: Literature review

The purpose of this chapter will be to address current and previous literature in the area of business ethics and more specifically consumers' expectations of companies their attitudes towards ethical products ranging from the issue of price to the key drivers associated with ethical purchasing which will form the grounding for the thesis

2.1. Ethical theories

As an academic discipline business ethics is only in existence since 1970's (Arnold, Audi and Zwolinski, 2010) There are a number of theories in relation to ethics both traditional and contemporary These theories include utilitarianism, stakeholder theory (Freeman, 1984) and rights theory which are the more common theories in relation to business. As ethics has become a more talked about topic in recent years and the theories were developed many years ago academics are questioning their appropriateness and relevance with regard to events occurring today and whether they require amendments (Arnold et al, 2010)

Utilitarianism is one of the well-known consequentialist ethical theories due to memorable events which have occurred as a result of following this course of action, the theory has also been called the greatest happiness principle Bentham and Mills the fathers of utilitarianism state an action is justifiable if it results in the greatest amount of good for the greatest amount of people. The theory has been influential in modern economics illustrated by the familiarity with the term cost benefit analysis which is also popular among those from accounting disciplines. Therefore this means within organisations the cost would outweigh the benefits of the decision regardless of the effects it could have on human life or rights. For instance Ford motor company first introduced their Pinto model in the 1970's. There was a major flaw in the vehicle which was undetected during the design stages, should the car be involved in a collision it would result in fire, explosion and possible fatalities, the company broad decided to go ahead with the sale of the vehicle despite being made aware of the issues (Matthew, 1998) Therefore it can be concluded that there are negative consequences of this theory firstly it ignores the right to life and secondly it has no regards for justice, the theory is based upon maximum utility Similarly pharmaceutical companies have a utilitarian approach to their business, their prices remain high and out of the reach of those in poorer nations the justification for this strategy is that they would be unable to recoup R&D costs and the business may not survive (Brennan and Baines, 2006)

In contrast to Utilitarianism theory there is ethics of rights and justice governs an individual's entitlement to their natural rights and legal rights set out in law both being important rights of an individual which should be respected (Crane and Matten, 2007) This has implications for a business the course of action the business engages in must not come as a direct or indirect violation to the individual's rights whether those rights are legal obligations or natural rights. This includes the use of child labour, under paying staff, forcing them to work in conditions which are unsanitary and unsafe. Primark is a prime example of an organisation which has engaged in unfavourable actions even though they are members of the Ethical Trading Initiative in the United Kingdom, which supports workers worldwide. On the contrary to the mission of Ethical Trading Initiative (2012), Primark's unethical behaviour was uncovered, having purchased garments from suppliers who were using child labour and expecting staff to work in appalling conditions.

Modern ethical theory includes stakeholder theory established by Freeman (1984) is concerned with the groups of individuals the company has a responsibility towards, stakeholders are any individuals' who may influence or be affected by the actions of an organisation participates in to achieve their objectives. Stakeholder theory is completely different to the above theories but equally important in its own right as it specifies the

importance of fulfilling the expectations of each stakeholder group involved with the organisation Understandably it would be a difficult task for corporations to meet the needs of all the groups of stakeholders as there will be some level of a conflict of interest arising between the groups Stakeholder groups include "shareowners, employees, customers, suppliers, lenders and society" (Freeman and Reed, 1983, p 89). Marcoux (2003) is opposed to Freeman's (1974) view as he looks at shareholders and other stakeholders from the view point that there is a different moral relationship between the manager and the shareholder and the manager and the stakeholder, that the duties a manger must undertake is not accounted for by stakeholder theory

For much of the time as individuals we make moral judgements based upon what we believe to be the right or wrong thing to do however on a business level it may not be as straight forward Business decisions require clarity on different levels within the organisations combined with the complex relationships and number of people involved. These difficult business decisions require further assistance especially when those involved in the decision making process cannot reach a definitive answer. To compliment this statement Boatright (2007) suggests that when disagreement cannot be resolved with regard to difficult business dilemmas then "we need to go beyond our conflicting positions and seek common ground in ethical theory" (Boatright, 2007, p 24)

2.2. Developments in ethics

Ethics has come a long way since the 1970's as there have been an increased number of books, articles and journals dealing with the topic. As Brenkert (2010) expressed there have been two major developments in ethics and one being the increased publicity concerning the topic. It has become a university topic which students either chose to study or are required to study. The other contributing factor to the increase in awareness is the volume of corporate

scandals which have increased over the last four decades (Brenkert, 2010). Corporate scandals have changed the way businesses are conducted today as there has been an increase in regulatory requirements and acts which have a compulsory compliance issue in business. The unethical and fraudulent behaviour that was uncovered in the cases of Enron and WorldCom followed by the downfall of Arthur Anderson the accounting firm in charge of Enron's accounts and found guilty of destroying evidence, brought about the development of the Sarbanes- Oxley Act 2002. The act was constituted for the purpose of reassuring the public and financial markets to regain confidence in corporations (Orin, 2008). Thus it is these acts which are brought to light that evoke strong reactions among consumers and these reactions are drivers for change in the way a business conducts itself.

The code of ethics is an industry standard which was penned in 1996 and has been updated many times since (Brown, 2002) "A code of ethics by most definitions is a written, distinct, formal document which consists of moral standards which help guide employee or corporate behaviour" (Schwartz, 2002, p 28) The code of ethics is adopted by an organisation to outline right from wrong and it is available for all those who work in the organisation to follow and adhere to As consumers are demanding more information about the business they are purchasing goods from, many of today's businesses have adapted a code of ethics and incorporated it into their strategy. Companies have made ethics an integral part of their everyday business by having specified sections of the business solely focused on the ethical conduct and communicating ethics throughout the business Businesses that have ethical principles from the beginning chose the right thing to do over the wrong unlike those who just look to ethics in times of crisis (Coughlan, 2005)

Like all other theories the code of ethics has not been immune to criticism. American companies account for the largest number with an ethical code and in Europe Britain has the largest number of companies with an ethical code (Schwartz, 2002). It is important to

establish the motives behind organisations establishing a code of ethics whether it is for legal reasons or simply to create a more favourable public image (Schwartz, 2002) A study conducted with regards to Irish companies and the reasons for implementing a code of ethics found that they were not doing it for the benefit of the consumer but merely to satisfy their own needs (O' Dwyer and Madden, 2006)

2.3. Traditional and alternative views of the organisations purpose

The traditional view of the organisations purpose has been profit maximisation, this more traditional view related to Friedman (1970) who acknowledges a social responsibility of organisations but does not disregard ethics as he argues that the only responsibility an organisation has is to increase profits to maximise shareholder wealth, once it does not do so in a fraudulent manner However Friedman's (1970) view is not shared by all as Boatright (2007) is of an opposing view that the fundamental goal of business is the production of items which are efficient (Boatright, 2007) Thus it may be argued that an organisation solely focused on profit maximisation may be ignoring other aspects which are now an important factor in businesses Producing profits is not the main goal of today's organisations as the business dynamic is changing thereby requiring organisations to be responsive of the ethical, social and environmental issues facing the business (Samuelson, 2004) Boatright (2007) discusses the "moral points of view" by identifying the three stages of the business decision making process which are economic, legal and moral By adopting an integrated approach to making business decisions it looks to combine all three aspects in order to make sound business decisions This would imply that rather than placing a stronger emphasis upon the economic benefits of business success it is important for each attribute to be weighted accordingly

On the contrary to Friedman's view but in many ways supportive of the view outlined by Boatright (2007) Carroll (1979) developed a four part model illustrated in appendix 2, in which the four levels are deemed to be the four levels organisations should meet in order to be socially responsible and fulfil their obligations to society. The economic and legal responsibilities are required by the organisation, the ethical responsibilities are expected from the organisation by society and therefore the philanthropic responsibilities are not compulsory obligations however there are society's expectations for the business to participate in voluntary activities (Carroll, 1991) Over the years both organisations and individuals have contributed to society by the activities they take part in for instance Tesco's computers for schools initiative and Super Valu's sponsoring local sporting events. Some organisations have turned over a highly profitable business based purely on philanthropic responsibilities such as TOMS Shoes founded by Blake Mycoskie in 2006 The one for one movement he created means every for pair of shoes purchased will provide a child with a pair of shoes in the developing world (toms com, 2006) On the downside the recession has become a barrier for organisations in many ways including their ability to fulfil philanthropic responsibilities. Furthermore in the United States they have noted a decline in the donations made to religious orders, educational institutions and a significant reduction in large donations (Independent School, 2010)

Friedman (1970) theory is a stand-alone theory as all other theories mentioned are supportive of being socially responsible and incorporating other aspects to fulfil objectives rather than sole focus being on profits

2.4. The history of fair trade

For many individuals they may have only heard about fair trade products in the last few years as they have been made an increasingly popular choice for coffee lovers around the world

However fair trade is a concept in existence since the 1940's a familiar example of an organisation involved in the fair trade movement is Oxfam which was founded after the Second World War during famine times (Groos, 1999) While the concept of fair trade has been in existence for many years the actual labelling of the products occurred much later in 1988 in the Netherlands for the purpose of importing coffee (Matthews, 2009) Coffee is not the only item achieving fair trade certification as beauty products first received fair trade certification in 2009 regarding the ingredients used in the products such as cocoa butter, Shea butter and many more, thus realising there is huge potential for fair trade beauty products (Matthews, 2009) However there have been cases where evidence has surfaced showing conflicting practices by those involved in fair trade. Such evidence can been seem when the Financial Times had information brought to their attention regarding the sale of uncertified coffee as certified coffee, meaning the coffee sold was not in line with fair trade standards but was being disguised as fully compliant with fair trade standards (Weitzman, 2006)

The fair trade lines of products are ever expanding as there are now fair trade options available for many different items ranging from food and beverages to clothing and most recently beauty products providing people with more options and allowing them to make better purchasing decisions

2.5. Organic produce

Research conducted in the area of organic food produce has found that the most popular reason among consumers for choosing organic items has been the associated health benefits and high price being the issue which caused most reluctance to purchase (Frozen food age, 2003) The general consensus with organic products is they are environmentally friendly compared to their non-organic counterparts. However, there is a downside to organic produce, without the use of artificial fertiliser, pesticides and the reliance upon crop rotation means a

greater amount of land would be required to produce the same volume of produce grown using non organic methods thus more rainforests would be lost to use the land for cultivation purposes (Economist, 2006) So on one hand consumers feel they doing the right thing by purchasing organic produce as they are not produced using harmful chemicals however on the other the transportation involved with these goods may add a considerable amount to the carbon footprint (Economist, 2006) Subsequently this has led to activist groups encouraging consumers to buy local produce and reduce the impact their consumption is having on the environment

2.4. Ethical companies

In recent years there have been external pressures forcing organisations to adopt a more ethical approach to doing business. These pressures have been coming from consumers, charitable organisations and activist groups which are asking organisations to be more considerate of the environment they are operating in and the effects it is having on the vicinity Organisations such as Edun, TOMS shoes, The Body Shop, Ben & Jerry's and Starbucks were founded with the purpose of being ethical from the outset and have disclosed this on their website. There has been more publicity surrounding the ethical values of Starbucks and Ben& Jerry's as they have been the key factor in their marketing strategies

The highly popular Ben & Jerry's organisation was founded in 1978 by two friends who supported their local community by buying local produce for their ingredients. The story of two "ex- hippies" making homemade ice cream evoked strong reactions from the public (Martinson, 2000). Being a socially responsible business has not prevented Ben & Jerry's from being successful as they "were recorded the first company to turn a profit while behaving like a non-profit" (Rosin, 1995, p22). Feeling guilty for achieving profits the owners decided to give away some of their wealth (Rosin, 1995). The selfless action of the

founders encouraged consumers to buy into the idea and the values that Ben & Jerry believed in and adhered to as the company gave 7 5% of its annual profits to charity as not only where they provided with a satisfactory product but they were also contributing to those who needed it, they also pledged to purchase their ingredients from local suppliers and those in disadvantaged areas (Page and Katz, 2010). This allows consumers to enjoy quality ice cream while also knowing that the individuals' involved in the process of making it have not been taken advantage of Consumer have been lead to believe that all operation are fully supportive of the fair trade movement, that all goods sourced are fair trade certified but what many are unaware of is this is not an entirely true depiction of Ben & Jerry's conduct. Their Rainforest Crunch ice cream attracted such a high demand that suppliers were struggling to maintain the level needed for production, upon this Ben& Jerry's sought Brazil nuts from other means, 95% of which came from uncertified suppliers (Rosin, 1995). In essence their fair trade pledge was so popular with consumers the company had to resort to uncertified producers to cope with demand. Many consumers were unaware of this as they continued to purchase ice cream guilt free thus illustrating the effects of fair trade products.

Starbucks is another prime example of an organisation which takes pride in itself for being socially responsible as they claim they purchase the majority of their coffee beans from framers that have been Fair-trade approved. In 2008 Starbucks announced that all of its outlets in Great Britain would sell fair-trade coffee in order to boost sales (Brand strategy, 2008). Given the success rate of terms such as fair-trade and sustainability with consumers and the sale of coffee, coffee companies are capitalising on, the success and using these it generate increased sales (Fuhrman, 2008). The ethical stance that both Ben& Jerry's and Starbucks have adopted means they can charge a premium price for their goods as consumers are willing to pay a higher price for goods produced ethically for it allows them to feel they are contributing positively to society (Economist, 2006).

Despite Starbucks ethical marketing the company have been put under pressure by groups which have attacked the organisations ethical claims as there were allegations brought against them regarding the unfair treatment of Ethiopian farmers. The price the coffee beans retail at abroad are three times that of what they are in their country of origin however the farmers who provide the beans are not benefitting from the profits (Faris, 2007). The company has come under further attack from NGO's concerned with human rights as they believed Starbuck's was buying cheaper coffee beans, profiting from such actions and not buying Fair Trade coffee, these criticisms were an influential factor in Starbuck's commitment to working alongside NGO's (Argenti, 2004) Regardless of the criticisms which Starbucks have faced it has not prevented consumers from purchasing their products, their commitment to fair trade and the methods deployed to counteract negative publicity mean consumers still believe in their values

A more familiar company with consumers would be The Body Shop which was founded in 1976 by Anita Roderick Due to the success of the company's focus on ethical consumerism and differentiated product offerings the company expanded globally selling natural health and beauty products which were environmentally friendly and individuals were willing to purchase them (Kent and Stone, 2007) Stakeholder theory has been an important aspect for the company as The Body Shop takes their stakeholders beliefs into account and adapts the organisational beliefs to create an ethical and successful business which listens to their stakeholders views (Sillanpaa, 1998) Portraying the company as one which has more than shareholders' interests at heart was the reason it became a popular choice among consumers especially those who were against animal testing as this is a core value for the company As a direct result from combination of the differentiated products, the core values and the company's early adaptation of a socially responsible model have contributed to the success (Kent and stone, 2007) Regardless of the numerous favorable acts the company has engaged in, it's countless bids to prove its commitment towards ethical consumerism and ethical business and its popularity among ethical consumers it has still had its values challenged to the absolute core especially since it became a subsidiary of the multinational L'Oreal Company (Market Watch, 2006) Assuring consumers The Body shop is still very much committed to the protection of animal and human rights may pose a challenge for the company but it will no doubt be welcomed by its patrons and potential customers

While the companies mentioned above have strived for ethical business and portrayed public image as being socially responsible organisations with the concern for others at the heart of their organisation, they have all suffered some form of negative publicity

2.5. Unethical companies

Over the last number of years there have been many cases of unethical behaviour brought to consumers' attention through scandals in relation to the conduct of well-known brands such as GAP, Nestle, Primark, H&M and Coca cola These scandals have resulted in consumer action, from boycotting to protesting outside the various different stores

Nestle have found themselves on the receiving end of bad publicity from time to time over decisions they have made concerning the farmers they purchase goods from and the marketing campaigns they have participated in Consumers have been boycotting Nestle since 1970 mainly over the aggressive advertising campaigns for baby formula milk in developing nations Their aggressive advertising campaigns used to promote a product which requires clean water in nations which do not have it readily available meant they were taking advantage of the vulnerability of new mothers and causing the unnecessary death of many babies due to the use of contaminated water (Robinson, 2002) Nestle have since attempted to launch its baby formula in the United Kingdom but activist groups are extremely opposed to the idea especially Baby Milk Action (Croft, 2002) Despite being Britain's most boycotted company Nestle have tried to adopt an ethical stance by launching their own Fairtrade coffee (Hickman, 2005) Their actions to rebuild their damaged reputation through becoming involved in the fair trade movement has seen the company spend millions to create a new image for the company and they have also added to their brand portfolio through the acquisition of brands such as Perrier and Buitoni which have helped the company improve sales in the developed world (Rapoport and Martin, 1994) Nestlé's emergence into the fair trade market was greeted by mixed reactions from consumers and critics, given the company's reputation regarding ethical behaviour combined with fears that their poor reputation would undermine the value of fair trade (Market Watch, 2005). The high demand for fair trade produce makes it an attractive market to enter therefore their motives for adopting such a strategy may have been for purely selfish reasons. The boycotting of Nestle products shows the extent to which consumers will go in order to express their feelings towards the conduct of organisations which are seen to be behaving in an unethical manner

The Coca Cola Company is similar to Nestle in some aspects as they have caused adverse situations in certain nations through their pursuance of profit maximisation. The Coca Cola Company takes pride in its corporate social responsibility initiative which portrays itself as a caring company contributing to and benefiting society from providing drinking water to primary schools in India, recycling waste where possible, and more over its rainwater conservation policy (Harish and Gopal, 2008) However the effects that their bottling operations have had in India are somewhat controversial to their previous statements. The operations have resulted in water shortages, pollution of water and soil, toxic waste and products testing positive for traces of pesticides (Hills and Welford, 2005) Following allegations that their factory in Kerala was causing problems for local villages, the factory was unable to re-open as protesters prevented them from doing so even though the company strongly denied the allegations (Burnett and Welford, 2007) Since then Coca Cola have become a company concerned with sustainability and the importance of having enough water worldwide hence its move with the World Wildlife Foundation towards a water protection scheme ensuring water can be sourced where it is needed (Walsh and Dowding, 2012) In spite of the allegations made regarding the conduct of the Coca Cola Company in other nations including India and in no doubt it must have affected their sales and profitability to some extent they have still remained a highly profitable company. This shows that while there are some individuals who are willing to go to great lengths to avoid unethical organisations there are also many who continue to purchase from these organisations The annual reports for Coca Cola for the year ended 2011 showed sales of "26.7 million unit cases" (The Coca Cola company, 2012).

Many high street clothing companies have received negative publicity regarding where they source their suppliers, the conditions under which the employees have to work in, in the factories producing the garments for instance Primark, GAP, H&M, Next and even M&S have faced allegations of unethical conduct. The BBC programme Panorama uncovered numerous instances of child labour practices by Nike and Gap which forced Nike to withdraw from operations in Cambodia and Gap to suspend operations (Mason, 2000). A vast array of scandalous events were brought to the attention of individuals from child labour scandals to unsafe working conditions , the exploitation of those in undeveloped countries for the benefit of consumers in the developed world is astounding but there still remains a large proportion of individuals who chose to ignore the effects of their needs and wants. The pressures from consumers for cheap clothing which companies feel they can only obtain through production in countries which are less well off, has resulted in catastrophes as serious as the loss of innocent lives. A prime example of this would be the H&M case were the conditions in a factory of their suppliers were so appalling it resulted in a fire and the loss of 21 lives and 50 injuries (Hickman, 2010).

While in one instance the public and various groups are willing to cease purchasing from companies who have tarnished their reputation by exploiting vulnerable individuals in developing nations such as the H&M example there are others who are willing to continue purchasing items made under similar circumstances. Regardless of the publicity surrounding the behaviour of some of the stores mentioned above consumers are still willing to purchase goods from them as they seem to be of the opinion that if they don't buy it somebody else will. Despite the growing criticism of Primark's conduct they still remain a popular choice with consumers especially in the recession and even though they suffered a decline in profits

compared to the previous year they still recorded an operating profit of £309 million (Associated British Foods PLC, 2011)

2.6. The relationship between ethical practices and consumer purchasing

The expectations of businesses have changed in line with consumers as they are educated about events such as those outlined by the Nestle, Coca Cola and H&M examples These expectations include the company being cognisant of the effects of their operations as fulfilling shareholders wishes is no longer their only concern. This led to the development of the concept of corporate social responsibility. There is also an issue among organisations using ethical policies and CSR as a marketing tool however during the recession they have been required to curb their spending and with the high cost associated with establishing ethical principles, businesses are focusing on their financial problems (Pratt, 2009)

Corporate social responsibility (CSR) is a relatively new concept which owes its existence to the acknowledgment of stakeholders as important members of a business without the sole focus being thrust upon shareholders CSR thereafter became responsible for encouraging positive actions in society ranging from environmental issues to the treatment of individuals According to The Economist (2008) climate change has probably been the biggest key driver in the growth of CSR as it forced companies to access the impact their business is having on the environment While Freidman's (1970) view is directly opposing this statement as he is of advocates that matters concerning society are the responsibility of government and not the business Jobber and Fahy (2009) have reiterated the importance of CSR as is was once an optional component for businesses but it has now become an important element in the business strategy

Consumers are one of many important stakeholders in a business who are concerned with CSR in some shape or form Without consumers a business will not be able to prosper therefore it is of paramount importance for the business to satisfy its customers by providing them with the goods and services they require Kotler (2004) argues when the target customers of companies are satisfied it is those companies who perform better than those who do not satisfy their target customers Problems may arise between the business and the consumer when consumer expectations put pressure on the organisation to fulfil their obligations to shareholders and stakeholders. One such problem occurs when consumers are striving for low cost items, thereby forcing the company to readdress their operations to somehow reduce costs While some organisations are of the opinion that being ethical will increase sales coupled with the notion that consumers are willing to pay more for ethical goods it is not always the case as some require a lower priced good even if it is produced unethically (Trudel and Cotte, 2009) With consumers pushing for lower priced goods companies turn to markets which offer cheaper labour which very often lack the regulations and standards that are present in the developed world Some low cost goods have negative connotations for the environment and the health of the user More over Chouinard, Ellison and Ridgeway (2011) recognise the need for sustainable business but in addition to that the problem remains regarding goods that are harmful to the environment which carry a lower cost than those which are friendlier

Changing expectations are not the only contributing factor for changes in business as consumers' tastes and preferences have also changed. Their decision to opt for lifestyle changes the driving force for more ethically produced goods bringing about the rise in activists groups such as Ethical Trading Initiative and Clean Clothes Campaign The Clean Clothes Campaign objective is for individuals to ask about the origins of the clothing and shoes they are purchasing and in return for retailers to ask the same information from suppliers (Bole, 2001) They are a means of empowering consumers to make informed decisions when contemplating their purchases

The consumer buying process is a thought process as outlined by Kotler, Keller, Goodman and Hanson (2009) as a five part model showing the various stages consumers go through before purchasing an item Consumers do not necessarily go through all of the stages shown in appendix 1 and they need not follow any particular order. The 'evaluation of alternatives' stage is where individuals make decisions based on their beliefs and attitudes (Kotler et al, 2009). When individuals are evaluating alternatives before purchasing this is arguably when consumers make decisions regarding the intentions to purchase ethically or unethically produced goods

The reasons for individuals purchasing ethically produced goods has become an issue for debate among academics as many have their own separate views as to why individuals participate in such activities. Freestone and McGoldrick (2007) note there has been a move towards ethical consumerism caused by an individuals need for Maslow's (1954) goal of self-actualisation thus engaging in actions which do not cause harm to society or the environment. While Freestone and McGoldrick believe the ethical consumerism movement is as a result of individuals wishing to achieve the goal of self-actualisation Austin and Leonard (2008) believe it is because Consumers benefit from the intangible extrinsic rewards of purchasing ethical goods such as the psychological benefits and the feeling of benefitting society as a whole. This move towards increased ethical consumerism it is not dominant among all industries more specifically the clothing industry as individuals' favour price and style over eco friendliness (Niinimaki, 2010). Carrington Neville and Whitwell (2010) recognise understanding the gap between intension to purchase and purchasing poses an opportunity for marketers to deliver the ethical message through the interaction of floor staff with the consumer to reiterate the importance of purchasing ethical produce.

McGoldrick (2007) expressed that the motivations for purchasing ethical goods depend upon the cost- benefit analysis relating the value of the good to the consumer. This statement is further strengthened by Carrington, Neville and Whitwell (2010) who argue that while the intention is there for the consumer to purchase ethical goods, unethical goods could potentially be more appealing as they may have a more attractive marketing campaign or at the point of sale may be at a discounted rate for promotional purposes

Ethical business practices were once associated with food products nevertheless ethical clothing companies have emerged as consumers fight back against the use of child labour and sweatshops. The introduction of new companies into the ethical market has provided individuals with more choice. A survey by Price Waterhouse Coopers (2008) found there has been an increase in the purchasing of Fair Trade food by 30% and organic food by 21% coupled with an increase in the purchase of non-food fair-trade and organic items. To divulge even further into ethical purchasing habits research conducted to establish the motivations behind purchasing organic dairy products found that ethical motives were the fifth deciding factor 65.5% of individuals' associated the products with being more ethically produced than their counterparts (McEachern and McClean, 2002)

2.7. Ethical consumerism vs. green consumerism

There are different classifications of consumers ranging from those who are not concerned with ethical implications to those further along the scale that will only purchase goods which are of ethical standards fulfilling the requirements of their beliefs and values and will avoid the companies that do not meet their requirements (Wheale and Minton, 2007) There have been broad definitions of ethical consumerism which is believed to have emerged from the concept of the green consumer Most importantly Freestone and McGoldrick (2008) identify the distinction between green consumerism and ethical consumerism as green consumerism covers the actions of consumers who are concerned with the environmental impact of their purchase decisions on the other hand ethical consumerism is more complex in nature as it not only covers environmental issues but also encompasses the impact on society as a whole. The ethical consumerism movement means consumers are increasingly becoming more aware of the implications of the behaviour as environmental issues were first raised in the 1980's coupled with the increase in ethical shopping in the late 1990's (Dooner, 2005). An ethical consumer is concerned with matters regarding animal welfare, fair trade, the working conditions people face, attitudes towards child labour practices, protection of the environment and purchasing goods which are ethically produced (Freestone and McGoldrick, 2008) Citing the work of Strong (1996), Freestone and McGoldrick (2008) view is that the ethical consumer is "concerned with the people element of consumerism" (Freestone and McGoldrick, 2008) For instance Wheale and Hinton (2007) acknowledge that a certain group of vegetarians are committed to purchasing free range eggs and organic produce

Even in light of the recession and the change in consumer preferences towards "value for money" the Co-Op's, Peter Marks is confident that customers will continue to support fair trade through hard times as the company will continue to support their fair trade suppliers (Horticultural Week, 2008) There are consumer groups willing to pay the premium price for ethical goods with "68% of consumers in the US and Europe" stating they have boycotted firms which did not act ethically (Market Watch, 2005, p 1)

As arguably ethical consumerism has been on the increase many organisations have been jumping on the band wagon in order to capitalise on the benefits it has. To ensure the organisations fulfil their obligations regarding fair trade the French government were the first to set a legal standard which requires the organisations to adhere to their ethical obligations, the standards will help alleviate the problem faced by consumers regarding diversity of labelling of fair trade products (Market Watch, 2005)

Chapter 3: Methodology

The purpose of this section will be to address what the research aims to prove or disprove as the case may be It will explain how it will undertake the data collection and the relevant philosophical principle which will be applied to the interpretation of the research

3.1. Introduction to research

Having studied the relevant literature in the area of CSR and business ethics it raised some issues in relation to the extent to which organisations have gone to in order to express their ethical stance and move towards more sustainable business practices but also the level of consumer buy in in such instances. As mentioned previously ethics has become a much talked about topic especially in light of events which have occurred globally in the financial services sector responsible for the onslaught of the recession. Companies have been spending large proportions of budgets on developing ethical principles and implementing ethical codes however research suggests a gap remains between the consumers' intention to purchase ethical goods and actually pursuing the intention as discussed by Carrington et al (2010). There are others such as Freeman and McGoldrick (2007) who are of the opinion that ethical consumerism is on the rise as consumers feel it is necessary to act in a responsible manner for society's wellbeing and the environment.

3.2. Research hypothesis

The following hypotheses has been developed having critiqued the above literature

Null Hypothesis 1 Price is not a significant factor for consumers in determining purchasing decisions of ethical goods

Alternative hypothesis¹ price is a significant factor for consumers in determining purchasing decisions of ethical goods

Additional hypotheses as follows to compliment the research and the literature review

Null hypothesis 2 consumers do not purchase ethical products for the associated health benefits

Null hypothesis 3 consumers are unaware of unethical businesses

While trying to establish the validity of the above hypotheses there will be some other elements addressed such as

- What would be the most important deciding factor when purchasing goods, ranging from price, brand and quality to ethical considerations?
- Are individuals willing to pay a higher price for ethical goods?
- The reasons for and against ethical purchasing and the types of goods consumers would buy that are organic and fair trade.

3.3. Aims and objectives of the research

- The main aim of the research is to test the validity of the above hypotheses to determine whether they are accurate or otherwise in need of amendments
- To establish the key drivers behind ethical consumption

- To understand the level of consumer awareness in relation to ethical companies and their views towards companies
- To understand the level of consumer awareness regarding unethical companies and their views towards these companies

3.4. Approaches to conducting research

There are two approaches to conducting methodical reasoning, inductive and deductive, each having their own distinct characteristics and reasons for implementation. An inductive approach involves the collection of data by using small sample sizes to understand what is occurring rather than describing which is then followed by theory development (Saunders, Lewis and Thornhill, 2009) Saunders et al (2009) expressed that when the researcher is part of the data collection process usually involving the collection of qualitative data with the aim of understanding the human feelings associated with the phenomena. On the other hand deductive theory is a highly structured approach to collecting data in which the researcher remains independent of the research strategy which is designed to test the hypothesis developed from existing theory (Saunders et al, 2009). Bryman and Bell (2011) agree that deductive theory illustrates the relationship between theory and research.

For the purpose of this dissertation a predominately deductive method will be applied to the research strategy in order to test the hypothesis that was formulated above after the critical analysis of current and previous literature in the area. It will examine the significance of price when purchasing ethical goods, the key drivers and the level of consumer awareness regarding ethical and unethical companies. The exploration of the hypothesis may produce a findings and a subsequent conclusion which either supports the theory (wholly or partially) or it may be in conflict with the theory leading to the formulation or amendment of existing theory. The literature provides a comprehensive array of factors contributing to consumers.

decisions regarding their ethical purchasing Given the fact that similar research has been conducted in the area a deductive method seems the most logical approach to conducting the research as it is testing existing theory

3.5. Qualitative Vs. quantitative research methods

The approach adopted by the researcher will depend on the data required to answer the research questions (Bell, 2010) Similarly Biggam (2010) states the research does not dictate the method undertaken rather the type of information required will determine the method undertaken by the researcher Qualitative data can include both inductive and deductive approaches, which then leads to theory development from the "non- numerical" data collected (Saunders et al, 2009) The main problem for qualitative researchers is to establish a theoretical gap and then justify the reasons for collecting the data to fulfil the explanation of the phenomena (Bansal and Corley, 2012). The collection of qualitative data requires the interaction of the researcher with the subjects thus the researcher may be described as being more involved in the process The analysis of such data is time consuming for the researcher as it involves transcribing the information collected through interviews, focus groups where conceptualisation needs to be applied (Saunders et al, 2009). On the contrary to qualitative data, quantitative data also classed as numerical data aims to explain how something has happened rather than why It tests the statistical relationship between two variables and the findings are then expressed with the help of diagrams, charts (bar and pie for example) and are often believed to be an easier method of analysis (Saunders et al, 2009)

Given the nature of the dissertation and what it plans to address a quantitative approach would be more idealistic to capture the data required to form recommendations and a conclusion with the aid of statistical results in the time frame provided. Quantitative research in the form of a questionnaire will be more suitable for identifying what influences consumer

decision making when it involves choosing ethical items because it allows percentage results to emerge and generalisations to be made

3.6. Advantages and disadvantages of both methods

Researchers of the opposing disciplines often criticise the others technique because it lacks the elements they are accustomed to Qualitative data collection has been criticised for a number of reasons specifically its subjective nature. The collection of qualitative data is unstructured in nature which is also reliant upon the view point of the researcher to choose the items they believe to be of significance to the research thus the researcher may influence the content of the data collected (Bryman and Bell, 2011)

In essence qualitative data is concerned with the participants' points of view through means of understanding the meaning and reasons behind their specific behaviour within the context of the study (Bryman and Bell, 2011) Qualitative methods of collecting data are objective in nature as there is less room for bias as the researcher is distant from the data collection process thus the possibility of the researcher influencing the participants input is greatly reduced (Saunders et al, 2009). Qualitative data is argued to provide rich data as it observes the individual in their natural environment in to contrast quantitative data produces data which is measurable, unambiguous therefore deemed reliable data as with qualitative data the researcher may become too involved in the process and compromise the validity of the data (Bryman and Bell, 2011)

Previous research conducted in this area have used quantifiable research techniques that being questionnaire/ survey methods to gather information with relation to the ethical purchasing habits of consumers for instance Freestone and McGoldrick (2007) used questionnaires in order to gather information in relation to consumers and what motivates them to purchase ethically. The topic of Freestones and McGoldrick's (2007) work has been
an important piece of literature throughout the course of this thesis as their work aims to understand ethical consumerism

3.7. Research philosophy

The research hypothesis, questions, aims and objectives suggest an epistemological approach with a realist perspective is attributable to this these. According to Bryman and Bell (2011) epistemology deals with the issue of "what is (or should be) regarded as acceptable knowledge in a discipline" (Bryman and Bell, 2011, p 15).

Realism is "an epistemological position which relates to scientific enquiry" (Saunders et al, 2009 p114) It aims to allow the senses to show us what in truth is real, "objects are in existence independent of the human mind" (Saunders et al, 2009, p114) Bryman and Bell (2011) identify two types of realism, empirical and critical Empirical realism will be adopted for the fulfilment of the requirements of this thesis. The stance of empirical realism aims to provide an understanding of reality by means of appropriate methods (Bryman and Bell, 2011) The epistemological position of empirical realism could be argued to be the most appropriate philosophical principles to apply as the collection of data will be regarding the behaviour of consumers regarding the significance of price when contemplating ethical purchases, the key drivers regarding ethical purchases and the level of consumer awareness surrounding ethical organisations. The data will be interpreted exactly as it is presented to the researcher.

3.7.Research instruments

Questionnaires will be used to gather information from consumers for the purpose of this thesis as it is the best option because it will allow the researcher to form a broader scope of the investigation. They will aim to relate the findings to the theory in the area. There are advantages and disadvantages to using this method of data collection as with any other method there will be some limitations. There is an element of risk associated with the reliance upon questionnaires for data collection as the information gathered from individuals may not be rich in quality to overcome this problem an excess of questionnaires may be distributed

3.7.1. Drafting the questionnaire and its structure

Before compiling the questionnaire there were factors for consideration, the length, style of questions and content of the questions had to be thought out first 20 questions were deemed a significant amount to fulfil the requirements as individuals often become uninterested in lengthy questionnaires The researcher felt it was more ideal to use a questioning style which would be mixed to incorporate different aspects such as providing a list of criteria and asking the respondents to rank them according to their own preferences using the Likert scale. The use of Likert scale style questions will allow of varying degrees of responses rather than a definitive yes, no style answer they contain responses choices from strongly agree to strongly disagree, this aims to add more depth to the answering process and the quality of the answers. Some questions purposefully have the neutral option removed to encourage the respondents to think about their answers and give a purposeful answer rather than ignoring the significance of the item There will be a number of closed ended questions for instance gender, multi choice questions for example which companies consumers believe are ethical and questions with the Likert scale being used to address the weighting of factors considered most important in consumer purchasing decisions They will range from strongly agree to strongly disagree responses and similarly irrelevant to very important. There will be some questions which will specifically target consumers spending patterns both currently and a in the last 3- 5 years in order to address whether or not their spending habits have changed or remained the same.

Given the nature of the research topic and what the hypothesis aims to address, the questionnaire will incorporate some qualitative aspects in order to cover the individuals' opinion on the matter and increase the quality of the data. The structure of the questionnaire will enable it to encompass some qualitative aspects as there will be some questions, open ended, which will require the individual to provide a descriptive response therefore facilitating the individual willing to express their personal experiences and feelings regarding the topic. Open ended questions do not limit the respondent, which also means their answers are not being influenced by options listed. Open ended questions pose interpretation challenges for the researcher as it is necessary to generalise information from survey type data collection methods which can be challenging when the answers to these types of questions will target individuals' attitude towards ethical and unethical companies, what in their opinion would encourage them to purchase more ethically produced goods and why if so they have stopped purchasing organic produce since the recession.

To remove bias from the process, the questions will not lead the respondents which will ensure they give their own valid opinion. To ensure ease of answering for the respondents the use of technical jargon will be kept to an absolute minimum to avoid confusion and misunderstanding. A definition will be provided at the top of the questionnaire to clarify a broad meaning of ethics for those who were not already familiar with the term.

3.7.2. The validity of the questionnaire

In order to assess the validity of the questionnaire it will be reviewed by a number of academics to allow them to give their opinion and propose any amendments which would be beneficial. It will also be piloted to ensure it is easy to understand, that participants can answer the questions asked and that the data collected is relevant and useful to fulfil the research aims and objectives. As Saunders, Lewis, Thornhill (2009) address the purpose of

pilot testing a questionnaire is to ensure ease of answering for the individuals and the data can then be recorded accurately (Saunders et al, 2009) Analysing that data collected from the pilot testing will enable the researcher to establish whether the information gathered will provide the information they are seeking in order to support the hypothesis or disagree with it (Saunders et al, 2009)

The questionnaires will only be distributed within the republic of Ireland given the time constraints it would not be feasible to expand the population to other countries thus it will allow for quantifiable results to be drawn in a limited amount of time. The questionnaires will be self-administered as this will ensure the data is collected in a timely manner without delay and will allow the researcher to target a broad array of shops to ensure the data collected is unbiased. If there are difficulties with the level of respondents through the use of this method then it may be necessary to email questionnaires with a time limit for respondents to complete the questionnaire. As it should be acknowledged that some individuals may not be willing to participate in the questionnaire. Store managers will be consulted first before customers are asked to participate in the survey as it is important to gain their consent regarding the matter first. When the data collection process is completed the process of analysis will begin. The data will be analysed with the aid of computer software such as Excel in order to identify emerging patterns and draw comparisons thus determining the significance of price in relation to the purchasing of ethical goods.

Depending upon the results generated from the questionnaires it may be deemed necessary to conduct unstructured interviews with store managers to gam their valuable insight into events surrounding consumer purchasing habits and whether or not they are buying into the ethical consumerism movement

33

3.8. Ethical considerations

To ensure the research is within ethical constraints a number of actions were undertaken Firstly upon constructing the questionnaire the personal information required from individuals was kept to a minimum so their right to privacy was maintained. This was obtained by keeping the income bands broad in question 4, ensuring anonymity by not asking the respondent to provide their name, requesting the individuals' permission, informing the individuals of the purpose behind the questionnaire before they participate

3.9. Carrying out the process

The initial intention was to ask the permission of store manager to survey consumers outside the store, however this idea proved unsuccessful as it was time consuming and very few questionnaires were completed. This led to another course of action being undertaken for the purpose of completing the questionnaires. Two organisations were selected both from completely different sectors and their permission was sought for a random selection of individuals to take part in the questionnaire. These organisations will remain unnamed for confidentiality reasons

The researcher would have liked to also use a qualitative approach to add depth to the research but was unable to do so as the resources available to the researcher including time were limited and did not permit such an extensive investigation. It took a considerable amount of time to collect and analyse the data collected from the questionnaires which didn't leave enough time to identify possible candidates for interviews or time to schedule in depth interviews with them. In essence had the researcher more time a mixed methods approach would have been used to address the situation so they the limitations and advantages of one method could be complimented by the other giving more understanding quality and depth to the research.

34

Chapter 4: Findings and discussion

This chapter will show the results of the survey with a brief discussion of what the statistics show. Of a sample of fifty surveys, thirty one were fully completed and returned. Of those thirty one respondents, 19 were female and 12 were male. They varied in age from under twenty to over 56. While the researcher did their best to target individuals from all income brackets and employment status there was an imbalance in relation to both which was unintentional as the sampling process was entirely random. An exact copy of the questionnaire may be found in appendix 3.



Figure 1: Results of question 4: individual annual income bracket.

29% (9) of respondents fell into the 20,000 a year and under bracket.

16% (5) of respondents were in the 20,001- 30,000 a year income bracket.

10% (3) were in the 30,001-40,000 annual income bracket.

29% (16) fell into the 40,001- 50,000 bracket.

16% (5) of respondents were in the 50,001 and over bracket.





The 31 respondents were all in agreement that they believe ethics is important.

Figure 3: Results of Question 6: When making purchasing decisions do you think people should take ethics into consideration?



12.9% (4) Respondents strongly agreed that individuals should take ethics into consideration when making purchasing decisions.

83.9% (26) of respondents agreed that individuals should take ethics into consideration.

3.2% (1) respondent disagreed that individuals should take ethics into consideration when making purchasing decisions.

0% strongly disagreed with the question.

From the above results the conclusion can be made that the majority of respondents agree ethics should be taken into consideration when making purchasing decisions with only one person disagreeing with the question. Figure 4: Results of Question 7: when purchasing groceries please rank accordingly which you would consider to be of most importance CURRENTLY?



Firstly price,

- 54.8% (17) of respondents believe price is very important currently when purchasing groceries.
- 42% (13) of respondents rank price as important when purchasing groceries.
- 3.2% (1) of respondents rank price as not important when purchasing groceries.
- 0% of respondents believe price is irrelevant.

Secondly Quality,

- 74.2% (23) ranked quality as very important when buying groceries.
- 25.8% (8) respondents ranked quality as important.
- 0% of respondents ranked quality as not important or irrelevant.

Thirdly Brand,

- 6 4% (2) ranked brand as being very important when purchasing groceries
- 25 8% (8) consider brand is important when purchasing groceries
- 48 4% (15) believe brand is not important
- And 19 4% (6) consider brand is irrelevant when buying groceries

Finally Ethical considerations,

- 19 4% (6) survey respondents believe ethical considerations are very important when purchasing groceries
- 51 6% (16) rank ethical considerations as important
- 29% (9) believe it is not important
- While 0% believe it is irrelevant

As the results indicate price and quality are the most important criteria when purchasing groceries currently which were not surprising

Figure 5: Results of Questions 8: when purchasing groceries 3-5 years ago please rank accordingly which you would have considered to be of most importance.



Starting with price,

- 32.3% (10) considered price very important 3-5 years ago.
- 51.6% (16) of respondents believe price was important when buying groceries 3.5 years ago.
- 16.1% agree price was not important when buying groceries 30-5 years ago.
- 0% find price irrelevant.

Quality

- 74.2% (23) of survey respondents rank quality as being very important when buying groceries 3-5 years ago.
- 22.6% (7) consider quality as important.
- 3.2% (1) believe quality was not important 3-5 years ago.
- 0% chose irrelevant.

Brand

- 22 5% (7) chose brand as being very important 3-5 years ago.
- 35 5% (11) believe brand was important 3-5 years ago
- 35 5% (11) ranked brand as not important
- Only 6 5% (2) considered brand irrelevant when buying groceries

Ethical considerations

- 16 1% (5) ranked ethical considerations as very important when purchasing groceries
 3-5 years ago
- 54 8% (17) considered ethical considerations as important
- 22 6% (7) believed it was not important 3-5 years ago
- 6 5% 2 individuals believed it was irrelevant 3-5 years ago

Price and quality were once again the most important factors, however 3-5 years ago price appears to have been less important than it is currently this shows how individuals have become more conscious of prices when shopping for groceries as they have probably suffered a pay cut or freeze and no doubt bared the brunt of the introduction of income levies



Figure 6: Results of Question 9: in relation to purchasing clothing CURRENTLY

please rank the following factors

Price

- 51.6% (16) respondents feel price is very important currently when purchasing clothing.
- A further 41.9% (13) consider it an important factor when buying clothing.
- While only 6.5% (2) believe it is not important when buying clothing currently.

Quality

- 61.3% (19) over half of respondents rank quality as a very important factor when purchasing clothing.
- 35.5% (11) consider quality an important factor.
- Only one individual 3.2% (1) believes quality isn't important currently when purchasing clothing.

Brand

- 12 9% (4) a small proportion of respondents ranked brand as very important
- Some 22 6% (7) thought it to be important
- The majority of individuals, just under half of the sample, 48.4% (15) believes it is not important
- Lastly 16 1% (5) consider brand to be irrelevant when purchasing clothing

Ethical considerations

- Only 9 7% (3) of respondents consider ethical considerations very important when buying clothing.
- Over half of individuals 58 1% (18) consider it to be important currently
- A further 25 8% (8) of respondents believe it is not important to take ethical considerations into account when purchasing clothing currently
- 64% (2) of respondents are of the opinion that ethical considerations are irrelevant when purchasing clothing

Price and quality are once again very important considerations when purchasing clothing currently With ethical considerations believed to be important

Figure 7: Results of Question 10: In relation to purchasing clothing 3-5 years ago please



rank the following factors

Price

- 32.3% (10) considered price a very important factor when purchasing clothing 3-5 • years ago.
- 38.7% (12) believe price was an important factor 3-5 years ago.
- 29% (9) quite a large proportion of respondents believe price was not an important factor 3-5 years ago.
- 0% consider price irrelevant. •

Quality

- 58.1% (18) considered quality to be very important 3-5 years ago. •
- 35.5% (11) ranked quality as important 3-5 years ago when purchasing clothing. •
- 6.4% (2) of respondents believe quality was not important 3-5 years ago.
- 0% said it was irrelevant.

Brand

- 19 4% (6) chose brand as being very important 3-5 years ago when buying clothing.
- 29% (9) ranked brand as important
- 35 5% (11) believed brand was not important
- 16 1% (5) of respondents ranked brand as irrelevant when purchasing clothing 3-5 years ago

Ethical considerations

- 12 9% (4) stated ethical considerations were very important 3-5 years ago when purchasing clothing
- 51 6% (16) believe ethical consideration were important
- 22 6% (7) of respondents ranked ethical considerations as not important
- While 12 9% (4) believe it was irrelevant

Quality was deemed more important than price when purchasing clothing 3-5 years ago when purchasing clothing



Figure 8: Results of Question11: Are you willing to pay a higher price for the following?

Organic

- 42% (13) Less than half of respondents were willing to pay a higher price for organic produce.
- 58% (18) were unwilling to pay a higher price for organic produce.

Fair trade

- 80.6% (25) were willing to pay a higher price for fair trade items.
- Only 19.4% (6) were unwilling to pay a higher price.

Eco friendly

- 74.2% (23) respondents are willing to pay a higher price for eco-friendly products.
- While 25.8% are unwilling to pay a higher price for unethical products.

The results indicate that the majority of individuals are willing to pay a higher price for fair trade products however over half of respondents are unwilling to pay a higher price for organic produce



Figure 9: Results of Question 12: how often, if ever do you purchase the following?

When respondents were asked to indicate how often the purchase fair trade, environmentally friendly, organic and animal welfare products the results were as follows:

Fair trade

- 38.7% (12) of respondents indicated the bought fair trade regularly.
- 45.2% (14) sometimes purchased fair trade products
- While 16.1% (5) stated they never purchase fair trade products.

Environmentally friendly

- 29% (9) engage in purchasing environmentally friendly products regularly.
- 61.3% (19) stated they sometimes purchase these products.
- 9.7% (5) never purchase environmentally friendly products.

Organic

- 12 9% (4) regularly purchase organic products
- 41.9% (13) state they sometimes engage in purchasing organic produce.
- However a larger proportion of respondents, 45 2% (14), never purchase organic produce

Anımal welfare

- 32 3% (10) regularly engage in purchasing animal welfare products.
- 29% (9) sometimes purchase animal welfare products
- While 38 7% (12) never purchase animal welfare products

Fair trade and animal welfare are the types of products which most individuals regularly purchase followed closely by environmentally friendly however only four respondents regularly purchase organic produce which raises questions regarding the popularity of the items



Figure 10: Results of Question 13: If you purchase fair trade, organic, animal welfare or any other ethical products which of the following would be reasons for doing so?

Health benefits

- 38.7% (12) strongly agree that health benefits are a reason why they purchase ethical products.
- 29% (9) agree they purchase ethical products due to the associated health benefits.
- 22.6% (7) are neutral regarding this question.
- 9.7% (3) of respondents disagree with the question.
- 0% strongly disagrees.

Food tastes better

- 9.6% (3) strongly agrees that the reason they purchase these products is because the food tastes better.
- 51.6% (16) agree that the food tastes better which is why they purchase it.
- 19.4% (6) are neutral regarding this question.

- 19 4% (6) of respondents disagree with the question
- 0% strongly disagrees

Better for the environment

- 16 1% (5) strongly agree that they purchase ethical products because they are better for the environment.
- 67 7% (21) of respondents agree that they purchase ethical products because they are better for the environment
- 97% (3) of respondents have a neutral stance
- 6 5% (2) disagree with the question
- 0% strongly disagrees

Fairer treatment associated with those who produce it

- 41 9% (13) of respondents strongly agree that they purchase ethical products because of the associated fairer treatment to those who produce it
- 51 6% (16) of respondents agree with the question
- 6 5% (2) remain neutral on the topic
- 0% disagree
- 0% strongly disagrees.



Figure 11: Results of Question 14: Which of the following would describe reasons why you do not purchase fair trade, organic, animal welfare or any other ethical products?

Lack of variety

- 19.3% (6) respondents strongly agree that the reason they do not purchase fair trade, organic, animal welfare or any other ethical products is due to the lack of variety.
- 51.6% (16) agree lack of variety prevents them from purchasing ethical products.
- 16.1% (5) respondents remain neutral when asked.
- 6.5% (2) respondents disagree with lack of variety being a reason why they do not purchase ethical items.
- Another 6.5% (2) strongly disagree with the statement.

Lack of information

- 96% (3) strongly agree that lack of information would be a contributing factor to them not purchasing ethical items
- 45 2% (14) agree that lack of information is a reason why they do not purchase ethical items
- 25 8% (8) are neutral as to whether lack of information prevents them from purchasing ethical items
- 19 4% (6) disagree with lack of information being a reason why they do not purchase ethical products
- 0% of respondents strongly disagree

Not broadly available

- 16.1% (5) strongly agree that they do not purchase ethical products because they are not broadly available
- 48 4% (15) agree that not broadly available prevent them from purchasing ethical products.
- 19 4% (6) are neutral regarding the question
- 16 1% (5) disagree with the question
- 0% strongly disagrees

Price

•

- 32 3% (10) strongly agree that price is a reason why they do not purchase ethical products
- 48 4% (15) agree with price being a factor which prevents them from purchasing ethical items.

- 3 2% (1) is neutral about the question
- 12.9% (4) of respondents disagree that price is a reason why they do not purchase ethical items
- 3 2% (1) strongly disagrees that price is a reason why they do not purchase ethical items

Figure 12: Results of Question 15: if there has been negative publicity surrounding the ethical conduct of an organisation would you cease purchasing items from that organisation?



When survey respondents were asked if they would cease purchasing items form a company should adverse publicity arise 65% said yes they would while 35% said they would not stop purchasing items form an organisation if it occurred.

The other element of this question asked if individuals have been aware of this happening and if so to provide an example.

12 respondents provided many examples where this has happened some of which are repeated.

- Ballymaloe products because of controversy which was brought to the attention of the public outlining how a family member was caught engaging in child pornography.
- Due to the fact that Apple components are manufactured in China one individual said they would not purchase these products.

- A few examples arose in relation to the clothing industry, Penney's (Primark) suppliers were alleged to be using child labour on their production lines Nike sweat shops which came to light a few years back also using child labour has been a disincentive for one individual in particular who will not purchase nay of their clothing
- Two individuals acknowledged some elements of the controversy surrounding Nestle, the baby milk scandal and the boycott which has been on-going since the 1970's
- Also one individual said "when a company closes a branch in Ireland and is trading in other countries and leaves the Irish worker without proper redundancy pay (aware of some clothes shops closing in Ireland and leaving staff without wages etc."

Figure 13: Results of Question16: Have there been any instance where the actions of a company have positively influence you to purchase from them?



When asked if there were any companies whose actions influenced the individual to purchase items from them only 29% (9) respondents replied yes while a huge proportion, 71% replied no to the question.

Of those who said there were companies who have influenced them to purchase from them the examples include the following:

Many of the answers relate to coffee shops using fair trade ingredients.

- Starbucks due to their use of fair trade coffee.
- One individual said their local coffee shop which only uses fair trade coffee.
- Ben& Jerry's ice cream and their fair trade guarantee, also their donations to charity which they have informed the public about on numerous occasions.
- Home grown industries which use 100% Irish produce.

Figure 14: Results of Question 17: Are there specific groceries where you would consider purchasing fair trade over other options? Please list

While this questions was open ended to allow the individual to write their own preferences, the items chosen were re occurring which allowed a generalisation of results to be compiled also it must be noted that many individuals chose to opt out of answering this question while others mentioned multiple items.



Thus the following data could be drawn.

Coffee (18) and cereal (12) appear to be the most popular choices among individuals for fair trade items following by chocolate (10), tea (8) and fruit (7)

There are many other fair trade groceries available in supermarkets but they did not appear on the answers from respondents, the above five items were the only ones which appeared



Figure 15: Results of Question 18: Are there foods you used to buy organically before the recession which you have now stopped purchasing as a result of the recession?

16.1% (5) of respondents replied yes to products they used to buy before the recession but have now stopped purchasing them as a result of the recession.

83.9% (26) of respondents answered no to this question which could imply a) they are still continuing to purchase organic products or b) they never purchase organic products. Upon further inspection those who answers no, 13 respondents never purchase organic, 10 purchase organic sometimes and only 3 regularly. This would imply that out of the 26 respondents who answered no half of them are continuing to purchase organic produce whether it is regularly or sometimes.

The five survey respondents which answered yes to the above question all have the same reason; price is the main reason why they have stopped purchasing organic products since the recession began. The goods are too expensive and they have had to seek cheaper items. Furthermore of the individuals who said they have ceased purchasing three are in the 20,000-

30,000 annual income bracket, one falls into the 40,001- 50,000 a year bracket and the final one is in the 50,001 and over bracket. Those who have stopped purchasing these items are not only low income individuals but also those earning a substantial amount each year.

Figure 16: Results of Question 19: of the following list of organisations which would you consider to be ethical?



This was a multi choice question which required the respondents to choose as many organisations as they wished, which they deemed ethical. The question contained a list of organisations, some highly unethical and others who involved in ethical business practices. Despite the mounting publicity surrounding the ethical claims of Starbucks and Ben& Jerry's they were not the most popular chose among respondents when asked to illustrate those they consider to be ethical organisations. They received 14 and 18 votes respectively which are not too far behind the most popular choses, Marks and Spencers receiving the highest number of votes at 21 and The Body Shop in second place with 20. Marks and Spencers receiving the highest number of votes was quite a surprise considering they have not been on the ethical front for as long as companies such as The Body Shop and Ben & Jerry's who have adopted the ethical stance from the outset. Marks and Spencers launched their Plan A initiative in 2007 which is relatively new. 10 respondents consider Coca Cola to be ethical, 7 voted Nestle

as ethical which could have been as a result of their move towards fair trade products, 4 believe H&M ethical, 3 consider Gap to be ethical and surprisingly 1 respondent believes Primark is ethical. None of the survey recipients chose Nike as an ethical company

Figure 17: Results of Question 20: What would encourage you to purchase more ethically produced goods?

This final and open ended question yielded 24 responses and 7 non responses. As it was expected some individuals chose to opt out of the explanatory question none the less there were some very interesting points raised. Given the detail provided in some answers the researcher felt it was necessary to write a detailed account of the responses.

Common themes which emerged throughout the responses to this answer are as follows

- Price again was a significant factor with respondents stating that a lower price would encourage them to buy more ethically produced goods especially given the income constraints of the last few years. For instance one individual stated 'a higher income and/or lower prices' would encourage them to buy more ethical produce. Another individual has stated that due to the downturn in the economy consumers are seeking value for money, the cost of goods makes it harder to choose goods more ethically produced.
- Knowing where the goods have been produced and by whom, that is better food labelling was a requirement as many individuals are confused by the information provided on labels. For instance as one respondent outlined, certain products categorised as Irish products because they have been packaged in Ireland however they may not have been manufactured or grown in Ireland and therefore the traceability of items should be made available to the consumer to allow them to make informed decisions.
- Respondents want to be better informed about what organisations are doing in order to produce items in an ethical manner

- Evidence to show that companies are actually producing goods in an ethical manner, rather than simply taking their word for it
- Knowing more about the companies that are not ethically producing
- Individuals would like to know under what conditions companies have been granted the title of ethical. Therefore what are the various criteria for assessment which needs to be met by an organisation before they are categorised as producing or trading in an ethical manner

Chapter 5: Discussion

The objective of the research was to test the validity of the null hypotheses which were addressed in the methodology section of the document, chapter 3 The first null hypothesis has now been rejected as the results prove it is negative. The data collected from the surveys show that price is a significant factor when making purchasing decisions regarding ethical products. The research conducted by the researcher supports existing literature in the area of ethical purchasing as consumers are seeking quality goods, with ethical principles however price is a major deciding factor for them especially currently which is understandable given the economic conditions individuals are facing. In a survey conducted by Price Waterhouse Coopers (2008) they concluded that 48% of individuals' surveyed were simply not in a position to pay the premium associated with ethical goods or were unwilling to do so

The second null hypothesis was concerned with proving that health benefits are not the reason why consumers purchase ethical goods. The majority of respondents agreed that health benefits, better taste, better for the environment and fairer treatment for those involved with producing the goods were reasons why they purchased the goods thus nullifying the second hypothesis. Freestone and McGoldrick (2007) and Carrington Neville and Whitwell (2010) assert individuals purchase ethical goods to fulfil their own wishes such that they will only purchase these items if the benefits they expect to gain from doing so outweigh the costs. Reasons for not purchasing ethical items were also revealed by the results from the questionnaire. The results showed as noted in the responses to question 14, that price is a significant factor with 10 respondents in strong agreement and 15 in agreement that price is a reason why they do not purchase ethically produced items. However, there are also other reasons for not partaking in such activities including lack of variety, availability and lack of information which are a hindrance for individuals.
factors are important when purchasing items quality appeared to be of most important none the less when asked specifically about ethical goods price was the main reason why they do not purchase these items. One individual stated they wanted "value for money and the recession has made it harder for them to choose more ethically produced goods". The value for money side of purchasing was also echoed by a previous statement for a Co-Op executive as he acknowledges consumers will seek value for money during recessionary times (Horticultural Week, 2008)

The questions relating to purchasing groceries and clothing were kept separately because the researcher believes consumers often have different opinions, preferences and tastes when it comes to purchasing the two different classifications of items. Interestingly there were similarities between the two for instance both price and quality were considered the most important currently however twice as many individuals deemed ethical considerations very important when it came to groceries which illustrates there is a divide between the items. Respondents appear to be less concerned with ethical credentials for non-food items. As noted by one individual, "ethical clothing can be harder to source as these items are not as well-known as ethical food items more publicity should be generated to demonstrate which shops are producing ethical clothing and how they are doing so"

Fair trade product lines have expanded significantly over the years but this was not shown in the in the responses from individuals as they only listed five products, tea, coffee, chocolate, fruit and cereal. This raises the question as to whether or not organisations are doing enough to market fair trade products and other ethical products. It can often be harder for individuals to find organic produce in supermarkets as one individual stated "they believe organic produce should have a specific section in a supermarket which is clear signage outlining the product offerings" As individuals feel lack of variety is a reason why they do not engage in these types of purchases it poses an opportunity for companies to market their product offerings more and for more companies to join the fair trade movement. If more organisations joined this movement it would not only provide more variety in terms of goods but also expand their choice in terms of the companies they can purchase goods from. Thus if the market for fair trade, organic and other produce contained more producers it may also help lower the prices of these goods thereby making them more accessible to those with a lower income.

The third null hypothesis aimed to prove that consumers are unaware of unethical businesses Disappointingly very few individuals had experienced a positive influence from organisations on the other hand quite a lot experienced a negative situation this means there is a possibility that more negative actions are publicised and consumer's attention is drawn to that which they are more likely to remember and not enough attention is bought to the positive actions of companies. This proves the null hypothesis as invalid as the number of negative examples was much greater than the positive

The researcher felt it was important to note that 100% of respondents were in agreement that ethics is important, upon further inspection of the responses of the number of consumers who part take in activities such as buying fair trade, environmentally friendly, organic and animal welfare shows that over a third of respondents never buy organic or animal welfare products That would suggest they are aware that ethics is important but their actions provide a conflicting opinion

The issue of labelling was raised by a number of respondents in the survey responses. This is an issue which has also been addressed by the French government as noted previously in the literature review (Market Watch, 2005). They have paved the way for other governments to

address the issue of developing guidelines for the labelling of goods specifically fair trade to avoid confusion among consumers

In summary

The results for the survey were analysed with the aid of graphs and bar charts to illustrate the level of significance for each question and its component parts. This allowed the researcher to compare and contrast the findings in order to conclude the results of the findings. On a final note, the researcher feels it is important to educate individuals about the importance of incorporating ethical produce into your daily life, not only the health benefits but also how their actions will be benefitting those who are less well off in producing countries.

Chapter 6: Conclusion

The objectives of the research were fulfilled and the null hypotheses were rejected, to reiterate the significance of the above points Firstly price has been accepted as a significant factor for consumers when deciding on purchasing ethical goods as decided by a large proportion of respondents Secondly the associated health benefits have been verified as a valid reason why some individuals engage in ethical purchasing. Thirdly it is reasonable to say that consumers are aware of both ethical and unethical companies and they also have their own valid opinions regarding these organisations. Some respondents stated they were willing to cease purchasing from organisations who behave in an unethical manner an action supported by research conducted by Market Watch (2005) which illustrates the number of individuals who boycott organisations in the U S and Europe is about 68%

Overall the thesis provides valuable insights into the area of business ethics, the ethical consumerism movement, and the key drivers associated with ethical consumption and the associated literature surrounding the listed issues. Undoubtedly the ethical consumer movement will continue to evolve in the coming decades as the business dynamic changes. It will be interesting to see how subsequent research in the coming years covering items which were addressed in this thesis will compare to the findings noted in this research.

6.1. Limitations of the research questions in questionnaire

While there were some open ended questions included in the questionnaire to incorporate a qualitative aspect, they were still somewhat limited in terms of adding more depth to the research. For instance when individuals were asked to provide an explanatory response to a number of questions some respondents chose to opt out while those who answered were

limited in length regarding how much they could develop an answer. In addition to the explanatory questions there were some questions which required a definitive answer such as question 11 which dealt with the respondents' willingness to pay a higher price for organic, fair trade and eco-friendly products. This question required a simple tick of the box for yes or no responses of course knowing the actual motivations behind the responses would have contributed to a more in depth collection of data.

There was a lack of qualitative research which was due to time constraints Using qualitative methods in tandem with the questionnaire would have offered a more in depth understanding of the views of respondents and an explanation for such views Had more time been available to the researcher then qualitative tools such as focus groups and interviews would have been used also Had time been in plentiful supply then the sample size would also have been mcreased to provide a better representation of the population size

6.2 Ethical implications of the research

All information gathered for the purpose of the thesis has been treated with the strictest of confidence, the individual's anonymity and the organisations involved have been guaranteed and the information they have provided will only be used for the completion of the thesis and no other purpose as specified on the questionnaire

6.3. A final note on the continuation of ethical studies

As noted earlier in the thesis the increased publicity surrounding ethics especially since the events surrounding the recession have increased the popularity, it must be said that research regarding this topic will continue to evolve and expand to cover various unethical behaviour which was found to be occurring within corporations not just in Ireland but around the world The impact these events have had on individuals both their expectations and the choices they

make regarding their purchases are also necessary to address. There is no doubt that research into the area of business ethics and the consumer will continue into the future with the emergence of different viewpoints. The level of ethical tuition will possibly increase also as company executives need to be aware and have a comprehensive understanding of ethics to prevent a repeat episode of the Enron and WorldCom disasters which are only two of many examples of corporate entities which have failed due to the unethical behaviour of their executive team (Choy, 2012). Finally the researcher acknowledged that while this thesis is a valid piece of research it is also open to criticism.

Chapter 7: References

'Annual Results announcement, year ended 17 September 2011' (2011), Associated British foods plc Available from <http://www.abf.co.uk/uploads/annualresultsannouncementfinal2011.pdf> [Accessed 19th July, 2012]

'Body Shop aiming to satisfy a worldwide appetite for natural cosmetics' (2006) MarketWatch Personal Care, Vol 5, Issue 11, p 11

Business Storm in a Coffee Cup, Starbucks v Ethiopia', (2006), *The Economist*, Vol 381, Issue 8506, December, p 74

*Company Spotlight the Coca Cola Company', (2005) MarketWatch Global Round -up Vol 4 Issue 8, April, p 44-50

'Co-op raises ethical buying', (2008) Horticultural week p 29-29

'Ethical consumerism France sets the standard', (2005) Market Watch Food, Vol 4, Issue 6, June, p 14-15

'Ethical consumerism' mass appeal', (2005) Market Watch Food Vol 4 Issue 4, p 19

'Good food?' (2006) Economist. Vol 381 Issue, 8507, p 12-12

'Giving Trends During Economic Downturns', (2010) Independent School, Vol 70 Issue 1, Fall, p20-22

'Industry Comment Fair Trade coffee Nestle enters the ethical fray', (2005) Vol 4, Issue 11, November, p10-10 'Just good Business', (2008) *The Economist* Online available from: <http://www.economist.com/node/10491077> [Accessed <u>27th January 2012]</u>

'Nestle Fights poor third word image' (1995) Dairy Industries International Vol 59 Issue 8 p 6

'One for One Movement', (2006), *TOMS*, Available from < http://www.toms.co.uk/ourmovement> [accessed 6th June 2012]

'Organics Price Not Yet Right', (2003) Frozen Food Age Vol 51, Issue, 9, p 27

'Starbucks Diversity through ethics', (2005) Market Watch Drinks, Vol 4, Issue, 9, September, p 11-12

'The Ethical Trading Initiative', (2012) *Ethical Trading Initiative*, Available from < http://www.ethicaltrade.org/> [Accessed 6th June 2012]

'The Nestle Boycott' (2012) *Baby milk Action*, Available from < http://info.babymilkaction.org/nestlefree > [Accessed 9th June 2012]

Abratt, R & Sacks, D (1988) 'The Marketing Challenge' Towards Being Profitable and Socially Responsible', *Journal of Business Ethics*, Vol.7, Issue 7, p 497-507

Argenti, P A (2004) 'Collaborating with Activists How Starbucks Works With NGO's', *California Management Review*, Vol 47, Issue 1, p 91-116

Arnold, DG, Audi, R. & Zwolinski, M (2012) 'Recent Work in Ethical Theory ND Its Implications for Business Ethics', *Business Ethics Quarterly* Vol 20, Issue 4, p.559-581

Austin, J E & Leonard, H.B (2008) 'Can the virtuous mouse and the wealthy elephant live happily ever after?', *California Management Review*, Vol 51, Issue 1, p 77-102

Baskerville, T (1995) 'Industry fraud is on the rise, here's how to spot it' Best's Review / Property-Casualty Insurance Edition, Vol 96 Issue 5, p 96

Bansal, P & Corley, K (2012) 'Publishing in AMJ- Part 7 What's different about Qualitative Research?' *Academy of Management Journal* Vol 55, Issue 3, June, p 509-513

Bentley, S. (1999) 'Nestle chief fights back over ethics ruling', Marketing Week, 22(3)7

Boatright, J R (2007) Ethics and the Conduct of Business Prentice Hall, New Jersey

Bole, W (2001) 'Anti-sweatshop campaign mixes ethics, economics', National Catholic Reporter, 37(38) 9-9

Brenkert, G G (2010) 'The Limits and Prospects of Business Ethics' Business Ethics Quarterly, October 703-709

Brennan, R & Baines, P (2006) 'Is there a morally right price for anti- retroviral drugs in the developing world?', *Business Ethics A European Review*, Vol 15 Issue 1 p 29-43

Brown, F (2002) 'Find time to make the code rhyme' Quill, Vol. 90, Issue 3, April, p 23

Burnett, M & Welford, R (2007) 'Case Study Coca Cola and water in India. episode 2', Corporate Social Responsibility & Environmental Management, 14(5) 298-304

Bryman, A & Bell, E (2011) Business Research Methods Oxford, New York

Carrington, M & Neville, B & Whitwell, G (2010) 'Why Ethical Consumers Don't Walk Their Talk Towards a Framework For Understanding The Gap Between The Ethical Purchase Intentions and Actual Buying Behaviour of Ethically Minded Consumers', *Journal* of Business Ethics, Vol 97, Issue 1, November, p 139-158

74,

.

Carroll, A, B (1979), 'A Three- Dimensional Conceptual Model of Corporate Performance', Academy of Management Review, 4 (4) October 497-505

Carroll, A B (1991) 'The pyramid of corporate social responsibility toward the moral management of organizational stakeholders', Business Horizons, July-August, pp 39-48

Chouinard, Y, Ellison, J, Ridgeway, R (2011) 'The Sustainable Economy', Harvard Business Review 89(10) 52-62

Choy, D (2012) 'How Consumers Perceive the Ethical Conduct of Businesses and Their Managers', International Management Review Vol 8, Issue 1, June, p 44-48

Coughlan, R 2005, 'Codes, values and Justifications in the ethical decision making process', *Journal of Business Ethics*, June 59(1/2) 45-53

Crane, A & Matten, D (2007) Business Ethics United States Oxford University Press

Croft, M (2002) 'Nestle Baby Milk Launch Faces Furore', Marketing Week, June, p 5

Davies, I, Lee, Z, Ahonkhai, I (2012) 'Do Consumers Care About Ethical- Luxury?' Journal of Business Ethics 106(1) 37-51

Dooner, J (2005) 'A question of ethics', Issue 193, June, p 24-27

Faris, S (2007) 'The New CSR this time it's profitable', Marketing Week, Fortune International (Europe), Vol 155, Issue 4, p19-21

Finch, J (2008) 'Primark axes supplier for using child labour' *The Guardian* Available from http://www.guardian.co.uk/business/2008/jun/16/primark.child.labour> [Accessed 6th June 2012]

75

Freeman, R, E and Reed, D, L. (1983) 'Stockholders and Stakeholders A new Perspective on Corporate Governance' *California Management Review* 25 (3) 88-106

Freeman, R E (1984) Strategic Management A Stakeholder Approach, Pitman/Ballinger, Boston

Freestone, O.M & McGoldrick P J (2007) 'Motivations of the Ethical Consumer', Journal of Business Ethics, Vol 79, Issue 4, p 445-476

Friedman, M (1970) 'The Social Responsibility of Business is to Increase its profits', *The New York Times Magazine*, 13th September, p 1

Fuhrman, E (2008) 'Coffee changes the playing grounds', *Beverage Industry*, Vol 99, Issue 12, p10-13

Gentleman, A (2007) 'Gap moves to recover from child labour scandal', *The New York Times* Available from http://www.nytimes.com/2007/11/15/business/worldbusiness/15iht-gap18349422.html [Accessed 6th June 2012]

Groos, A, M (1999) 'International Trade and Development Exploring the Impact of Fair Trade Organisations in the Global Economy and the Law' *Texas International Law Journal* Vol 34, Issue 3, Summer, p 379-411

Harish, R & Gopal, B, S (2008) 'Coca Cola in India. A Responsible Corporate Citizen?', ICFAI Journal of Corporate Governance, 7(4) 42-56

Hickman, M (2005) 'Nestle Defies Boycotters and "Ethical Shoppers" by Launching its own Fair Trade Coffee Brand', *The Independent UK*, Available from <http://www.commondreams.org/headlines05/1007-04 htm> [Accessed 9th June 2012]

Hıckman, M (2010) '21 workers die in fire at H&M factory', *The Independent UK*, Available from http://www.independent.co.uk/life-style/fashion/news/21-workers-die-in-fire-at-hm-factory-1914292 html> [Accessed 9th June 2012]

Hills, J & Welford, R (2005) 'Coca Cola and Water in India', Corporate Social Responsibility & Environmental Management, Vol 12, Issue 3, p 168-177

Hunt, P & Khosla, R (2010) 'Are Drug Companies Living Up to Their Human Rights Responsibilities? The Perspective of the Former United Nations Special Rapporteur (2002-2008)' *PLoS Clinical Trials*, Vol 7 Issue 9 p 1-3

Jobber, D & Fahy, J (2009) Foundations of Marketing London McGraw-Hill.

Kent, T & Stone, D (2007) 'The Body Shop and the role of design in retail branding', International Journal of Retail & Distribution Management, Vol 35, Issue 7, p531-543

Kotler, P (2004) 'Wrestling With Ethics', *Marketing Management*, 13 (6) 30-35 November/ December

Kotler, P. & Keller, K.L (2009) *A Framework for Marketing Management Integrated with PharmaSim* Pearson Prentice Hall, New Jersey

Kotler, P, Keller, K L, Brady, M, Goodman, M, & Hanson, T (2009) *Marketing Management* Pearson Education Limited, Edinburgh Gate, Essex

Lesch, W & Brinkmann, J (2011) 'Consumer Insurance Fraud/Abuse as co-creation and coresponsibility A New Paradigm *Journal of Business Ethics*, Vol 103, October, p 17-32

Maslow, A H (1954) Motivation and Personality, Harper and Row, New York

Mason, T (2000) 'Nike Axes 'Sweatshop' After BBC Investigation', Marketing, October, p

Marcoux, A, M (2003) 'A Fiduciary Argument Against Stakeholder Theory' Business Ethics Quarterly, Jan 13(1) 1-24

Martinez, B & Goldstein, J (2007) 'Big Pharma Faces Grim Prognosis', *Wall Street Journal* Available from < http://online.wsj.com/article/SB119689933952615133 html> [Accessed 6th June 2012]

Martinson, J (2000) 'Takeover of Ben & Jerry's may end in raspberry split', *The Guardian* Available from < http://www.guardian.co.uk/business/2000/mar/30/internationalnews.unilever> [Accessed 8th June 2012]

Matthews, I (2009) 'Fair trade in Beauty—Certification and care studies' *Global Cosmetic Industry* Vol 177, Issue 11, November, p 36-37

Matthews, T.L (1998) 'The Ford Pinto Case and The Development of Auto Safety Regulations, 1893-1978', *Business and Economic History*, Vol 27, Issue 2, Winter, p 390-402

McEachern, M G and McClean, P (2002) 'Organic purchasing motivations and attitudes are they ethical?', *International Journal of Consumer Studies* 26(2) 85

Ninimaki, K (2010) 'Eco-clothing, consumer identity and ideology', Sustainable Development Vol. 18, Issue 3, May/ June, p 150-162

O' Dwyer, B & Madden, G (2006) 'Ethical Codes of Conduct in Irish Companies A Survey of Code of Content and Enforcement Procedures', *Journal of Business Ethics*, Vol 63, Issue 3, p 217-236

78

Orin, R, M. (2008) 'Ethical Guidance and Constraint Under the Sarbanes- Oxley Act of 2002', Journal of Accounting, Auditing & Finance. 23(1) 141-171.

Page, A. & Katz, R.A. (2010) 'Ben and Jerry's' Vermont Law Review, Vol.35, Issue 1, p. 211-250

Pratt, M.K. (2009) 'Ethics: Harder In a Recession?' Computerworld, Vol. 43, Issue 26, August p.24

Price Waterhouse Coopers (2008) Sustainability: Are Consumers Buying It?, Price Waterhouse Coopers ,London Available from:<http://www.ukmediacentre.pwc.com/imagelibrary/downloadMedia.ashx?MediaDetails ID=1219> [accessed 16th June 2012]

Rapoport, C. & Martin, T, J. (1994) 'Nestle's brand building machine', Fortune, 130 (6) 147

Robinson, S. (2002) 'Nestle baby milk substitute and international marketing', *Case Histories in Business Ethics*, pp. 141-158

Rosin, H. (1995) 'The Evil Empire', New Republic, Vol. 213, Issue 11, September, p 22-25.

Saunders, M., Lewis, P. & Thornhill, A. (2009) *Research Methods for Business Students*. Pearson Education Limited, England.

Samuelson, J.F. (2004) 'Going Beyond Business Ethics', *Business& Economic Review*. July-September p. 7-10.

Schwartz, M, S. (2002) 'A Code of ethics for corporate code of Ethics', *Journal of Business Ethics*, November 41(1/2) 27-43.

Shaw, D., Grehan, E., Shiu, E., Hassan, L. Thomson, J. (2005) 'An exploration of values in ethical consumer decision making', *Journal of Consumer Behaviour 4(3) 185-200*.

Sillanpaa, M. (1998) 'The Body Shop Values Report- Towards Integrated Stakeholder Auditing', *Journal of Business Ethics*, Vol 17, Issue 13, October, p 1143-1456

Stenger, R, S (1991) 'Just say no with boycotts', Environmental Action, Sep/Oct 23(2)5-5

Teather, D(2010) 'Sold up but not sold out, Ben and Jerry are still the poster boys for fairtrade',TheGuardianAvailablefrom<http://www.guardian.co.uk/business/2010/apr/04/ben-jerrys-fairtrade-ethical-business>[Accessed 6th June 2012]

Trudel, R and Cotte, J (2008) 'Does being ethical pay?' Wall Street Journal-Eastern Edition Vol 251, issue 111 p R1-R4

Velasquez, M G, (2002) Business Ethics concepts and cases Prentice Hall, New Jersey

Waldholz, M (2000) 'Pfizer Plans to Provide Diflucan Drug At No Cost to South Africans With AIDS', *Wall Street Journal*

Walsh, H & Dowding, T. (2012) 'Sustainability and the Coca-Cola Company The Global Water Crisis and Coca Cola's Business Case for Water Stewardship', *International Journal of Business Insights Transformation* Vol 4 p 106-118

Weitzman, H. (2006) 'The bitter cost of 'fair trade' coffee', *Financial Times*, Available from. <<u>http://www_ft_com/intl/cms/s/2/d191adbc-3f4d-11db-a37c-</u> 0000779e2340 html#axzz247851MED> [Accessed 2 August 2012]

White, K, MacDonnell, R, Ellard, J,H (2012) 'Belief in a Just World Consumer Intentions and Behaviours toward Ethical Products', *Journal of Marketing* 76(1) 103-118

Chapter 8: Appendices





81.

;

Appendix 2: Five Stage Model of the Consumer Buying Process



Source Adapted from Kotler et al 2009

;

,

Appendix 3: Questionnaire

The ethical consumer and factors which influence ethical consumption

This questionnaire was compiled in part fulfilment of my thesis for an MSc in Management, I would kindly appreciate your time taken to fill out this short survey All information gathered is strictly confidential and participants will remain anonymous

Thank you for your time

Bernadette

"Ethics can be defined as morally right behaviour"

Question 1

Are you?

Male

Female

Question 2

What age bracket do you fall into?

25 years and under □

26- 35 years 🗆

36-45 years □

46 -55 years □

56 years and over □

83 -

Question 3.

What is your cu	rrent employn	nent status?	,							
Employed 🗆					Unem	ployed ⊏]			
Home maker □					retired	lo				
Student 🗆										
Question 4										
What individual annual income bracket would you fall into?										
20,000 and unde	er 🗆				20,000	0-30,000				
30,001-40,000 c	נ				40,00	1-50,000				
50,001 and over	. 🗆									
Question 5										
Do you believe	business ethic	s is import	ant?							
Yes 🗆					No 🗆					
Question 6										
When making	purchasing	decisions	do y	o u	thınk	people	should	take	ethics	into
consideration?										
S	Strongly agree	e agr	ee		dısagı	·ee	strongly	/ disag	ree	
			C	⊐∶					۵	
			8	84'						
				:						

' 1

When purchasing groceries please rank accordingly which would you consider to be of most importance <u>CURRENTLY</u>?

	Very important	ımportant	not important	ırrelevant
Price	D			
Quality				
Brand				
Ethical considerations			D	

(Including fair trade and organic)

Question 8

When purchasing groceries, <u>3-5 YEARS AGO</u> please rank accordingly which you would have considered to be of most importance

	Very important	important	not important	ırrelevant
Price	D		D	D
Quality	D	D		
Brand				
Ethical consideration	ns 🗆			D
(Including fair trade	and organic)			

In relation to purchasing clothing CURRENTLY please rank the following factors

-

I

	Very important	ımportant	not important	ırrelevant
Price		, '		
Quality				D
Brand		, □		
Ethical considerations				

(Including fair trade and organic)

Question 10

In relation to purchasing clothing 3-5 YEARS AGO please rank the following factors

ī

	Very important	ımportant	not important	ırrelevant
Price				
Quality				
Brand		' D		
Ethical considerations				

ł

86

(Including fair trade and organic)

v

Are you willing to pay a higher price for the following?

	Yes	No
Organic products		
Fair trade products		
Eco Friendly products		

Question 12

How often, if ever do you purchase the following?

	Regularly		Sometimes	Never
Fair trade		I		
Environmentally Friendly		1		
Organic		i		
Anımal Welfare				

•

.

If you purchase fair trade, organic, animal welfare or any other ethical products which of the following would be reasons for doing so?

	Strongly agree	agree '	neutral	disagree	strongly disagree
Health benefits					
Food tastes better					
Better for the environment	nt 🗆	D	Ċ		
Fairer treatment associate	ed				
with those who produ	ice it 🗆				

Question 14

Which of the following would describe why you do not purchase fair trade, organic, animal welfare or any other ethical products?

	Strongly agree	agree	neutral	disagree	strongly disagree
Lack of variety			, 		
Lack of information			:		
Not broadly available	۵		, D		
Price					

ł

If there has been negative publicity surrounding the ethical conduct of an organisation would you cease purchasing items from that organisation?

Yes 🗆

No 🗆

Have you been aware of this happening, and if so please provide an example

Question 16

Have there been any instances where the actions of a company have positively influenced you to purchase from them?

ł

Yes 🗆

No \square

Please provide an example if appropriate

Question 17

Are there specific groceries where you consider purchasing fair trade over other options? Please list

ī.



Are there foods you used to buy organically before the recession which you have now stopped purchasing as a result of the recession?

ł

Y es □	Ye	S I	
--------	----	-----	--

No 🗆

If Yes, why?

Question 19

Of the following list of organisations which would you consider to be ethical?

Coca cola		The Body Shop	
Nestle		Gap	
Starbucks	п . ,	H&M	
Prımark		Ben & Jerry's	
Nıke		Marks and Spencers	۵

Question 20.

What would encourage you to purchase more ethically produced goods?



ī

{

•

,

1

,