

# **Consumer Cynicism: An Emergent Phenomenon in Fairtrade?**

## **Abstract**

*If you scratch the surface of a cynic, you'll find a disappointed idealist.*

This paper investigates consumer cynicism in the context of Fairtrade. It explores the factors that give rise to this cynicism and its impact on the buying behaviour of consumers of Fairtrade products. A qualitative methodology employs four focus groups and eight semi-structured interviews in a grounded theory approach. A conceptual model of cynicism towards Fairtrade is proposed including two main antecedents, i.e., goal disconnect and value disconnect. Findings reveal that on the one hand, consumers are cynical towards Fairtrade due to consumers' value disconnect, which stems from the fact that it leans too closely to charities, is yet another marketing strategy/ploy by the big companies, or, indeed, consumers' perception that Fairtrade is not going to work in this capitalist world. On the other hand, goal disconnect is reflected upon in terms of consumers' expectations and the functionality of Fairtrade products. Findings from this study will inform Fairtrade practitioners as to which cynicism antecedent to focus on in order to increase customer trust and thus accelerate the adoption of Fair Trade products by reducing or removing one of the major obstacles to its development, namely, cynicism.

Keywords: Consumer behaviour, Fair trade, consumer cynicism

Track: Consumer Research

## **1. Introduction:**

During the last decade, Fairtrade has emerged as an alternative to the prevailing capitalist trading system. The concept has grown almost exponentially and, by the end of 2008, sales of Fair Trade products had reached two thousand million pounds Sterling globally (www.fairtrade.org.uk, 2010). However, this phenomenally rapid increase in market penetration has not been without its problems. The ingrained suspicious nature of mankind has led many to question the validity of the ethos employed, as well as the reality of the claimed practices. Cynicism and scepticism arise and become barriers to development of this association. In a period which threatens to be almost as turbulent as the post war years, if Fairtrade is to win through and come out as a leader - which it must do or wither and die, then Fairtrade must position itself in pole position to take advantage of any opportunities which may present themselves. This paper for the first time places the concept of cynicism in the context of Fairtrade, as one of the biggest challenges faced by the fair trade organizations. The research is intended to expose and illuminate this challenge and show ways in which it can be overcome. In doing so, this paper proposes a conceptual model of consumer cynicism towards Fairtrade, which includes the antecedent factors that give rise to this cynicism and the subsequent marketplace behavior.

## **2. Background Literature:**

Since the early nineties, social commentators like Golfarb (1991) and Stivers (1994), have been raising the alarm about the rise of cynicism in some form. Goldfarb (1991: 1), in his book *The Cynical Society*, states that “the single most pressing challenge is widespread cynicism”. In its modern form, cynicism is perceived as distrust towards social, ethical and political values as a result of high expectations from both institutions and authorities. Although cynicism has been studied in the philosophical and literal context for many centuries, recently research regarding cynicism has expanded its scope in various disciplines such as social and political cynicism (Kanter and Wortzel, 1985), general cynicism (Kanter & Marvis, 1989; Andersson et al, 1997), organizational employee and work cynicism (Andersson, 1996; Abraham, 2000). In marketing, the study of cynicism has focused on related constructs, such as advertising communications (Boush et al., 1994), consumer cynicism (Helm, 2006), and most recently, the evolution of cynical consumer marketplace behaviours (Chylinski and Chu, 2010).

There have been many attempts to redefine cynicism to fit within the contextual hypotheses of writers in different domains. There are differences and similarities among the various descriptions of cynicism. The differences are perhaps obvious: pertaining to different representation, e.g., personality cynicism encompasses people in general, management, organizational change and consumer cynicism, consumer behaviour. However, Anderson (1996) and Dean et al. (1998), following an extensive literature review, came to a consensus that cynicism is a negative attitude that can be both broad and specific in focus, and has cognitive, affective and behavioural components, in other words, cynicism affects the way you see things, the way you approach things and the way you do things. Capturing this consensus, Anderson (1997, p. 1398) proposed a definition of cynicism as “both a general and specific attitude, characterized by frustration, hopelessness, and disillusionment, as well as contempt toward and distrust of a person, group, ideology, social convention, or institution.” Chaloupka (1999) very concisely posits that cynicism is the condition of *‘lost belief’*. Until recently the validated construct, namely “consumer cynicism,”

was not studied in the consumption context per se, but research in other areas of consumer behaviour suggests that consumers may in fact be feeling cynical.

## **2.1. Cynicism in the Consumer Behavior Literature**

Exploration of cynicism in the consumer context reflected a belief that companies lack integrity with an emphasis on dishonesty or empty promises. Consumers often appear bitter and angry and feel sufficiently discontented to rebel against firms (Helm, 2004). They may boycott companies they dislike (DeCarlo, 2005) or warn others not to buy from these companies (Laczniak et al., 2001). Helm (2006), for the first time, introduced the construct of consumer cynicism as “an individual consumer's stable, learned attitude toward the marketplace characterized by the perception that pervasive opportunism among firms exists and that this opportunism creates a harmful consumer marketplace.” In the context of advertising, consumer scepticism toward advertising claims (Koslow, 2000) has been found, which relates to the disbelief component of cynicism but does not take into account the underlying extreme negative effect of cynicism. Cynics can also be sceptical; however, their characteristics are consistent with representations of the cynicism construct in social science literature, i.e., close minded and disillusioned (Kanter & Mirvis, 1989), have negative and mistrustful attitude towards authority (Anderson, 1997), loss of faith in leaders of change, general negative perception of human behaviour, mistrust of others, breach of social contract between the society and the individual (Abraham, 2000). In sum, in the consumer context cynicism can be characterized by a belief in a *pervasive* lack of integrity among consumer companies and negative affect such as bitterness or resentment and loyalties with particular brands.

## **3. Methodology**

The conceptual model proposed in this paper is based on four focus groups and 16 semi-structured interviews. This methodology is applied firstly, because consumer cynicism is a conscious attitude, depicted in one way or the other and therefore consumers are qualified to reflect on their own cynicism towards the market place. Secondly, it seeks to gain insights into consumers' cynicism about Fairtrade products and therefore to examine the factors that give rise to this cynicism, and thirdly, focus group discussions stimulated the respondents to be forthcoming in their view points, in line with the objectives of the research. A large scale interview and survey research project is in progress regarding the UK consumers' scepticism towards Fairtrade.

### **3.1. Sample and Procedure**

The aim of this study was to explore and examine the concept of cynicism in the context of Fairtrade and develop the initial conceptual model. In the UK, Fairtrade consumption-related cynicism could influence many consumers. For this initial conceptual groundwork, a convenience sample from Cardiff University (post graduate students, secretarial staff, and staff from the University's Student Union) was selected. Focus groups were conducted based on a focus group guide (Krueger and Casey, 2000) and the semi structured interviews were conducted according to the interview guide (McCracken, 1988). Focus groups and interviews were tape recorded and transcribed for analysis. Ethical approval was taken and the participants were reimbursed for their time. For the full research project under progress, the sample is being drawn from a variety of consumer organizations and consumers in general from the UK cities: London, Cardiff, Leeds and Cambridge.

## **4. Conceptual Development:**

### **4.1. Consumer Goal Disconnect**

Chylinski and Chu (2010) posit that cognitive dynamics; suspicion, mistrust, skepticism and distrust are constrained by limited information processing on the part of consumers. This may lead to the discrepancy between the impression generated by the marketing agent and its performance. According to Palsmacker (2005), fairtrade organizations are facing a great difficulty to communicate effectively along with the other dilemmas (price, quality, availability) with which “fair trading” is faced. The general public feel that moral and economic trading cannot go hand-in-hand: by definition, making a profit, or entrepreneurship, is morally questionable. This becomes especially significant with an organization that is trying to differentiate itself in the marketplace by applying a moral rationale and also appealing to its customers’ morals in its marketing strategy. Studies in corporate social responsibility reveal the key point is not whether the consumer perceives firm-serving motives, but rather whether the perceived motives match the firm’s stated motives (Forehand and Grier, 2003). Consumer goals generally may be defined as intentions to achieve desired ends by means of consuming goods and services. A consumer’s goal likely affects the development and the expression of cynical behaviour. When cynics perceive marketing agents as unhelpful in their efforts to achieve goals, their response strategies might include indirect methods, such as deceiving the marketing agent, or more direct ones, such as assertively resisting or punishing the marketing agent by leaving and going to a different agent, complaining to management, or spreading negative word of mouth (Knowles et al., 2001). Such a change in consumer behaviour may damage the firm if it also entails defensive or retaliatory actions. Hence, it is proposed: H1: Consumer goal incongruence is positively associated with consumer cynicism towards Fairtrade

### **4.2. Consumer Value Disconnect**

Values function as the long-term principles for various aspects of behaviours and attitudes (Essoo and Dibb, 2004). They are derived from and modified through personal, social, and cultural learning and interactions. Values thus provide the broad motivation for choosing a marketing agent with certain attributes, with the aim to relate its attributes to the concept of self, which is informed by a set of values (Walker and Olson, 1991). For example, Doran (2010) in her research found that universalism was considered most important by loyal fair trade consumers. However, negative word of mouth and boycotting might instigate when a consumer’s values are not in accordance with corporate actions (Klein et al., 2004). The same logic can be applied in the context of Fairtrade due to the following value incongruence aspects: *lack of coherence* in its practices i.e., branding, marketing communication, brand image and certification lends itself to an underperforming brand, and *Charity shop image*, the consumer perceive that the Fairtrade products are worthy but of generally low quality and it gives a charity shop image to the brand (Nicholls 2002). Therefore, it is proposed: H2: Consumer value incongruence is positively associated with consumer cynicism towards Fairtrade.

### **4.3. Consequences of Consumer Cynicism**

A cynic feels disillusioned by the marketing firms and, consequently, a natural response will be to distance him/herself from the system (Fair trade). One way to distance him/herself is to stop purchasing from the firm (Fairtrade) or communicate to others that he does not trust the system (Fair trade). Therefore, *H3: Cynicism towards Fairtrade is positively related to distrust in Fairtrade.* By distrusting Fairtrade consumers establish negative feelings of the product which subsequently influence

consumers' intention (Ajzen 1986) to buy Fairtrade products and consequently, they will not think of paying a social premium for the products. For the above reasons, the following three hypotheses are proposed:

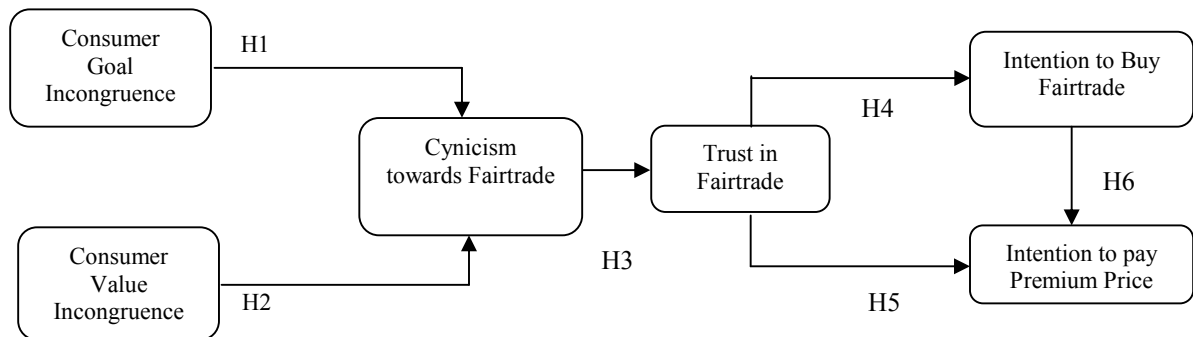
*H4: Distrust in Fairtrade is negatively related to intention to buy Fairtrade.*

*H5. Distrust in Fairtrade is negatively related to intention to pay a premium for Fairtrade.*

*H6: Intention to buy Fairtrade is positively related to intention to pay a premium for Fairtrade.*

Based on the qualitative interviews, focus groups and review of the literature, a hypothesized model of the antecedents and consequences of consumer cynicism of Fairtrade is proposed in Figure 1.

Figure1: Hypothesised antecedents and consequences of Cynicism of Fairtrade.



## 5. Conclusion:

With regard to as Fairtrade, from the focus groups and interviews it is evident that there is disconnect between the consumers' expectation and the deliverables by the Fairtrade organizations resulting in the "attitude behaviour gap." Consumers are positive towards ethical consumption however, there is a vital factor i.e. cynicism, impeding the growth of Fairtrade. The cynicism model presented in this paper provides a coherent framework for further empirical research on the phenomenon of cynicism towards Fair Trade. With appropriate operationalization and an empirical testing of the hypotheses generated from the model, it will possible to get a better understanding of the role of cynicism with regard to Fair Trade. The results will clarify and enrich the proposed model and will extend its boundaries. This will also inform Fair Trade practitioners as to which cynicism antecedent to focus on in order to increase customer trust and increase customer loyalty. Finally, research into the cynicism model developed in this paper will accelerate the adoption of Fair Trade products by reducing or removing one of the major obstacles to its development, namely, cynicism.

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