

“Fairness in the Real World: Findings from US Public Opinion Research”

Remarks by Shareen Hertel, Ph.D.
University of Connecticut

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Key questions:

- What does the public think about fair trade?
- What do they think it means, and how important is it?
- What do they think about specific strategies – such as FT certification, social labels to delineate process standards, etc?

Quick answers

(based on 2006, 2008 and 2009 polls):

- American public doesn't fully understand what "fair trade" is – respondents have a more intuitive understanding of "sweatshop free" products.
- Upwards of 25% report seeing a FT label.
- Despite their lack of knowledge and despite the deepening economic crisis, well over half of all Americans report they are willing to pay more for FT coffee.

More quick answers

(based on 2006, 2008 and 2009 polls):

- Over half of all American believe the right to a “minimum standard of living” should always be guaranteed, at levels close civil & political rights.
- BUT that number has dropped as the recession has deepened.
- Not all those who believe in econ rights are willing to pay more for FT or sweat-free products.

Research by UConn team:

- National random telephone surveys conducted by the UConn Center for Survey Research & Analysis (CSRA)
- 2006: “pilot” survey; sample of 508
 - Margin of error: +/- 4.5%
- 2008: longer survey; sample of 1000
 - Margin of error: +/- 3%
- 2009: longest survey; sample of 1006
 - Margin of error: +/- 3%
- Surveys conducted over a period of deepening economic crisis

Survey design

across all three surveys includes:

- 1) Set of questions on basic human rights attitudes
- Right to freedom from torture; right to freedom of thought/expression; right to minimum standard of living
- 2) Set of questions on willingness to pay more for FT coffee and “sweatshop free” clothing
- 3) Basic demographic data (age, income, education, gender, race, etc.)

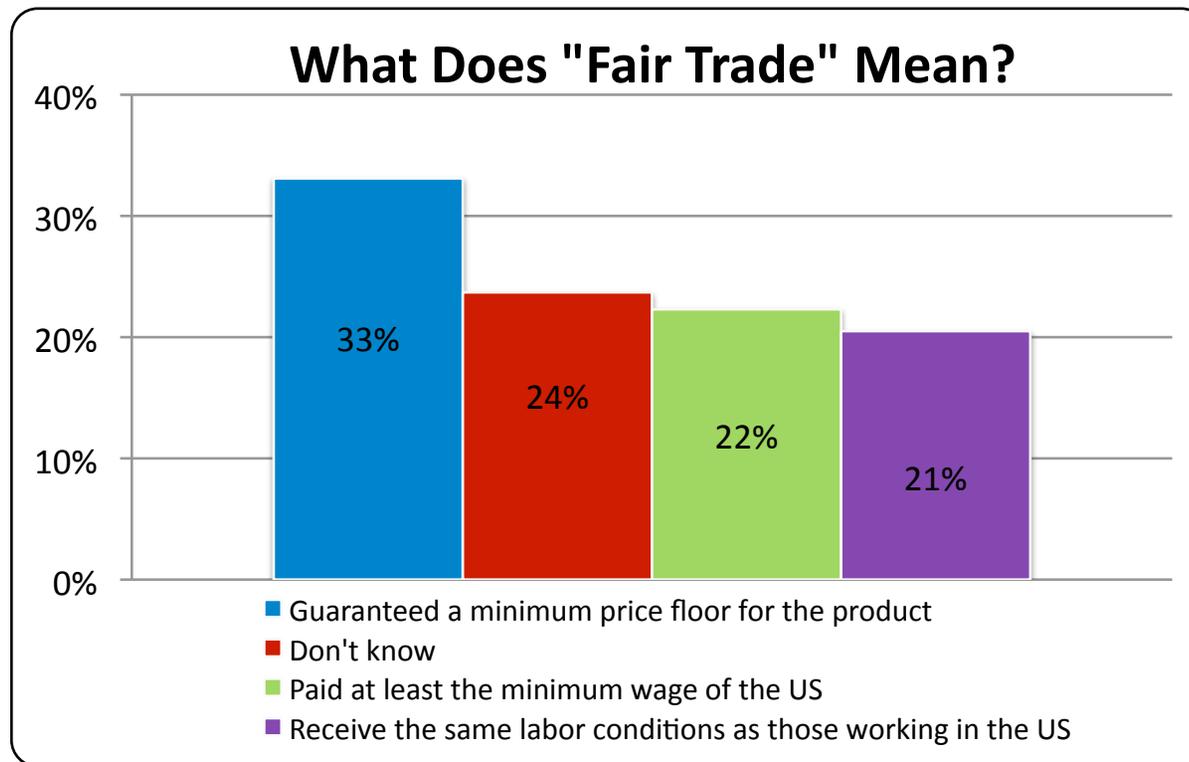
Survey design (continued):

- 2008 and 2009 surveys include set of questions on knowledge of FT and perceptions of quality and price. Similar questions on sweatshop-free products.
- 2009 survey includes questions on knowledge of and trust in other labeling initiatives (Forest Stewardship, Energy Star, etc.)
- 2008 survey includes question on consumer behavior (“looking for” the FT label)
- 2009 survey includes question on availability of FT products

***FINDING #1:
Public doesn't understand
what FT means***

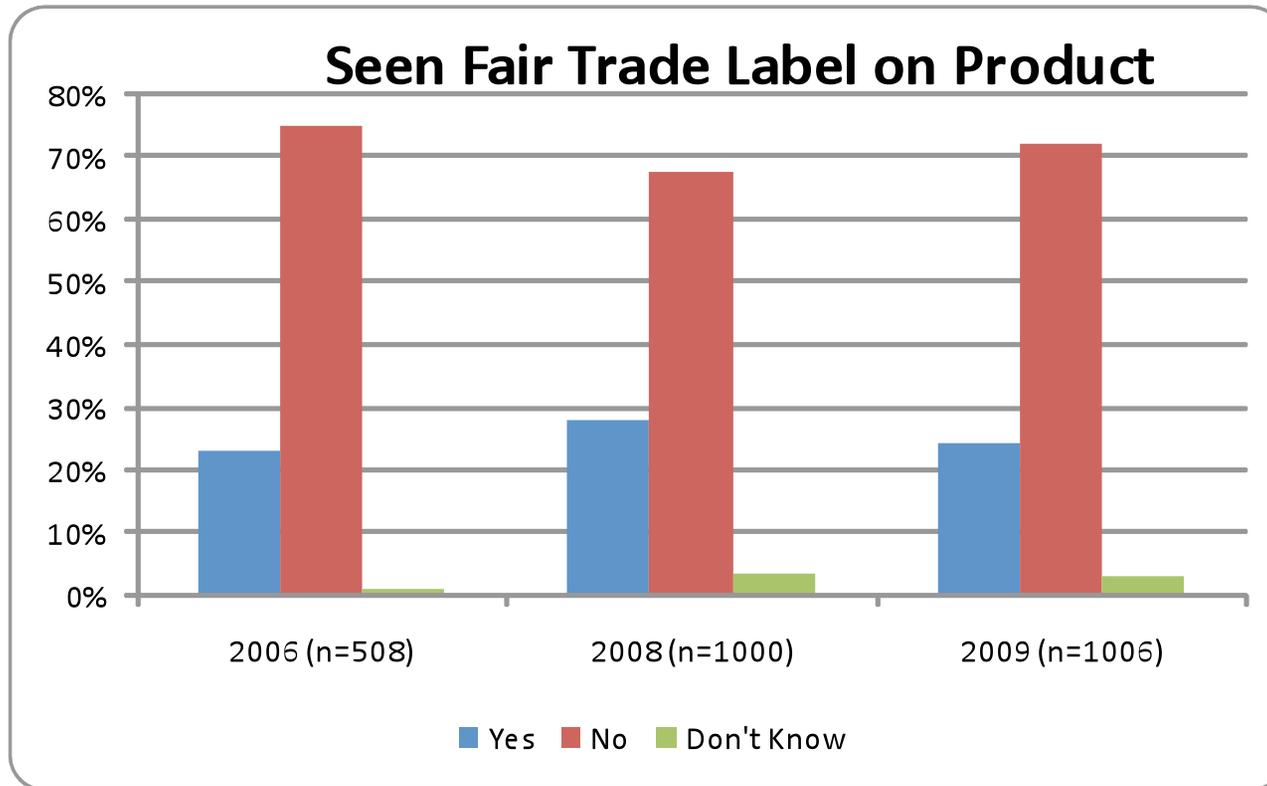
- More think it relates to “minimum wage” or working conditions “equal to the US” than *a guaranteed price floor*.
- The majority in 2008 and 2009 believed FT products are more expensive; more than half did not believe FT products to be of better quality than non-FT ones.

FINDING #1: Public doesn't understand what FT means



Source: 2008 survey data

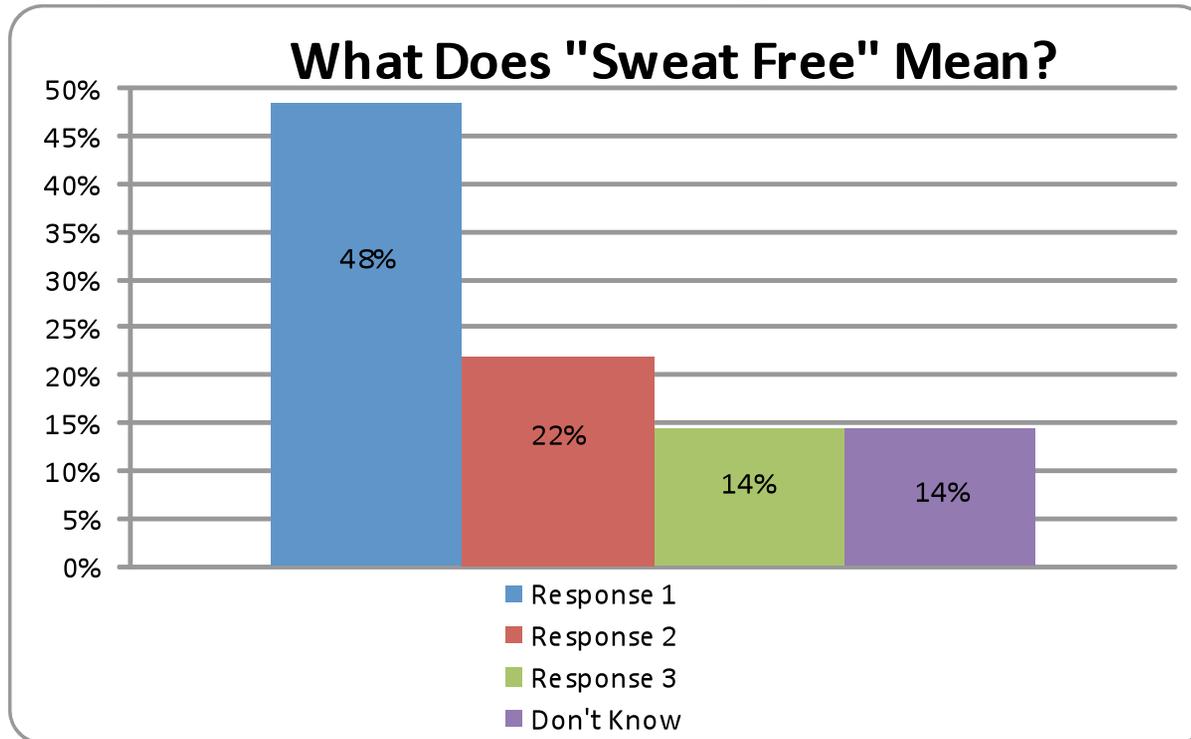
***And only 25% of consumers
have seen the FT label***



***FINDING #2:
Visibility of FT label and consumer trust
varies relative to other labels***

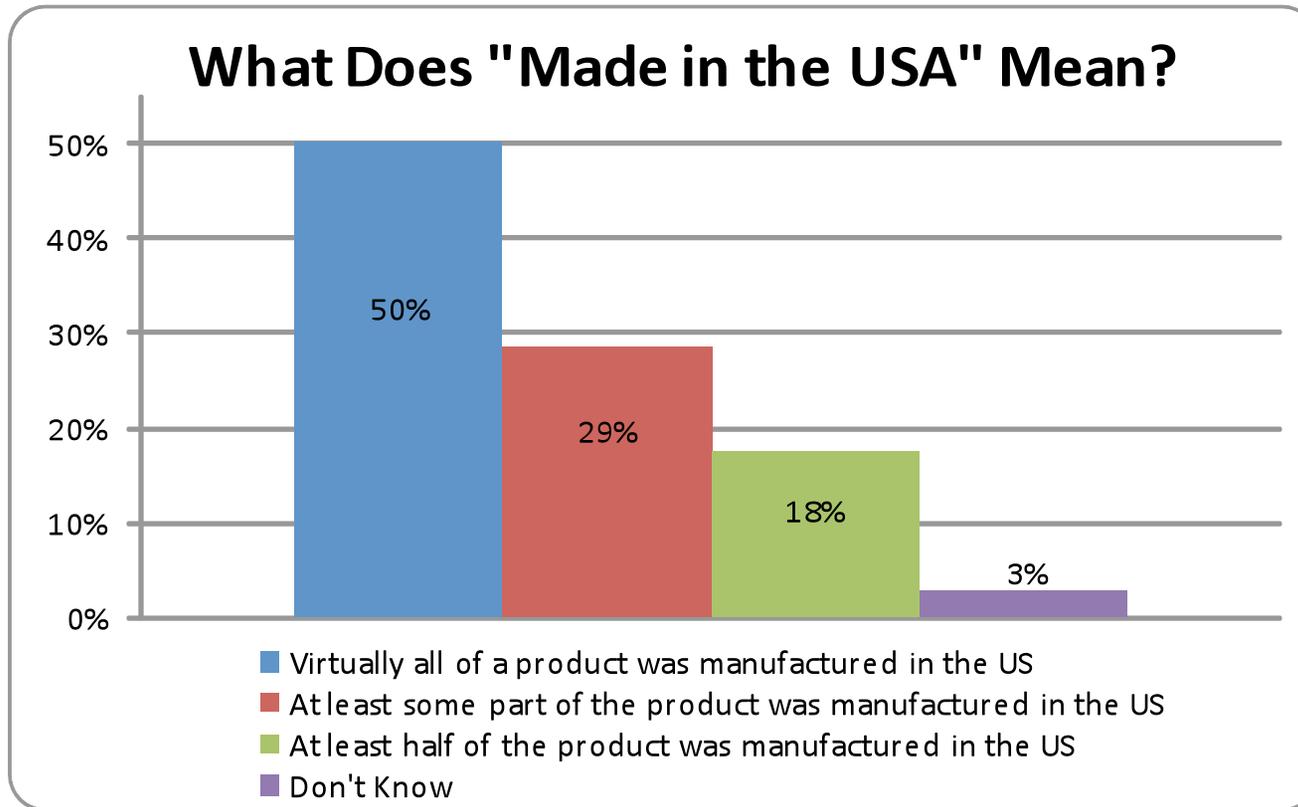
- “Made in USA” and “Sweatshop-Free” labels are more familiar [2008 data]
- But consumer knowledge of the meaning of each label is relatively low [2008 data]
- Consumers trust “Energy Star” and “Made in USA” labels more than FT label [2009 data]

FINDING #2: Visibility, trust & knowledge of labels vary



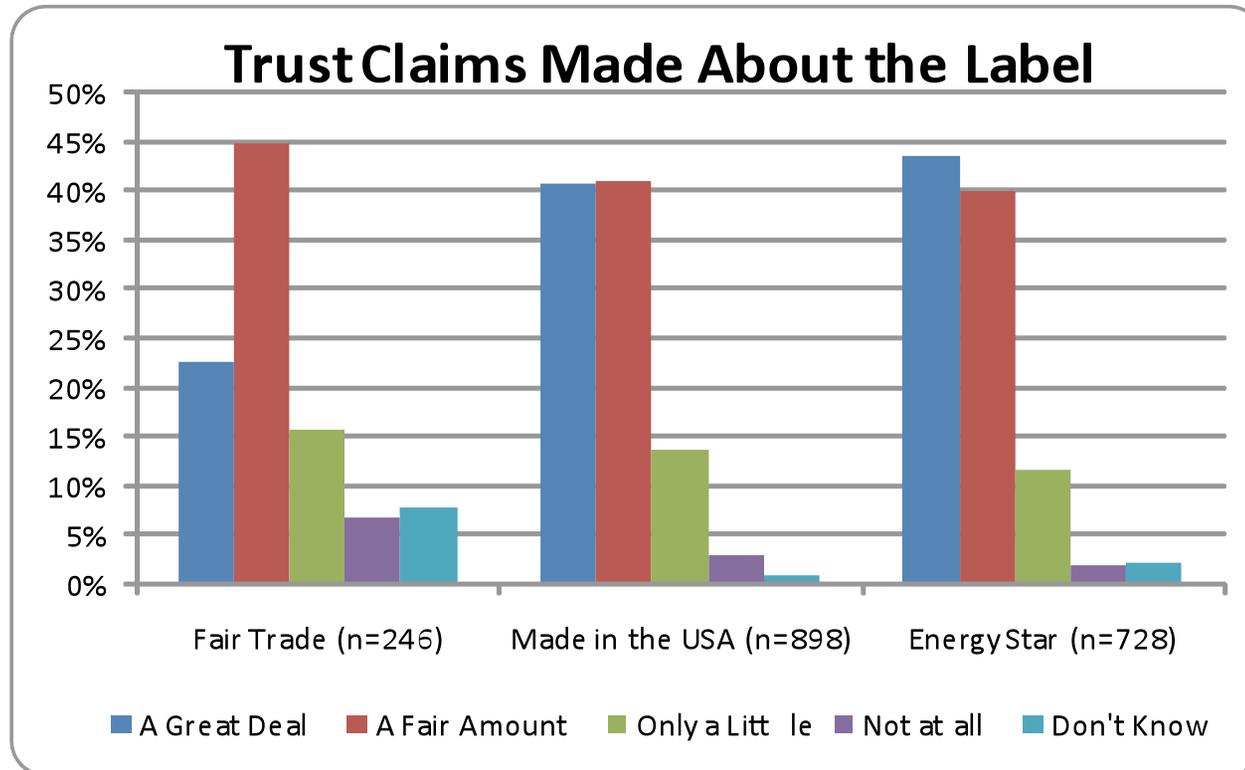
- **Response 1:** The product was produced in a factory paying reasonable wages for the local area and adheres to internationally acceptable working conditions
- **Response 2:** The product was produced in a factory paying the US minimum wage and under American workplace standards
- **Response 3:** The product is produced with a minimal amount of manual labor
- Source: 2008 Survey Data

FINDING #2: Public Understanding of MUSA



- Source: 2008 Survey Data

FINDING #2: Consumer trust of FT label varies relative to other labels



- N varies because the question was only asked of those who have seen the label
- Similar results are found demographically
- Source: 2008 Survey Data

FINDING #3:

***Modest numbers of consumers say they
“look for” or find FT goods available***

- Of those who have *seen* the FT label:
- 35% “look for” it [2008]
- 44% find FT products available [2009]

***FINDING #4:
Consumer willingness-to-pay (WTP) more for
FT coffee is strong - but not steady***

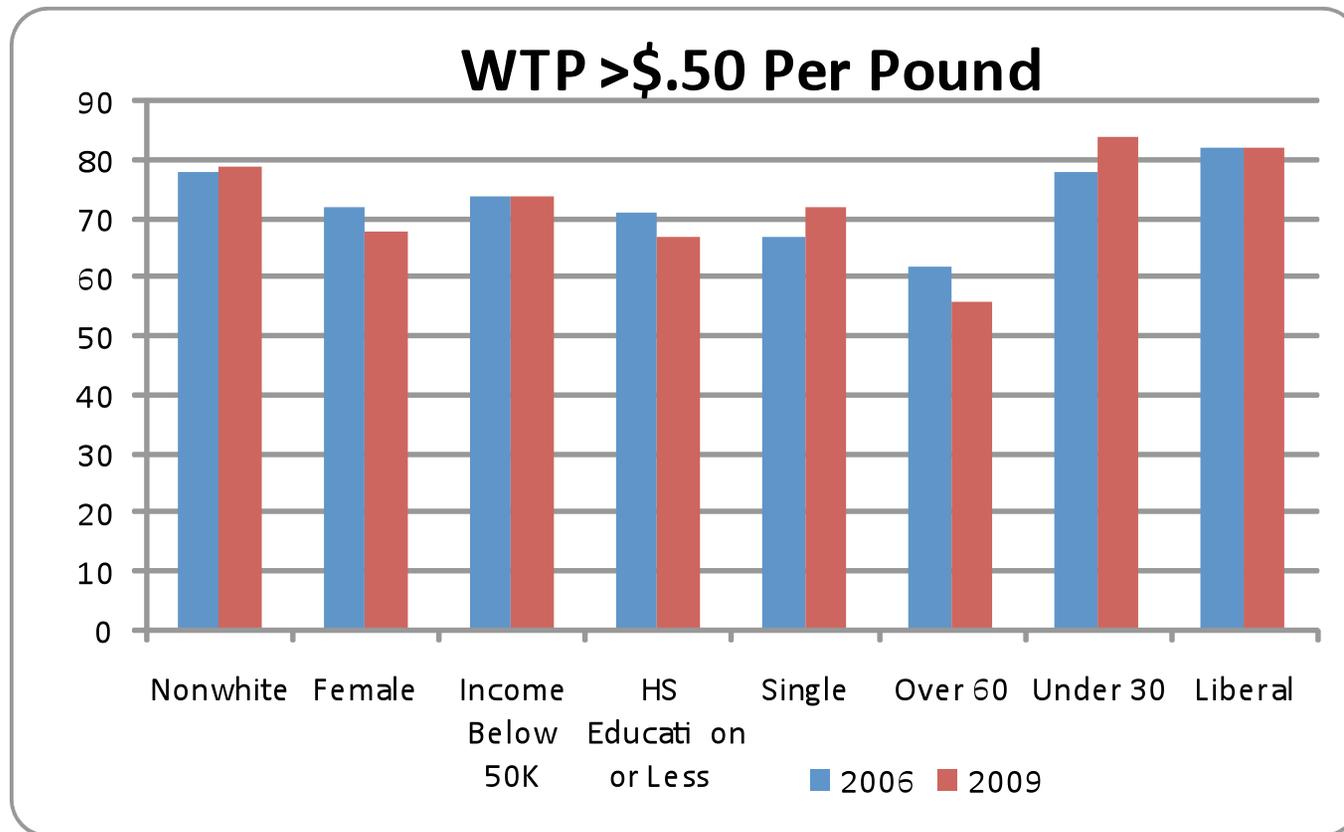
- In 2006: 75% of consumers WTP more
- In 2008: 57% of consumers WTP more
- In 2009: 65% of consumer WTP more

FINDING #4
Demographic detail on
Consumer willingness-to-pay (WTP)

- Relative consistency in *who is willing to pay* more for FT coffee [2006, 2008, 2009]
- WTP more: women, liberals, people under 30
- WTP more: those with less education in 2006, though their percentage drops in 2008

- *Not* WTP more: minorities, even controlling for income; [2006, 2008]
- BUT, in 2009, minorities show increasing WTP more
- [Analysis based on odds-ratio]

FINDING #4: WTP more for FT coffee is steady

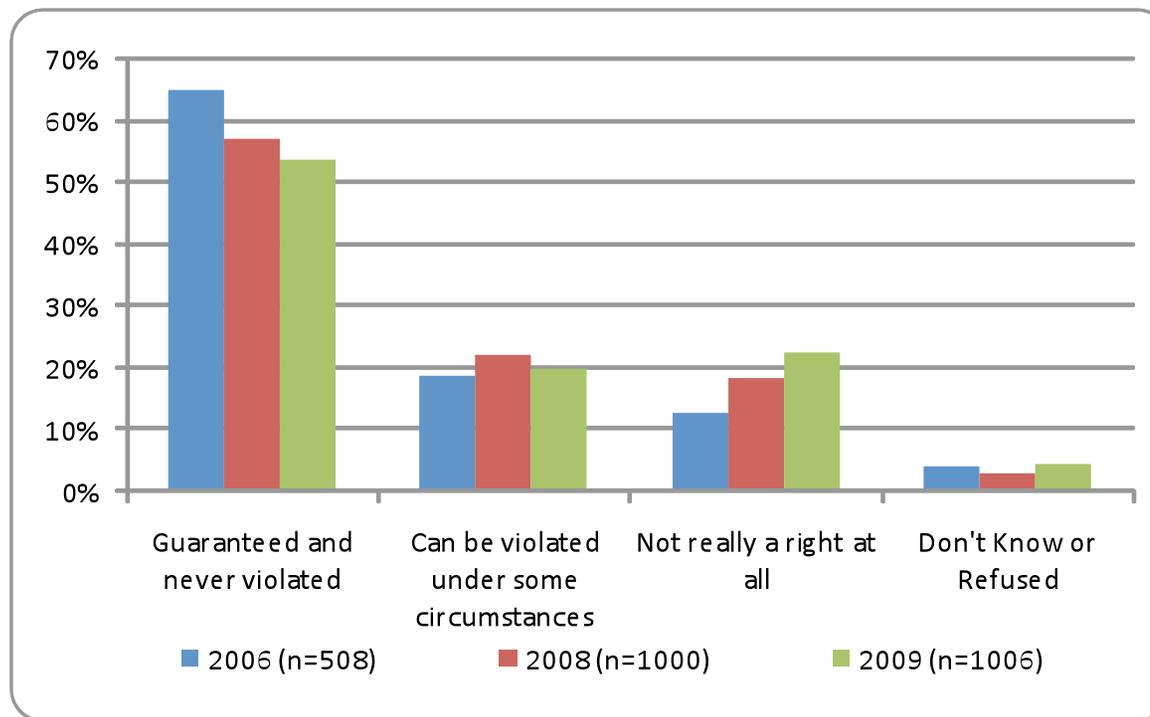


2008 data not included because of survey design variation (FT coffee by cup, not lbs.)

FINDING #5:

Americans believe in economic rights – but skepticism about this right is growing

- Guaranteed minimum standard of living: Is that a right that should be guaranteed to everyone and never violated, a right that can be violated under certain circumstances, or not really a right at all?



FINDING #6:

The label paradox – consumers want them but don't trust them

- 73% of consumers say government should require product labeling stating “how products are made” [2009 data]
- BUT 59% of the same consumers do not trust available information about how the product was made [2009 data]

FINDING #6: Labeling paradox

		The government should require every product to have a label describing how a product was made.	
		Disagree	Agree
Information about how a product is made is often not trustworthy.	Disagree	53%	41%
	Agree	47%	59%
Total		100%	100%

- Column sum
- Source: 2009 Survey Data

Related research

- Experimental context: transition to 100% FT coffee in all dining halls and coffee kiosks on the UConn campus
- Two-stage survey currently in the field on UConn campus
- Will assess changes in consumer knowledge of FT prior to and after the introduction of new coffee and related marketing
- Challenge: “social desirability bias”