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Does Fair Trade Breed Contempt? A Cross-Country Examination on the Moderating Role of Brand Familiarity and Consumer Expertise on Product Evaluation

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Abstract This article is a within- and cross-country examination of the impact of fair trade certification on consumers' evaluations and attitudes toward ethically certified products. Across three experimental studies, the authors analyze how different levels of brand familiarity and fair trade expertise impact consumer decisions. The authors study this phenomenon across markets with different social orientation cultures to analyze potential dissimilarities in the way consumers evaluate and behave toward ethically certified products. Findings suggest that fair trade certifications enhance product valuations. However, this effect is especially observed for low familiar brands, once the level of fair trade expertise increases. Findings also suggest that there are individual cultural differences with respect to social and environmental labeling expertise that may account for some of the unexplained variation in choice behaviors observed across countries. Results indicate that especially in more (mature) individualistic markets (vs. collectivistic) consumer ethical behavior seems to be greatly influenced by consumers' perceptions about the eligibility of brands using (or not) fair trade. This effect is strengthened by the significant mediating role of consumers' ethicality perceptions on the relationship between fair trade and the willingness to pay for brands.

Abbreviations
CSR   Corporate social responsibility
CPE   Consumer perceived ethicality
WTP   Willingness to pay

Introduction

Imagine a consumer walking through the aisle of chocolates in a supermarket. She suddenly realizes that some packages have a black and white mark (e.g., buckle boy seal) certifying that those products respect fair trade. To what extent will this mark influence which chocolate she will buy? In the present research, we aim to understand to what extent consumers' prior expertise about ethical labeling initiatives and the level of familiarity with brands adopting (or not) third-party certifications (such as fair trade) does facilitate certified product evaluations and consumers' willingness to pay for certification.

While the ethical attribute information provided by ethical certifications is likely to be recognizable by consumers in countries where corporate social responsibility (CSR) practices are well disseminated, in other countries, consumers may be less knowledgeable about ethical

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certifications and thus be more likely to disregard products' ethical features. This is especially likely to occur across cultures with different expertise levels about CSR initiatives and where the perceived value of adding ethical attributes on a product may be even considered irrelevant during product evaluation tasks (Mukherjee and Hoyer 2001). Interestingly, according to prior literature, even *irrelevant* attributes may help brands to create a unique differentiating value in inter-brand comparisons (Carpenter et al. 1994; Meyvis and Janiszewski 2002). This means that it is important to assess this phenomenon across different countries and brands (low and high familiarity) testing the added value of incorporating ethical certifications on a product and across markets with different ethical expertise. In this present research, we propose that if consumers do not have sufficient knowledge about the relationship between ethical consumption and societal benefits (ethical expertise), it is likely that they will be less prone to engage in ethical decisions, simply because they do not understand the benefits of choosing a specific product versus another.

This is in line with findings from other authors, who suggested that this gap between consumers' attitudes and their ethical consumption patterns is very large (White et al. 2012; Luchs et al. 2010). For instance, a study performed at worldwide scale to assess consumers' ethical consumption behaviors revealed that, although 53% of the inquired consumers indicated to care about environmental and/or corporate social responsibility (CSR) issues, most of them were not willing to take action at the stores (BBMG et al. 2012, 2013). This an issue of crucial interest for marketers and society in general since not only consumers apparently do not always behave as they declare they would when in the presence of products with ethical features (Auger et al. 2007; Belk et al. 2005; Vitell 2003; White et al. 2012), as also this attitudinal gap seems to differ across markets with distinct social orientation cultures. Our predictions are tested across three studies offering an overall perspective of the effectiveness of fair trade certification labels as a communication vehicle on product packages. Specifically, we analyze consumers' perceptions and willingness to pay for familiar and low familiar fair trade-certified products across consumers that hold different levels of expertise about ethical characteristics, and across markets with different cultural and social orientation characteristics.

This research goes therefore one step further in the ethical consumption literature (De Pelsmacker et al. 2005) and cross-cultural literature in ethics, seeking to explain unaccounted consumer differences and similarities in perceptions and attitudes toward social and ethical issues (Auger et al. 2007; Belk et al. 2005; Vitell 2003; White et al. 2012).

Theoretical Background

In the last few years, the advancement of the literature on ethical consumption has shifted from the seminal work of Baron and Spranca (1997) who provided a view of ethical consumption behavior guided by personal moral beliefs and individual ethical standards, to a more recent economic rationality approach that considers consumer self-interests while benefiting society and the environment (Carrigan and Atalla 2001; Devinney et al. 2010). More specifically, some authors have outlined that consumer's intentions do not always translate into actual behaviors when confronted with trade-offs typically present when deciding to purchase (or not) an ethical product (e.g., fair trade certification versus lower price). This phenomenon is often described by authors as the ethical attitude–behavior gap (Auger and Devinney 2007; Carrigan and Atalla 2001; De Pelsmacker et al. 2005; Devinney et al. 2010; Luchs et al. 2010; White et al. 2012) and has been studied in the context of fair trade certification.

Fair trade certifications guarantee that products meet ethical principles such as economic, social and environmental standards that are set in accordance to the requirements issued by the International Social and Environmental Accreditation and Labeling Alliance organization (ISEAL; FLO 2011a). The underlying economic principle is that fair trade producers earn at least a fair trade minimum price in order to cover the cost of production (FLO 2011b; Loureiro and Lotade 2005). This premium paid by consumers allows then the investment of funds in social, economic and environmental development (e.g., building new schools, housing and equipment; FLO 2011b).

Fair trade-certified products feature most of the times the ethical attribute information on their labeling, such as the placement of a certification symbol on a package (De Pelsmacker et al. 2005). Not only fair trade certifications aim to transmit differentiation and ethical assurance to products that bear the symbol, but also they are a communication tool that is used by brands to promote ethical principles through CSR labeling initiatives (Carrington et al. 2010). However, as highlighted by some authors (De Pelsmacker et al. 2005; Obermiller et al. 2009), consumers often have a tough role in discerning fair trade certifications from other more identifiable on-package elements such as the brand name, nutrition and ingredient information, or price. Contributing to this fact is also the broad offer of other ethical third-party certification marks competing in the market (e.g., Rainforest Alliance Certified, Fairly Traded, Certified Local Sustainable, Slow Food Snail; see "Appendix 1"), which are likely to make consumers confused about their meaning and relevance (Nilsson et al. 2004; Salzhauer 1991; Teisl et al. 1999).

Despite the fact that consumers can look at the detailed information transmitted by third-party certification marks through the certifier organization or the brand carrying the certification mark, they often consider this extra step time-consuming and effortful, which discourages search for its meaning and relevance (Laric and Sarel 1981). In addition, the fast shopping pace consumers usually face does not facilitate reading and interpretation of on-package information (Hoogland et al. 2007). Since the fair trade certification symbol may not be completely understood, consumers' decisions can be driven by other extrinsic (e.g., price, brand name) and intrinsic product factors (e.g., quality perceptions) versus the ethical principles behind it (De Pelsmacker and Janssens 2007).

In this research, we limit our attention to the role of fair trade certifications on product valuations since fair trade is a widely adopted concept by brands as way of communicating CSR concerns via promotion outlets such as the packaging (FLO 2012). This increases the chance of consumers having been exposed to this certification, even if some are unaware of its existence or its meaning. We therefore leave the role of other ethical certification types as a topic for future research.

Information and Communication About Fair Trade Across Markets

Previous work on ethical consumption has paid special attention to the role of fair trade information on consumers' preferences and purchase intention (Carrigan and Atalla 2001; Howard and Allen 2010; Poelman et al. 2008), on the quality and quantity of information (De Pelsmacker and Janssens 2007), and resultant misperceptions about fair trade (Maignan and Ferrell 2004; Nilsson et al. 2004; Roberts 1996; Wessels et al. 1999). Despite the relevance of these previous studies, most of them were performed in markets where beliefs about CSR are well-internalized and adequate amounts of fair trade information are disseminated (e.g., Belgium and the USA; De Pelsmacker and Janssens 2007; Hainmuller et al. 2015; Titus and Bradford 1996). However, the reality is that the conditions under which consumers evaluate fair trade-certified products may not be the same in markets with different levels of information, communication and knowledge about CSR initiative. In fact, the reduced information quality about the type of brands associated with corporate responsibility, as well as the impaired knowledge about ethical issues, is some of the suggested factors that may affect the adequate attitude formation toward fair trade and ethicality in general (Hunt and Vitell 1986; Shaw and Clarke 1999; Shaw and Shiu 2002, 2003).

Understanding how consumers recognize and use product-certified information in markets with different fair

trade expertise is therefore of great relevance and deserves a closer look. This includes examining the boundary conditions under which the perceived differentiating value of fair trade attributes is offset: (1) information processing mechanisms that make certain product attributes more relevant than others on a package; (2) brand familiarity influence on the valuation of third-party certifications on products; and (3) within-country heterogeneity with respect to fair trade expertise.

Consumer Expertise and Brand Familiarity

In a shopping situation, consumers make use of relevant information previously stored in memory (e.g., prior knowledge) and compare it against external information search sources that are encountered at the point of purchase, such as packaging, advertisements and in-store promotions (Underwood et al. 2001). If a consumer possesses information that is stored in memory and which is relevant for the product under consideration, also referred in the literature as consumer *expertise* (Alba and Hutchinson 1987; Bettman and Park 1980; Sujan 1985), he/she will engage in less external information search (Srinivasan and Agrawal 1988). Consumers will rely on his/her immediate associations with intrinsic and extrinsic information available on a package from which they are likely to infer meaning, becoming more efficient at expediting search and at eliminating non-meaningful attributes (Srinivasan and Agrawal 1988). However, if consumers possess little or no prior knowledge, the ability to process all the on-package attribute information may be lower. The extent to which consumers process all or part of the information contained on a package will then depend on their attempt and ability to interpret numerous attributes (Brucks 1985; Campbell and Keller 2003; Sujan 1985). This includes the evaluation of on-package certifications for which knowledge about its meaning and relevance varies among consumers (Kamins and Marks 1991).

Previous research that examined the influence of third-party certifications on product evaluations suggested that the addition of familiar third-party certifications on low familiar brands enhances product choice (Parkinson 1975). Kamins and Marks (1991) proposed that the placement of low familiar ethical claims (e.g., Kosher certifications) is significant only on familiar brands.

Despite these results, no special emphasis has been placed, to our knowledge, on understanding the impact that consumers' level of expertise can play on the valuation of certified products. We propose that different levels of *consumer expertise* or knowledge about fair trade may influence the products' evaluation process. Specifically, we expect that for consumers who have a great experience with a brand (high familiarity), the fair trade certification is

likely to be offset by this on-package attribute, known for its dominant nature on purchase decisions (Kamins and Marks 1991). Comparatively, when consumers are *unfamiliar* with the product/brand under consideration and there is no reliance on specific attributes, fair trade may work as a special on-package enhancement factor, even if not meaningful. This is supported by the non-meaningful differentiation literature (Carpenter et al. 1994; Meyers-Levy and Tybout 1989; Nowlis and Simonson 1996), where findings suggest that the inclusion of attributes, even when *irrelevant*, enhances product valuation.

The underlying reasoning is that consumers may interpret the introduction of unique and salient features to a product (e.g., advertising silk or provitamins in a shampoo or adding down filling to a winter jacket) as signs of added value in relation to competing products (Carpenter et al. 1994). This proposition is also supported by signaling theory (Burke 2006; Spence 1974), where it is argued that due to the imperfect and hard-to-evaluate information provided by labels, consumers often rely on signals that represent "easy-to-acquire informational cues, extrinsic to the product itself, that consumers use to form inferences about the quality or value of that product" (Atkinson and Rosenthal 2014; Bloom and Reve 1990, p. 59).

Drawing on the aforementioned streams of the literature, we propose that in decisions involving ethical third-party certifications, consumers are likely to rely on signaling cues and inferences with a set of attributes (Boulding and Kirmani 1993; Burke 2006, Spence 1974), with which they are more or less familiar. These include fair trade expertise and brand familiarity, which we hypothesize, will moderate the product evaluation task. Our first hypotheses are thus as follows:

H1 The impact of fair trade on consumer product evaluation will be moderated both by consumer fair trade expertise and brand familiarity:

H1a The higher (lower) the level of familiarity with the brand, the lower (higher) the impact of fair trade certification on product evaluations differentiated by this attribute.

H1b The above-hypothesized interaction between fair trade certification and brand familiarity will be especially salient for consumers with high level of expertise with ethical certifications.

Ethical Decision-Making Across Markets with a Different Social Orientation Culture

In the present research, we propose that social orientation cultural differences can also explain the overall ethical consumption among consumers (Luchs and Kumar 2015;

Prothero et al. 2011). Considerable research in cross-cultural human behavior has used values to examine the different needs, attitudes and principles that may account for the unexplained behavior across cultures, including the seminal works of Schwartz (1992), Rokeach (1973) and Hofstede (1980). Most of this prior research has focused on classifying countries' idiosyncrasies using the multiple dimensions of cultural and human values (Auger et al. 2007; Kim et al. 2002). This is based on the notion that groups of individuals who share common ideals are likely to build a country's national culture with specific characteristics, that vary from country to country with more (versus less) similarities. For example, Hofstede (1980; 1983; 2001) identified six main dimensions to classify culture: power distance, uncertainty avoidance, masculinity versus femininity, long- versus short-term orientation, individualism versus collectivism and indulgence. From these six dimensions, the one related to the level of individualism and collectivism has been the most used consumer-bound concept to explain cross-cultural decision-making (Balabanis et al. 2002a, b; Mooij and Hofstede 2011; Rokeach 1973; Schwartz 1992). *Individualistic* cultures are characterized by individuals that are more autonomous, self-reliant, goal-oriented toward results and competition. On the other hand, people showing more tendencies to rely on group members, informal channels of communication (i.e., word of mouth) due to the close contact they have with family members, are characterized as being *collectivistic*. What is relevant is that Hofstede's model (2001) classify North–Western cultures (such as the USA or North European countries including Italy) to be more at the top of the individualistic scale, while Eastern and South European countries and South American cultures center toward the more collectivistic end of the scale. The question that arises then is how consumers with different social orientation cultures and fair trade expertise evaluate and associate the ethical business principle behind the on-package fair trade certification mark.

In the ethical decision-making literature, a wide range of empirical studies on cross-cultural ethics and consumption demonstrated that countries show more similarities than disparities with regard to the influence of cultural values on the acceptance of ethical products among consumers (see Auger et al. 2007; Belk et al. 2005; Blodget et al. 2008; Muncy and Vitell 1992; Polonsky et al. 2001). Yet, at a more micro-level there are also individual differences in countries' overall awareness levels with respect to social and environmental issues that may account for some of the unexplained variation in purchasing behaviors observed across countries (Auger et al. 2007). For instance, prior research evaluating purchasing behavior across cultures suggests that in collectivistic countries consumers tend to show more cautious behaviors during their purchasing

decisions due to a variety of economic and sociocultural factors that range from (lower) disposable incomes (OECD 2017) to seeking advice and trust from reference groups (e.g., family, co-workers; see Mooij and Hofstede 2011; Nayeem 2012). In the case of fair trade, the apparently less exposure of collectivistic countries to products with a fair trade mark is also a factor that is also likely to contribute to the more passive attitudes toward ethically certified products, than in more individualistic countries. Anecdotal evidence stresses significant differential annual sales of fair trade products in individualistic countries such as the Netherlands (€220 Million), the UK (€2Billion) or the USA (€917 Million), compared to collectivistic countries such as Portugal and Spain (€28Million), which is a sign of the less penetration and exposure to the concept of fair trade in the latter (Fairtrade International 2017). To illustrate, it was only in 2013 that Fairtrade Ibérica (Fairtrade Ibérica 2013) was launched, 25 years after the establishment of the first fair trade shop in the Netherlands under the Max Have-laar's brand, followed by Belgium, Switzerland, Denmark, Norway, Germany, UK, among other (Fairtrade International 2017). This is corroborated with recent research on ethical consumption and culture, which suggests that the generalized exposure to the standardized global marketing strategies and labeling schemes is among the type of initiatives that contributes to the more "intellectual autonomy" toward ethically certified products (De Mooij 2010; De Mooij and Hofstede 2011, p. 188). Interestingly, the evolution of this ethical trend has been occurring in more individualistic countries, than in more collectivistic countries (see Fig. 1).

On a more micro-level, profiling segments of consumers that are reluctant toward product innovations and low familiar product characteristics seem also appropriate in light of the present research (De Mooij 2010; De Mooij and Hofstede 2011). For instance, people that often feel threatened by ambiguous or unknown situations about what the future may bring are also characterized by having high levels of uncertainty avoidance, a dimension proposed also by Hofstede (1980), that reflects sociocultural concerns or the uncertainty of consumers toward new prospects in a given culture. Cultures with high scores on this dimension tend to create beliefs and coping mechanisms that help them deal with low familiar situations. Based on this prior research, it seems appropriate to analyze the potential dissimilarities in the way consumers evaluate and behave toward ethically certified products through the lens of Hofstede's individualistic/collectivistic and uncertainty avoidance dimensions.

As such, when low uncertainty avoidance prevails, consumers also tend to show more spontaneous behavior toward fair trade consumption than in markets with high uncertainty avoidance where precaution is likely to be a key decision factor (Green et al. 2005). This leads to our second set of hypotheses:

H2 In countries with different social orientation cultures, consumers will show dissimilarities in product valuations and attitudes toward fair trade-certified products.

H2a In more individualistic countries with low uncertainty avoidance, fair trade will prompt more spontaneous behaviors, such as the willingness to pay for ethically certified products.

H2b In more collectivistic countries with high uncertainty avoidance, fair trade will stimulate more cognitive processing about the benefits of ethical consumption before engaging in actual purchasing decisions.

Consumer Perceived Ethicality

Contributing to the decision to purchase (or not) ethically certified products is the rationale behind consumers' perceptions about the brands' motives to engage in CSR labeling schemes (Auger et al. 2007). Previous studies in this domain suggest that if consumers are well informed about CSR issues and its associated standards, the addition of fair trade certifications to products may also elicit more attitudinal judgments about its practice (De Pelsmacker and Janssens 2007; Sen and Bhattacharya 2001). For example, brands such as Starbucks, Ben and Jerry's or Toyota Prius tend to be immediately associated by consumers with holding CSR practices due to its strong market positioning as a "CSR brand" (Du et al. 2007, p. 226). However, there may be circumstances whereby consumers do not have knowledge about the brand's CSR record and are likely to be driven by their overall long-term judgment about the brand. Therefore, any previous knowledge consumers hold about a brand is likely to influence consumer attitudes and then future purchasing behavior (Brunk 2010, 2012).

This aggregate perspective of consumers about the ethicality of businesses and its associated brands and products has been documented originally by Brunk (2010, 2012) who developed a framework called *consumer perceived ethicality* (CPE). This aggregate measure, is defined as a consumer's cumulative perception of an entity's ethical conduct such as a "company, a brand, a product or a service" (Brunk and Bluemelhuber 2011, 134). Whether positive or negative, the CPE reflects not only a consumer's perceptions and attitudes toward a brand but also impressions of a brand's reputation (Markovic et al. 2015; Sierra et al. 2015; Singh et al. 2012; Shea 2010).

Since in real choice settings consumers are likely to rely on their accumulated knowledge about a brand's overall conduct, CPE is a suitable measure to examine whether these prior associations with a brand affects perceptions,
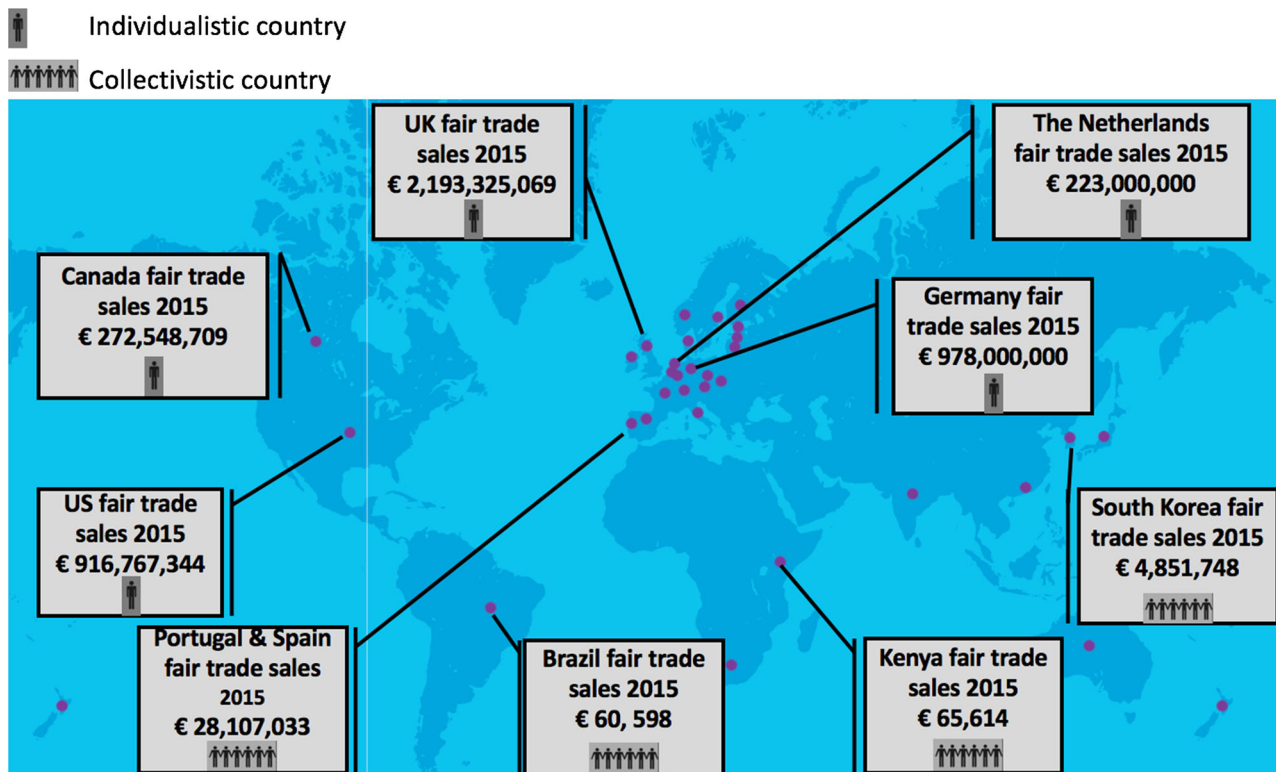
Fig. 1 Global fair trade sales by country in 2015

attitudes and purchasing intentions toward that brand and the associated ethical certifications (Brunk and Bluemelhuber 2011). We contend, though, that this type of brand–ethical certification association is likely to be more predominant in countries with higher consumer exposure to the vast range of CSR initiatives occurring in the market, as it typically occurs in more individualistic countries (Andorfer and Liebe 2011). According to De Mooij and Hofstede (2011), in individualistic market, communication is low context with consumers relying more on explicit forms of verbal communication. This may partially explain why consumers in more individualistic markets seem to be more aware of the brands partnering with fair trade and therefore are more likely to appraise the brands that hold this certification (Brunk 2010, 2012; Grankvist et al., 2007; Poelman et al. 2008; Singh et al. 2012). On the other hand, in more collectivistic countries, the type of communication tends to be more high context, being fundamental to first establish a trustful relationship between parties (De Mooij and Hofstede 2011; Green et al. 2005; Triandis 2001). Therefore, the spread of CSR initiatives is more likely to rely on more informal and broad sources of information and communication without explicit verbal communication taking place. Altogether, this explains why the level of adoption of fair trade products tends to be higher in more

individualistic than collectivistic countries (Fairtrade International 2017). Our third hypothesis is thus as follows:

H3 In countries with different social orientation cultures, consumer perceived ethicality (CPE) of brands will:

H3a Mediate the relationship between fair trade and willingness to pay for more individualistic countries with low uncertainty avoidance;

H3b Not mediate the relationship between fair trade and willingness to pay for more collectivistic countries with high uncertainty avoidance.

This leads to the conceptual framework shown in Fig. 2.

This conceptual framework proposes that the fair trade certification impact on consumer product evaluations and their willingness to pay will be moderated by brand familiarity and fair trade expertise (hypothesis 1ab). We examine this issue across three experimental studies, investigating how the social orientation culture of the markets (collectivistic, individualistic and a combination of both) where these experiments take place affect consumer product evaluations and attitudes toward fair trade branded products (hypothesis 2ab). Moreover, we hypothesize that in more individualistic (collectivistic) markets, the willingness to pay for fair trade certification will be mediated

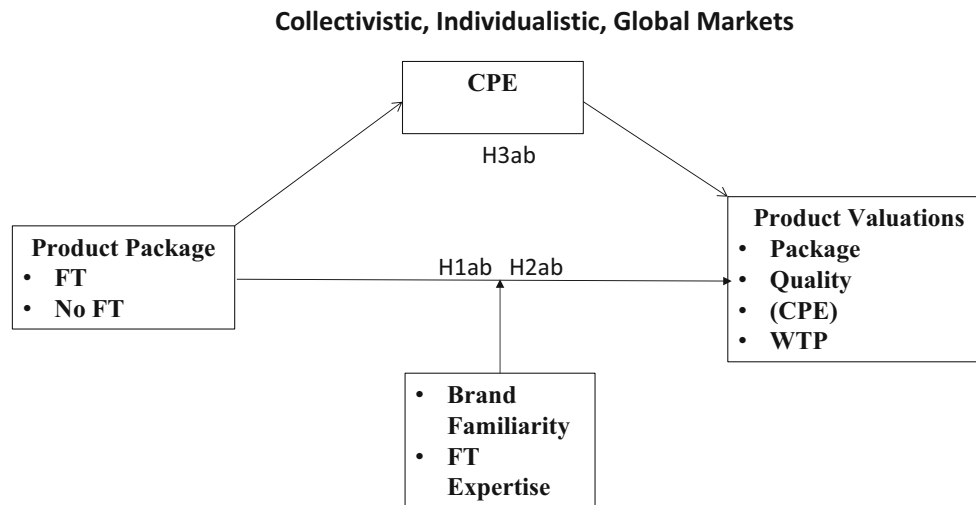**Collectivistic, Individualistic, Global Markets**

Fig. 2 Theoretical framework: the impact of fair trade certifications on product valuation outcomes

(not mediated) by consumers' ethicality perceptions of the brands partnering (or not) with fair trade (hypothesis 3ab).

Study 1: The Impact of Fair Trade Certifications on an Individualistic Market

In order to test the set of hypotheses proposed, we first assess participants' product valuations on a sample comprised of both low as high fair trade expert consumers in the USA, which is a country with high level of individualism and low level of uncertainty avoidance.

Design

This study follows a 2 (fair trade certification: yes, no) × 2 (brand familiarity: low, high) × 2 (fair trade expertise: low, high) randomized between–within Latin squares design. Participants' fair trade expertise is assessed across all participants and a median split is performed to divide the sample in low and high expertise. The study was run in a Western US university, a country typically classified as one of the most individualistic that exhibits a low level of uncertainty avoidance (overall individualism score: 91, overall uncertainty avoidance score: 46 www.geert-hofstede.com).

One hundred and three individuals (56 females, mean age range = 19–24) completed the study in exchange for course credit. Each participant was randomly allocated to one of the answering groups (see Table 1) and was asked to evaluate two stimuli, each one representing one of the possible fair trade and familiarity combinations under analysis (e.g., FT & high familiar vs. non-FT & high familiar). The Latin square design was used to enlarge the number of product categories being evaluated, allowing to

obtain broad results, which are not dependent on the evaluation of one single product category. This design rendered a total of 206 product evaluations, which were treated as independent observations. Stimuli were presented randomly to avoid any ordering effect (Underwood et al. 2001).

Procedure

Participants were first asked to imagine themselves in a grocery store in front of a shelf that supplied a product they were considering to buy. Each participant was then randomly presented with two products. Chocolate and tea were used as stimuli (presented one each time in accordance to the Latin square design presented in Table 1) since these are products with a high level of fair trade penetration in the US market. At the end of the study, participants were asked to complete a set of questions about each (product evaluation and attitude measures).

We used as stimuli real brands available in the market. In the familiarity condition, we used Cadbury and Lipton brands since these are well known in the US market, while in the low familiarity condition we used less well-known brands (e.g., Divine; Teekane), as supported by our manipulation check. No advertising statements about fair trade were mentioned in our manipulations since we wanted to provide participants with a setting scenario as real as possible to what they are exposed daily on their shopping decisions (e.g., without emphasis on fair trade promotion). After the products' evaluation task, we assessed participants' level of fair trade expertise by asking them to complete a quiz containing questions about the principle behind fair trade certification along with a multiple-choice question evaluating participants' recognition of fair trade marks.

Table 1 Study 1: stimuli used in the Latin square design

	High Brand Familiarity		Low Brand Familiarity	
	Tea Lipton	Chocolate Cadbury´s	Tea Teekane	Chocolate Divine
Group 1[a]	xFT		xNFT	
Group 2[a]		xFT		xNFT
Group 3[a]	xNFT		xFT	xFT
Group 4[a]		xNFT		

Dependent Measures

All the following dependent variables were measured and assessed on seven-point scales.

Package evaluation was assessed by asking participants to provide an overall evaluation of the package (3 items bipolar scales; e.g., 1 = does not confer quality, 7 = confers quality, $\alpha = .89$, adapted from Schoormans and Robben (1996; see "Appendix 2"").

Product quality perceptions were assessed by asking participants to answer five items concerning the product's intrinsic quality properties (e.g., it's healthy/unhealthy; 1 = very unlikely, 7 = very likely; $\alpha = .80$), adapted from Kamins and Marks (1991) and Luchs et al. (2010).

Consumer perceived ethicality toward the brand (CPE) was assessed by asking participants to indicate their level of agreement with four statements about the brand (e.g., "the brand respects moral norms," 1 = strongly disagree, 7 = strongly agree; $\alpha = .85$) adapted from Brunk 2010, 2012; Brunk and Bluemelhuber 2011).

Willingness to pay measure (WTP) was assessed by asking participants how much they are willing to pay for the products presented. This measure is strongly correlated with actual paying behaviors being therefore an appropriate measure to assess the overall level of interest in the products (Vohs and Faber 2007).

Results

A multivariate outlier analysis was performed to identify outliers (Tabachnick and Fidell 2007), having identified 3 potential outliers who were withdrawn from the initial sample. Following Luchs et al.'s (2010) procedure, two additional participants were excluded from the analysis for failing the familiarity with the brand manipulation check.[1] This left a usable sample of 97 (55 females, mean age

range = 19–24) participants and a total of 194 observations.

Manipulation checks worked as expected. Participants in the familiarity condition indicated higher levels of familiarity with the brands than participants in the low familiarity condition ($M_{HighFam} = 6.41$ and $M_{LowFam} = 1.38$; $F(1, 193) = 1469.46$, $p < .001$). Also, the *overall fair trade expertise* average score of the sample ($M = 2.64$, SD = 1.13, Min = .00, Max = 4.00) was significantly above the scale midpoint ($M = 2.00$), supporting the proposition that individualistic countries exhibit a high knowledge of ethical expertise. This measure was obtained by summing up the score of correct answers in the quiz about the principles behind fair trade certification along with the score obtained in the multiple-choice questions about FT symbol recognition. A median split was then performed on this measure to divide the sample in two groups of participants according to low (novices) and high (experts) knowledge (0 = low knowledge; 1 = high knowledge), ending up with a total of 50 novices and 47 experts.

To test our set of hypothesis 1 where we predict that products will be better evaluated when both brand familiarity and fair trade expertise increases, we conducted a MANOVA on the four dependent variables (see Table 2). A significant three-way fair trade certification × brand familiarity × fair trade expertise interaction effect was found on the product evaluation variable ($F(1,186) = 3.98$,

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[1] The results from the sample with participants who failed the manipulation check were similar to those when we excluded these participants: a significant fair trade main effect for the CPE-dependent variable ($F(1, 199) = 6.04$, $p < .01$), a familiarity with the brand main effect for the package evaluation ($F(1, 199) = 12.77$, $p < .001$) and CPE ($F(1, 199) = 23.95$, $p < .001$)-dependent variables, and a marginally significant fair trade certification × brand familiarity × fair trade expertise interaction for package evaluation ($F(1, 199) = 3.18$, $p = .08$ also emerged in the full data set.

Table 2 Study 1: the impact of fair trade certification on an individualistic country

($N = 97$, $M = 2.64$)	FT main effect	Brand familiarity main effect	FT expertise	FT × FT expertise	Brand familiarity × FT expertise	FT × brand familiarity	FT × brand familiarity × FT expertise
	F test	F test	F test	F test	F test	F test	F test
Package evaluation	1.44	12.91***	.02	.00	1.96	.41	3.98*
Attention to packaging	1.46	37.20***	.81	.01	.21	1.19	.13
Product quality perceptions	1.30	3.80*	1.02	.04	2.62	.51	.11
Consumer perceived ethicality (CPE)	6.03*	25.36***	.27	.41	.03	1.40	.30
Willingness to pay (WTP)	.12	1.04	.48	.05	.10	3.92*	2.82

*** $p < .001$; ** $p < .01$; * $p < .05$; standard deviations are presented in parentheses

$p < .05$) suggesting the potential moderating effect of both brand familiarity and consumer fair trade expertise. Regarding H1a, the 2 (fair trade certification) × 2 (brand familiarity) interaction reveal to be significant only for the WTP variable: $F(1, 186) = 3.92$, $p < .05$; all other variables: $Fs < 2.7$, p's $> .1$), partially supporting H1a.

Regarding H1b, follow-up tests were then performed considering both the low and high fair trade expertise separately (see Tables 3, 4). For the low fair trade expertise condition, results of a 2 (fair trade certification) × 2 (brand familiarity) MANOVA indicate that no significant interaction effects are observed for this sample (all $Fs < .87$ p's $> .05$). However, when considering the high fair trade expertise sample findings from the 2 (fair trade certification) × 2 (brand familiarity) MANOVA indicate a significant two-way interaction once more on *willingness to pay* ($F(1, 93) = 6.59$, $p = .01$). Results indicate that high fair trade experts report a higher willingness to pay for low familiar brands with fair trade than when the certification is placed on high familiar brands ($M_{\text{LowFam, FT}} = 2.85$ vs. $M_{\text{HighFam, FT}} = 1.99$; $t(45) = 2.03$, $p < .05$), fully supporting H1b (see Table 3 for detailed results).

This reinforces the strength of fair trade certification on low familiar brands ($M_{\text{LowFam, NFT}} = 2.15$ vs. $M_{\text{LowFam, FT}} = 2.85$; $t(45) = 1.85$, $p = .07$). Additionally, our results also show evidence consistent with H2a where we propose that in individualistic countries, where consumers typically show low uncertainty avoidance toward new product trends, more spontaneous behaviors are expected to take place such as the willingness to pay for ethically certified products. These findings are in line with some of the recent consumer demand dynamics for fair trade-certified products observed in the US market (Hainmuller et al. 2015) opening an avenue to test our H3 and check the mediating effect of consumer's ethicality perceptions about the type of brands adopting (or not) fair trade labels.

Mediation

To test hypothesis 3, where we predict that in countries with different social orientation cultures the valuation of products is mediated (not mediated) by CPE of brands, we conduct a simple mediation analysis (Hayes 2013). Regarding H3a, bootstrap analysis ((Hayes 2013, 2015), Model 4) reveals that the CPE of brands indeed mediates the effect of fair trade certification on willingness to pay only (see Fig. 3). Both the impact of fair trade certification on CPE ($b = .25$, SE $= .13$, $p < .05$, 95% CI $= [0.001, 0.49]$) and the impact of CPE on willingness to pay ($b = .25$, SE $= .11$, $p < .05$, 95% CI $= [0.03, 0.48]$) are significant. But when both fair trade certification and CPE are included in the regression, the conditional direct effect of fair trade certification on willingness to pay is no longer significant (direct effect $= -.11$, SE $= .20$, $p = $ n.s., 95% CI $= [-0.51, 0.28]$). Subsequent testing of conditional indirect effects (based on 5000 bootstraps) reveals that CPE mediates the effect of fair trade certification on willingness to pay (indirect effect $= .06$, SE $= .04$, $p < .05$, 95% CI $= [0.004, 0.17]$), providing statistical evidence consistent with H3a. Bootstrapping results show that in this individualistic sample, consumer demand behaviors are mediated by ethicality perceptions about the brands selected as stimuli.

Further analysis indicates that when the sample is divided in low and high fair trade expertise the same effect prevails for the high ethical expertise group, but no mediation is found for the low ethical expertise group.

Discussion

The study findings suggest that fair trade certification can be a significant differentiating element for brands, but especially for low familiar ones. Our results indicate that the more knowledgeable consumers are about fair trade and

Table 3 Study 1: the impact of fair trade certification on an individualistic country with low and high fair trade expertise

| | Low familiar | | High familiar | | FT main effect | Brand familiarity main effect | FT × brand familiarity |
	FT	NFT	FT	NFT	*F* test	*F* test	*F* test
Low FT expertise ($N = 50$, $M = 1.75$)	($n = 28$)	($n = 22$)	($n = 22$)	($n = 28$)			
Package evaluation	3.81 (1.5)	3.82 (1.5)	5.01 (1.1)	4.52 (1.3)	.72	11.84***	.87
Product quality perceptions	4.80 (1.1)	4.06 (1.2)	4.42 (1.2)	4.76 (1.1)	.78	5.61*	.48
Consumer perceived ethicality (CPE)	4.40 (.8)	4.11 (.6)	4.90(1.1)	4.76 (1.1)	1.27	9.09**	.16
Willingness to pay (WTP)	2.68 (1.6)	2.72 (1.1)	2.35 (1.2)	2.52 (1.5)	.16	.91	.05
High FT expertise ($N = 47$, $M = 3.56$)	($n = 24$)	($n = 23$)	($n = 23$)	($n = 24$)			
Package evaluation	4.42 (1.2)	3.70 (1.4)	4.33 (1.2)	4.61 (1.2)	.73	2.56	3.69
Product quality perceptions	4.43 (.9)	4.23 (.8)	4.23 (1.0)	4.34 (1.0)	.53	.07	.09
Consumer perceived ethicality (CPE)	4.46 (.6)	3.89 (.4)	4.87 (.7)	4.71 (.8)	7.19**	20.44***	2.23
Willingness to pay (WTP)	2.85 (1.5)	2.15 (1.0)	1.99 (1.4)	2.74 (1.5)	.01	.24	6.59*

*** $p < .001$; ** $p < .01$; * $p \leq .05$; standard deviations are presented in parentheses

Table 4 Studies 2–3: stimuli used in the Latin square design

| | High Brand Familiarity | | | | Low Brand Familiarity | | | |
	Rice Cigala	Tissues Kleenex	Chocolate Cadbury´s	Detergent Persil	Rice Unirice	Tissues Kiss	Chocolate Divine	Detergent Gain
Group 1[a]	xFT					xNFT		
Group 2[a]		xFT			xNFT			
Group 3[a]	xNFT					xFT		
Group 4[a]		xNFT			xFT			
Group 5[a]				xNFT			xFT	
Group 6[a]			xNFT					xFT
Group 7[a]				xFT			xNFT	
Group 8[a]			xFT					xNFT

[a] Stimuli presented in random order

ethical issues, the higher is the value of the ethical certifications. Interestingly, for high familiar brands, fair trade seems even to negatively interfere with consumers' product valuations, with consumers indicating less willingness to pay for brands with this added on-package attribute. On the other hand, for low familiar brands the inclusion of fair trade certification seems to be perceived as a relevant attribute (Carpenter et al. 1994; Meyers-Levy and Tybout 1989; Nowlis and Simonson 1996), with consumers exhibiting a higher willingness to pay for certified products. While the power of certifications can be an enhancement product evaluation factor, this finding shows when brands are at stake consumers can be driven by a set of cognitive and affective associations with that brand that

Fig. 3 Study 1: the mediating role of consumer ethicality perceptions on the effect of fair trade on willingness to pay

Outcome	Indirect effect paths			Indirect Effect	Lower CI	Upper CI
1	FAIR TRADE → CPE			.25	.0009	.49
2	CPE → WTP			.25	.03	.48
3	FAIR TRADE → CPE → WTP			.06	.0042	.17
	Direct effect path			Direct Effect	Lower CI	Upper CI
4	FAIR TRADE → WTP			.11	-.51	.28

show to be determinant for the valuation task (Sierra et al. 2015; Singh et al. 2012). This is an important outcome, especially for mature markets, where the saturation of brands with limitless associated features prevents consumers from making uncluttered decisions. It may also happen that consumers become suspicious when a brand that is not traditionally associated with CSR decides to exhibit an ethical certification on the package and, consequently, react negatively in terms of their willingness to purchase the product (Devinney et al. 2010). The findings from this study run on a sample from an individualistic culture with an overall low level of uncertainty avoidance (e.g., openness to new concepts) show an overall high fair trade expertise (as demonstrated by the fairly high mean score obtained in the participants' expertise assessment task). This is in line with prior work on cross-cultural ethics and consumption behavior, indicating that in these type of markets consumers show intellectual autonomy and more curiosity toward ethical issues and as a result more spontaneous behaviors in their purchasing decisions (see Green et al. 2005; Mooij and Hofstede 2011). According to Hofstede's research (2016), this low uncertainty avoidance registered in one of the highest individualistic countries worldwide leads to a high degree of acceptance for new ideas, openness to innovative products and greater willingness to try new things including food-related products. More importantly, our mediation results indicate that consumers' perceptions about the ethicality of brands engaging in CSR initiatives is taken into account at the time of purchasing. This finding can be of extreme relevance for managers since it refers to some of the circumstances under which consumers judge the ethical reputation of brands and consequently are willing (versus not) to pay for products with their signature. Since in this first study we tested for differences in product valuations in a high individualistic country and low uncertainty avoidance, it seems

then relevant to further test our hypotheses and compare our findings in a collectivistic market with high uncertainty avoidance (Hofstede 2001) and supposedly with lower fair trade expertise.

Study 2: The Impact of Fair Trade Certifications on a Collectivistic Market

This study was run in Portugal, a country that among the European countries is the one (together with Spain) that shows a high level of collective thinking and one holding the lowest uncertainty avoidance (overall individualism score: 27, overall uncertainty avoidance score: 99, www.geert-hofstede.com) and therefore is adequate to test our set of hypotheses about the impact of FT, taking into consideration different social orientation cultures. The methodology is similar to the one used in Study 1 for comparison purposes.

Design and Procedure

Five hundred and eight students from a Portuguese University participated in the online experiment simulation in exchange for course credit (female = 280, mean age range = 19–24). This study followed a 2 (fair trade certification: yes, no) × 2 (brand familiarity: low, high) × 2 (fair trade expertise: low, high) randomized between–within-subjects Latin square design (see Table 4 for more detail on the design adopted). In a similar vein to Study 1, brand familiarity and fair trade certification were manipulated on the package. We used again real brands available in the market, which comprised some well-known international brands such as Cadbury and Kleenex, and some well-known brands in the Portuguese market (e.g., Cigala, Persil). Among the less familiar ones were brands such as

Divine and Kiss, less well known in the local market. Participants were asked to evaluate two stimuli. The sequential order in which participants evaluated both stimuli was again counterbalanced so that the product presentation order would not affect results. We therefore collapsed the sample rendering a total of 1016 product valuations. In a similar vein to Study 1, after evaluating the product packages, the overall fair trade expertise of each participant was assessed. Participants were asked to complete a quiz containing questions about the principle behind fair trade certification along with the same multiple-choice question evaluating participants' recognition of fair trade marks.

Regarding the dependent measures, we used the same variables as in Study 1 for the USA, to allow comparisons among the results obtained for these two different countries.

Results

Once again, the analysis of the brand familiarity *manipulation checks* indicate that our manipulations worked as expected. Participants correctly identify packages that feature *high* versus *low familiar brands* ($M_{LowFam} = 3.16$ and $M_{HighFam} = 3.50$; $F(1, 1015) = 4.75$, $p < .05$), and the *overall fair trade consumer expertise* of the sample ($M = 2.20$, SD = 1.08, Min = 0, Max = 4.00) is only slightly above the midpoint scale ($M = 2.00$), indicating a sample with lower fair trade expertise, especially compared with the sample of Study 1 (USA). A median split is also performed on this measure to divide the sample in two groups of participants, ending up with a total of 313 novices ($0 =$ low expertise) and 195 fair trade experts ($1 =$ high expertise).

To test our hypothesis 1 where we propose that fair trade expertise and brand familiarity moderate consumer product evaluations, a multivariate analysis of variance was run on the dependent variables. First, a significant three-way fair trade certification $\times$ brand familiarity $\times$ fair trade expertise interaction effect is found on product quality perceptions ($F(1, 1008) = 13.86$, $p < .01$) and on CPE of brands ($F(1, 1008) = 3.83$, $p = .05$) (Table 1), indicating the potential moderating role that these factors can have on product evaluations. Similar to Study 1, in order to test H1a, we run a 2 (fair trade certification) $\times$ 2 (brand familiarity) MANOVA and results indicate a significant interaction on product quality perceptions ($F(1, 1008) = 7.18$, $p < .01$) and on CPE of brands ($F(1, 1008) = 6.30$, $p < .05$), partially supporting H1a (see Table 5). Regarding H1b, we split the sample into low and high fair trade experts running a 2 (fair trade certification) $\times$ 2 (brand familiarity) MANOVA. Results reveal to be insignificant on all the variables for the low expert

consumers (all Fs n.s.) but as predicted, significant results for the high fair trade consumers are obtained.

The MANOVA run on the high fair trade knowledge condition (to test our hypothesis 1a and 1b; see Table 3 for detailed findings) indicates a significant two-way fair trade certification $\times$ brand familiarity interaction on the cognitive-dependent variables: product quality perceptions ($F(1, 389) = 15.54$, $p < .001$) and on the CPE of brands ($F(1, 389) = 8.54$, $p < .01$). High fair trade experts more positively value low versus high familiar brands differentiated by fair trade: on product quality perceptions ($M_{LowFam, FT} = 4.67$ vs. $M_{HighFam, FT} = 4.26$; $t(193) = 2.52$, $p = .01$) and marginally on the CPE of brands ($M_{LowFam, FT} = 4.75$ vs. $M_{HighFam, FT} = 4.51$; $t(193) = 1.91$, $p = .06$), supporting our H1b.

Overall, these results provide once more evidence for our H2b where we propose that in more collectivistic countries with high uncertainty avoidance, fair trade stimulates more cognitive processing evaluation mechanisms. As proposed in our theoretical section, this pattern of results does not occur for the visual inspection and demand variables—package evaluation and *willingness to pay*, respectively (see Table 6 for detailed findings). That is, these findings seem to indicate that rather than showing spontaneous behaviors, our sample of participants shows to be more involved in cognitive processing mechanisms— the evaluation of the product's intrinsic (product quality perceptions) and extrinsic properties (consumers' perceived ethicality of the brands), fully supporting our H2b. No mediating effects are observed, which corroborates our H3b prediction that the impact of ethical certifications on willingness to pay through consumers' perceptions about the ethicality of brands seems to occur specifically in more individualistic markets with low uncertainty avoidance.

Discussion

Our findings highlight that in markets such as Portugal, a collectivistic country with the highest score of uncertainty avoidance worldwide (Hofstede 2016) meeting consumers' consciousness about the quantity and quality of information on CSR brand initiatives is critical (De Pelsmacker and Janssens 2007; Fairtrade Ibérica 2013). Results suggest that in markets with this profile consumers' reactions to fair trade are not immediately translated into purchasing behaviors, but instead, require a more cognitive elaboration about the implications of the certification.

These findings may be explained mainly by the fact that these markets exhibit a high intolerance to new ideas and resistance to innovation (Hofstede 2016). This opens an avenue to retest our propositions in a global sample of participants from countries with different social orientation cultures. Based on the previous findings, from Studies 1

and 2, in the next Study 3 we uncovered whether there are groups of consumers across a variety of countries that share similar inspection mechanisms with respect to fair trade, testing again the moderating role of fair trade, fair trade expertise and brand familiarity on product evaluations.

Study 3: The Impact of Fair Trade Certification on a Sample from Individualistic and Collectivistic Markets

We replicated the design and methodology used in Study 2, using this time a sample originating from an international academic database of students. Three hundred and fifteen students were asked to participate in the online experiment simulation in exchange for course credit (female = 280, mean age range = 19–24). Once more the study followed a 2 (fair trade certification: yes, no) × 2 (brand familiarity: low, high) × 2 (fair trade expertise: low, high) randomized between–within-subjects Latin square design. We used the same stimuli from Study 2 (see Table 4). Again, we counterbalanced the sequential order in which participants evaluated both stimuli, to prevent any ordering effects (Underwood et al. 2001) rendering a total of 630 product valuations. In a similar vein to the other studies the overall fair trade expertise of the participants was assessed using the same quiz with questions about fair trade. The final sample collected for Study 3 comprised participants of from 29 countries that exhibit a mixed level of fair trade expertise (Min = 1.49, Max = 3.33).

Dependent Measures

We used the same variables from Study 1 and Study 2.

Results

In this study, due to the fact that the sample is highly heterogeneous (29 countries) it is challenging to define a priori a successful manipulation of brand familiarity since a brand that is familiar to a participant in country × may be unfamiliar to a participant in a country Y. Therefore, we use the brand familiarity measure to distinguish between those that are low versus high familiar with the brands shown. In a similar vein to the previous two studies, the *overall fair trade consumer expertise* of the sample is assessed through the scoring of correct answers of the quiz about the principles behind fair trade certification along with the score obtained in the multiple-choice questions about FT symbol recognition (fair trade expertise score: $M = 2.58$, SD = 1.09, Min = 0, Max = 4.00). $M = 2.64$, SD = 1.13. In order to divide the sample in two groups of participants, we follow Hofstede's (2001) social orientation

culture country classification (0 = collectivistic; 1 = individualistic) ending up with a total of 54 collectivistic and 578 individualistic participants. The main purpose of this study is to assess eventual perceptual differences of fair trade-certified products between participants from distinct cultures. In order to do so, we run multiple linear regressions to assess the potential impact of fair trade, brand familiarity and fair trade expertise on all the dependent variables (package evaluation, quality perceptions, consumer perceived ethicality and willingness to pay) across consumers from different social orientation cultures. We opt for multiple regressions since this time our brand familiarity is used as a continuous variable due to the high heterogeneity of the sample.

In order to test for H1 and H2, the following models are estimated (the four dependent variables separated by a comma):

$$(\text{H1}a,\ \text{H2})\ \text{PackEval}_i,\ \text{QualPer}_i, \text{CPE}_i,\ \text{WTP}_i$$
$$= b_0 + b_1 \text{FT}_i + b_2 \text{BrandFam}_i + b_3 \text{FT}_i \times \text{BrandFam}_i + e_i.$$

$$(\text{H1}b,\ \text{H2})\ \text{PackEval}_i,\ \text{QualPer}_i, \text{CPE}_i,\ \text{WTP}_i$$
$$= b_0 + b_1 FT_i + b_2 \text{FTExp}_i + b_3 \text{FT}_i \times \text{FTExp}_i + e_i.$$

The analyses were run first on the full sample followed by separate analysis for both individualistic and collectivistic subsamples. Regarding H1a, findings indicate that there are no significant interaction effects except for the willingness to pay dependent variable, when the full sample is considered, partially supporting our hypothesis ($\beta = .13$, $p < .05$, see Table 7). To better understand this effect, we use the two groups previously created according to their social orientation culture and analyze the willingness to pay within each subsample (individualistic versus collectivistic). Interestingly, results prevail only for the individualistic group ($\beta = .132$, $p < .05$), supporting our H2a where we propose that fair trade certification would prompt more spontaneous behaviors (e.g., willingness to pay), especially, in more individualistic countries. Additionally, main effects for brand familiarity are also found for both package and CPE (package evaluation: $\beta = .169$, $p < .05$; CPE: $\beta = .157$, $p < .05$), indicating the important role of brand familiarity on product evaluation. Contrary to these findings, the collectivistic group of participants show a significant fair trade main effect for CPE ($\beta = .783$, $p < .05$), showing that consumers infer higher ethicality from certified versus un-certified brands. This suggests that in more collectivistic countries, consumers tend to rely on cognitive mechanisms to justify the benefits of engaging on ethical consumption, as proposed in our H2b.

Concerning H1b, results suggest that fair trade expertise only plays a role in the individualistic subsample of participants ($\beta = .50$, $p < .1$, see Table 7), highlighting the

Table 5 Study 2: The impact of fair trade certification on a collectivistic country

(N = 508, M = 2.2)	FT main effect	Brand familiarity main effect	FT Expertise	FT × FT expertise	Brand familiarity × FT expertise	FT × brand familiarity	FT × Brand familiarity × FT expertise
	F test	F test	F test	F test	F test	F test	F test
Package evaluation	.00	1.07	.39	3.74*	.20	2.00	.03
Product quality perceptions	.40	.01	.07	1.24	.40	7.18**	13.86***
Consumer perceived ethicality (CPE)	.06	.19	3.73*	.00	.00	6.30**	3.83*
Willingness to pay (WTP)	1.16	.09	.89	3.23	.33	.54	.12

*** $p < .001$; ** $p < .01$; * $p \le .05$; standard deviations are presented in parentheses

Table 6 Study 2: the impact of fair trade certification on a collectivistic country with low and high fair trade expertise

	Low familiar		High familiar		FT main effect	Brand familiarity main effect	FT × brand familiarity
	FT	NFT	FT	NFT	F test	F test	F test
Low FT expertise (N = 313, M = 1.49)	(n = 173)	(n = 140)	(n = 140)	(n = 173)			
Package evaluation	4.64 (1.4)	4.32 (1.5)	4.63 (1.4)	4.60 (1.4)	2.36	1.44	1.63
Product quality perceptions	4.66 (1.1)	4.61 (1.1)	4.70 (1.0)	4.50 (1.1)	2.10	.20	.75
Consumer perceived ethicality (CPE)	4.50 (1.0)	4.46 (1.0)	4.49 (.8)	4.52 (.9)	.04	.11	.20
Willingness to pay (WTP)	2.41 (1.0)	2.21 (2.0)	2.15 (1.9)	2.54 (2.1)	.33	.33	3.43
High FT expertise (N = 195, M = 3.33)	(n = 117)	(n = 78)	(n = 78)	(n = 117)			
Package evaluation	4.54 (1.3)	4.61 (1.5)	4.48 (1.3)	4.78 (1.4)	1.60	.14	.64
Product quality perceptions	4.67 (1.1)	4.24 (1.2)	4.26 (1.1)	4.75 (1.1)	.09	.20	15.54***
Consumer perceived ethicality (CPE)	4.75 (.9)	4.47 (1.0)	4.51 (.8)	4.76 (.8)	.03	.09	8.54**
Willingness to pay (WTP)	2.63 (2.1)	2.37 (1.9)	2.63 (1.9)	2.15 (1.7)	3.50	.32	.30

*** $p < .001$; ** $p < .01$; * $p \le .05$; standard deviations are presented in parentheses

Table 7 Study 3: the impact of fair trade certification on a sample from individualistic and collectivistic markets

DV: willingness to pay	Full sample n = 630		Individualistic sample n = 577		Collectivistic sample n = 53	
	β	SE	β	SE	β	SE
Social orientation	−.321	.256				
Fair trade	−.351	.234	−.384	.244	−.166	.868
Brand familiarity	−.077[a]	.046	−.082[a]	.047	−.048	.257
Interaction (FT × fam)	.130*	.064	.132*	.065	.179	.327

DV: willingness to pay	Full sample n = 630		Individualistic sample n = 577		Collectivistic sample n = 53	
	β	SE	β	SE	β	SE
Social orientation	−.401	.256				
Fair trade	−.196	.207	−.269	.217	.333	.715
Fair trade expertise	.054	.202	.010	.207	.444	.876
Interaction (FT × FT expertise)	.416	.284	.502[a]	.293	−.333	1.239

[a] $p < .1$

* $p < .05$; ** $p < .01$; *** $p < .001$

importance of considering participants' social orientation culture. No significant effects are found for the full and collectivistic samples.

Discussion

Results from this study provide interesting findings and directions for future research. This sample comprises participants from 29 countries offering a global perspective of the ethical consumption behaviors across individuals with different social orientation characteristics. Compared to the individual samples from previous studies, this is a more heterogeneous sample since it encompasses countries with both individualistic and collectivistic dimensions but that differ in terms of uncertainty avoidance. In order to test our H1ab and H2ab predictions, separate tests are performed in both individualistic and collectivistic groups. Findings are consistent with our H2a predictions that individualistic markets show more willingness to pay for ethically certified products than more collectivistic markets. In a similar vein, results are also consistent with H2b indicating that fair trade certification elicits more ethicality perceptions about the brands for more collectivistic versus individualistic participants.

Overall, these insights highlight that decisions about purchasing fair trade-certified products may be dependent on both brand characteristics (e.g., high vs. low familiar) and individual cultural differences. Evidence is also found that depending on the combination of these characteristics, different underlying processing mechanisms seem to take place.

Discussion and Conclusion

Theoretical Contributions

The current research objective was to empirically investigate the role that a fair trade third-party certification may have on the probability of buying a product among the many familiar and less familiar brands available and across countries with different social orientation cultures. As hypothesized, results show that the information processing mechanisms used to evaluate ethical certifications are dissimilar across different levels of brand familiarity, ethical expertise and sociocultural characteristics, providing both relevant theoretical and managerial contributions. To the best of our knowledge, this is one of the first studies to bridge the a priori expertise consumers have about ethical certifications and the ethical perception (CPE) consumers hold about brands.

The contributions are threefold. First, consumer ethical behavior seems to be greatly influenced by consumers' perceptions about the eligibility of brands using fair trade, especially in more (mature) individualistic markets (such as the USA—Study 1). This effect is strengthened by the significant mediating role of consumers' ethicality perceptions on the relationship between fair trade and the willingness to pay for brands. This presents a novel and contributing finding in the brand CPE research domain (Brunk 2010, 2012; Brunk and Bluemelhuber 2011; Brunk and DeBoer 2015; Markovic et al. 2015; Sierra et al. 2015; Singh et al. 2012; Shea 2010). Results not only emphasize the role played by more determinant cues (i.e., a familiar brand name)—that offset the ethical certification during product evaluations (Boulding and Kirmani 1993; Burke 2006, Spence 1974)—but also show that even inconsistent pieces of information on a package are evaluated by consumers using their brand CPE perception.

Second, in our set of experiments we show how consumers' willingness to pay may be positively influenced by the brand–ethicality relationship dimension. By using real and well-established brands (with and without fair trade), we provide a real approximation of the type of valuations that take place when consumers are confronted with on-package attributes they are more or less familiar with. This answers to the recent call for future research by Brunk and DeBoer (2015), where authors suggest the use of well-established brands to assess consumers' real impressions when unexpected attributes are added on a package. Our research proposes that consumers' negative (versus positive) willingness to pay reactions for high (versus low) familiar brands with fair trade translates a behavioral attitude that reveals the level of contentment related to the perceived type of brand–ethical behavior relationship. This adds to previous research on ethical consumption and suggests that willingness to pay behaviors are not only intentional as suggested by previous authors (Devinney et al. 2010), but may also reflect consumers' real predisposition to buy (or not to buy) fair trade-certified products.

Third, the current findings provide evidence that ethical attributes such as fair trade have a special package enhancement role for low familiar brands holding this attribute, even if its interpretation is not entirely meaningful (Carpenter et al. 1994; Meyers-Levy and Tybout 1989; Nowlis and Simonson 1996). This is a valuable finding since it shows that the fair trade certification may increase cognitive elaborations about the product or package characteristics, which in turn may favor the evaluation of the product information (Hoogland et al. 2007). This is in line with Burke's research (2006) about the visual appearance of products who suggests that the asset of having irrelevant or non-meaningful attributes on a package is its synergetic value with other on-package attributes from which consumers infer to add value. In fact, as proposed by this author, the simple addition of specific attributes to the products' package may exert a positive influence on the overall evaluation of the product. Despite

our findings suggesting a similar main effect for fair trade certification, it is important to refer this is only valid when consumers have no additional or extra knowledge about the brands they are being presented with (low familiarity condition). Otherwise, participants tended to not rely on any added on-package attributes when evaluating products, with fair trade certifications not being considered a differentiating factor.

Overall, our findings add to previous studies that make a connection between corporate brands and business ethics (De Pelsmacker and Janssens 2007; Du et al. 2007; Luchs et al. 2010; Peloza et al. 2013; Sen and Bhattacharya 2001; White et al. 2012), acknowledging the importance of both quality and quantity of fair trade communication in consumers' perceptions and attitudes toward ethically certified products. This article builds on these insights and presents a determinant antecedent and consequent factor—the role of ethical expertise on certified brand valuations, exploring the impact of information and expertise on the formation of attitudes and purchasing intentions toward products with an ethical dimension (Nilsson et al. 2004; Teisl et al. 1999). By studying this phenomenon across countries with different social orientation cultures, the present research complements some of the prior work on understanding cross-cultural ethics' behavior (Hofstede 1980, 1983, 2001; Mooij and Hofstede 2011; Nayeem 2012; Triandis 1995, 2008). Our results suggest that in more individualistic countries consumers seem to be more used to fair trade labeling and their associated brands, better evaluating the certification and revealing higher willingness to pay for fair trade-certified products. On the other hand, in more collectivistic countries, individuals seem to be less acquainted to the ethical certifications, paying attention to different attributes before making purchasing decisions. Hofstede's (1980, 1983, 2001) third dimension—uncertainty avoidance—may also explain the valuation disparity results observed between countries with different social orientation cultures. For instance, in the case of individualistic countries with low uncertainty avoidance such as the USA, consumers seem to have a low reliance on internal coping mechanisms to deal with low familiar situations. Instead, their reliance seems to be on external cues such as the familiar attributes on the package—fair trade certifications.

These findings are of great value for product managers since it highlights the significant impact that companies' ethical practices may have on consumers' consumption decisions (Luchs et al. 2010; Luchs and Kumar 2015; Prothero et al. 2011).

Practical Implications

Our findings have multiple implications for managers since they highlight that there are significant cross-cultural differences in the way consumers evaluate brands and that it seems to exist a set of different affective and cognitive reactions to brands at different ethicality maturation stages (Sierra et al. 2015).

First, this research provides evidence that at specific levels of consumer expertise there are untapped market opportunities for fair trade-certified products. Specifically, our results suggest that there are markets where consumers are still in the process of being acquainted with ethical certifications (e.g., collectivistic markets), and that only if clear and meaningful information is provided, fair trade purchases can be significantly increased. Therefore, our findings suggest that before investing blindly in multiple markets, it is important for companies to assess the level of ethical expertise among consumers in each market. This understanding about the level of ethical awareness may then guide the set of resources and marketing initiatives to be implemented in each market.

Second, our results also suggest an outcome that can be extremely relevant for brand communication managers: the existence of an indirect relationship between ethical certifications on product quality perceptions via consumer perceived ethicality (CPE). Findings from the current set of studies show that consumers tend to ruminate on a set of established perceptions about brand ethicality when deciding about buying (not buying) an ethically certified product. Therefore, the overall ethical perceptions about corporate social responsibilities practices are shown to be strong influencers on the adoption of ethically certified products. This stresses the importance of companies building and communicating a consistent ethical reputation from the bottom line, since consumers tend to incorporate this information and to use it when choosing products. For instance, companies such as Starbucks (2017) (https://www.starbucks.com/responsibility/sourcing/coffee) and Patagonia (2017) (http://eu.patagonia.com/enGB/international) that have a consistent ethical reputation may benefit more from the adoption of fair trade than other companies without such a strong sustainable footprint. It is advisable then, before starting to invest in fair trade certification programs that companies adopt a set of reliable ethical best practices.

Third, our results also suggest that independently of the sustainable history of companies and consumer ethical expertise it seems that individuals may use fair trade certifications as warranty signals to make decisions, especially in the presence of low familiar brands (Atkinson and Rosenthal 2014; Boulding and Kirmani 1993). Therefore, when entering markets where consumers have low knowledge about the brands being communicated, marketing managers may use strategically fair trade certifications as on-package attributes to make products more salient among other competing products.

The fourth implication is related to the fact that most of this ethical attribute information is non-meaningful to consumers in markets with low information and reduced explicit verbal communication about certifications, being this especially evident in collectivistic markets. This provides opportunities for both public policy makers and marketers to establish a range of informational and consumer advertising campaigns both in the media as in onsite locations to enhance consumers' awareness about the ethical activities that are taking place in the markets. This implication may translate an opportunity to increase fair trade sales in collectivistic markets and balance the disparity of fair trade consumption among countries of different social orientation characteristics.

Overall, we advise corporations about the importance of acknowledging marketplace conditions and consumers' opinions before launching products with particular ethical concerns. The attitude–behavior gap concerning the sales of ethical products is a reality that many brands face when investing in this type of ethical initiatives that may not succeed simply because there is a low level of consumer awareness and thus incapacity to deal with these ideals. Interestingly, despite anecdotal evidence that consumers do not often behave in accordance with their supposed ethical standards, many brands invest large sums of money in fair trade labeling schemes as part of their global strategy. And this is done without making any distinction between markets with low and high fair trade expertise, assuming instead that the benefits extracted will be similar across different markets. However, according to our findings this is not the case, being important for companies to assess the level of ethical knowledge existent in society before deciding to invest in ethical certification. This research's insights can help brands and governments to adopt a set of initiatives to better stimulate ethical consumption.

Limitations and Future Research

We acknowledge that there is an opportunity to test our propositions further in other contexts and across markets with different characteristics than the ones studied in the present research. The results obtained in our studies provide contrasting evidence of the valuation mechanisms that take place in individualistic versus collectivistic orientation cultures with low and high uncertainty avoidance, but it is possible that other sociocultural characteristics may contribute to a better understanding of this phenomenon. Despite our efforts to understand the different valuation mechanisms present in countries with different social orientation cultures, it is important to replicate our findings in different settings and contexts.

Moreover, it might be useful to better balance the observations between individualistic and collectivistic countries to draw further conclusions about consumers' reactions to certified products. In our third study we had the opportunity to compare the reactions and attitudes of consumers of 29 countries, though these were not evenly distributed between individualistic and collectivistic markets, which may have partially influenced some of our insights. More research is then needed across multiple countries of different social orientation cultures to validate our current insights. Moreover, not just further research could test our assumptions in markets with overall low, medium and high levels of fair trade awareness, as also across other product and service categories. According to previous research concerning the affective and cognitive dimensions of brands, CPE shows to have both a direct and indirect impact on brand valuation through quality perceptions and brand affect (Sierra et al. 2015). Future research could then focus on a better understanding of the critical antecedents of CPE since our results suggest CPE to be a critical element on the evaluation of certified products.

Another avenue for further research would be to test whether consumers' reluctance to pay for high familiar brands is related to the suspicions consumers hold about brands that are not traditionally associated with CSR but decides suddenly to exhibit an ethical certification on its package. Though in our research the informal comments of some of our participants pointed into this direction, more research is needed to examine this potential phenomenon further. Alternatively, it would also be interesting to examine how the findings obtained in our product evaluation tasks would prevail when other differentiating on-package elements such as price and other certifications, namely organic certifications (e.g., USDA organic), are included in the consideration set and that provide self-benefit attributes (Herédia-Colaço and Coelho do Vale 2016).

Finally, more research is needed to help brands and marketing researchers to examine in more depth the value of fair trade attribute information as signaling cues among low- versus high-involvement products and testing whether indeed fair trade certification breeds contempt.

Compliance with Ethical Standards

Conflict of interest The authors declare that they have no conflict of interest

Ethical Approval All procedures performed in studies involving human participants were in accordance with the ethical standards of the institutional and/or national research committee and with the 1964 Helsinki Declaration and its later amendments or comparable ethical standards.

Human and Animal Rights This article does not contain any studies with animals performed by any of the authors.

Informed Consent Informed consent was obtained from all individual participants included in the study.

Appendix 1: Examples of Ethical Certification Marks Used in the USA and Europe
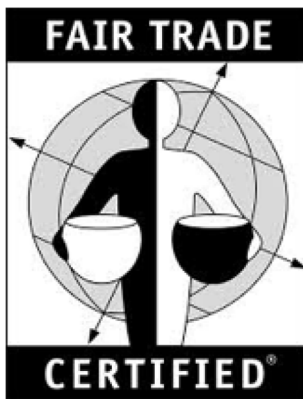
European fair trade Certification Marks

Competing Certification Marks in the Market

Appendix 2: Key Measures Used in Studies 1–2–3

Visual Inspection Measure

Package evaluation (three-item, seven-point bipolar scales, adapted from Schoormans and Robben 1996) ($\alpha1 = .89$, $\alpha2 = .88$, $\alpha3 = .84$)

"Overall, do you think this package is:"

(1) "ugly–beautiful,"
(2) "does not confer quality–confers quality,"
(3) "badly finished–very well finished."

Cognitive measures

Product quality perceptions (seven-point scales, 1 = very unlikely, 7 = very likely, adapted from Kamins and Marks (1991) and Luchs et al. (2010) ($\alpha1 = .80$, $\alpha2 = .78$, $\alpha3 = .79$)

"What is the likelihood of this product containing the following characteristics:"

(1) "it's not artificially flavored"
(2) "it does not contain preservatives"
(3) "it's healthy"
(4) "it's safe"
(5) "it has quality"

Consumers 'perceived ethicality of a brand (CPE) (seven-point scales, 1 = strongly disagree, 7 = strongly agree, adapted from Brunk 2012) ($\alpha1 = .85$, $\alpha2 = .83$, $\alpha3 = .84$)

"What are your perceptions about this brand:"

(1) "the brand respects moral norms"
(2) "the brand always adheres to the law"
(3) "it's a socially responsible brand"
(4) "it's a good brand"

Demand measure

Willingness to pay (WTP)

"What would be the price you would be willing to pay for this product?"

Appendix 3: Stimuli for the Valuation of Product Attribute Information

Study 1

Low familiar FT   Low familiar NFT

High familiar FT   High familiar NFT

Study 2

High familiar FT

High familiar NFT

Low familiar FT

Low familiar NFT

Note: Due to space constraints only a product category is presented per study. More images are available upon request.

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