

Received: November 22, 2015

Revision received: February 27, 2016

Accepted: March 9, 2016

OnlineFirst: June 30, 2016

Copyright © 2016 • Turkish Journal of Business Ethics

[www.isahlakidergisi.com/en](http://www.isahlakidergisi.com/en)

DOI 10.12711/tjbe.2016.9.0019 • May 2016 • 9(1) • 70–89

Extended Abstract

# The Role of Fair Trade Trust on the Relationship of Fair Trade Knowledge, Fair Trade Adhesion, and Willingness to Pay Fair Trade Premium: The Case of Turkey\*

Sevdenur Kapusuz<sup>1</sup>  
Bilecik Seyh Edebali University

Halil Semih Kimzan<sup>2</sup>  
Eskişehir Osmangazi University

## Abstract

Nowadays, the increase of competition has made it difficult for small-scale producers and farmers to carry on their activities in the face of big business. These challenges have started to bring significance to fair trade, which aims to bring more equal footing to trade. This study investigates the impacts of fair trade knowledge on fair trade adhesion and on willingness to pay its premium cost, and the effect of a sense of trust in fair trade on these impacts. The study's first model examines the relationships among fair trade knowledge, fair trade adhesion, and sense of trust in fair trade; the second model examines the relationships among fair trade knowledge, willingness to pay its premium, and sense of trust in fair trade. The results obtained in the study revealed that fair trade knowledge has an impact on fair trade adhesion, and that fair trade trust has a partial mediating effect on this relationship. Additionally, the study's results show that fair trade knowledge affects willingness to pay its premium through fair trade trust. In other words, fair trade trust has a full mediating effect on the relationship between fair trade knowledge and willingness to pay its premium.

## Keywords

Fair trade • Fair trade knowledge • Willingness to pay fair trade premium • Fair trade adhesion • Fair trade trust

\* This study was based on Sevdener Kapusuz's (2015) master's thesis entitled "The role of fair trade trust in the relationships among fair trade knowledge, willingness to pay for fair trade products, and fair trade adhesion: The case of Turkey" under Halil Semih Kimzan's (PhD) supervision at Graduate School of Social Sciences, Eskişehir Osmangazi University, Eskişehir Turkey. An earlier version was presented at "20th National Marketing Symposium," a conference held at Eskişehir, Turkey, Anadolu University, June 10-13, 2015

1 Program of Marketing, Bozuyuk Vocational School, Bilecik Seyh Edebali University, Gülümbe Kampüsü, Eskişehir 11210 Turkey. Email: swde26@hotmail.com & sevdenur.kapusuz@bilecik.edu.tr

2 Correspondence to: Halil Semih Kimzan (PhD), Department of Business Administration, Faculty of Economics and Administrative Sciences, Eskişehir Osmangazi University, Meşelik Kampüsü, Eskişehir 26480 Turkey. Email: semih.kimzan@gmail.com & hskimzan@ogu.edu.tr

Citation: Kapusuz, S., & Kimzan, H. S. (2016). The role of fair trade trust on the relationship of fair trade knowledge, fair trade adhesion, and willingness to pay fair trade premium: The case of Turkey. *Turkish Journal of Business Ethics*, 9, 70–89.

Supporting small-scale enterprises plays a critical role in economy and public welfare. Increasing competition threatens the survival of these kinds of enterprises. Fair trade is a business partnership which aims to improve the working conditions and profitability of small-scale producers and farmers. Fair trade enables producers and farmers to operate sustainably rather than just passively helping them.

Fair trade is a lesser-known subject in Turkey. Also, small-scale producers and farmers in Turkey need this kind of application. The number of products which have fair trade labels on them is relatively low in Turkey. Knowledge of fair trade, adherence to it, trust in it, and a willingness to pay for fair trade products are critical for supporting small-scale producers. There is a lack of literature on fair trade in the context of Turkish consumers. This study aims to investigate the role of fair trade trust through the relationship between fair trade knowledge and willingness to pay for fair trade products. The study also analyzes the role of this trust over the relationship between fair trade knowledge and fair trade adherence.

### **The Concept of Fair Trade**

Fair trade aims to eliminate inequalities in influence and knowledge levels by decreasing the impact of failures in the relationship between supplier and seller (Nicholls & Opal, 2005, p. 6). The informal association of Fairtrade Labelling Organizations International, International Fair Trade Organization (now the World Fair Trade Organization), Network of European Worldshops, and European Fair Trade Association (FINE, 2001) defined fair trade as "... a trade partnership based on equality, dialogue, transparency, and respect." The goals of fair trade are given below:

- Improve producers' well-being
- Provide opportunities for disadvantaged producers
- Increase consumer awareness
- Develop a trade partnership model through respect, transparency, and dialogue
- Work towards changing the traditional rules of international trade
- Protect human rights (Redfern & Snedker, 2002, p. 11).

Fair trade and ethical consumption have different meanings (Stevens, 2008, p. 22). Clarke, Barnett, Cloke, and Malpass (2007, p. 584) stated that ethical consumption focuses on the "working conditions in the manufacturing process," while fair trade focuses on the "development of consumption, trade, and production in alternative areas." Nicholls (2002, p. 7) defined ethical consumption as "an important company policy related to corporate social responsibility" and fair trade as the "buyer-sup-

plier relationship with the aim of equality in exchange.” Fair trade is considered to be a subset of ethical consumption (Bird & Hughes, 1997). According to Reynolds (2002), developing ethical consumption is critical for developing fair trade.

Connolly and Shaw (2006, pp. 354–355) suggested considering the big picture. Fair trade involves trade partnership, transparency, sustainable development, and acknowledgement of human rights. Fair trade focuses on matters related to development while ethical consumption focuses on other matters (Stevens, 2008, p. 22).

### **Fair Trade Knowledge**

Consumer knowledge plays a critical role in ethical consumption, environmental responsibility, and fair trade (Shim, 1995). Individuals with knowledge about ethical consumption and fair trade can be more sensitive towards these things (Dickson & Littrell, 1996). Fair trade knowledge builds consumer trust in fair trade; therefore, they are willing to pay its premium. Ethical concerns are important for marketers because companies’ ethical behaviors affect their image and sales (Carrigan & Attalla, 2001; Mascarenhas, 1995).

Fair trade knowledge is defined as “the ability to define fair trade through all of its dimensions” (Pelsmacker, Janssens, Sterckx, & Mielants, 2006). Fair trade knowledge means knowing how to define fair trade (Pelsmacker & Janssens, 2007, p. 368). Environmental knowledge refers to protecting the natural environment, while social knowledge comprises other dimensions not involving environmental knowledge (Pelsmacker et al., 2006, p. 129).

If consumer knowledge levels increase, consumers are able to contribute to company objectives (Dickson, 2000, p. 28). Fair trade represents a bio-physical environment that actively involves nature in producing coffee, bananas, or chocolate (Bryant & Goodman, 2004, p. 357). The knowledge required by manufacturers in the North involves how the product originates (p. 358). Fair trade is considered to be a new perspective because of its focus on market-based development and political consumerism (p. 359). Consumers gather certain types of information that include the origin and distribution of products from fair trade networks (Cook & Crang, 1996; Goodman, 2004).

Fair trade labels and activist organizations provide knowledge to Northern consumers by explaining the social and psychological relationships between production and consumption (Goodman, 2004, p. 901). Knowledge both helps and limits ethical buying (Shaw & Clarke, 1999). Ethical relationships related to fair trade play a critical role in promoting it (Hughes, 2000).

Incorrect knowledge about fair trade may cause a lack of trust and downward trend in sales. The experiences of highly knowledgeable consumers with fair trade

are based on their current knowledge (Pelsmacker & Janssens, 2007, pp. 365–366). Perceived quality and quantity of knowledge determines the level of doubt (pp. 371–372). Fair trade knowledge affects fair trade adhesion, as well as the willingness to pay a premium for fair trade products (Kim, Lee, & Park, 2010).

### **Fair Trade Trust**

Trust plays a critical role in a wide range of matters, from environmental risk to rational choice (Mechanic, 1996, p. 455). It can be defined as the “willingness to be defenseless and open to risk” (Castaldo, Perrini, Misani, & Tencati, 2009, p. 6). Trust can be considered as a suitable tool for managing risks (Schoorman, Mayer, & Davis, 2007, p. 347). It is critical for relationships as well as for competition between organizations in today’s knowledge-based environment (Blomqvist, 2002; Seppanen, Blomqvist, & Sundqvist, 2007, p. 261). Willingness to take risks varies with one’s level of trust towards people, organizations, and circumstances (Mayer, Davis, & Schoorman, 1995). Trust is necessary for long-term relationships (Morgan & Hunt, 1994; Young & Wilkinson, 1989), and international projects (Usunier, 1990).

Trust, a result of inter-personal factors (Moorman, Deshpande, & Zaltman, 1993), can vary by different product types (Chaudhuri & Holbrook, 2001). Because trust depends on circumstances, making a definition of trust suitable for all fields is difficult (Blomqvist, 1997). Trust is based on consumers’ past experiences. The future intentions of infrequent buyers are based on satisfaction, while the future intentions of frequent buyers are based on trust and loyalty (Garbarino & Johnson, 1999). If consumers do not have any information on fair trade, information should be provided in order to form trust (Castaldo et al., 2009). Consumer trust is related to brand loyalty and the willingness to pay price premium. Labeling also affects trust. When consumers think that fair trade organizations respect individuals’ rights, they can put their trust in products with fair trade labels (Castaldo et al., 2009). One of the aims of the World Fair Trade Organization’s tracking system is to make fair trade trustworthy (Davenport & Low, 2013).

Organizations which sell ethical products can benefit from customers’ image perceptions of companies and their products (Pergelova & Angulo-Ruiz, 2013). To consider a company as ethical affects consumers’ trust (Kennedy, Ferrell, & LeClair, 2001). Explanations on labels should be simple and clear in order to form trust (Zadek, Lingayah, & Forstater, 1998). Trust in fair trade organizations and in their labels positively affects willingness to pay a premium price (Pergelova & Angulo-Ruiz, 2013).

### **Fair Trade Adhesion**

Ethical consumers connect with social and environmental policies (Strong, 1996). Ethical consumers purchase fair trade products in order to improve the working condi-

tions of manufacturers who have to work through poor conditions and low wages, and in order to provide them with fair wages. [Bezençon and Blili \(2010, p. 1309\)](#) showed the need for a concept that measures the adhesion of consumer values in their decision to purchase ethical products and that measures the principles in that product base.

Ethical product adhesion has been defined as “the measure of consumers’ ethical product purchases as a result of underlying ethical principles” ([Bezençon & Blili, 2010, p. 1309](#)). The concept of ethical product adhesion, while adapting [Mittal and Lee’s \(1989\)](#) model (which measures suggested, continuous, or situational interests as a concept that determines involvement of ethical product choice) to ethical consumption, is stated to have a stable quality. [Bezençon and Blili \(2010, p. 1317\)](#), who held onto the theory of planned behavior that [Shaw and Shui \(2003\)](#) developed, have been driving forth the need up to today for applied consumer behavior models to be adopted onto ethical product adhesion.

Fair trade adhesion has been defined as “the extent to which consumers buy ethical products because of their underlying ethical principles” ([Bezençon & Blili, 2010, p. 1309](#)). The need is felt to define the underlying principles of fair trade in order to make an operational structure of fair trade adhesion. From the conceptual framework and the literature on fair trade, three basic principles have been identified that could lead the way to fair trade adhesion in consumers ([Bezençon & Blili, 2010, p. 1313](#)): (a) empowering small producers, (b) better working conditions, and (c) respect for the environment.

As a result of their study, empowering manufacturers and better working conditions were seen to be more important dimensions. In accordance with their work, it has been expressed that consumers’ perceptions of fair trade would be directed more socially and economically. As such, this situation can explain much of the focus of fair trade standards on economic and social aspects ([Bezençon & Blili, 2010; Reynolds, 2002](#)). While environmental conditions may be extremely important for a person who buys fair trade products, it may be more effective for someone else to contribute to the working conditions of small manufacturers ([Bezençon & Blili, 2011, p. 689](#)).

It has been suggested that guidance be given according to communications for fair trade adherence, to the underlying causes of the principles of fair trade (fortifying small manufacturers, better working conditions, and respect for the environment), and to the level of importance in consumer sections. For example, it was determined that in a group who only shop at supermarkets, that the environment has no impact on the size of their fair trade adhesion, whereas for the group who shop in world stores and supermarkets, the environment is an important aspect ([Bezençon & Blili, 2011](#)).

## Willingness to Pay Fair Trade Premium

Many products with ethical features tend to be more expensive than competing products. Ethics may have a premium in products for the following reasons: (a) the guaranteed price for manufacturers, (b) percentage of cost allocated for development projects in fair trade manufacturing communities, and (c) high costs of manufacture and/or certification (Tallontire, Rentsendorj, & Blowfield, 2001, p. 21).

Trudel and Cotte (2009) stated that consumers have a willingness to pay more for ethical products than for non-ethical products, and they are prepared to pay more for products that are manufactured in a socially responsible manner. Consumer knowledge is said to be a positive factor in their willingness to pay premium prices; for products that have been produced under ethical conditions, their willingness to pay premium prices increases with their awareness.

“One pays a premium to fair trade manufacturers for the characteristics of fair trade production. This premium is the difference between what the market price is and what ethical consumers will pay for the alternative of fair trade” (Doran, 2010, p. 528). The real benefit that fair trade labels provide in addition to the development of small manufacturers is the creation of Western consumers’ willingness to pay a premium price for products with fair trade labels. In order for the high premium price imposed on customers to be acceptable, and thus improve the conditions of small manufacturers who have been forced to make a living with a low income, consumers must know the reasons and processes underlying the fair trade label (Basu & Hicks, 2008).

The reason that products with fair trade labels are higher priced than those without these labels stems from the specific supervision and certification needed in order for fair trade products to be reliable (Pelsmacker, Driesen, & Rayp, 2005, p. 368). Together with this, Sunderman and Rössel (2012) showed that aside from economic factors, moral incentives must also be taken into account in fair trade purchasing behavior, and moral motives might even have a greater impact than economic factors. Salvador, Merchant, and Alexander (2014) revealed that religious adhesion is positively related with consumers’ willingness to pay a premium cost for fair trade products.

Certain social objectives are desired for achievement through fair trade products, which include providing a price floor for indigent manufacturers in developing countries, not employing child labor, providing acceptable working hours and conditions, and having a minimum wage. It is also attempted through fair trade labels to resolve issues that form from not being aware or from false understandings of these social goals in order that consumers will want to pay the higher premium to fair trade manufacturers. Creating a minimum price of goods for manufacturers who participate in fair trade, providing them loans, aiming for the direct development of indigent manufacturers, and having fair trade products that are grown organically and that are

environmentally sustainable are factors that create the willingness in consumers to pay a premium price for fair trade products (Basu & Hicks, 2013, pp. 1, 8–9).

Increasing consumers' interests in wholesome food and environmental issues creates in them the desire to consume higher quality products and be environmentally friendly. In this way, consumers are able to pay a higher premium price for food that is produced in conditions that don't harm the environment and that provide positive incentives to the manufacturers (Basu, Chau, & Grote, 2003, p. 229). Agricultural goods that can be stated to have been produced without harming the environment, which is the aim of eco-labels, can allow consumers to accept paying a higher premium price for foods that are produced under these conditions. The high premium costs provided to manufacturers motivates them to realize turnout in conditions appropriate for environmental sustainability (Basu, Chau, & Grote, 2004).

Taylor and Boasson (2014) stated in their study on households that a certain portion of the participants had heard of fair trade, but only a quarter of those who had knowledge purchased fair trade products; also, the percentage above normal that they were willing to pay for fair trade goods was a price premium of 20%. Didier and Lucie (2008) concluded that organic and fair trade labels increased consumers' willingness to pay. In their study's results, they identified three different types of consumers: those who are insensitive of labels, those who think organic and fair trade labels are important for improving the image of a product, and those who evaluate these labels according to the product's taste.

Howard and Allen (2008) revealed in their research that consumers in the USA are willing to pay more for strawberries in order to provide better working conditions and a living wage for small manufacturers. Continuing with consumers who buy organic products, those who make purchases while taking into account environmental concerns are willing to pay a greater premium price. Pelsmacker et al. (2005) determined that Belgian consumers were willing to pay a 10% premium on average for fair trade coffee. Moreover, consumers who exhibit a positive attitude towards ethical products were demonstrated not to always exhibit this attitude.

Yang, Hu, Mupandawana, and Liu (2012) identified that women were more willing to pay a premium price for fair trade coffee in their research. Consumers' past experiences were important indicators of their willingness to pay a premium price, and demographics were a factor that affected this willingness; because of this, consumers who have different experiences and demographic features will differentiate between the premium price they are willing to pay for fair trade coffee. It was emphasized that coffee drinkers in China were comprised of mostly young drinkers. Ethical obligations and self-identity were seen to play an important role in the willingness to pay for fair trade products (Özçağlar-Toulouse, Shiu, & Shaw, 2006).

## **Purpose**

The purpose of this research is an attempt to determine how the relationships of Turkish consumers' knowledge of fair trade and their sense of trust in fair trade impact their willingness to pay its premium and their fair trade adhesion.

## **Hypotheses**

H1: There is a positive relationship between fair trade knowledge and fair trade adhesion.

H2: There is a positive relationship between fair trade trust and fair trade adhesion.

H3: Fair trade trust has a mediating effect (as a mediating variable) on the relationship of fair trade knowledge and adhesion.

H4: There is a positive relationship between fair trade knowledge and willingness to pay fair trade premium.

H5: There is a positive relationship between fair trade trust and willingness to pay fair trade premium.

H6: Fair trade trust has a mediating effect on the relationship of fair trade trust and willingness to pay fair trade premium.

H7: There is a positive relationship between fair trade knowledge and trust.

## **Research Method**

This study uses the descriptive research method in line with the purposes of the research. The purpose of descriptive research is to explain a situation or topic that is being studied through the relationships between variables (Altunışık et al., 2012, p. 72). The descriptive method has been used to determine the relationships among fair trade knowledge, trust, adhesion, and willingness to pay its premium.

## **The Sample**

In the process of collecting data for the study, 420 people were obtained through the convenience sampling method. However, 14 of these individuals were excluded for leaving some statements contained in the questionnaire blank; the remaining 406 questionnaires were subjected to analysis. The individuals who participated in the research by answering the questionnaire were 18 years of age or above. The demographic characteristics of the respondents are shown in Table 1.

Table 1  
*Demographic Characteristics of the Sample*

Gender	f	%
Female	151	37.2
Male	255	62.8
TOTAL	406	100.0
Marital Status	f	%
Married	69	17.0
Single	337	83.0
TOTAL	406	100.0
Age	f	%
18 or under	5	1.2
19-25	223	54.9
26-32	136	33.5
33-39	22	5.4
40 or over	20	5.0
TOTAL	406	100.0
Education Level	f	%
Master's or Doctorate	85	20.9
Undergraduate	280	69.0
High School	30	7.4
Middle School	5	1.2
Primary School	6	1.5
TOTAL	406	100.0
Monthly Income Range	f	%
1,000 Turkish Liras (TL) or less	147	36.2
1,001-2,000 TL	106	26.1
2,001-3,000 TL	76	18.7
3,001-4,000 TL	43	10.7
4,001-5,000 TL	7	1.7
5,001-6,000 TL	8	2.0
6,001 TL and above	19	4.7
TOTAL	406	100.0
Profession	f	%
Student	158	38.9
Private sector employee	97	23.9
Public sector employee	61	15.0
Business owner	24	5.9
Other	66	16.3
TOTAL	406	100.0

### Data Collection Method

In the study, questionnaires were benefitted from as a data collection tool. Questions were asked to the individuals in the study by way of the Internet. While assembling and translating questionnaires from the literature, their appropriateness for local cultural language was considered. The measuring statements that occurred on the questionnaire and the resources they utilized are as follows:

- Questions 1, 2, and 3 measured whether or not they knew how to give a complete definition of fair trade (Pelsmacker & Janssens, 2007).
- Questions 4, 5, 6, and 7 were designed to measure the reason for adhesion that directed individuals to purchase fair trade products (Bezençon & Blili, 2011).
- Questions 8, 9, and 10 were designed to measure individuals' fair trade trust (Castaldo et al., 2009).
- Questions 11, 12, and 13 were designed to measure individuals' willingness to pay the price premium for fair trade goods (Castaldo et al., 2009).
- Questions 14 through 19 were designed to measure individuals' demographic characteristics.

On the questionnaire, measurements were graded using a 5-point Likert-type scale where (1) is *strongly disagree*; (2), *disagree*; (3), *neither agree nor disagree*; (4), *agree*; and (5), *strongly agree*. During the data collection process of the research, information was given to the people who answered the questionnaire about the purpose of the survey before they started filling in the questionnaire.

### Data Analysis

The models that were tested in the research are shown in Figures 1 and 2.

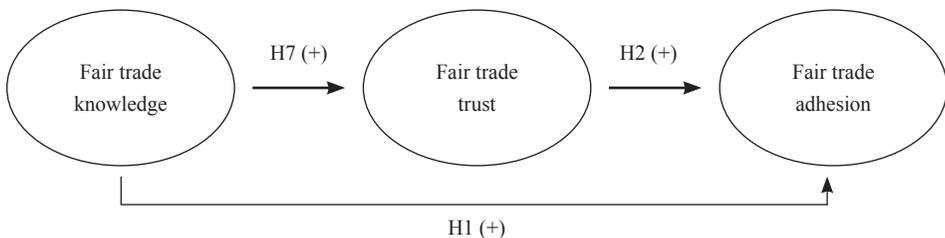


Figure 1. First model tested in the study.

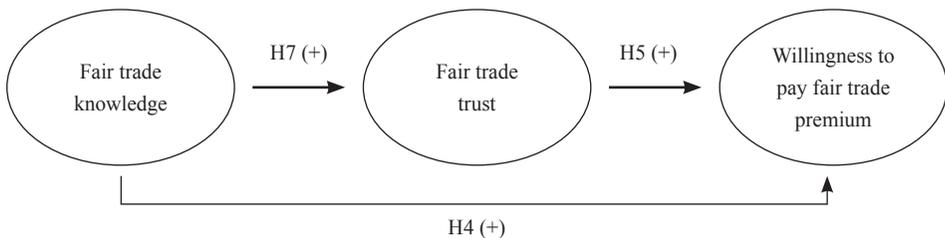


Figure 2. Second model tested in the study.

The results of factor analysis are given in Table 2. All scales were reduced to one factor. The percentages of variance for the Fair Trade Knowledge, Fair Trade Trust,

Fair Trade Adhesion, and Willingness to Pay Fair Trade Premium scales were 77.027, 79.760, 63.826, and 78.351, respectively.

The reliability of the scales and Cronbach’s alpha-values are also shown in Table 2. Cronbach’s alpha-values for the Fair Trade Knowledge, Fair Trade Trust, Fair Trade Adhesion, and Willingness to Pay Fair Trade Premium scales were 0.849, 0.872, 0.810, and 0.862, respectively.

Table 2  
Factor Analysis Results and Cronbach’s Alpha-Values Related to the Scales

Expressions That Took Place on the Scales	Factor loading	Cronbach’s $\alpha$
<b>Fair Trade Knowledge</b>		
1. Fair trade aims to create better business conditions for farmers and workers in developing countries.	0.895	
2. Fair trade endeavors to pay more honest prices to manufacturers in developing countries.	0.895	0.849
3. Fair trade strives for the sustainable development of excluded and/or disadvantaged manufacturers in developing countries.	0.842	
Kaiser-Meyer-Olkin (KMO) = 0.717; $\chi^2 = 539.773$ ; Degrees of freedom = 3; $p < .01$ ; % of variance = 77.027		
<b>Fair Trade Trust</b>		
1. I can always trust in fair trade.	0.904	
2. I believe in fair trade.	0.904	0.872
3. Fair trade products are reliable.	0.871	
KMO = 0.734; $\chi^2 = 606.764$ ; Degrees of freedom = 3; $p < .01$ ; % of variance = 79.760		
<b>Fair Trade Adhesion</b>		
1. I buy fair trade products to provide more strength to small-scale manufacturers in international trade.	0.845	
2. I buy fair trade products because I think the people involved in the manufacture of these products have better working conditions than others.	0.792	0.810
3. I buy fair trade products because I think these products are more environmentally friendly than others.	0.784	
4. I buy fair trade products because I think this is a way of bringing justice to trade.	0.773	
KMO = 0.784; $\chi^2 = 512.441$ ; Degrees of freedom = 6; $p < .01$ ; % of variance = 63.826		
<b>Willingness to Pay for Fair Trade Premium</b>		
1. If it’s necessary that I spend more, it would be better to buy fair trade products.	0.900	
2. I’m willing to pay a higher price for fair trade products.	0.884	0.862
3. Even though the price of other products decrease, I still buy fair trade products.	0.871	
KMO = 0.732; $\chi^2 = 562.521$ ; Degrees of freedom = 3; $p < .01$ ; % of variance = 78.351		

Univariate and multivariate regression analyses were performed in this research. For testing the research model, the method suggested by Baron and Kenny (1986) for measuring the mediation effect was used. In this regard, how relationships changed were investigated between the dependent variable and independent variable, between the mediating variable and the independent variable, between the dependent variable and the mediating variable, and lastly between the dependent variable and the independent variable when the mediating variable was added to the model.

Univariate regression analysis was used in order to test Hypothesis 7, the relationship between fair trade knowledge (independent variable) and fair trade trust (dependent variable;  $F = 145.281, p < .01$ ). Fair trade knowledge as the independent variable explained 26.8% of the variance (adjusted  $R^2 = 0.268$ ) of fair trade trust, the dependent variable. The  $\beta$ -value of the variable of fair trade knowledge was 0.519 ( $t = 12.053, p < .01$ ).

Table 3  
Regression Analysis Results Related to Fair Trade Knowledge and Fair Trade Trust's Impact on Fair Trade Adhesion

Model No.	Regression Equation	Adjusted $R^2$	$SD$	$F$	$p$
1	$ATB = b_0 + b_1 \times B^*$	0.346	0.899	210.049	.000
2	$ATB = b_0 + b_1 \times G^*$	0.445	0.829	310.803	.000
3	$ATB = b_0 + b_1 \times B + b_2 \times G^*$	0.514	0.775	205.507	.000
Conversion Factors					
Model No.	$\beta$	$t$	$p$		
1 (Constant)		11.454	.000		
B	0.590	14.493	.000		
2 (Constant)		11.779	.000		
G	0.668	17.630	.000		
3 (Constant)		6.696	.000		
B	0.317	7.599	.000		
G	0.500	11.983	.000		

\* ATB = Fair Trade Adhesion; B = Fair Trade Knowledge; G = Fair Trade Trust

Univariate regression analysis was used in order to investigate Hypothesis 1, the relationship of fair trade knowledge (independent variable) with fair trade adhesion (dependent variable;  $F = 210.049, p < .01$ ). When examining Model 1 located in Table 3, fair trade knowledge (independent variable) is seen to explain 34% of the variance for fair trade adhesion (dependent variable). In other words, 34% of fair trade adhesion can be said to be related to fair trade knowledge. Univariate regression analysis was used to investigate Hypothesis 2, the relationship between fair trade trust (independent variable) and fair trade adhesion (dependent variable;  $F = 310.803, p < .01$ ). In Model 2, fair trade trust as the independent variable explained 44% of the variance of the dependent variable of fair trade adhesion. In other words, 44% of fair trade adhesion can be said to be related with fair trade trust.

With the intention of testing the mediation effect, Hypothesis 3 benefitted from univariate and multivariate regression analyses. In this context, multivariate regression analysis was used to investigate the relationship of fair trade adhesion (dependent variable) with fair trade knowledge and fair trade trust (independent variables;  $F = 205.507, p < .01$ ). When looking at Model 3, the independent variables of fair trade knowledge and fair trade trust are seen to explain 51% of the variance in the dependent variable of fair trade adhesion. That is, 51% of fair trade adhesion can be said to be related to these independent variables. A significance level of  $p < .01$  shows that a

relationship between variables is statistically significant. According to the univariate regression result, while the  $\beta$ -value of fair trade knowledge in Model 1 was 0.590, the  $\beta$ -value decreased to 0.317 when fair trade trust was included in the model (Model 3). In this regard, the variable of fair trade trust was seen to have a partial mediating effect on the relation of fair trade knowledge and fair trade adhesion.

Table 4  
Regression Analysis Results Related to Fair Trade Knowledge and Fair Trade Trust's Impact on Willingness to Pay Fair Trade Premium

Model No.	Regression Equation	Adjusted R <sup>2</sup>	SD	F	p
1	ATPÖ = b <sub>0</sub> + b <sub>1</sub> xB*	0.113	0.878	52.056	.000
2	ATPÖ = b <sub>0</sub> + b <sub>1</sub> xG*	0.358	0.747	219.657	.000
3	ATPÖ = b <sub>0</sub> + b <sub>1</sub> xB + b <sub>2</sub> xG*	0.357	0.746	109.694	.000
Conversion Factors					
Model No.	$\beta$	t	p		
1 (constant)		9.547	.000		
B	0.340	7.215	.000		
2 (constant)		6.298	.000		
G	0.600	14.821	.000		
3 (constant)		4.593	.000		
B	0.064	1.340	.181		
G	0.565	11.916	.000		

\* ATPÖ = Willingness to Pay Fair Trade Premium; B = Fair Trade Knowledge; G = Fair Trade Trust

Univariate regression analysis was used to investigate Hypothesis 4, the relationship of willingness to pay fair trade premium (dependent variable) with fair trade knowledge (independent variable;  $F = 52.056, p < .01$ ). In Table 4, when examining Model 1, fair trade knowledge as the independent variable is seen to explain 11% of the variance for the dependent variable, willingness to pay the premium of fair trade. That is, 11% of the willingness to pay fair trade premium can be said to be dependent on fair trade knowledge. In order to test Hypothesis 5, the relationship between willingness to pay fair trade premium (dependent variable) and fair trade trust (independent variable), univariate regression analysis was used ( $F = 219.657, p < .01$ ). In Model 2, fair trade trust as the independent variable explained 35% of the variance of the dependent variable, willingness to pay the premium of fair trade. In other words, 35% of the willingness to pay fair trade premium can be said to depend on the sense of trust in fair trade.

To test its mediating effect (Hypothesis 6), univariate and multivariate regression analyses were utilized. In this context, multivariate regression analysis was used to examine the relation of willingness to pay the premium of fair trade (dependent variable) with the independent variables of fair trade knowledge and fair trade trust ( $F = 109.694, p < .01$ ). In Model 3, the independent variables of fair trade knowledge and trust explained 35% of the variance of the dependent variable of willingness to pay fair trade premium. That is to say, 35% of the willingness to pay fair trade's premium can be

said to depend on these independent variables. A level of significance of  $p < .01$  shows that the relationship between these variables is statistically significant. According to the result of univariate analysis, while the impact of fair trade knowledge on willingness to pay fair trade premium was statistically significant in Model 1, when fair trade trust was included in the model (Model 3) with fair trade knowledge, their impact on willingness to pay fair trade premium became statistically insignificant. In this context, the variable of fair trade trust is seen to have a full mediating effect on the relationship between fair trade knowledge and willingness to pay fair trade premium.

### Results and Suggestions

Together with the increase in competition that is experienced these days, initiatives that improve manufacturers and farmers' negative working conditions have gained much importance in terms of the economic system. Globalization, individualization, and an increase in consciousness have influenced consumers' choices in the market. Consumers can support manufacturers and farmers who have been adversely affected by this competition through the choices they display at the market. The development of communication technologies provides the opportunity for consumers to attain knowledge individually. Thus, consumers can individually evaluate market practices through the knowledge they themselves have gained. These effects and conditions have managed to bring importance to fair trade, which aims to provide better working conditions and living wages to disadvantaged manufacturers and farmers. Fair trade has been seen to affect consumers' choices and to protect disadvantaged manufacturers from competitive environments that have increased with globalization.

Trust is extremely important for fair trade. Trust is a fundamental concept required for long-term relationships in marketing, as well as in their continuance (Morgan & Hunt, 1994; Young & Wilkinson, 1989). Because there is a premium price for fair trade products, consumers need to be able to rely on fair trade in order to want to pay this premium from among the various product types (Castaldo et al., 2009). Trust is the first step in being able to realize fair trade. For consumers who have no knowledge about fair trade and in the case where fair trade is a relatively new option for them, they need effective information to rely on fair trade (Castaldo et al., 2009). The findings of this study significantly support the importance that has been given to trust in the literature on marketing for the following reasons:

- Fair trade is a new concept for Turkish consumers. Therefore, the ability to realize fair trade practices largely depends on the sense of trust in fair trade.
- Fair trade trust is important for consumers to pay the high price due to the premiums that come with fair trade products.

- The current study has demonstrated the important role of fair trade trust in the formation of fair trade adhesion. The ability of consumers to form fair trade adhesion largely depends on their trust in fair trade.

In this study, fair trade trust has been seen to have a mediating effect on the relationship of fair trade knowledge and adhesion. The study also shows the mediating effect that fair trade trust has on the relationship of fair trade knowledge and willingness to pay the premium of fair trade; in this way, it can be said to enrich the literature. The conclusions reached in this study are hoped to contribute to practitioners in this field, to academicians, and to the literature on marketing. The results obtained in this study are as follows:

The majority of individuals who participated in the data collection process by responding to the survey were male (62.8%). When looking at the marital status of the participants, a vast majority of them (83%) were seen to be single. More than half of the people surveyed (54.9%) were between the ages of 19 and 25. The majority of participating individuals had an undergraduate level of education (69%). Participating individuals' level of income were first found in the 1,000 Turkish liras or less per month (36.2%) and the 1,001-2,000 TL per month (26.1%) ranges. The occupational groups of the participants were seen to first be students (38.9%) and secondly as private sector employees (23.9%). The complete group of participants in the study who were employed formed 44.8% of the occupational groups (public sector and private sector employees, as well as business owners). Based on these data, the biggest group of participating individuals consisted of students and employees who were young, single, with an undergraduate degree, male, and had a monthly income of 2,000 Turkish liras or less.

The research results of the data obtained applicable to Model 1 discussed the concepts of fair trade knowledge, trust, and adhesion. The examination and results of fair trade knowledge's impact on fair trade adhesion revealed a significant and positive effect. Therefore, the allocation of time for activities that build individuals' awareness of fair trade would be an important step in achieving the goals of organizations that intend to form fair trade adhesion. Fair trade trust was determined to have a significant, positive effect on fair trade adhesion. For this reason, organizations that want to form fair trade adhesion in individuals should bring to life practices that allow individuals to trust in fair trade. The mediating effect of fair trade trust on the relationship of fair trade knowledge and adhesion was examined. Individuals who increased their fair trade knowledge increased their fair trade adhesion, and fair trade trust was determined to have a partial mediating impact on this relationship. In this context, the work of organizations that intend to create fair trade adhesion to also establish a sense of trust in fair trade would be important.

Model 2 of the research investigated the concepts of fair trade knowledge, trust, and willingness to pay fair trade premium. The results of the research revealed that fair trade knowledge has a significant and positive impact on willingness to pay the premium of fair trade. As individuals' knowledge of fair trade increased, so did their willingness to pay the premium for fair trade products. Because of the high premium costs found in fair trade products, organizations that seek to increase their sales of fair trade products must inform individuals about the aims, activities, and benefits of fair trade in order for them to accept the high premium costs. Trust in fair trade was seen to have a significant and positive relationship on fair trade premium payment willingness. Because of the reasons that fair trade trust has a rather large impact on willingness to pay the premium for fair trade products, allocating time for activities and practices that increase individuals trust in fair trade would be of key importance for organizations that want to increase the sales of fair trade products. The results of the research have shown that fair trade trust has a full mediating effect on the relationship between fair trade knowledge and willingness to pay the premium for fair trade. In this context, working to establish a sense of trust in fair trade alongside fair trade knowledge would be important for creating in consumers the willingness to pay the premium of fair trade.

Fair trade knowledge was determined to have a significant and positive impact on fair trade trust. As individual's fair trade knowledge increased, so did their trust in fair trade. Fair trade knowledge is an important element in creating fair trade trust. Organizations that want to create fair trade trust should design informative and promotional programs directed towards raising individuals' awareness about the aims and practices of fair trade.

Due to time and cost constraints, the participants were determined through convenience sampling. Future studies can investigate the relationship of fair trade knowledge with other variables outside the scope of this research geared towards students or other specific professional groups. These fair trade products with their premium price are more expensive compared to normal products. With this reason, future research could, while focusing on individuals in higher income brackets, measure their willingness to pay premium prices.

Holding promotional programs and activities directed at Turkish consumers for creating awareness of fair trade could pioneer the promotion of fair trade practices in the context of Turkey. Fair trade, while organizing small-scale manufacturers and farmers into cooperatives and associations, empowers them and provides them with opportunities to establish long-term relations. Fair trade practices help enable women to participate in work life alongside small manufacturers and farmers, and prevent children from getting hurt in inappropriate work environments. Fair trade practices

prepare the groundwork for forming greater equality, fairness, and respect in trade. It is based on sustainable development, and as such, would help to improve Turkey's economy. The introduction and implementation of fair trade in Turkey would provide significant benefits for disadvantage manufacturers, farmers, women, and children.

### Kaynakça/References

- Altunışık, R., Coşkun, R., Bayraktaroğlu, S., & Yıldırım, E. (2012). *Sosyal bilimlerde araştırma yöntemleri: SPSS uygulamalı* [Research methods in the social sciences: SPSS applied] (7th ed.) Sakarya, Turkey: Sakarya Yayıncılık.
- Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator distinction in social psychology research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, 51(6), 1173–1182.
- Basu, A. K., Chau, N. H., & Grote, U. (2003). Eco-labeling and stages of development. *Review of Development Economics*, 7(2), 228–247.
- Basu, A. K., Chau, N. H., & Grote, U. (2004). On export rivalry and the greening of agriculture: The role of eco-labels. *Agricultural Economics*, 31(2/3), 135–147.
- Basu, A. K., & Hicks, R. L. (2008). Label performance and the willingness to pay for fair trade coffee: A cross-national perspective. *International Journal of Consumer Studies*, 32(5), 470–478.
- Basu, A. K., & Hicks, R. L. (2013). *Poverty alleviation through social labeling programs? Information valuation and willingness to pay for fair trade coffee*. Retrieved from <http://www.maxwell.syr.edu/uploadedFiles/econ/seminars/Basu%20%20Fair%20Trade-0413.pdf>
- Bezençon, V., & Blili, S. (2010). Ethical products and consumer involvement: What's new? *European Journal of Marketing*, 44(9/10), 1305–1321.
- Bezençon, V., & Blili, S. (2011). Segmenting the market through the determinants of involvement: The case of fair trade. *Psychology & Marketing*, 28(7), 682–708.
- Bird, K., & Hughes, D. R. (1997). Ethical consumerism: The case of “fairly-traded” coffee. *Business Ethics: A European Review*, 6(3), 159–167.
- Blomqvist, K. (1997). The many faces of trust. *Scandinavian Journal of Management*, 13(3), 271–286.
- Blomqvist, K. (2002). *Partnering in the dynamic environment: The role of trust in asymmetric partnership formation* (Doctoral dissertation, Lappeenranta University of Technology). Retrieved from [www.doria.fi/handle/10024/38551](http://www.doria.fi/handle/10024/38551)
- Bryant, R. L., & Goodman, M. K. (2004). Consuming narratives: The political ecology of “alternative” consumption. *Transactions of the Institute of British Geographers*, 29(3), 344–366.
- Carrigan, M., & Attalla, A. (2001). The myth of the ethical consumer: Do ethics matter in purchase behavior? *Journal of Consumer Marketing*, 18(7), 560–578.
- Castaldo, S., Perrini, F., Misani, N., & Tencati, A. (2009). The missing link between corporate social responsibility and consumer trust: The case of fair trade products. *Journal of Business Ethics*, 84(1), 1–15.
- Chaudhuri, A., & Holbrook, M. B. (2001). The chain of effects from brand trust and brand affect to brand performance: The role of brand loyalty. *Journal of Marketing*, 65(2), 81–93.

- Clarke, N., Barnett, C., Cloke, P., & Malpass, A. (2007). The political rationalities of fair-trade consumption in the United Kingdom. *Politics and Society*, 35(4), 583–607.
- Connolly, J., & Shaw, D. (2006). Identifying fair trade in consumption choice. *Journal of Strategic Marketing*, 14(4), 353–368.
- Cook, I., & Crang, P. (1996). The world on a plate: Culinary culture, displacement, and geographical knowledges. *Journal of Material Culture*, 1(2), 131–153.
- Davenport, E., & Low, W. (2013). From trust to compliance: Accountability in the fair trade movement. *Social Enterprise Journal*, 9(1), 88–101.
- Dickson, M. A. (2000). Personal values, beliefs, knowledge, and attitudes relating to intentions to purchase apparel from socially responsible businesses. *Clothing and Textiles Research Journal*, 18(1), 19–30.
- Dickson, M. A., & Littrell, M. A. (1996). Socially responsible behavior: Values and attitudes of the alternative trading organization consumer. *Journal of Fashion Marketing and Management*, 1(1), 50–69.
- Didier, T., & Lucie, S. (2008). Measuring consumer's willingness to pay for organic and fair trade products. *International Journal of Consumer Studies*, 32(5), 479–490.
- Doran, C. J. (2010). Fair trade consumption: In support of the out-group. *Journal of Business Ethics*, 95(4), 527–541.
- FINE. (2001, December). *Fair trade definition and principles*. Retrieved from <http://onevillage.org/fairtradedefinition.pdf>
- Garbarino, E., & Johnson, M. S. (1999). The different roles of satisfaction, trust, and commitment in customer relationships. *Journal of Marketing*, 63(2), 70–87.
- Goodman, M. K. (2004). Reading fair trade: Political ecological imaginary and the moral economy of fair trade foods. *Ethics in Political Geography*, 23(7), 891–915.
- Howard, P. H., & Allen, P. (2008). Consumer willingness to pay for domestic “fair trade”: Evidence from the United States. *Renewable Agriculture and Food Systems*, 23(3), 235–242.
- Hughes, A. (2000). Retailers, knowledges, and changing commodity networks: The case of the cut-flower trade. *Geoforum*, 31(2), 175–190.
- Kennedy, M. S., Ferrell, L. K., & LeClair, D. T. (2001). Consumers' trust of salesperson and manufacturer: An empirical study. *Journal of Business Research*, 51(1), 73–86.
- Kim, G.-S., Lee, G. Y., & Park, K. (2010). A cross-national investigation on how ethical consumers build loyalty toward fair trade brands. *Journal of Business Ethics*, 96(4), 589–611.
- Mascarenhas, O. A. J. (1995). Exonerating unethical marketing behaviors: A diagnostic framework. *Journal of Marketing*, 59(2), 43–57.
- Mayer, R. C., Davis, J. H., & Schoorman, F. D. (1995). An integration model of organizational trust. *Academy of Management Review*, 20(3), 709–734.
- Mechanic, D. (1996). The logic and limits of trust. *Contemporary Sociology*, 25(4), 455.
- Moorman, C., Deshpande, R., & Zaltman, G. (1993). Factors affecting trust in market research relationships. *Journal of Marketing*, 57(1), 81–101.
- Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing*, 58(3), 20–38.
- Nicholls, A. J. (2002). Strategic options in fair trade retailing. *International Journal of Retail and Distribution Management*, 30(1), 6–17.

- Nicholls, A. J., & Opal, C. (2005). *Fair trade: Market-driven ethical consumption*. London, UK: Sage.
- Özçağlar-Toulouse, N., Shiu, E., & Shaw, D. (2006). In search of fair trade: Ethical consumer decision making in France. *International Journal of Consumer Studies*, 30(5), 502–514.
- Pelsmacker, P. D., Driesen, L., & Rayp, G. (2005). Do consumers care about ethics? Willingness to pay for fair-trade coffee. *The Journal of Consumer Affairs*, 39(2), 363–385.
- Pelsmacker, P. D., & Janssens, W. (2007). A model for fair trade buying behavior: The role of perceived quantity and quality of information and of product-specific attitudes. *Journal of Business Ethics*, 75(4), 361–380.
- Pelsmacker, P. D., Janssens, W., Sterckx, E., & Mielants, C. (2006). Fair-trade beliefs, attitudes and buying behaviour of Belgian consumers. *International Journal of Nonprofit and Voluntary Sector Marketing*, 11(2), 125–138.
- Pergelova, A., & Angulo-Ruiz, L. F. (2013). Marketing and corporate social performance: Steering the wheel towards marketing's impact on society. *Social Business*, 3(3), 201–224.
- Raynolds, L. T. (2002). Consumer/producer links in fair trade coffee networks. *Sociologia Ruralis*, 42(4), 404–424.
- Redfern, A., & Snedker, P. (2002). Creating market opportunities for small enterprises: Experiences of the fair trade movement. *SEED Working Paper*, 30, 1–61. Geneva, Switzerland: International Labour Office.
- Salvador, R. O., Merchant, A., & Alexander, E. A. (2014). Faith and fair trade: The moderating role of contextual religious salience. *Journal of Business Ethics*, 121(3), 353–371.
- Schoorman, F. D., Mayer, R. C., & Davis, J. H. (2007). An integrative model of organizational trust: Past, present, and future. *Academy of Management Review*, 32(2), 344–354.
- Seppanen, R., Blomqvist, K., & Sundqvist, S. (2007). Measuring inter-organizational trust: A critical review of the empirical research in 1990–2003. *Industrial Marketing Management*, 36(2), 249–265.
- Shaw, D., & Clarke, I. (1999). Belief formation in ethical consumer groups: An exploratory study. *Marketing Intelligence & Planning*, 17(2), 109–119.
- Shaw, D., & Shui, E. (2003). Ethics in consumer choice: A multivariate modelling approach. *European Journal of Marketing*, 37(10), 1485–1498.
- Shim, S. (1995). Environmentalism and consumer's clothing disposal patterns: An exploratory study. *Clothing and Textiles Research Journal*, 13(1), 38–48.
- Stevens, C. A. (2008). *Promoting ethical consumption behavior through spaces constructed by collective actions and pre-existing values: How fair trade towns establish pathways for participation* (Master's thesis). University of Wyoming, Laramie, WY.
- Strong, C. (1996). Features contributing to the growth of ethical consumerism: A preliminary investigation. *Marketing Intelligence & Planning*, 14(5), 5–13.
- Sunderer, G., & Rössel, J. (2012). Morality or economic interest? The impact of moral motives and economic factors on the purchase of fair trade groceries. *International Journal of Consumer Studies*, 36(2), 244–250.
- Tallontire, A., Rentsendorj, E., & Blowfield, M. (2001). Ethical consumers and ethical trade: A review of current literature. *Policy Series 12*. Chatham, UK: Natural Resources Institute.

- Taylor, J. E., & Boasson, V. (2014). Who buys fair trade and why (or why not)? A random survey of households. *Journal of Consumer Affairs*, 48(2), 418–430.
- Trudel, R., & Cotte, J. (2009). Does it pay to be good? *MIT Sloan Management Review*, 50(2), 61–68.
- Usunier, J. C. (1990). The role of trust in the marketing of projects: An intercultural approach. *Proceedings of the 6th IMP Conference* (pp. 1036–1056). Milan, Italy.
- Yang, S-H., Hu, W., Mupandawana, M., & Liu, Y. (2012). Consumer willingness to pay for fair trade coffee: A Chinese case study. *Journal of Agricultural and Applied Economics*, 44(1), 21–34.
- Young, L. C., & Wilkinson, I. F. (1989). The role of trust and cooperation in marketing channels: A preliminary study, *European Journal of Marketing*, 23(2), 109–122.
- Zadek, S., Lingayah, S., & Forstater, M. (1998). Social labels: Tools for ethical trade. *Final report of the New Economics Foundation for the European Commission*. Brussels, Germany: The European Commission.