ASSESSING THE “MYTH OF THE ETHICAL CONSUMER”:
DEMAND FOR “LIVING WAGE” APPAREL
IN THE PENN STATE BOOKSTORE

A Thesis in
Human Resources & Employment Relations

by

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Abstract

Alta Gracia apparel - the world's first "living wage" collegiate option presents collegiate bookstore consumers a unique product that does not command a price premium. Alta Gracia challenges the traditional approaches of paying workers low wages and preventing workers from joining unions by paying their employees a “living wage” and working with the local union. This study assesses consumer preferences for core and secondary product features and investigates how the ethical product performs in the Penn State bookstore. My study investigates the influence of expressed labor concern on actual purchasing decision, providing explanations for the gap between purchasing intent and actual purchasing behavior. Moving past the “mythical” nature of the ethical consumer, I present a complex collegiate apparel consumer split between selfless acts of citizenship and self-interested acts of consumption. Instead of expressed concern for labor ethics, individual purchasing decisions are more significantly influenced by perception of the ethical option’s style and labor ethics, loyalty to a single brand and willingness to pay for the ethical product. Consumer expectations are met by Alta Gracia product, although the average individual has great difficulty evaluating the ethical claims of the company. Implications of this clearer understanding of individual consumer behavior in the collegiate apparel marketplace are relevant to bookstores selling the ethical product, activist organizations advocating for support of the ethical product and Knights Apparel engaging individuals with the ethical product.
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Introduction

Problem Statement

Beginning in the late 20th century, a significant portion of United States apparel and domestic goods increasingly went overseas. Foreign countries earnestly welcomed foreign direct investment, appearing attractive to Western companies with a seemingly endless supply of cheap labor. Multinational companies, to keep their costs competitive, shipped production overseas to these countries that were able to provide the cheapest cost for the best production of a good. This exchange allowed Western companies to profit immensely. One problem however with this model, was caused by the exportation of work that used to occur in the United States under domestic labor legislation. This exportation meant the work was now occurring under governments that frequently disregarded labor legislation, thereby allowing business to exploit vulnerable workers at the bottom level of the supply chain. Additionally, this “race to the bottom” for cheap labor bid countries against each other to undercut labor rights in an attempt to offer a cheaper cost to multinational companies (Keck and Sikkink, 1998; Guidry, Kennedy, and Zald, 2000; Bonacich and Appelbaum, 2000; Rosen, 2002; Ross, 1997). This process, fueled by competitive global markets, allowed countries and companies to benefit economically, yet factory workers were commonly neglected when contracts were cut, or production moved to another region.

Up until the 1990’s shoe and clothes companies like Nike, Adidas, Reebok and the GAP were wildly profitable from this method of outsourcing. However, when investigate journalists traveled to these countries and began to document the stories of often very young children working on production lines making products sold in Western markets (Silver, 1996) the general American public was outraged. American and European consumers begin
to boycott these companies’ products and demand better standards for production. Activist
groups like United Students Against Sweatshops (USAS) ignited entire college communities
to voice their discontent against the unethical practices of multinational corporations. In
response to much of the public discontent with corporations, many companies created codes
of conduct that signaled a commitment of the company to certain standards. Companies
joined organizations like the Fair Labor Association and opened up their factories to regular
inspection by labor monitors. Membership in the FLA provided an added social
responsibility claim that could be presented to consumers and stakeholders.

Beyond adopting these codes or voluntarily joining associations, businesses began to
embrace fair trade products. While the concept of fair trade, or guaranteeing a price above
the market level for the workers who produce the product, had been in existence for many
years, it was not until after these events in the late 1990’s that the market began to really
expand. Activists and other organizations endorsed fair trade as a form of agency different
from boycotting that more directly benefitted workers at the ground level than. This form of
“buycotting” emerged as an attractive practice that encouraged consumers to use their daily
purchasing habits to “vote” for the ethical practices of companies they respected (Friedman,
1996).

The notion of ethical consumerism was borne out of this notion of “buycotting”
companies by positively purchasing from companies with more ethical business practices.
This form of agency assumes that more concerned and aware consumers will employ their
market sovereignty to punish socially irresponsible companies and reward socially
responsible companies (Titus and Bradford, 1996). Supporters of ethical consumerism
triumphed this form of agency as a way to bide companies against each other in a “race to the
top” to meet consumers’ increasingly dominant demands for positively produced goods. Activist organizations lauded this consumerist approach for its ability to engage everyday citizens who may not otherwise take action to support worker rights. While previous activist strategies relied on strong domestic industrial unions, international trade agreements enforcing stronger labor clauses (Kimeldorf, p. 59), or student activism targeted against universities to enforce labor policies (Mandle, 2000), ethical consumerism was as simple as buying one product over another at the grocery store. And rather than directly punishing companies who violate labor legislation overseas, consumers were rewarding positive performers in the market.

While this form of agency may surely sound promising in lifting factory workers out of poverty, it raises important questions that must to be answered to assess it’s overall efficacy.

❖ What is consumer demand for such ethical products?
❖ To what degree is concern for labor issues related to ethical purchase?
❖ What proportion of consumers fall into the gap between expressed moral concern for labor ethics and purchasing behavior?
❖ How do consumers justify that gap?

Purpose of Study

I seek to assess this idea of consumers supporting an ethical product at Penn State’s University Bookstore who have the option of purchasing Alta Gracia apparel, the nation’s first “living wage” collegiate apparel company. While the market reality of consumer ethical concerns may be difficult to quantitatively determine, the qualitative implications regarding this ethical consumer are worthwhile.
The central research question behind this study is does expressed moral concern for labor issues translate to the purchase of an available ethical product? Additionally, what motivations drive individuals to purchase the ethical product over other brands? On the flip side, what motivations drive individuals to purchase other brands rather than the ethical brand? Does latent demand exist in the college market for ethical products? What are the biggest factors for why collegiate apparel consumers fall into the gap of stating ethical concern, but not making a corresponding ethical purchase?

Importance of Study

While the concept of fair trade and ethical consumerism both sound very promising, the reality of how large the market of such consumers is highly debated. One side says that most people are “hidden” ethical consumers; they just need to be informed with the proper information and given the option to act on their expressed morals. Within this view, the current market for ethical products is severely undersized and needs to be expanded to afford consumers more opportunities for consumers to act on their stated moral concerns.

The other side says that most people may express high moral standards, but act in an entirely separate way. These individuals know what their behavior “should” be and are very adept at stating the socially desirable answer in opinions and polls, but do not act on those stated morals when checking out at the register. These consumers value attributes like functionality, quality and price over social and labor attributes of the product (Devinney, 2010). Within this view, the current market for ethical products matches the current level of demand and will only remain a small niche of the market until demand significantly increases (Vogel, 2005). Benjamin (2002) in Harrison, Newholm and Shaw (2005, p. 103) adds “ethical consumers still command only a 1.6 percent share of the marketplace across seven
sectors. This consumption is a fraction of the spending power of three-quarters of consumers who tell pollsters that they care about issues enough to sometimes purchase ethical products.”

My research study will take both views into account and assess which view of the consumer plays out in the Penn State bookstore setting. Rather than merely focusing on what consumers express they should do by using a simple poll or questionnaire, my quantitative research will present individuals with a purchasing opportunity that will provide information on their actual behavior. Additionally, interviews will provide qualitative information that will investigate why this disconnect occurs between stated moral standards and how consumers justify that gap.

*Implications of Study*

This study will be one of the first to investigate a number of things. First, studying Alta Gracia as a consumer option for “living wage” apparel in the collegiate marketplace has not yet been conducted. Secondly, very few studies are conducted in the collegiate bookstore. Findings will be relevant to topics such as consumer behavior, marketing, Corporate Social Responsibility, and fair trade. Answers to these pertinent research questions will better enable governments, corporations, and individuals to find agency in the fight against sweatshops and bring factory workers out of poverty (Hainsmueller, 2011). These implications will be made on specific levels through conclusions supported from data collected to three groups:

- Producers of the ethical product (Alta Gracia)
- Retailers of the ethical product (Barnes & Noble)
- Activist organizations in support of the ethical product (USAS)
Literature Review

Definition of Terms

Before the relevant literature is reviewed, it is important to gain basic working definitions of the substantive words used in this study, namely words relating to the notion of the “ethical consumer”. I employ the Merriam-Webster definition of the word “ethical” as “involving or expressing moral approval or disapproval” (Merriam-Webster, 2012). For the duration of this study, I do not seek to determine moral correctness beyond determining the use of sweatshop labor as morally incorrect and the choice of a product that does not use sweatshop labor option as morally correct.

Devinney (2010) is quick to comment on the subjective nature of determining what is morally correct and what is morally incorrect. For example, who is determining what behavior is more incorrect than other behavior? This question is well taken, as consumers will display an ever-complex rationale for the decisions they make. Some participants may value issues such as environmental protection over human rights violation. For this example, a participant of the study would deem protecting the environment as a higher ethical imperative, whereas protecting the factory worker’s rights may not constitute the same level of moral correctness. This research study does not seek to address the philosophical issue of whether some behavior should be deemed more ethical than other types of behavior, but to compare self-reported levels of individual moral behavior regarding regular consumption practices.

I also employ the Merriam-Webster definition of consumerism as “the promotion of the consumer’s interests”. Therefore, taken together, ethical consumerism means “the promotion of what the consumer deems as morally correct interests”. Many scholars have
posited definitions of the ethical consumer, ranging in scope and specificity. One source states ethical consumers are “those who buy products made and sold by companies that do not harm or exploit the environment, people and animals” (ECRA, 2002). In a similar vein, Devinney (2010, p. 4) defines the ethical consumer as “an idealization of what consumers should be doing to be proper members of society”. I find these definitions helpful because they describe the general construct of the ethical consumer, rather than delve into more particular characteristics that delineate one type of consumer over another. For this research study, any reference to ethical consumerism will occur in the particular context of concern for labor rights.

I refer to sweatshop labor throughout the course of the study. I employ the word sweatshop as “an employer that violates more than one federal or state labor law governing minimum wage and overtime, child labor, industrial homework; occupational safety and health, workers’ compensation or industry registration” (U.S. Government, 1994).

I also refer significantly to fair trade literature. I use Harrison, Newholm and Shaw’s (2005) definition as “products purchased under equitable trading agreements, involving co-operative rather than competitive trading principles, ensuring a fair price and fair working conditions for producers and suppliers” (p. 137).

*Alta Gracia Apparel*

Now that the terms have been defined, an introduction into the socially ethical option of apparel for the study is in order. In response to student activism (USAS) and criticism against producers in the apparel industry, Joe Bozich created Alta Gracia apparel in 2010 as a subsidiary of Knights Apparel. The initiative came out of a desire to develop a local community by producing collegiate apparel in an economically depressed region of the
Dominican Republic. Unlike other large apparel producers, Knights Apparel chose to pay its 150 sum workers a “living wage” of over three times the minimum wage, allow a representative union and enforce top-notch health and safety conditions. The Worker Rights Consortium (WRC) independently monitors conditions in the factory. The factory produces collegiate licensed apparel to over 450 universities across the United States, including Penn State University (Alta Gracia Apparel, 2011). Alta Gracia is the first living wage apparel sold in the United States and connects college consumers to the meaningful purpose of keeping workers in the developing world out of sweatshops and instead lifting them out of poverty.

While Alta Gracia apparel is not marketed as a fair trade product, the market of customers attracted to it is similar to the market for fair trade products. While both initiatives have similar purposes in bringing the workers a more fair compensation, literature regarding fair trade is much more developed than literature on “living wage” apparel. As such, the two ideas are entirely independent constructs. In summary, fair trade research lends itself to understanding ethical consumerism regarding fair trade products, but cannot be duplicated for understanding ethical consumerism regarding Alta Gracia products.

*Consumer Decision-making*

The primary framework employed in this study for understanding consumer decision-making is the knowledge, attitude, behavior framework (Pelsmacker and Janssens 2007). While this idea follows a generally linear model of behavior, it is adapted for its simplicity. Devinney (2008) proposes a recursive model of consumption that focuses on the interconnectedness of every single variable in the framework. While his framework rightfully acknowledges the complexity of interactions between knowledge, attitude and behavior, it is overly complex for the purpose of this study.
Within this model, information and beliefs lead to general attitudes, which then affect actual behavior, as displayed in the following figure. While the Pelsmacker and Janssens (2007) study analyzed knowledge, attitude and behavior towards fair trade products, this research study primarily analyzes attitude towards living wage products. In this situation, Alta Gracia is the only living wage option available in the bookstore. This model acknowledges the chain between stated consumer preferences and actual behavior (Hunt and Vitell, 1986, 1993; Shaw and Clarke, 1999; Shaw and Shiu, 2002, 2003; Vitell et al., 2001), allowing for closer analysis of where a potential breakdown in behavior occurs.

Most research coming out of the United States has focused on consumer preferences, namely addressing the attitude section of the framework, but has not fully addressed the role of information as it directly affects attitude, which shapes preferences. This study integrates the three in the holistic model below, through a mixed data collection method. Information from the structure interviews largely comprises the knowledge component (information/attitude about living wage apparel). The stand-alone online questionnaires, along with the forced exposure questionnaire make up the attitude to Alta Gracia products component. The link between these components is kept simple for the sake of clarity and brevity with data analysis.
Context of Decision-Making

While the figure above helps illuminate the process of decision-making, the context of decision-making is intricately linked to final purchasing decision. Researchers emphasize the fact that the knowledge, attitudes and behavior displayed by consumers do not occur in a vacuum, but are connected to the social context involved. One of the most significant reminders is that no absolute level of concern for ethical products exists apart from the sociopolitical environment in which the consumption occurs (Fehr and Fischbacher, 2003; Fehr and Gintis, 2007). Altruistic behavior theory challenges old assumptions about consumer behavior by emphasizing the importance of social context. Robinson, Meyer and Kimeldorf (2011, p. 7) state “[i]n other words, in the real world context of conditional commitments and constrained choices, it is the interaction of markets and consumer subjectivity that determines the extent of ethical consumption.”

The moral or ethical component is even more fluid as it is shaped by context that often transgresses the setting of purchase. In The Myth of the Ethical Consumer, Devinney (2010, p. 12) notes “the moral or ethical “value” aspects of the product are determined by the
individuals and their society and not by any larger ‘authority’”. Therefore value judgments may be reached by the individual’s own set of logic and principles, rather than following authoritative statements of made by companies, non-government institutions, governments, or other groups. The author emphasizes the research intent must be to focus on two issues, rather than attempting to influence participants’ moral statements. These two issues are the stance the participant takes on the ethical issue at hand and if the participant’s behavior is in line with their stated stance. For example, many groups may deem sweatshop labor as unethical, but my research study will focus more on whether or not participants view it as unethical and whether their behavior is in accordance with that stance.

**Product Attribute Evaluation**

Beyond general views of the consumer and a linear decision-making framework (as well as the context of the decision-making), individual product attributes determine how consumers evaluate the attractiveness of a product of interest. Darby and Karnie (1973) advance three general products of a good that are helpful to understanding product evaluation; “credence”, “search” and “experience” factors. “Credence” attributes are the qualities that cannot be directly assessed about the good, such as how the product was produced, or what kind of environmental practices went into the production of the good. “Search” attributes refer to more of the physical qualities of the good that can be directly assessed upon viewing the product. “Experience” attributes refer to durability, comfortability or other factors that can only be assessed post-purchase.

This distinction between attributes often determines the level of priority consumers place on certain characteristics over others in their decision-making process. Some consumers may be more intrinsically motivated to make ethical purchases because search and
experience attributes are not nearly as important as credence attributes. Other consumers may prioritize search and experience attributes and care little about credence attributes. The research data will provide such profiles of consumers that differently prioritize stated product qualities.

Watson (2007) concludes the majority of consumers are more concerned with commodity aspects (“search” and “experience” factors over “credence” factors) of the product because the social/labor aspects are removed from the consumer’s daily activities. The prevalence of this theory will be reviewed upon assessing both quantitative data from the surveys and qualitative information from personal interviews.

Subtle Consumption

Finally, a number of researchers emphasize the importance of subtle consumption that occurs often unnoticed by the individual consumers themselves. Devinney (2010, p. 119) cautions, “we might do better to recognize the forms of ethical concern always embedded in consumption practices” rather than creating a simple divide between behavior that can be construed as “ethical” and behavior that can be construed as “unethical”. Much research within ethical consumption has divided consumers a priori into categories based on behavior or responses that signify either positive or negative ethical behavior. The reminder to view consumers beyond the divide is important to illuminate the truer motivations of consumer behavior.

Keeping subtle consumption in mind will help in decoding why certain factors may account more significantly than participants in the research study may acknowledge. For example, factors such as brand may be frequently undervalued, or not fully realized by the
consumer as it influences his/her evaluation of other product attributes. This idea will be further investigated by the research study’s quantitative methods.

**Perspectives on the Consumer**

With research coming from multiple academic fields (behavioral economics, psychology, consumer behavior, marketing) a rich literature relating to ethical consumerism has emerged. For the sake of brevity only analyze subjects directly related to ethical consumption. A number of basic themes consistent through the literature can be introduced. First, consumer behavior is incredibly complex. Individual behavior is fluid, rather than strictly defined. It is influenced by context. The second theme is duality. Consumers wear different hats and play different roles in different situations. A gap between stated concern and behavior is consistent with the divide between identities the consumer often experiences. This gap contributes the often mythical nature surrounding the ethical consumer, as noted by Devinney (2010). A significant portion of the author’s suppositions relate to the method by which this research study assesses the reality of the ethical consumer. With these two themes in mind, the literature on ethical consumption can be described.

**The Rational Consumer**

The traditional perspective of the consumer is one grounded in economics of utility-maximization. Consumers are rational thinkers that act in a manner to maximize personal utility gained from the products they produce. The assumption in the literature is that humans are rational and act purely in self-interest (Becker, 1986; Mueller, 1985). When consumers enter a market to buy a product, they have very strict expectations about what they are looking for and the needs for utility that they seek to fulfill. This perspective states that economies are best run when consumers act in their self-guided interest. A company’s legal
obligation in this system is to meet equilibrium by offering the product at just the right prices to the consumer.

Because these consumers are very sensitive to economic issues, price is one of the determining factors for decision-making, in addition to other product features. These consumers take price into account along with factors that constitute the overall utility gained from purchasing the product.

A number of studies confirm the notion that consumers prioritize individual utility over labor concerns. Auger et al. (2003) found that purchasers of jeans prioritized fashionability and uniqueness over ethical concerns. Similarly, purchasers of athletic shoe wear more highly valued cushioning and durability of the shoes over ethical concerns. Dickson and Littrell (1996) discovered that many purchasers of fair trade apparel considered quality, style and functionality as very important in their decision. An additional complaint raised by utility-maximizing consumers has been that while fair trade products offer a positive social attribute, more functional attributes often suffer in return and that the variety of fair trade options is very limited (Tomolillo and Shaw, 2003).

The Altruistic Consumer

Concepts in opposition of purely utilitarian thinking invoke very altruistic notions (Monroe, 1996). More recent literature on the identity of the consumer has focused on concepts such as altruism, or behavior that is not out of self-interest. These consumers receive satisfaction from factors that do not relate to individual utility maximization, such as making a small sacrifice on price to ensure that the product meets certain social or environmental standards. Such authors further develop theories to distinguish types of
altruism – “pure” and “impure”. Researchers who study these behaviors have delineated different forms of altruism among consumers.

The “pure” form of altruism occurs when a consumer makes a purchase of a product that provides the consumer with a deep level of satisfaction from giving towards another’s well-being or knowing that the purchase helps to reduce global inequality (Fehr and Schmidt, 1999; Becchetti and Rosati, 2005). Related to “pure” altruism, but not entirely similar is “impure” altruism. This type of altruism is referred to as a “warm glow” feeling and is experienced when the consumer gives to a positive cause (Andreoni, 1989; 1990; Richardson and Stahler, 2007; Baron, 2009a). These two types of altruism constitute intrinsic motivation for making the purchase of an ethical product.

Intrinsic motivation emphasizes more selfless behavior, whereas extrinsic motivation emphasizes self-interested behavior. This kind of motivation manifests itself when consumers make purchasing decisions are based on how it will improve their social status (Hollander, 1990; Freeman, 1997; Cialdini, 2003; Willer, 2009), on their self-image (Batson, 1998; Benabou and Tirole, 2006), or on their reputation (Glazer and Konrad, 1996; Harbaugh, 1998; Fehr and Fischbacher, 2003; Benabou and Tirole, 2006).

This altruistically inclined consumer would likely respond very well to information displayed by available sweat-free products, such as the “No Sweat” tag initially planned to be released for apparel of FLA members (BNA, 1998). This label would be effective by offering a credible statement to consumers who are more concerned about sweatshop issues and making a difference with their purchasing decision. However, scholars are cautious to state what conditions must be present for the label to be trusted and used widely, as illustrated in the Ethical Consumer (Harrison, Newholm, Shaw, 2005). “Thus, it follows that consumers
who are supportive of socially responsible businesses who are concerned and knowledgeable about apparel industry conditions that they believe are problematic would use the information provided on a ‘No Sweat’ label to guide their purchasing, if the label were sanctioned by a reputable organization” (p. 159). In order for a consumer to make good use of this “No Sweat” tag, he/she would need to fulfill five obligations: be supportive of socially responsible business, be concerned with conditions in the apparel industry, be knowledgeable about conditions in the apparel industry, believe these issues in the apparel industry are problematic, and trust the information through a credible source.

Clearly, there is a list of requirements of concern, knowledge, and credibility that must be met in order for this ethical consumer to trust the claims. To date, this “No Sweat” tag has not been adopted in any markets. One reason may be the fact that many FLA member companies frequently are found in violation of minimum standards by which the label would not condone.

Altruism and ethical commitment literature is helpful in proving that consumers do not always act in pure self-interest but may act in ways that benefit individuals beyond themselves. In the case of Alta Gracia apparel, many consumers may be purchasing because they believe their purchase will help workers overseas (pure altruism: intrinsic motivation), whereas others may be purchasing the ethical product because of how it will improve their self-image (extrinsic motivation).

Critics of this type of consumer are willing to concede that “some consumers in some situations are clearly willing to give consideration to more than purely functional aspects of the products that they purchase” (Devinney, 2010, p. 176), but most of the time they are not willing to engaged in more altruistic behaviors of consumption. Devinney (2010, p. 182)
adds to this caution by stating that newer patterns of social consumption must fight against decades of reinforced consumer behavior that largely has not taken social/labor concerns into account.

Both these perspectives provide a complex picture of the everyday bookstore consumer – a multi-faceted individual who makes different decisions at different places in time, based on different moods. Motivation for purchasing an ethical or non-ethical product may vary from individual to individual. Finally, his/her behavior is reinforced by decades of prior consumption habits.

Expressed Willingness for Fair Trade Products

Polls and surveys are regularly conducted in North America and Europe that report overwhelming expressed willingness to purchase fair trade products. One such poll in the United States concluded 78% of consumers were willing to avoid companies that directly profited in sales from sweatshop labor. These same consumers reported a willingness to pay at least 5% of the product price to ensure the apparel was not made in poor conditions (Marymount University, 1996). Supporters of the notion of altruistic, ethical consumers point to the support found in these studies as evidence that significant demand exists for fair trade products, but is currently not being met by such few options in the marketplace.

Studies on Fair Trade Products

Just as Alta Gracia apparel maintains only a niche presence in the Penn State University Bookstore, many fair trade products constitute a small minority of total products for a given company’s product offering. For example, Ben and Jerry’s markets a number of certified fair trade ingredient ice-cream products. Additionally, Starbucks maintains limited sales of fair trade certified coffee, as well as certified organic coffee (Devinney, 2010).
A small number of relevant empirical and field experiments have emerged in the past decade. These studies provide a nuanced and complex picture of the way consumers evaluate ethical products. Studies have generally occurred either in the realm of perishable products (coffee and other food products), apparel (t-shirts and socks), or amenity products (towels and candles). The themes of complexity and duality embedded in consumer behavior help to explain the conclusions of the numerous studies described below.

In the realm of food, Teisl, Roe, and Hicks (2002) analyzed sales of tuna in a large American grocery store. The first trial of sales analyzed did not involve any product that was labeled as dolphin-free. The second trial of sales analyzed the influence of the addition of a certified dolphin-free tuna alternative. These researchers found that sales of dolphin-free tuna rose significantly after the label was introduced. Consumers in this situation valued and trusted the claims made by the label and were willing to purchase the product at a small premium.

In the realm of coffee, two studies are pertinent to fair trade literature. Galarraga and Markandya (2004) analyzed sales of British supermarket coffee with a “green” label and found that consumers were willing to pay up to a 11% price increase over non-green coffee alternatives. Arnot, Boxall, and Cash (2006) investigated Fair Trade certified coffee from a university vendor and discovered that demand was less price sensitive than non fair trade alternatives.

In the realm of apparel, three studies in particular are important. Casadesus-Masanell et al. (2009) found that sales not only rose more substantially when Patagonia introduced organic cotton for select apparel, but also that customers were willing to pay more than a 10% premium for the organic shirts. Kimeldorf et al. (2004) found mixed results when two
pair of identical socks were sold next to each other, with one rack claiming “Good Working Conditions”. Different price premiums were placed on the socks during different sale periods. While consumer motivation varied for the ethically produced option, many consumers were willing to pay a significant premium as the price steadily increased. The caveat was when no price premium existed between the ethical socks and the unmarked socks, consumers were not willing to pay for the ethical option, and purchased the regular socks. Finally, Hiscox and Smyth (2006) found that sales of brands of towels and candles labeled with statements of ethical labor standards rose with the label and that sales rose further with 10-20% price increases.

**Criticism**

While each of these experiments covers a unique angle into consumer behavior, no single study provides conclusive evidence about consumer demand for ethical products. Furthermore, critics are quick to point to lack of greater demand in many of these students as evidence that consumption will only remain at niche market levels. Critics generally believe consumers will overstate their desire to purchase ethically during research studies, but not back up their statement of concern with their purchasing habits.

Nearly every study in the field of ethical consumption acknowledges the gap between stated attitude (often measured by surveys, polls, or interviews) and actual behavior – or what Boulstridge and Carrigan (2000) refer to as the “attitude-behavior gap”. This gap can partially be attributed generally to social desirability theory. Schuman and Presser (1981) and Northrup (1997) voice this concern that is shared by many critics in the field of ethical consumption (other researchers refer to this gap as the concern-action gap). This error occurs when participants state a socially desirable response, when their true attitude and
corresponding behavior are not in line with their stated response. Particularly in the field of ethically responsible behavior, this error may be more dominant in keeping researchers from assessing true attitudes. Beyond this error occurring on the side of participants, researchers may often frame questions (particularly regarding moral opinions on sweatshops, labor exploitation, etc.) in a manner that tips off the socially desired answer to the participant.

To illustrate this point, critics point to the overrepresentation of support displayed in the 1997 MORI poll conducted in the United Kingdom by the Catholic Agency for Overseas Development (CAFOD) and Christian Aid Abroad (Devinney, 2010, p. 79). The poll assesses public opinion on social issues such as labor products, environmental factors and other production-related attributes. Supporters of a larger demand for ethical consumption point to the overwhelming majority of respondents that echo great demand for responsible goods in the survey. Critics of ethical consumption then challenge this by pointing to low purchase sales and only a niche market of fair trade goods.

*True Consumer Demand*

These critical theorists believe the market for such products is smaller than generally reported. Dickson (2001) found that fewer than 15% of consumers in her study were willing to prioritize labor concern over price, quality and durability for apparel. Vogel (2005) similarly agrees that ethical concerns do not and will not win out for the average consumer to make a significant impact on the market. He states, “consumers will only buy an [ethical] product [if] it doesn’t cost more, comes from a brand they know and trust, can be purchased at stores where they already shop, doesn’t require a significant change in habits to use, and has the same level of quality, performance, and endurance as the less [social] alternative” (p. 48-49). If such stringent requirements for purchasing an ethical product are in place, very
little changed behavior for ethical production will occur in the marketplace. Similarly, Devinney (2010) observes that people are willing to take a small premium if product functionality is good, but not if functionality is bad. However, at a higher premium, demand falls more significantly. What all these studies reference is the finding that ethical characteristics of the consumer product are of secondary concern to primary product attributes such as price, style and quality.

Moral Disengagement

Not only do individuals over report their willingness to support ethical products, but they also justify reasons for not changing their behavior to support trade justice initiatives. In the provocatively titled Sweatshop Labor is Wrong, Unless the Jeans are Cute, Paharia and Deshpande (2009) criticize conscious consumers for their seemingly quick ability to compromise stated ethical concerns involving sweatshop labor. Upon assessing different types of moral disengagement from the issue, they conclude consumer demand is merely a “product of empty public relations and marketing campaigns by big-name brands”.

With this idea of moral disengagement in mind, Devinney proposes three overarching types of moral justification for the gap between stated concern and actual behavior, based mostly from interviews conducted in a cross-cultural context. During interviews conducted, individuals utilized a variety of arguments to justify labor rights violations, animal testing for a type of soap and the purchase of counterfeit goods. The three types of arguments are illustrated in the following figure.
Figure 2. Types of Moral Justification for Lack of Ethical Behavior

<table>
<thead>
<tr>
<th>Economic Rationalist</th>
<th>Government Dependent</th>
<th>Development Realist</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Consumers justify behavior based on individual utility</td>
<td>• The issues are the responsibility of policy makers, not individuals</td>
<td>• Inequalities are realities that must be accepted in the realm of development</td>
</tr>
<tr>
<td>• Cost-benefit analysis for individual decisions</td>
<td>• Ethical individual behavior follows laws</td>
<td>• Concerns in developed countries are different from those in developing countries</td>
</tr>
<tr>
<td>• “A job is better than no job” for workers overseas</td>
<td>• Shift responsibility to companies as well</td>
<td>• Evolution of capitalism determines the rules by which trade is governed</td>
</tr>
</tbody>
</table>

If this literature provides any consistent look into consumer behavior, it proves consumers act in rational and irrational ways, often in ways that go unnoticed to individual and researcher. Their thinking is incredibly complex and based on evaluations of knowledge, attitudes and behavior.

Consumers are not simply ethical or unethical, but have a multitude of reasons for why they act certain ways in one context versus another and have different forms of identity. Devinney (2010, p. 139-140) refers to this split between the “private wants of a consumer” and the “public ideals of a citizen”. As conflicted individuals, these people cannot simply be grouped by their unethical or ethical behavior.
Research Design

With this perspective gained on the split between consumer and citizen, I seek to analyze consumer behavior for collegiate apparel in the Penn State University Bookstore. The main instrument I employ is a small experiment followed by a short questionnaire to test my hypotheses. In addition, I use interviews to dig deeper into consumer behavior. Employing both of these quantitative and qualitative methods, I will seek to understand the level of ethical consumption (Alta Gracia purchasing) that occurs in the bookstore setting and how consumers report their regular preferences for clothes they purchase. I am convinced that this idea of taking labor issues into concern as a motivation to purchase an alternative product is still very foreign to the average price-conscious college-aged consumer, despite the fact that information about sweatshop labor may be abundantly available in the university setting. I will determine the reality of the ethical consumer in the Penn State Bookstore setting and how individuals justify a greater lack of concern for labor issues.

Research Objectives

Before diving too deeply into reasons why consumers fall into the attitude-behavior gap, I will gain an understanding of the level of ethical consumption in the bookstore before the study and the level of ethical consumption during my research study. I will analyze the sales numbers of Alta Gracia in the bookstore since its arrival in the fall of 2010 to gain a perspective on how the brand was selling before any type of intervention. Secondly, I will use my experiment to gauge how consumption habits change when the marketing of Alta Gracia is altered. Both of these methods will involve simple comparisons of sales between Alta Gracia and other brands.
RQ #1: What is the current rate of ethical consumption of Alta Gracia t-shirts and hoodies in the bookstore compared to t-shirt and hoodie sales of five other dominant market brands (Nike, UnderArmour, Champion, Jansport and League Apparel)?

Alta Gracia is a relatively new brand to the bookstore that faces immense competition from well-established brands such as Nike, UnderArmour, Champion and Jansport. Thus far the brand and product have not been significantly marketed to the average Penn State consumer. These collegiate apparel consumers are well-exposed to larger brands and interested in product factors such as price, quality and style. I hypothesize the average student is not knowledgeable about sweatshop issues or personally connected to the issue, therefore they do not consider labor issues in their general purchasing habits. Therefore I expect Alta Gracia sales to be the lowest compared to the five other brands surveyed for the scope of this study.

H #1: Alta Gracia’s bookstore sales will be the weakest when compared with other well-established market brands such as Nike, UnderArmour, Champion, Jansport and League Apparel.

RQ #2: How does the rate of ethical consumption of Alta Gracia t-shirts change in experimental conditions when compared to bookstore sales?

I expect the consumption of the ethical product to increase significantly during experimental conditions when compared to bookstore conditions, due to better representation among other brands. Instead of being one of dozens of brands in bookstore conditions, Alta Gracia will only be one of six brands. This greater representation will allow participants to adequately evaluate Alta Gracia apparel and positively assess the product. Knights Apparel claims the quality of the Alta Gracia product is just as good as other brands, therefore I do
not expect sales to be weakened by poor assessments of Alta Gracia. During the first week period of experimentation, when each product has an equal representation among other displayed options, I expect Alta Gracia sales to be comparable, if not equal to Nike and UnderArmour sales. During the second week of experimentation, when each brand will have display areas that replicate the bookstore conditions in terms of number of t-shirts displayed for each brand, I expect Alta Gracia sales to be significantly lower than Nike and UnderArmour sales, but still above a competitor like League Apparel.

**H #2**: Sales numbers will significantly increase during the two weeks of experimentation. Week 1 sales will be higher because the Alta Gracia brand is given equal representation alongside other brands. These numbers will be comparable to top competition such as Nike and UnderArmour, who will perform best among the six options. Week 2 sales will be lower because the Alta Gracia brand is more easily passed over due to a greater number of t-shirts from other brands. These numbers will be slightly above League Apparel, but not anywhere close to Nike or UnderArmour.

**RQ #3**: How many Penn State apparel consumers fall into the attitude-behavior gap in the experiment by expressing intent to purchase the ethical good, but do not select the Alta Gracia product?

Following critical ethical consumer theorists such as Devinney and Dickson, I expect a great percentage of students to fall into the gap between attitude and behavior. Most students, for whatever reasons, will likely not select Alta Gracia, but when asked if they would support the ethical notions embedded within the Alta Gracia product, they will be very supportive of the idea. I assume an 80% level as a clear majority rate, because much
literature in support of latent demand for fair trade goods claims a majority of consumers expresses positive purchasing intent (Marymount University, 1996; Devinney, 2010).

**H #3: Over 80% of consumers in the experiment will fall into the gap between expressed positive attitude to purchasing an ethical product and purchasing behavior.**

Once these levels of market ethical behavior are determined, I will investigate whether correlations exist between levels of expressed ethical concern and purchase of the ethical product (Alta Gracia). Additionally, I will assess whether a correlation exists between levels of expressed ethical concern and purchase intent of the ethical product.

**RQ #4: Is expressed concern for labor issues associated with ethical product selection?**

Due to the complex interaction of consumer preferences, perceptions of ethical products, and labor-related concern all occurring in a social context, I do not expect either correlation to be significant. Additionally, due to social desirability theory, many participants will contaminate the results by choosing the perceived right answer, regardless of whether that response is true on an individual level. However, employing arguments made by Watson (2007), Devinney (2010) and Vogel (2005), I hypothesize there will be a more significant relationship between “search” and “credence” attributes such as importance of price, style, quality and variety and product selection. Given the Alta Gracia product is cheaper than other varieties in the experiment, consumers who express price consciousness will be more likely to purchase Alta Gracia. Thus, instead of trying to predict ethical product selection by expressed concern for labor issues, the best predictors will be positive evaluation of the Alta Gracia product on dimensions such as price, style and quality.
**H #4:** Expressed concern for labor issues is not significantly correlated with purchasing decision (on three dimensions), but importance of “search” and “experience” attributes will be significantly associated with product selection. Positive evaluation of the Alta Gracia product on price, style and quality will better predict Alta Gracia purchase.

**RQ #5:** Is expressed concern for labor issues associated with ethical purchase intent?

Similar to the fourth research question, I hypothesize there will be similar associations for these attributes on expressed ethical product purchasing intent. Only for this analysis, more relationships will be significant because this is merely expressed purchasing intent and not actual purchasing decision. Therefore, I hypothesize there will be more significant relationships between expressed concern for labor issues.

**H #5:** Expressed concern for labor issues will be significantly associated with purchasing intent (on two dimensions) and there will be more significant associations of “credence” and “search” attributes on purchasing intent than on ethical product selection.

The last and final research question will be answered primarily through qualitative methods of interviews and assessment of findings based on the previous research questions. Devinney’s classification of three types of justifications for moral disengagement will be immensely helpful in sorting through different reasons provided by individuals. Answering this question will provide extensive recommendations to producers, retailers and supporters of the Alta Gracia product.

**RQ #6:** Why do consumers fall into the concern-action gap?

Due to the majority of participants likely being college students who are highly educated, these individuals will have well-developed reasoning on how he/she chooses to justify sweatshop labor. Every graduating student from Penn State is required to take basic
introductory economics classes, therefore individuals will have reasoning in line with the “Economic Rationalist” position. In addition to this position, I expect many to also espouse elements of the “Development Realist” position. Very few individuals will comment in line with the “Government Dependant” position, because this opinion tends to be taken much more by individuals living in social welfare states, rather than capitalist, democratic states (Devinney, 2010).

**H #6: The majority of students will use “Economic Rationalist” arguments, along with a small number of “Development Realist” arguments to justify the lack of moral engagement in preventing sweatshop labor due to relevant education in economic courses at Penn State.**
Methods

Participants

While previous studies have focused solely on a single segment of customers based on motivation, expressed concern and preferences for an ethical product, this study compared motivations between all consumers. A majority of participants were Penn State University students, but a small percentage was non-student individuals such as faculty members, family and friends who frequent the bookstore. Allowing this group of respondents to participate allowed for a more representative sample of the bookstore-going population. Over 100 responses were collected from participants of the forced exposure experiment during each of the two experiment weeks. Finally, 10 structured interviews were conducted to gain richer qualitative data on the subject of moral disengagement.

Research Site

Data collection occurred at the Barnes & Noble at the Penn State University Bookstore on each weekday between January 30th and February 3rd. The store is owned by the university, but contracts to Barnes & Noble for textbook, merchandise, and apparel sales. Located in the student union center on campus, the bookstore attracts a high volume of Penn State students, faculty and local community members in search of high-quality Penn State goods and apparel. Unlike various bookstores in the nearby area, the Barnes & Noble bookstore commands higher prices for apparel due to top-level name brands and higher quality apparel. Approximately 25 different brands carried by the bookstore, ranging from large name brands like Nike and Under Armour to smaller name brands such as Cutter & Buck, and 47 Brand.¹ Alta Gracia apparel is one offered option among many others.

¹ See item 1 in the Appendix for a list of all brands represented in the bookstore
Nike is the only apparel company in the bookstore that is officially sponsored by the Penn State University, therefore the brand has significant recognition and revenue within the bookstore. Being an official sponsor of the university means dominant marketing nearly anywhere on campus. In fact, the Nike swoosh can be seen nearly everywhere on campus - at football games, on student-athlete’s jerseys and athletic apparel. Nike has been an official sponsor of the university for many years, and despite recent sponsors pulling out from Penn State University due to internal events, the company continues to sponsor the university (O’Connor, 2012).

According to bookstore information, the top four brands in the bookstore, in order, are Nike, Under Armour, Champion, and Jansport. League Apparel is included in this analysis, as it represents a significant competitor that Knights Apparel has identified (due to its comparatively cheaper price to other big-name brands, similar product style and quality to Alta Gracia). In reality, each brand maintains sales between a few to a dozen different products, each with a different efficacy to sell. It is helpful to gain an understanding of the dizzying array of products offered in the bookstore to consumers. The figure below depicts a general estimate of number of varieties across different brands of t-shirt and hoodies.
Unlike other apparel brands, the Alta Gracia area of clothing has advertising that makes ethical claims to consumers. Each piece of apparel has an attached tag that profiles a single worker in the Dominican Republic and informs the consumer how their purchase is helping the livelihood of Alta Gracia workers. A second and smaller tag certifies the production is monitored by the Worker Rights Consortium (WRC). No other brand of clothing in the bookstore uses this type of marketing or makes these ethical claims to potential buyers. Four general varieties of Alta Gracia t-shirts and four varieties of hoodies are offered in close physical proximity. Hoodies are displayed on separate racks, and t-shirts are all displayed on a single multi-level table with informational displays to the side.

Bookstore consumers make purchasers in two separate locations of the bookstore. One entrance maintains one register, and the other entrance maintains four to five registers simultaneously (if sales volume is high). A small table was provided for my interception area of potential participants in the study. The table was located at an intersection of the bookstore that allowed me to invite a large number of bookstore customers to participate in one form of the study.
Procedures

Two primary procedures were used to capture responses from bookstore apparel purchasers: a forced exposure experiment followed by an online questionnaire and a structured interview conducted away from the research site. Surveys were gathered through researcher-assisted data collection in which participants for the research study were solicited by bookstore staff trained to relate the study to purchasers of Penn State apparel. All individual consumers in the bookstore were eligible to participate in one type of the research methods described.

Forced Exposure Experiment

Upon entering or exiting the bookstore, the individual was invited to participate in the forced exposure experiment, followed by a short survey. While most individuals entering and exiting the bookstore during the data collection period were very short on time, nearly 20 participants were solicited each day. Participants were directed to a small conference room off the exit of the bookstore, where six types of clothing brands were displayed in a separate manner for each of the two weeks.

During week one of the forced experiment, the six clothing brands were displayed on three separate tables, with three corresponding sizes of the same design for each shirt. These t-shirts were folded in a neat manner, without signage or additional marketing for the product. The tags were kept on each of the brands available for selection, but were not directly viewable by participants (see the following table for additional description of the products available) because the t-shirts were folded. The participants were instructed to evaluate product qualities and make a “purchase” of a single product for themselves as if they were actually shopping in the bookstore. The incentive to make an accurate selection
was captured by the participant’s significant chance (roughly 1/20) to win the t-shirt of their selection. Upon assessing product attributes between products offered and making a selection, the participant immediately completed the online questionnaire at one of three computers on site.

Week two data collection using this method only differed in the number of products for each brand, along with the way the products were advertised. Instead of giving each brand equal representation in the experiment area, the number of racks and different products more closely resembled actual bookstore conditions between the six brands (see the table below for additional description of the products available). This setup entailed a smaller availability of Alta Gracia and a much more dominant presence of the better-selling brands within the bookstore (Nike, UnderArmour, Champion, Jansport). Unlike week one setup, each product was laid out with additional space for viewing on each table/rack and the tags of most products were more easily viewable by participants. Upon assessing product attributes between products offered and making a selection, the participant immediately completed the online questionnaire at one of three computers on site.
Table 1. Descriptions of Experiment Apparel Varieties

<table>
<thead>
<tr>
<th></th>
<th>Price</th>
<th>Color</th>
<th>Design</th>
<th>Company Logo</th>
<th>Information Provided on Tag(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nike</td>
<td>$25</td>
<td>Grey with blue font</td>
<td>Small lettering without school emblem</td>
<td>Yes</td>
<td>Brand information, price, license</td>
</tr>
<tr>
<td>Under Armour</td>
<td>$24.98</td>
<td>Black with white font</td>
<td>Small lettering with school emblem</td>
<td>Yes</td>
<td>Brand information, price, license</td>
</tr>
<tr>
<td>Champion</td>
<td>$24.98</td>
<td>Grey with blue font</td>
<td>Simple lettering without school emblem</td>
<td>No</td>
<td>Brand information, price, license</td>
</tr>
<tr>
<td>Jansport</td>
<td>$18.98</td>
<td>White with blue font</td>
<td>Large lettering without school emblem</td>
<td>No</td>
<td>Brand information, price, license</td>
</tr>
<tr>
<td>Alta Gracia</td>
<td>$18.98</td>
<td>Blue with white font</td>
<td>Medium lettering with school emblem</td>
<td>No</td>
<td>Brand information, WRC tag, price</td>
</tr>
<tr>
<td>League Apparel</td>
<td>$21.98</td>
<td>Grey with white font</td>
<td>Large lettering without school emblem</td>
<td>No</td>
<td>Price, license</td>
</tr>
</tbody>
</table>

Post Purchase Questionnaire

Once the participant had selected their desired brand, he/she then filled out a ten-minute survey on one of three computers in the experiment area.²

Structured Interview

The structured interview format was the final form of data collection. These interviews occurred during and three weeks after data collection. The average interview lasted for about 17 minutes. Participants in the interview first read a single page description of Nike’s sponsorship of the university and their labor practices in third-world countries. Nine questions were asked to follow up the reading. These questions assessed factors that individuals use to determine their purchases, as well as their general understanding of Nike and their labor practices. Content provided by participants provided an in-depth view of the

² The survey can be seen fully in item 10 of the Appendix
way consumers disengage from these critical issues and justify the lack of agency.\(^3\)

*Compensation*

As additional incentive for participation in all three methods of data collection, coffee and donuts were provided to encourage participation. Participants received compensation (beyond coffee and donuts) in the form of being entered into a drawing to win the t-shirt of their choosing. Interview participants received a coupon for the next purchase of an item within the bookstore.

*Measures*

The first research question involved assessing current sales of the Alta Gracia brand among all other brands in the bookstore. This question was answered simply through analyzing limited sales information provided by the bookstore.

The second research question entailed extent determining ethical behavior in the experiment settings. To constitute an ethical product purchase within the experiment study, participants must have chosen Alta Gracia as their desired t-shirt. This was the first question on the survey that asked “*For the experiment, which brand of t-shirt did you select?*.” Any option other than Alta Gracia did not constitute an ethical purchase.

The third research question investigated the attitude-behavior gap. Following the definition as theorized by Boulstridge and Carrigan (2000), this gap occurred when the participant stated a willingness to purchase an ethical product in question 5, but made a different selection other than the ethical product. To fall into this gap, the participant must have answered, “*strongly agree*” or “*agree*” for the question and also not have chosen Alta Gracia. The gap may also occur if the participant purchased Alta Gracia, but did not state a willingness to support the ethical attributes of the proposed ethical product.

\(^3\) The interview can be seen fully in item 11 of the Appendix.
The fourth and fifth research question involved predicting the relationship between expressed labor concern on product selection and ethical purchase intent. Borrowing Monroe’s (1996: 6-7) concept, consumer altruism translated into four constructs, similar to questions used by Robinson, Meyer and Kimeldorf (2011). While Robinson used four separate dimensions to assess ethical consumerism status, my research study used these separate constructs as potential predictors of either product selection or expressed intent to purchase the ethical good.

The first dimension of labor concern was actual ethical product purchase. The second dimension of labor concern was general importance of labor issues, addressed by Question 2 on the survey. This question asked “How important is each factor in your normal purchasing decisions of Penn State apparel from the Penn State Bookstore?”. While a variety of factors were listed, four separate components of labor concern were presented to participants: that the workers received a good wage and worked in positive working conditions, workers were represented in a union, that no child labor was in the process and a final construct for general labor concern.

The third dimension of labor concern was moral imperative to oppose sweatshop labor. This was assessed in question 12 (“Of the factors listed above, which would you say is your top reason to buy apparel that is not made in an unethical manner?”). Respondents were given multiple options that represented different motivations. These options included moral imperative to act on behalf of disadvantaged people, an emotional bond with the exploited worker in which anger was caused due to the worker exploitation, expression of personal identity from engaging in the issue, and the ability to make a difference through
individual consumer behavior. Respondents who chose one of the moral imperative options fulfilled this requirement.

The fourth and final dimension of expressed labor concern was willingness to pay a slight premium for the ethical product. Although the price premium did not exist for Alta Gracia apparel, this criterion was still included to assess consumer motivation for ethical products (as most fair trade products do command a price premium). Question 9 on the survey asked respondents “Would you have been willing to pay more for the clothes you bought today – or for the clothes you would buy here the next time you visit – if you knew that they were produced in an ethically responsible manner (fair wages, no child labor, healthy/safe work conditions?)”. Responses were collected on a five-point scale of willingness, ranging from “definitely not willing” to “definitely willing”.

Question 5 on the survey assessed the degree to which an individual would be willing to purchase an ethical product that was comparable to other options in the bookstore ("If the Penn State University Bookstore offered a brand of t-shirt/hoodie of good quality and design at a similar price compared to other t-shirts/hoodies in the Penn State University Bookstore that was certified to not be made in a manner that denied the workers internationally accepted standards of labor conditions (for example, on health, safety, pay and working hours), I would buy the t-shirt or hoodie."). This score was used to answer research questions three and six. The specifications of the product were included in the wording of the question to make the situation as similar as possible to Alta Gracia apparel. This assertion was based on Knight’s Apparel’s assertion that the product maintains a similar price, quality, and style to other varieties in the bookstore.
In addition to these core measures outlined above, the questionnaire evaluated seven additional concepts to answer the fourth and fifth research question on explanations for the concern-action gap. Brand loyalty, perceptions on corporate standards enforcement, exposure to Alta Gracia products, evaluation of Alta Gracia product characteristics, general importance of price and brand, general importance of product attributes and intent to purchase an ethical product and gender were included. These measures were constructed to gain a deeper level of insight into knowledge of and attitudes to fair trade apparel. Findings from these were critical in establishing conclusions and recommendations.

Demographics

At the end of this survey, respondents were asked to student status, academic field (if a student), type of individual and relation to the university (if not a student), gender, and how much their religious activity influences consumer decisions.
Results

Over the two-week data collection period, 210 total experiment surveys were collected (104 during week 1 and 106 during week 2). Of the 210 total participants, 117 were female (56%), and 92 were male (44%) and one chose not to disclose gender. Of the 210 total participants, 192 were students (91.4%), and 18 were not students (8.6%). The most common academic colleges represented were liberal arts (21%), health and human development (17%) and engineering (13%).

Descriptive Statistics

Before answering the research questions, we consider the descriptive statistics for importance of factors in purchasing decision, perception of the Alta Gracia product, willingness to pay for the ethical product, expressed intent to purchase the ethical product and brand loyalty.

Factor analysis was conducted on the survey question that assessed importance of different factors in purchasing decision to collapse ten constructs into three constructs. This statistical analysis method groups variables together that significantly load on each other. The four constructs of style/design, quality, functionality and variety translated into a single variable ("Factor Analysis for Product Features"). The two constructs of price and brand were translated into a single variable ("Factor Analysis for Price/Brand"). Finally, the four constructs of wages/working conditions, workers having a union, no child labor and the general construct for labor issues were grouped into one variable ("Factor Analysis for Labor Issues"). Factor analysis could not be conducted to collapse evaluation of Alta Gracia compared to other bookstore options on price, style, brand, quality, variety, functionality and labor ethicality, therefore they remain as seven distinct constructs.

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4 For a table of the represented majors, see item 1 in the Appendix
Out of these three constructs for importance of factors in purchasing decision, labor issues was the lowest (4.3 on a seven point scale with 1 being “not at all important” and 7 being “extremely important”, s.d. = 1.5), followed by price/brand (4.5, s.d. = .81), and product features (5.4, s.d. = .81). Among individual factors, style/design was the most important (5.4, s.d. = 1.3), and the workers having a union was the least important (3.3, s.d. = 1.6).

The mean value of 4.3 for labor issues seems to demonstrate a general lack of understanding or lack of empathy for the issues listed, while the mean value of 5.4 for product features seems to demonstrate a significant understanding of issues such as product price, style/design, quality and variety. The subsequent standard deviation values depict that most consumers did not have any trouble evaluating price, brand and product features, but had more difficulty assessing the characteristics of apparel production that were not immediately apparent. These results can be seen in the following table.
Table 2. Variables of Importance in Purchasing Decision

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean (7 Point Scale)</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance of Price</td>
<td>210</td>
<td>5.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Importance of Style/Design</td>
<td>210</td>
<td>5.9</td>
<td>.97</td>
</tr>
<tr>
<td>Importance of Brand Name</td>
<td>209</td>
<td>3.7</td>
<td>1.7</td>
</tr>
<tr>
<td>Importance of Quality</td>
<td>209</td>
<td>5.8</td>
<td>1.1</td>
</tr>
<tr>
<td>Importance of Functionality</td>
<td>210</td>
<td>5.4</td>
<td>1.1</td>
</tr>
<tr>
<td>Importance of Variety</td>
<td>210</td>
<td>4.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Importance of Wages/Working Conditions</td>
<td>210</td>
<td>4.2</td>
<td>1.7</td>
</tr>
<tr>
<td>Importance of Union</td>
<td>210</td>
<td>3.3</td>
<td>1.6</td>
</tr>
<tr>
<td>Importance of No Child Labor</td>
<td>210</td>
<td>4.8</td>
<td>1.7</td>
</tr>
<tr>
<td>Importance of General Labor Issues</td>
<td>208</td>
<td>4.3</td>
<td>1.6</td>
</tr>
<tr>
<td>Factor Analysis for Labor Issues</td>
<td>207</td>
<td>4.3 (7-point)</td>
<td>1.5</td>
</tr>
<tr>
<td>Factor Analysis for Product Features</td>
<td>209</td>
<td>5.4</td>
<td>.81</td>
</tr>
<tr>
<td>Factor Analysis for Price/Brand</td>
<td>209</td>
<td>4.5</td>
<td>.94</td>
</tr>
</tbody>
</table>

Next, individuals reported their loyalty to a single brand (1 being “very open to shopping between a variety of brands” and 5 being “very loyal to a single brand”), willingness to pay for an ethical product (1 being “definitely not willing” and 5 being “definitely willing”) and expressed purchasing intent for an ethical product (1 being “strongly disagree” and 5 being “strongly agree”). The majority of individuals did not believe they were loyal to a single brand (2.3), and posited both a willingness to pay for an ethical product (3.7), and a positive intent to purchase the ethical product if given the chance (3.9). These results for various remaining predictor variables are listed in the following table.
Table 3. Descriptive Statistics for Brand Loyalty, WTP and Ethical Purchase Intent

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean (5 point scale)</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Loyalty</td>
<td>210</td>
<td>2.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Willingness to Pay for Ethical Product</td>
<td>210</td>
<td>3.7</td>
<td>1.0</td>
</tr>
<tr>
<td>Intent to Purchase Ethical Product</td>
<td>210</td>
<td>3.9</td>
<td>1.1</td>
</tr>
</tbody>
</table>

For the last section in these descriptive statistics, we look to perception of Alta Gracia. First, out of the 210 participants, only 35 participants (17% of total) had been exposed to the brand before participating in the study. This small fraction suggests very few individuals are being exposed to Alta Gracia apparel in the bookstore.

Before analyzing general patterns, we look to number of participants correctly evaluating Alta Gracia’s price and labor constructs to see whether or not participants took the time to assess factual differences between the brands. On the construct of Alta Gracia price, 40 individuals ranked it either “about the same”, “somewhat worse” or “worse” (lower quadrant), and 34 individuals ranked it either “somewhat better, “better” or “much better” (higher quadrant). During week 2, 53 individuals ranked it in the lower quadrant and 33 ranked it in the higher quadrant. Therefore on the construct of price, only 42% of participants were able to correctly identify the Alta Gracia price as cheaper than the other experiment options. On the construct of Alta Gracia labor during week 1, 25 individuals ranked it in the lower quadrant and 26 individuals ranked it in the higher quadrant. During week 2, 26 individuals ranked it in the lower quadrant and 34 individuals ranked it in the higher quadrant. Therefore on the construct of labor, nearly 54% of participants were able to correctly identify the Alta Gracia product as more ethically produced. During week 1 of

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5 Only 160 out of 210 participants evaluated Alta Gracia price
6 Only 111 out of 210 participants evaluated Alta Gracia labor
experimentation, there was a strong correlation between positive evaluation of Alta Gracia labor and Alta Gracia selection.

Alta Gracia’s labor attributes, price, style and quality were all perceived comparable, if not better than bookstore competition. Understandably, labor characteristics of Alta Gracia were rated highest compared to other brands (5.1 on a seven-point scale with 1 being “much worse” and 7 being “much better”, s.d. = 1.3). Next, Alta Gracia’s price (4.6, s.d. = 1.1), style (4.3, s.d. = 1) and quality (4.2, s.d. = .85) were considered slightly better than additional bookstore options. The remaining factors are listed in the following table.

These last three listed factors are three very important factors for purchase, as evidenced in the following table. There is not much variation in these different ratings, possibly because the majority of participants in the study did not take the time during both weeks to assess the Alta Gracia product, therefore rated its characteristics with a median score of 4. Similar to general importance factors, we also see a greater degree of variation for labor features compared to other features. Clearly, Alta Gracia did not underperform compared to other options in the bookstore. Those who did not assign a median rank for its product characteristics assessed it positively rather than negatively.

Similar to the standard deviation value for general importance of labor issues in decision-making, there was a great degree of variation for evaluation of Alta Gracia labor attributes (1.26), despite the clear ethical claim made on the tag. Additionally, the number of respondents for Alta Gracia’s labor was only 111 out of 210 total participants. This finding suggests that very few individuals do not even notice the ethical claims made by Alta Gracia apparel, or they notice the ethical claims, but are skeptical. Regardless, individuals in the experiment had difficulty evaluating labor attributes of the ethical product.
Table 4. Perceptions of the Alta Gracia T-Shirt

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean (7 Point Scale)</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AG Price</td>
<td>160</td>
<td>4.6</td>
<td>1.1</td>
</tr>
<tr>
<td>AG Style</td>
<td>170</td>
<td>4.3</td>
<td>1.0</td>
</tr>
<tr>
<td>AG Brand</td>
<td>150</td>
<td>4.0</td>
<td>.95</td>
</tr>
<tr>
<td>AG Quality</td>
<td>164</td>
<td>4.2</td>
<td>.85</td>
</tr>
<tr>
<td>AG Variety</td>
<td>139</td>
<td>4.0</td>
<td>.84</td>
</tr>
<tr>
<td>AG Functionality</td>
<td>164</td>
<td>4.1</td>
<td>.68</td>
</tr>
<tr>
<td>AG Labor</td>
<td>111</td>
<td>5.1</td>
<td>1.3</td>
</tr>
</tbody>
</table>
Table 5. Correlation Triangle for All Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
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<tbody>
<tr>
<td>1. Ethical Purchase</td>
<td>1</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Ethical Purchase Intent</td>
<td>0.063</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Willingness to Pay</td>
<td>0.087</td>
<td>**.219</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Moral Imperative</td>
<td>-0.032</td>
<td>0.010</td>
<td>-0.030</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Brand Loyalty</td>
<td>**-.261</td>
<td>-0.130</td>
<td>-0.045</td>
<td>-.052</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Imp. Of Labor Issues</td>
<td>0.113</td>
<td>0.122</td>
<td>**.538</td>
<td>-0.130</td>
<td>-0.112</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Imp. Of Product Features</td>
<td>-0.112</td>
<td>-0.083</td>
<td>-0.029</td>
<td>-.012</td>
<td>0.020</td>
<td>0.099</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Imp. Of Price/Brand</td>
<td>*-.138</td>
<td>**-.183</td>
<td>-.021</td>
<td>-.131</td>
<td>**.245</td>
<td>0.103</td>
<td>**.317</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Alta Gracia Exposure</td>
<td>0.109</td>
<td>0.099</td>
<td>0.011</td>
<td>-.084</td>
<td>-.061</td>
<td>0.011</td>
<td>-0.112</td>
<td>-0.042</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Alta Gracia Price</td>
<td>0.060</td>
<td>0.109</td>
<td>-0.025</td>
<td>0.143</td>
<td>-.030</td>
<td>**-.230</td>
<td>-0.077</td>
<td>-.143</td>
<td>0.013</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>11. Alta Gracia Style</td>
<td>**.342</td>
<td>0.013</td>
<td>-.061</td>
<td>-.047</td>
<td>*-.188</td>
<td>0.008</td>
<td>-0.064</td>
<td>*-.185</td>
<td>-.015</td>
<td>**-.250</td>
<td>1</td>
</tr>
<tr>
<td>12. Alta Gracia Brand</td>
<td>*.208</td>
<td>0.147</td>
<td>0.015</td>
<td>-.070</td>
<td>**-.220</td>
<td>0.062</td>
<td>-.112</td>
<td>**-.253</td>
<td>0.057</td>
<td>*.173</td>
<td>**.493</td>
</tr>
<tr>
<td>13. Alta Gracia Quality</td>
<td>**.239</td>
<td>-.005</td>
<td>-.076</td>
<td>-.054</td>
<td>-.107</td>
<td>-.037</td>
<td>0.075</td>
<td>-.079</td>
<td>0.007</td>
<td>*.162</td>
<td>**.429</td>
</tr>
<tr>
<td>14. Alta Gracia Variety</td>
<td>0.018</td>
<td>0.043</td>
<td>-.061</td>
<td>-.070</td>
<td>0.005</td>
<td>-.098</td>
<td>-.050</td>
<td>-.068</td>
<td>-.047</td>
<td>**.306</td>
<td>**.534</td>
</tr>
<tr>
<td>15. Alta Gracia Functionality</td>
<td>0.051</td>
<td>-.034</td>
<td>-.024</td>
<td>-.062</td>
<td>-.095</td>
<td>-.029</td>
<td>*-.165</td>
<td>0.101</td>
<td>**.293</td>
<td>**.476</td>
<td></td>
</tr>
<tr>
<td>16. Alta Gracia Labor</td>
<td>**.323</td>
<td>**.246</td>
<td>0.041</td>
<td>-.037</td>
<td>-.003</td>
<td>-.003</td>
<td>-.091</td>
<td>-.067</td>
<td>**.386</td>
<td>**.271</td>
<td>0.145</td>
</tr>
<tr>
<td>17. Gender</td>
<td>-.053</td>
<td>**.244</td>
<td>0.125</td>
<td>-.038</td>
<td>-.086</td>
<td>**.192</td>
<td>-.115</td>
<td>-.012</td>
<td>-.015</td>
<td>-.011</td>
<td>0.045</td>
</tr>
</tbody>
</table>

** = Significant at the .01 level (2-tailed)  N = 110-210
*  = Significant at the .05 level (2-tailed)
**RQ #1: Bookstore Ethical Product Consumption**

The first research question assessed levels of ethical consumption in Alta Gracia t-shirts compared to other brands in the bookstore. The bookstore provided data on sales between six brands of t-shirts for the last year (May 1\(^{st}\), 2010 to April 30\(^{th}\), 2011) and for this current year (May 1\(^{st}\), 2011 to February 13\(^{th}\), 2012). These values were provided to gain a greater context of bookstore sales between various brands.

Cumulative sales for last year amounted to $13,575 between the six brands of t-shirts. The best-selling t-shirt was from Champion ($3,722.02 or 27.4% of market). This was followed by Nike ($3,220 or 23.7% of market), Jansport ($2,068.82 or 15.2% of market), League Apparel ($2,022.16, or 14.9% of market), UnderArmour ($1,708.86 or 12.6% of market), and Alta Gracia ($835.12 or 6.2% of market).

This year cumulative sales (as of February 13\(^{th}\), 2012) are $23,136.02 between the six brands of t-shirts. Unlike the previous year, the top selling t-shirt is from UnderArmour ($8,570.10 or 37% of market sales). Next is Jansport ($8,066.50 or 34.9% of market), followed by Champion ($2,747.80 or 11.9% of market), Nike ($2,400 or 10.4% of market), Alta Gracia ($1,043.90 or 4.5% of market sales), and finally League Apparel ($307.72 or 1.3% of market).
A few observations are in order, due to the contradiction between the table on the top-selling brands and this last table. First, UnderArmour and Jansport sold extremely well over the last two years. This can be attributed to the expansion of UnderArmour’s performance gear and extensive discounts on Jansport for much of the last year. Second, Nike and Champion reflect nearly comparable sales. While Nike clearly performs better on the market, we must remember these numbers are only for a single type of t-shirt, which may not accurately represent the entire brand. Third, while the overall market percentage of Alta Gracia has decreased from last year (6.2%) to this year (4.5%), overall sales have increased between years by 25% (from ($835.12 to $1,043.90).

Based on the preliminary understanding of sales between the six different brands offered by the bookstore, Alta Gracia sales only accounted for 5.4% of total sales over the two-year period. Consumers overwhelmingly do not select the ethical option of Alta Gracia, as its overall sales are the weakest compared to other brands studied. This summary data confirms my hypothesis that Alta Gracia would perform weakest compared to the five other brands.
RQ #2: Experimental Setting Ethical Product Consumption

Now we turn to hypothetical sales of Alta Gracia apparel during the two weeks of experimentation. As a brief introduction, the number of overall market percentage sales over two weeks for Alta Gracia increases dramatically during Week 1 and Week 2 of experimentation.

During Week 1 of experimentation, 15 Alta Gracia purchases were made out of 104 total participants, with other brands making up the remaining 89 purchases. Out of this number, UnderArmour (26 purchases) and Nike (25 purchases) were the top two selections, followed by Jansport (17 purchases), Champion (14 purchases) and League Apparel (7 purchases).

During Week 2 of experimentation, 20 Alta Gracia purchases out of 106 were made, with other brands making up the remaining 86 purchases. Similarly, UnderArmour (38 purchases) and Nike (28 purchases) led the way, with Champion (9 purchases), Jansport (6 purchases) and League Apparel (5 purchases) trailing with a greater gap than during Week 1. Table 8 depicts the number of selections and percentage of total selections for each brand over each week of experimentation.
While I hypothesized sales would be higher in week 1 rather than week 2, this hypothesis was not empirically supported. Instead of greater sales caused by greater representation, the Alta Gracia product did much better in week 2 when the product had fewer t-shirts displayed compared to others. This increase in sales may have occurred because the physical layout of the experiment area in week 2 was different.

Over two weeks of experimentation UnderArmour and Nike appeared to be the clear market dominators, followed by Alta Gracia. Jansport and Champion sales fell behind Alta Gracia sales, and League Apparel was a clear last. While Alta Gracia sales significantly increase from bookstore levels of 5.4% to levels of 16.7%, they clearly do not dominate those of Nike and UnderArmour. Therefore my hypothesis is partially supported. Sales numbers certainly increased during experimentation when Alta Gracia was one of six brands displayed, however Alta Gracia sales did not nearly match those of top competitors such as Nike and UnderArmour.

*RQ #3: The Concern-Action Gap*
For the two weeks of experimentation, 146 participants expressed intent to purchase the ethical good (70%) and 64 participants did not express intent to purchase the ethical good (30%). Of these 146 participants with positive purchasing intent, 25 purchased Alta Gracia. Interestingly, among the 64 that did not express intent to purchase, 10 participants did in fact select the Alta Gracia product, thereby constituting an ethical purchase without the expressed concern. This means nearly a third of total individuals who selected Alta Gracia during the experiment (n = 35) did not express intent to purchase the ethical good.

These participants therefore were grouped into the concern-action gap for final numbers of 25 expressing concern and purchasing Alta Gracia (12%) and 185 not selecting Alta Gracia despite the expression or lack of purchasing intent (88%). As hypothesized, this number is greater than 80% of all bookstore participants. Therefore my hypothesis that more than 80% of all experiment participants would fall into the concern-action gap is supported.

\textit{RQ #4: Expressed Labor Concern and Ethical Product Consumption}

So far I have established that Alta Gracia represents a very small market within the Penn State Bookstore, which corresponds to very small bookstore sales. However, Alta Gracia sales increase dramatically when presented equally with fewer competitor brands. A majority of individuals express intent to purchase an ethical good, but do not purchase that good when presented with the option. But what factors do individuals prioritize in their purchasing decisions? Do these individuals deem the ethical product of lesser quality or style? Is the product just too expensive? We turn to regression analysis between these many different factors to answer these questions.

Binary logistic regression analysis was employed to predict the probability that a participant would make the ethical selection. Table 6 represents the regression analysis
conducted for the total of 18 variables studied. For the analysis, the dependent variable was ethical purchase. The independent variables (or four dimensions of labor concern) were moral obligation to avoid sweatshop labor, importance of labor issues such as worker rights, wages and representation, and willingness to pay for the ethical good. Additionally, I controlled for gender, importance of brand and price, ethical purchasing intent, importance of corporations upholding a positive conduct, exposure to and conceptions of Alta Gracia’s functionality, variety, price, and brand. The regression coefficient, Wald test, and odds ratio of each variable are illustrated below.

Table 6. Logistic Regression Predicting Ethical Product Selection

<table>
<thead>
<tr>
<th>Predictor</th>
<th>B</th>
<th>Wald (x^2)</th>
<th>p</th>
<th>Odds Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Concern</td>
<td>.026</td>
<td>.224</td>
<td>.908</td>
<td>1.026</td>
</tr>
<tr>
<td>Moral Imperative to Oppose Unfair Labor</td>
<td>-.064</td>
<td>.015</td>
<td>.901</td>
<td>.938</td>
</tr>
<tr>
<td>Willingness to Pay for Ethical Product</td>
<td>.593*</td>
<td>3.094</td>
<td>.079</td>
<td>1.809</td>
</tr>
<tr>
<td>AG Style Compared to Others</td>
<td>1.264***</td>
<td>14.241</td>
<td>.000</td>
<td>3.538</td>
</tr>
<tr>
<td>AG Labor Compared to Others</td>
<td>.814**</td>
<td>5.949</td>
<td>.015</td>
<td>2.258</td>
</tr>
<tr>
<td>AG Quality Compared to Others</td>
<td>1.124**</td>
<td>5.371</td>
<td>.020</td>
<td>3.076</td>
</tr>
<tr>
<td>AG Functionality Compared to Others</td>
<td>-1.109</td>
<td>2.476</td>
<td>.116</td>
<td>.330</td>
</tr>
<tr>
<td>AG Variety Compared to Others</td>
<td>-.505</td>
<td>.990</td>
<td>.320</td>
<td>.603</td>
</tr>
<tr>
<td>AG Price Compared to Others</td>
<td>-.211</td>
<td>.641</td>
<td>.423</td>
<td>.810</td>
</tr>
<tr>
<td>AG Brand Compared to Others</td>
<td>-.094</td>
<td>.039</td>
<td>.843</td>
<td>.910</td>
</tr>
<tr>
<td>Intent to Purchase Ethical Product</td>
<td>.048</td>
<td>.029</td>
<td>.865</td>
<td>1.049</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>-.764***</td>
<td>6.840</td>
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</tr>
<tr>
<td>Product Features</td>
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<td>2.902</td>
<td>.088</td>
<td>.577</td>
</tr>
<tr>
<td>Price and Brand</td>
<td>.046</td>
<td>.022</td>
<td>.881</td>
<td>1.047</td>
</tr>
<tr>
<td>Exposure to Alta Gracia</td>
<td>.130</td>
<td>.034</td>
<td>.853</td>
<td>1.139</td>
</tr>
<tr>
<td>Gender</td>
<td>-.325</td>
<td>.379</td>
<td>.538</td>
<td>.723</td>
</tr>
</tbody>
</table>

*** = significant at the .01 level
**  = significant at the .05 level
*   = significant at the .10 level

Of the hypothesized independent variables that influence ethical purchasing decision, only expressed willingness to pay for an ethical product was significantly related to purchasing Alta Gracia. The greater stated willingness to pay, the greater likelihood of
selecting Alta Gracia. Expressed labor concern, moral imperative to oppose sweatshop labor and purchasing intent were not significantly related to ethical product purchase.

However, other predictor variables ended up having a greater significant relationship on ethical purchase. Alta Gracia style (p = .000), brand loyalty (p = .009), assessment of Alta Gracia labor (p = .015), assessment of Alta Gracia quality (p = .020) and general importance of product features (p = .088) had significant partial effects. Participants who positively rated Alta Gracia’s style, labor and quality were much more likely to purchase it. Those who expressed openness to shopping between a variety of brands were much more likely to purchase Alta Gracia. Participants who expressed greater importance of product features in regular purchasing decision were not more likely to purchase Alta Gracia.

**RQ #5: Regression of Factors on Ethical Purchase Intent**

While there was not a clear link between the hypothesized independent variables and actual purchase, we now look to the association between expressed labor concern and expressed purchasing intent for the ethical good to see if similar variables have similar effects.
Table 7. Linear Regression Predicting Ethical Purchase Intent

<table>
<thead>
<tr>
<th>Predictor</th>
<th>B</th>
<th>p</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Concern</td>
<td>.026</td>
<td>.703</td>
<td>-.381</td>
</tr>
<tr>
<td>Moral Imperative to Oppose Unfair Labor</td>
<td>-.014</td>
<td>.920</td>
<td>.101</td>
</tr>
<tr>
<td>Willingness to Pay for Ethical Product</td>
<td>.208**</td>
<td>.011</td>
<td>2.566</td>
</tr>
<tr>
<td>Ethical Purchase</td>
<td>.008</td>
<td>.969</td>
<td>.039</td>
</tr>
<tr>
<td>AG Style Compared to Others</td>
<td>-.020</td>
<td>.834</td>
<td>-.210</td>
</tr>
<tr>
<td>AG Labor Compared to Others</td>
<td>.188**</td>
<td>.034</td>
<td>2.133</td>
</tr>
<tr>
<td>AG Quality Compared to Others</td>
<td>-.004</td>
<td>.976</td>
<td>-.030</td>
</tr>
<tr>
<td>AG Functionality Compared to Others</td>
<td>-.546***</td>
<td>.005</td>
<td>-2.859</td>
</tr>
<tr>
<td>AG Variety Compared to Others</td>
<td>.312**</td>
<td>.048</td>
<td>1.992</td>
</tr>
<tr>
<td>AG Price Compared to Others</td>
<td>.059</td>
<td>.449</td>
<td>.759</td>
</tr>
<tr>
<td>AG Brand Compared to Others</td>
<td>.149</td>
<td>.202</td>
<td>1.281</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>-.005</td>
<td>.932</td>
<td>-.086</td>
</tr>
<tr>
<td>Product Features</td>
<td>.066</td>
<td>.474</td>
<td>.717</td>
</tr>
<tr>
<td>Price and Brand</td>
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<td>.012</td>
<td>-2.552</td>
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<tr>
<td>Corporate Conduct</td>
<td>.108</td>
<td>.742</td>
<td>.023</td>
</tr>
<tr>
<td>Exposure to Alta Gracia</td>
<td>.187</td>
<td>.334</td>
<td>.969</td>
</tr>
<tr>
<td>Gender</td>
<td>.493***</td>
<td>.001</td>
<td>3.46</td>
</tr>
</tbody>
</table>

*** = significant at the .01 level
**  = significant at the .05 level
*   = significant at the .10 level

Of the hypothesized independent variables that influence ethical purchasing intent, only expressed willingness to pay for an ethical product was significantly related. Individuals who expressed positive willingness to pay for an ethical product were likely to also express ethical purchase intent. Expressed labor concern, moral imperative to oppose sweatshop labor, and purchase selection were not significantly related to ethical product purchase.

However, other predictor variables ended up having a greater significant relationship on ethical purchase intent. Assessment of Alta Gracia labor (p = .034), assessment of Alta Gracia functionality (p = .005), assessment of Alta Gracia variety (p = .048), importance of price and brand (p = .012) and gender (p = .001) had significant partial effects. Similar to the last regression table, participants who positively evaluated Alta Gracia’s variety and labor
were likely to express ethical purchasing intent. Unlike these last two, participants who ranked the functionality of Alta Gracia comparable to experiment options were more likely to express ethical purchase intent. Participants who assigned greater importance to price and brand did not express greater purchasing intent for an ethical good. Women were more likely than men to express ethical purchase intent.

Table 8. Stepwise Logistic Regression for Ethical Purchase

<table>
<thead>
<tr>
<th>Variable</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>AG Style</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>AG Labor</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>WTP</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Overall % Correct</td>
<td>81.8%</td>
<td>83.3%</td>
<td>83.7%</td>
<td>84.7%</td>
</tr>
<tr>
<td>R-Square (Cox and Snell)</td>
<td>.090</td>
<td>.145</td>
<td>.190</td>
<td>.211</td>
</tr>
<tr>
<td>R-Square (Nagelkerke)</td>
<td>.152</td>
<td>.243</td>
<td>.320</td>
<td>.355</td>
</tr>
</tbody>
</table>

The three previous regression analyses illustrate the effects of certain variables on the ethical selection and ethical purchase intent. Out of three dimensions for concern for labor ethics, willingness to pay was the only significant predictor of ethical selection and ethical purchasing intent. Both dependent variables were predicted significantly by willingness to pay, positive evaluations of certain Alta Gracia attributes and to a degree, brand loyalty and gender. Ethical product selection was influenced significantly by a willingness to pay for the ethical product, brand loyalty, and positive evaluation of the ethical product.

**RQ #6: Mind the Gap**

Due to the sensitive subject of sweatshop labor I received a high rate of additional comments at the end of the questionnaire. Out of 210 participants, roughly 23 provided
additional feedback (11% response rate). In addition, 10 one-on-one interviews were conducted after the two weeks of data collection. Out of these 33 responses, a number of major and minor themes emerged.

Participants consistently identified the dominance of directly accessible product characteristics, the need for exposure to credible information, and the difficulty of relating to the complex issue of sweatshop labor as each affects the final purchasing decision. A smaller number of participants also described unconscious consumption, a well-thought economic justification for sweatshop labor, the need for better marketing of the ethical product and a perceived split between citizen and consumer.

*The Dominance of Directly Assessable Product Features*

Every single participant in my research confirmed the importance of factors such as price, style/design, quality, brand name, and functionality over labor-related attributes (whether the workers had a union, whether the workers received a fair wage, etc.). Over half of participants acknowledged the interplay of brand name and product attributes such as price, quality and style. Take note of the concept of trust that is related to purchasing from a well-established brand by this participant:

“*Design and price are definitely the two most important factors... Nike is the best choice because of brand name, it’s a reliable choice. Nike is one of the top choices for people to make, and UnderArmour for the same reasons. A good brand name means you can trust the company, so the money they are spending is worth the quality they are receiving.*”

Many participants expressed these are issues that should be important to the consumer, but are not personally and generally for others as well. Many participants stated there are people who consider labor-related attributes above directly assessable product features, but these individuals constituted only a small minority of the market.
“For the most part students don’t think about labor issues when making their decision, maybe vaguely. I think about it like someone deciding what kind of food they want to eat. They don’t think very much about where the food is coming from, but mostly about what it is and how good it’s going to taste.”

“Most Americans just don’t care about these issues. Look at what the success of Wal-Mart has ingrained into our culture – products are offered cheaply, meaning we can get more items for less. We’ve come to expect better quality with a lower price.”

The Vital Role of Information

A majority of participants identified the need for credible and effective information as a key process in making the purchase of an ethical product. However, participants were then divided as to whether this kind of information was readily available to consumers and whether exposure to this kind of information guarantees an ethical purchase. An overwhelming majority of respondents did not feel knowledgeable enough on the issues of sweatshop labor to change their purchasing habits:

“I made it through four years at Penn State without hearing about these concerns. Currently I don’t think much about them while purchasing apparel. Most people are similar.”

Another common response was that if the individual had been exposed to credible information, his/her purchasing habit would definitely have changed:

“While I think that ethical purchasing is important, I am not well informed on which companies act ethically and which ones do not; if this information was more available or associated with each product, I feel like I would have been able to make the best most ethical decision.”

Some participants expressed the lack of credible information as the reason for small numbers of ethical product market options and a subsequent hope that most people would gain access to credible information. Other participants believed that most people were educated about sweatshop labor, but did not choose to engage it:
“For most people, these issues are not important at all. Only a very small population (maybe 1%) cares but the rest do not care enough to change their final purchasing decision. People will say these issues are bad when confronted with them, but these issues do not influence their final decision. Why? Because of what they perceive to be the correct answer. The population of the university is too young to understand the reality of sweatshops. They have to have a cultural experience and be older to understand these issues… These issues are easier to understand with a personal connection, but most people do not have that connection. Only a small percentage is touched by these issues.”

“I would find it hard to believe if most people had not heard about these issues. People have to at least know something about stuff going overseas and sweatshops from the media.”

A number of participants also identified the difficulty in making sense of information that is already available:

“Honestly answering this survey was difficult because I very often don’t consider the origin of apparel, even though I am aware that many products are produced by workers enduring less-than-humane working conditions. I often don’t want to think of the origins of products because it seems like so many products are made in 3rd world countries, and consumers don’t have an easy/direct access to information on companies' manufacturing practices.”

Overall, the majority of respondents did not know signal confidence in their understanding of sweatshop labor as it influences American retail apparel. Only two individuals espoused a complex understanding of economic issues involved in sweatshop labor. These individuals tended to be skeptical of the statements made by different brands and expressed confusion for the reality that played out for workers overseas.

“To be honest – no, I don’t think about these issues. I wanna say yes, but I don’t want to lie. A good brand and attractive price make it easier to not buy other brands. Additionally, there’s really nothing out there to tell you what’s really going on. You can’t be 100% sure what’s really going on, so you don’t even think about it. No one can really tell you what companies are doing.”

Difficulty Relating to and Engaging the Issue of Sweatshop Labor

Another consistent theme was the difficulty for individuals to attempt not only understand the issue of sweatshop labor, but also to relate to the issue on a meaningful level. These
participants identified that a small percentage of the population cares about the issue on a meaningful level to engage it by changing their purchasing decisions. The reason that such a small percentage of consumers change their purchasing habits is because they are personally and meaningfully connected to the issues:

“Personally, I don’t know much about these issues and I feel bad about that. I know sweatshops are wrong, but I don’t care about them now. For others, I don’t think they know. It’s so hard to even know what’s really going on in a Nike factory. Even if they did know, they probably wouldn’t change their behavior. The problem is relating to these workers and their miserable lives.”

A number of individuals also displayed a surprisingly deep level of understanding for the issues, but expressed a lack of agency in them:

“Our comfort and standard of living is dependent on the exploitation of resources by us around the world today and throughout history. It's a sad thing but that's just the way things are. I wish I could change it but I can’t.”

Minor Themes

A few individuals posited that individual purchasing habits are shaped often in an unconscious manner (i.e. Penn State displaying the Nike “swoosh” all over campus):

“I didn’t even know that Nike was the official sponsor of Penn State athletics. Other students may not have noticed this either. When people see the Nike swoosh, it is synonymous with a good athletic product and style... Perhaps I subconsciously want to buy Nike apparel more because I see it frequently, but I don’t think about it like it’s in the front of my mind.”

One individual was so used to buying and trusting Nike that it became a part of her identity:

“Penn State and Nike go hand in hand... I'm just a Nike girl.”

Unlike the respondents analyzed by Devinney (2010), justifications of sweatshop labor from an economic perspective were only mentioned twice. One individual believed it
was a matter of development and the other individual did not think companies were liable for overseas production:

“Maybe international standards can be set for safety and health, but can’t set standard, global wages. This would force companies to layoff workers and push people into even worse poverty. How do you define a living wage? It can be very hard for a global organization to set a list of demands for all countries to meet. The approach must vary for each country for proper development. Instead, companies should focus on the factors that are causing us to be in a sweatshop environment, and take these issues on case-by-case to solve the deeper issues rather than just going after higher standards. The approach [of enforcing international standards and paying a “living wage”] does not seem practical.”

A number of individuals felt split between consumer and citizen. These dueling tendencies made purchasing decisions difficult, but individuals generally reverted to the decision that most satisfied their consumer desires, rather than citizen desires:

“People have hearts but sometimes they don’t care and just act for themselves. Most people don’t care about these issues.”

“People move between two views of self – between what they should do and what they actually want to do. There is a greater desire to be in one rather than the other, and most people go with what they actually want to purchase.”

A number of individuals expressed a desire to purchase ethically, but that their current financial situation would not permit him/her to do so:

“I’m a Kinesiology major, so functionality wins out. For me it comes down to price, which is why I go to [a cheaper downtown location] to buy a cheap, functional shirt. I know that sounds kind of hypocritical, but if I had more money I would purchase the more ethical option.”

The last and final minor theme was that better marketing was necessary to get individuals to purchase more ethically. Three respondents not only expressed a lack of information on the subject, but also a need for the relevant information to be closer to the products themselves. More than individual responsibility, these individuals felt the retail organization had to be involved in exposing and educating purchasers to the ethical claims
made by the ethical brand. Either these individuals completely ignored the multiple signs in the bookstore that present information about the Alta Gracia brand (next to the actual product and outside the bookstore) or the advertising information did not effectively reach the individual.

“I didn't think of labor conditions as factor because it's never on my mind when I buy stuff. If the conditions of the workers that made those shirts were written by the shirts, I would definitely make that a big part of the decision.”

“The Alta Gracia brand must be made very apparent in the shopping process in order to make a difference in my choice of product.”

“Most people don’t care about these issues. If there was a sign that talked about these issues, then people would care and avoiding buying from brands that don’t respect workers more. I would definitely care and wouldn’t purchase bad brands.”

These major and minor themes clearly illustrate the lack of support for my hypothesis that a majority of respondents would utilize Economic Rationalist or Development Realist arguments to justify the gap between ethical purchasing intent and actual ethical consumption. While participants in the Devinney study commonly employed deeper understandings of sweatshop labor to develop logical reasons to justify not purchasing more ethically, many of my respondents acknowledged the conflict and then pointed to the lack of credible information or general apathy. This apathy was caused by an inability to connect meaningfully to these issues. Whether or not access to credible information or a meaningful link to complex issues would actually change purchasing habits is another topic for research, but the majority of research participants pointed to these two factors and did not delve much deeper.
Limitations/Direction for Future Research

One limitation was that only sales of single varieties of t-shirts across six brands were analyzed from bookstore data and experiment data. Analyzing sales of hoodies and other collegiate apparel would provide a richer picture of consumer decision-making. Outside events may also have influenced the outcomes of the study. For example, during Week 2 of experiment data collection, Phil Knight of Nike defended Joe Paterno at Paterno’s memorial service. In fact I overheard a number of participants state their newly developed interest in Nike apparel options because of the favorable comments Knight shared on behalf of Joe Paterno and the university. Other outside events may have significantly altered behavior from one week to another, but went undetected in the process.

Finally, while the forced experiment survey was set up to encourage participants to make an accurate selection through the chance of winning the type of t-shirt he/she chose, there may be a discrepancy between the shirt the individual wanted to win and the shirt the individual would have actually purchased with their own money. For example, the Nike and UnderArmour t-shirts were significantly more expensive than other options at $25 and $24.98, which may have caused participants to be more likely to try and win a Nike t-shirt instead of picking the cheaper brand of shirt that did not require a significant financial sacrifice.

While these limitations are significant, this research study presents many future areas of research in the field of living wage apparel sales and consumer behavior. A fascinating study could be replicated at another large university bookstore setting in which Alta Gracia has been experiencing phenomenal growth in sales. This follow-up study could then compare consumer motivations to purchase the Alta Gracia product. Secondly, another method to
include in an additional research study would involve having participants also evaluate a top-market competitor such as Nike or UnderArmour on the same set of factors by which Alta Gracia was assessed. This could cast greater light onto the area of consumer perceptions, to see whether these are more accurate for a bigger brand name compared to a smaller brand name, such as Alta Gracia. Finally, additional studies could attempt to gather more understanding about the critical role of information that consumers may already bring to the bookstore when they are making purchasing selections. Specifically, researchers could gauge perceptions to the ideas of living wage apparel and the extent to which consumers trust the ethical claims made by Alta Gracia.
Analysis

Poor Bookstore Sales

While the bookstore may perceive Alta Gracia’s lack of sales as an indicator of individual moral failure to purchase the ethical product, an additional explanation is warranted. First of all, very few individuals are currently being exposed to the Alta Gracia product. Only 21 out of 210 participants had noticed the brand in the bookstore (10%). This number may include individuals who heard about Alta Gracia before visiting the bookstore, therefore were able to find it in the bookstore. The remaining 179 participants at some point walked past the signage for the Alta Gracia product placed at one entrance of the bookstore and did not notice it to the level that they were aware of the company. While signage and advertising does exist for the Alta Gracia brand, it is not effectively reaching the mass majority of students that enter the bookstore.

An additional reason for poor bookstore sales of Alta Gracia is related to its brand presence within the store. With such few varieties and physical sales space given to Alta Gracia among many others in the bookstore, the product simply does not significantly compete with other well-established market brands. With only two years of exposure in the Penn State collegiate market, Alta Gracia has not achieved a dominant brand presence in the store, due to little institutional support. This reality is illustrated in the actual bookstore sales numbers, with Alta Gracia only comprising less than 5% of all total sales between the six brands provided by the bookstore for two-year period sales.

Results demonstrate the general trend that more varieties offered in the bookstore is associated with more sales of that type of apparel. Given Alta Gracia’s small variety of t-shirts and hoodies available in the bookstore (12), the company performs well. Results also
describe sales for Alta Gracia have increased from last year into this year. Therefore, while Alta Gracia has by no means outperformed other competitors in the market, it sells well for its small amount offered to students.

*Improved Experiment “Sales”*

While bookstore sales of Alta Gracia may provide dreary results, “sales” of Alta Gracia in the two week experiment illustrate another reality. Simply that, given better representation among a smaller number of brands offered to the consumer, Alta Gracia will outperform many other competitors. Over two weeks, Alta Gracia sales only were rivaled by Nike and UnderArmour. While Alta Gracia sales increased during experimentation, resulting in fewer sales of other brands, the strength of Nike and UnderArmour sales largely remained untouched by Alta Gracia’s performance. The cut that Alta Gracia sales made into other brands was greatest in Champion, Jansport and League Apparel. What exactly then led to more individuals selecting Alta Gracia in the experiment?

Quite simply, the core product characteristics of Alta Gracia (style/design, quality, functionality) either met or exceeded customer expectations for individuals who took the time to evaluate the different products. A good number of participants simply selected the prominent brand offered without even assessing product characteristics between different brands (hence the lower score for Alta Gracia price, when in reality the product was cheaper than most other brands).

Beyond fulfilling customer expectations for “search” and “experience” attributes, Alta Gracia significantly exceeded customer expectations for “credence” attributes (Watson, 2007). While most consumers did not significantly prioritize labor ethics in their purchasing decision, participants who rated this of high importance were more likely to choose Alta
Gracia. But the large amount of variation for Alta Gracia’s labor ethics conveys a finding that these issues were much more difficult for the participant to assess than visibly assessable features such as price, style and quality. The Alta Gracia tag may have been attached to the piece of apparel, but very few individuals rated Alta Gracia high on labor ethics. Either participants did not see the tag and simply assumed the product to be comparable to any other brand on this construct or they noticed the ethical claims and were highly skeptical.

*Falling into the Gap*

Similar to much prior research on fair trade, the majority of participants expressed a concern for ethical products, but fell into the gap of not purchasing that product. My study revealed 88% of consumers fell into this gap. Clearly social desirability theory compels individuals to express a desire, when in reality they have no intention to act on that expressed desire.

*Predictors of Ethical Purchase*

While I hypothesized four constructs of expressed moral concern based on Monroe’s concepts of altruism (1995), only one of these factors was helpful in predicting ethical selection – willingness to pay for the ethical product. Expressed moral concern, and moral obligation to support sweatshop free apparel do not have a significant effect on selection of apparel. This type of consumer is very much in line with Vogel’s assertion that a product must fall within the consumer’s preexisting expectations for quality, price, style, and design, and also not require a significant sacrifice to change purchasing habit.

While previous research in ethical consumerism focused on strength of individual commitment as a predictor of ethical selection, my research proves that the single best predictor of ethical selection is positive evaluation of the ethical product. In other words, the
participants who chose Alta Gracia over other experiment setting options did so because its style, quality and labor attributes were evaluated higher than other experiment options.

Rather than looking to expressed concern to purchase an ethical product, researchers would do well to focus rather on willingness to pay, brand loyalty and perceptions of the ethical product as predictors of purchase. As illustrated in the step-wise regression analysis, positive evaluation of Alta Gracia’s product style is one of the strongest predictors of purchase. While these findings may be humbling to receive, they bear a bitter truth about consumer behavior, regardless of the degree to which the consumer may express concern for ethical issues: a product must be decently priced, of a decent style and quality and from a decent brand in order to be to meet the majority’s consumer expectations.

As an insert to Vogel’s attributes listed above, brand loyalty is critically important. Individuals who identify themselves loyal to a single brand will not compromise for the ethical product. I observed this phenomenon rather early on during experimentation when a number of individuals would complete the selection response card before either the participant had even seen the other selection options or I had finished explaining the involved procedures. Similarly, a significant number of individuals made a selection decision within seconds of being ushered into the experiment area. This result reveals that regardless of how appealing the ethical product may be, individual brand loyalty is tough to crack. I also noticed a great number of individuals not even comparing the Alta Gracia product when answering questions related to their evaluation of the product. This meant that the submitted score reflected perception of the unfamiliar brand, rather than actual evaluation of the Alta Gracia product. This can be observed in the vast number of scores for Alta Gracia constructs that fall very close to the central value (4 out of 7).
Predictors of Ethical Purchase Intent

Similar to the regression analysis run for ethical purchase, willingness to pay was the only significant predictor of purchase intent. Positive evaluation of Alta Gracia was also significant, only this time on the variables of functionality, variety and labor. Finally, gender was a significant predictor of purchasing intent.

Justifying the Gap

Pieces of information gathered from the interviews confirm the priority of product features over price and brand, and then price and brand over labor issues, with a slight exception. While survey respondents ranked price and brand a bit lower in importance than various product features, interview participants clearly expressed the importance of price and brand. Regarding concern for labor issues, not a single interview participant stated any dimension of labor concern was personally an important factor. These participants did during later questions mention that a small minority of people under some situations may in fact elevate labor concern over features such as price, brand, style and quality. These responses confirm a deeply held traditional view of the individual as utility-maximizing consumer, rather than altruistic consumer.

Interview responses also confirmed a Mohr and Webb (2001) study in which individuals expressed a need for more information to make more concerned purchasing decisions. While some respondents believed individuals merely chose to disengage from the available information, many respondents simply did not think the information was available in relation to ethical purchasing from a credible source. Individuals were also critical of ethical claims made by companies and expressed a need to personally connect with the
information to verify it. Participants expressed a desire to be exposed to this information close to the point of purchase as a method of positively altering their purchasing habits.

These responses were very dissimilar from responses gathered by Devinney, who commonly expressed deeper understandings of sweatshop labor issues. These more developed views on sweatshop labor led to more advanced forms of moral justification, commonly utilizing development or economic arguments to justify not avoiding sweatshop labor. My respondents did not even attempt to provide justifications beyond the lack of information and skepticism about the reality of overseas apparel production. Respondents echoed a sense of disempowerment that these issues were just too huge to tackle on an individual scale, and therefore were not worthy of engaging. This sense of disempowerment is somewhat ironic given the simple act of purchasing a t-shirt as a means to alleviate international factory workers from poverty.
Discussion

The Penn State Bookstore

Marketing of the Alta Gracia product in the bookstore has not been effective. This is evident from a number of participants advocating the use of posters or signage by the Alta Gracia product, when in fact, the signage and posters already exist. This means the advertising in use is not meaningfully connecting with the average consumer. When the individual enters the bookstore, he/she is immediately overwhelmed by a variety of options, each competing for the individual’s time and money. While the Alta Gracia selection is in a prominent position at the bookstore entrance, the signage and variety offered is not adequate to capture consumer attention.

If students have trouble identifying Alta Gracia’s ethical claims between a simple experiment with six different brands, then they are likely to have even more difficulty finding it among over twenty different brands in the bookstore. Numerous participants expressed a desire for information about Alta Gracia to be so apparent that individuals were not able to ignore it. According to a few individuals, this really was the only way to significantly alter consumer behavior.

While the ethical attribute of Alta Gracia apparel may be tougher for individuals to evaluate, they have a much easier time assessing its exceptional style, quality, price and functionality. Alta Gracia adequately meets customer expectations. Given this priority of directly assessable product features over indirect and non-assessable product features, consumers must be ensured that the ethical option does not compromise on price, style/design, quality or variety. The core emphasis to win over consumers by effective advertising must clearly highlight the product’s exceptional style, quality and price. Once the
consumer is convinced there is no core tradeoff, then the positive ethical attributes of the Alta Gracia product are icing on top of the cake. This strategy is not meant to demean the product’s unique feature, but to first gain credibility over core features and then capture the individual with the positive ethical value added.

Current weak demand for Alta Gracia apparel may be interpreted as moral failure on the part of individuals to seek out the product. However, the results and analysis of this study depict a product that is fighting to penetrate a heavily branded market in which it competes with only a limited number of individual varieties. Additionally, my research has illustrated a complex consumer that prioritizes many product attributes over labor concern. Participants in my research study exemplify a desire to purchase ethically, but an immense difficulty evaluating those attributes within the bookstore. Traditional approaches have relied far too heavily on individual moral commitment to translate into purchasing decision. Therefore, bookstores across the country are presented with the opportunity to institutionally support the Alta Gracia product and better market its core product attributes, then its social attributes to build loyalty to the brand.

As stated by Simon Williams in *The Ethical Consumerism Report 2003* of the United Kingdom’s Cooperative Bank, “[w]hilst ethical consumers can act as innovators in getting new products to the market, for real progress to be made supply side influences or government intervention may be required for some products and services to achieve mass market adoption” (Co-operative Bank, 2003).

*Alta Gracia*

The experiment shows that extremely brand loyal customers are not likely to change their purchasing habits, but will continue purchasing their favorite brand and not really
expand their search for apparel beyond a single brand. This is demonstrated in the consistent dominance of Nike and Under Armour over all other competition in the bookstore experiment. However, individuals who are not nearly as loyal to a single brand are more likely to purchase Alta Gracia. Alta Gracia apparel competes with a different set of companies (in this case, Champion, Jansport and League Apparel).

Simply educating individuals about the ramifications of their purchasing decisions is not enough to motivate individuals to act on behalf of factory workers who could be earning a better wage. While information is undoubtedly important, it is the solid foundation upon which a connection can be made to ensure purchase. During interviews participants expressed skepticism towards claims made by companies about their products. Consumers may often glance at the Alta Gracia and WRC tag, but shrug them off as lacking credible verification.

In order to meet bookstore customers meaningfully with the Alta Gracia product, the company must work with bookstores to ensure a personal connection is being made between the purchase of Alta Gracia apparel and the payment of a “living wage” to factory workers overseas. If this connection is not made in a trustworthy way, individuals will remain generally disinterested and apathetic towards the issue of sweatshop labor. Most individuals have at some point been exposed to information about the issue at hand, but a breakdown occurs when the individual chooses whether or not to engage it.

While this effort seems to have succeeded at schools supportive to the Alta Gracia brand, the company must work with additional administrations and bookstore managers to ensure the information is prominent and engaging to the average consumer that may be educated but not connected to the issue of sweatshop labor.
Next, the advertising campaign should first emphasize Alta Gracia’s ability to meet and exceed consumer expectations for product style/design, quality and price. Specifically, consumer attention can be most captured by an excellent style. Once this message has been communicated, the company can win greater support by mentioning the positive ethical value when compared to other brands. This finding may seem rather counterintuitive, but will ensure positive, sustainable credibility for the Alta Gracia brand. Related to this suggestion, Alta Gracia may want to avoid relying heavily on emotional appeals as a method to motivate purchasing behavior (Devinney, 2010).

Activists

It is important to remember that the majority of consumers are very reluctant to sacrifice core product attributes for secondary product attributes. While information may be helpful in shaping consumer preferences, much information that reaches the mind of a consumer may not be enough to change their purchasing habits that have been reinforced by years of purchasing.

A successful strategy for establishing consumer credibility for the ethical product in Alta Gracia apparel is seeking institutional support to build the presence of the product in the bookstore. In the situation of an administration adopting even a small percentage of total product from Alta Gracia, the brand would gain immensely from the greater variety and official presence in the bookstore.
Conclusion

Apparel purchasers value core product attributes such as style/design, functionality, variety and quality most highly, followed by price and brand, and then non-direct product related attributes such as environmental impact or labor-related impacts of the good. This last group of issues is immensely difficult for individuals to evaluate in their purchasing decision when in the bookstore for a variety of reasons.

Bookstore sales for the Alta Gracia brand over the last two years pale in comparison with well-established brands in the marketplace (1-3% of total sales), but are showing growth since the first year the brand was introduced into the market. Alta Gracia offers a very small variety of collegiate apparel compared to other brands in the market. Few individuals meaningfully connect with the Alta Gracia product, despite signage in the bookstore.

However, under experiment conditions where Alta Gracia is presented as one of only six options, sales of the brand increase dramatically. Only top-name brands like Nike and Under Armour outperformed the product. On all dimensions of product attributes, Alta Gracia did not meet consumer expectations. This is a significant achievement for a small brand that has only been on the market for two years. One explanation for this spike in sales is that the experiment setting puts participants in an environment in which they can more directly assess the Alta Gracia product. Alta Gracia performed well in the market not because of individual moral commitment to purchase the ethical good, but because its core product attributes (price, style, design) and non-core attributes (labor ethics) were both evaluated very positively.

During experimentation, many individuals expressed a willingness to purchase an ethical product, but very few of those participants ended up purchasing the ethical option.
available in the bookstore. While previous research has often blamed poor individual moral commitment to the ethical product, there are deeper and more complex explanations for falling into this gap. There was no significant relationship between expressed labor concern and ethical product purchase, but this does not mean individuals do not care about such issues.

Loyalty to a single brand significantly inhibited purchasing a more ethical alternative product. Openness to shopping between other brands increased the likelihood of purchasing a more ethical alternative product. This may be explained by the fact that many participants who were most loyal to the Nike or UnderArmour brand did not even spend the time to evaluate other options in the experiment setting, and therefore assigned an average rank to an Alta Gracia product that may have exceeded their expectations. Consumers spent very little time in the experiment setting taking the time to compare each product against the other. This exposure enforced the individual’s perception of all other brands, regardless of true merit. For example, the Alta Gracia product was nearly $5 cheaper than the Nike or UnderArmour t-shirt, yet most individuals ranked the Alta Gracia product as more expensive when compared with others in the market. Perception of the Alta Gracia product was key in determining purchasing decision. Regardless of true price, or labor attributes, individual perceptions shaped reality.

Positive assessment of Alta Gracia’s product was one of the strongest predictors of Alta Gracia purchase. This key finding means that individuals who express concern for labor ethics still also have a high need for core attributes to be met. Fair trade retailers must be cautious about how far individual commitment to social causes will go, and not overestimate individual willingness to sacrifice for the cause.
When conducting interviews with individuals to dig into reasons for why such a large gap exists between attitude and behavior, participants expressed new reasons compared to previous literature. Rather than employing economic/developmental arguments to justify the use of sweatshop labor, most individuals cite a lack of credible, well advertised information and the difficulty to engage with the issue of sweatshop labor as reasons to not make more of a concerted effort to improve their purchasing habits. These individuals expressed a desire to know more about these issues, but that engaging was just too difficult given the scale of the problem and the lack of personal agency. This finding illustrates the “information overload” that occurs when individuals are overwhelmed by available information and choose to disengage from the issue of sweatshop labor. To these individuals, the key issue then is not the quantity of information, but the quality of information. In order for this information to be useful and trusted, it must provide a credible connection to the individual.

This research has depicted a more realistic picture of the average consumer. He/she is caught between consumer and citizen, experiencing the desire to act altruistically, but reverting to utility-maximizing market behaviors. He/she is not willing to exchange positive, non-direct product attributes for negative, direct product attributes. With this realism in mind, expressed moral concern is not entirely helpful in understanding final purchase. The most significant predictors for ethical purchase were brand loyalty, willingness to pay for an ethical product, and positive evaluation of the ethical product’s style, quality and labor.
References


Appendix

1. T-Shirt and Hoodie Varieties in Bookstore (3/12/2012)

- Nike (77 varieties): performance and athletic wear. 13 varieties of hoodies, 64 shirt varieties (predominantly t-shirts, but also includes a number of polos, undershirts, jerseys, sweater vests, jackets and long sleeve shirts) were all offered to consumers. Nike heavily advertises its different lines of athletic and non-athletic apparel.
- Champion (76 varieties): some performance wear in the design of general printed shirts for different sports teams, but mostly comfort wear. 41 varieties of hoodies, 35 varieties of t-shirts were offered.
- Jansport (34 varieties). 18 shirt varieties and 16 hoodie varieties were offered.
- UnderArmour (29 varieties). 22 shirt varieties and 7 hoodie varieties were offered.
- League (29 varieties). 21 shirt varieties and 8 hoodie varieties were offered.
- Redshirt (18 varieties, 8 hoodie, 10 shirt).
- Gear for Sports (16 shirt varieties).
- Alta Gracia (12 varieties). 6 shirt varieties and 6 hoodie varieties were offered.
- Jones & Mitchell (12 varieties, 4 hoodie, 8 shirt).
- Blue 84 (12 varieties, 10 shirt, 2 hoodie).
- Club Colors: 10 varieties of polo shirts for men and women.
- Ralph Lauren (9 varieties, 4 hoodie, 5 shirts).
- Cutter & Buck (8 shirt varieties).
- 47 Brand (6 shirt varieties).
- Great to be here (6 shirt varieties).
- Columbia (6 jacket varieties).
- Adidas (4 hoodie varieties).
- School House (4 shirt varieties).
- Gildan (4 Pink Zone varieties).
  - Pink University (3 shirt varieties).
- U-Trau (3 shirt varieties).
- Capelli (2 shirt varieties).
- Camp David (2 varieties, 1 shirt, 1 hoodie).
Winning Ways (1 shirt variety).
OT Sports (1 shirt variety).

2. Represented academic majors for survey participants:

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<th>Number</th>
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<td>Arts and Architecture</td>
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<tr>
<td>Business</td>
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<tr>
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<td>Earth and Mineral Sciences</td>
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3. Two-Year Percentage of Sales Comparison Between Six Studied Brands

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<tr>
<th></th>
<th>Jansport</th>
<th>UnderArmour</th>
<th>Champion</th>
<th>Nike</th>
<th>League Apparel</th>
<th>Alta Gracia</th>
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<tr>
<td>This Year</td>
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<td>10.4%</td>
<td>1.3%</td>
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<td>Average</td>
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<td>24.8%</td>
<td>19.6%</td>
<td>17%</td>
<td>8.1%</td>
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4. Week 1 Data Collection Results:

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5. Week 2 Data Collection Results:

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6. Two-Week Data Collection Results

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<td>Jan 30 – Feb 3</td>
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<td>35.8%</td>
<td>5.7%</td>
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<td>18.9%</td>
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<td>11%</td>
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7. Linear Regression Predicting Expressed Ethical Concern

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<td>.000***</td>
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*** = significant at the .01 level  
** = significant at the .05 level  
* = significant at the .10 level

8. Regression Predicting Moral Imperative to Oppose Unfair Labor

Nothing is found to be significant predictor of this variable.
9. Regression Predicting Positive Evaluation of Alta Gracia Style

Only significant results are Ethical Purchase (.000***), AG Brand (.039**), AG Variety (.012**), Functionality (.083*) and AG Labor (.1*).

10. Survey

SECTION ONE

The following questions in the first section relate to your purchasing history and preferences for Penn State apparel that is sold in the on-campus Penn State University Bookstore (located in the ground floor of the HUB).

Please be sure to answer the questions based on your evaluation of this bookstore and not on other bookstores in the area (Student Bookstore, Got Used Bookstore, etc.).

Additionally, your honest feedback is requested. The researcher is more concerned with feedback that accurately represents your preferences/opinions/thoughts as an individual, rather than providing the preferences/opinions/thoughts that are socially desirable.

1. For the experiment, which brand of t-shirt did you select?
   - Nike
   - UnderArmour
   - Jansport
   - Champion
   - Alta Gracia
   - Other

2. How important is each factor in your normal purchasing decisions of Penn State apparel from the Penn State University Bookstore?

   (Choose one option for each factor listed)

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<table>
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<th>Neither Important nor Unimportant</th>
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<th>Very Unimportant</th>
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<table>
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</table>

3. To what degree do you consider yourself loyal to a single brand of apparel?
   - Very Loyal to
   - Somewhat Loyal to
   - Neither Loyal to
   - Somewhat Open to
   - Very Open to

88
4. If you were buying a t-shirt/hoodie from the Penn State University Bookstore that had been produced in a developing country, which of the factors below are more important to you?

(Please use 10 "points" to distribute amongst the following ten factors. Factors with a larger point amount mean they are more important than factors with a smaller point amount. You may distribute the points in any fashion, as long as the total sum is 10.)

- Appearance/fashion/style or trend
- Brand Name
- Quality
- Price
- That the people who had produced it were paid enough money to live on
- That it caused as little damage as possible to the environment and that its production processes were environmentally friendly
- That the people who produced it worked in an environment that did not affect their health
- That the product had not been tested on animals (or had not used new ingredients tested on animals)
- The human rights record of the country of origin
- Your need (for buying it)

5. Read the statement below and determine how much you disagree/agree with it.

If the Penn State University Bookstore offered a brand of t-shirt/hoodie of good quality and design at a similar
price compared to other t-shirts/hoodies in the Penn State University Bookstore that was certified to not be made in a manner that denied the workers internationally accepted standards of labor conditions (for examples, on health, safety, pay and working hours), I would buy the t-shirt or hoodie.

- ![Strongly Agree](image)
- ![Agree](image)
- ![Neither Agree nor Disagree](image)
- ![Disagree](image)
- ![Strongly Disagree](image)

6. Do you think companies should enforce internationally accepted standards of labor conditions (for example, on health, safety, pay and working hours) for their workers in developing countries?

- ![Yes](image)
- ![No](image)
- ![I don't know](image)

6. a. Who should be most responsible for ensuring companies enforce internationally accepted standards of labor conditions (for example, on health, safety, pay and working hours) for their workers in developing countries?

- ![Governments](image)
- ![Consumers of the product](image)
- ![Non-Governmental Organizations (i.e. The U.N.)](image)

7. Before participating in this experiment and taking this survey, had you heard of the Alta Gracia brand of Penn State apparel?

- ![Yes](image)
- ![No](image)

7. a. How did you hear about the Alta Gracia brand?

- ![Heard about it from a friend](image)
- ![Noticed it in the Penn State bookstore](image)
- ![Heard about it on the Alta Gracia website](image)
- ![Heard about it on Twitter/Facebook](image)
- ![Other](image)

7. b. How would you evaluate Alta Gracia t-shirts when compared to all other t-shirts available in the Penn State University bookstore?

<table>
<thead>
<tr>
<th>Much Better</th>
<th>Better</th>
<th>Somewhat Better</th>
<th>About the Same</th>
<th>Somewhat Worse</th>
<th>Worse</th>
<th>Much Worse</th>
<th>Don't Know</th>
</tr>
</thead>
</table>

90
8. When you are normally buying clothing in the Penn State University bookstore, how important is each factor in your purchasing decision?

<table>
<thead>
<tr>
<th>Factor</th>
<th>Extremely Important</th>
<th>Very Important</th>
<th>Somewhat Important</th>
<th>Neither</th>
<th>Somewhat Unimportant</th>
<th>Very Unimportant</th>
<th>Not at all Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Style/Design</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variety of options for a single brand</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Functionality</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethicality (working, labor conditions of the workers who made the product)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other
9. Would you be willing to pay more for the clothes you normally purchase if you knew that they were produced in an ethically responsible manner regarding the labor conditions of the workers who made the product (fair wages for the workers, no child labor, healthy and safe working conditions for the workers)?

- Definitely Willing
- Probably Willing
- Neither Willing/Nor Unwilling
- Probably Not Willing
- Definitely Not Willing

10. How much more would you pay in DOLLAR TERMS, if the price of the item you bought was $35?

(Please fill in the blank below with the amount that you would pay if the item was $35, NOT the sum of what you would be willing to pay and the retail price. For example, if you would be willing to pay $1.00 on top of the $35 retail price, please enter $1.00 and NOT $36.00.)

- $[ ]

11. Please read the following statements on the left and then report whether you agree or disagree with each of the statements below.

- Better-off people like me ought to help people who are not doing as well

- Strongly Disagree
- Disagree
- Neither Agree nor Disagree
- Agree
- Strongly Agree
<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anyone who buys goods made in a sweatshop is taking advantage of the workers and that is wrong</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I feel a common bond with workers who make my clothes, and I get angry (or sad) when I think of their exploitation</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>I feel it is an important part of who I am that I actively support efforts to improve the rights and conditions of disadvantaged people</td>
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</tr>
<tr>
<td>I think I can make a difference in the way companies behave by using my market power in this way</td>
<td></td>
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</tr>
<tr>
<td>If there are any other reasons you would pay more for clothing that is not made in an unethical manner, please list them below</td>
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</tr>
</tbody>
</table>

12. Of the statements listed above, which would you say is your top reason to buy apparel that is not made in an unethical manner?

- Better-off people like me ought to help people who are not doing as well
- Anyone who buys goods made in a sweatshop is taking advantage of the workers and that is wrong
- I feel a common bond with workers who make my clothes, and I get angry (or sad) when I think of their exploitation
• I feel it is an important part of who I am that I actively support efforts to improve the rights and conditions of disadvantaged people

• I think I can make a difference in the way companies behave by using my market power in this way

• Other 

13. For the following questions please indicate how much you agree or disagree

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither Agree nor Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>The use of sweatshop labor is okay because otherwise those workers would not have jobs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Without sweatshops poorer countries couldn't develop</td>
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</tr>
<tr>
<td>Buying clothes that are made with sweatshop labor is okay if it saves the consumer money because clothes are not affordable</td>
<td></td>
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</tr>
<tr>
<td>The use of sweatshop labor is okay because companies must remain competitive and all other companies do it.</td>
<td></td>
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</tr>
<tr>
<td>The use of sweatshop labor is okay because the United States government has not taken a more active role in ensuring products do not come from sweatshops.</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>The use of sweatshop labor is okay because companies are legally selling a product.</td>
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<td></td>
</tr>
</tbody>
</table>

PART TWO

*These questions assess demographic characteristics. No identifiable information will be assessed.*
1. Are you a Penn State student?
   - [ ] Yes
   - [ ] No

1. a. What is your academic field?

   (Choose all that apply)
   - [ ] Agricultural Sciences
   - [ ] Arts and Architecture
   - [ ] Business
   - [ ] Communications
   - [ ] Earth and Mineral Sciences
   - [ ] Education
   - [ ] Engineering
   - [ ] Health and Human Development
   - [ ] Information Sciences and Technology
   - [ ] Liberal Arts
   - [ ] Nursing
   - [ ] Science

1. a. What is your relation to the University?
   - [ ] Alumni of the University
   - [ ] Visitor to the University
   - [ ] Faculty of the University
   - [ ] Family Member of Current Student

2. How would you describe your gender?
   - [ ] Male
   - [ ] Female

3. How strongly do your spiritual/religious convictions inform your purchasing habits?
   - [ ] Very Strongly
   - [ ] Somewhat Strongly
   - [ ] Neither Strongly Nor Weakly
   - [ ] Somewhat Weakly
4. Do you have any additional comments regarding this survey?

11. Interview on Nike Athletic Apparel Production

_Labor Practices: Nike athletic apparel production_

The product choice available to today’s athlete – professional, amateur, or casual – is truly amazing. In addition, what was once a product for use only by the athletically inclined has become an everyday fashion item. Nike apparel leads the apparel industry in brand name, design and athletic function.

For many years Nike has been the sole proprietor of Penn State’s athletic apparel. From football games, wrestling matches and volleyball games to swim meets, track events and soccer matches, the Nike Swoosh dominates. Student athletes and staff of the university are often under contract to wear Nike product during practice and official competitions. But this does not mean Nike athletic apparel is only available to Penn State student-athletes and staff. Nearly every bookstore on and off campus as well as local retailers carry a significant portion of Nike athletic apparel which comes in all sorts of varieties. Nike makes millions of dollars in revenue from both official university sales and unofficial retailer sales.

Most Nike athletic apparel is made in developing countries in south-east Asia, where a contracted manufacturing company can pay the predominantly female workers substandard wages. The labor standards in these countries can also be quite lax. It is not uncommon to find that the athletic apparel coming from countries in south-east Asia has been manufactured in factories with unsafe working conditions, by women and men who are required to work long hours for little pay.

It was once the case that when you purchased an athletic jacket or pair of pants your choice was limited to a few standard options. Now only product design and marketing are done in the West, with production being carried out in south-east Asian factories that are quickly able to change to new design and materials. As a result, the variety of athletic apparel
available to today’s consumer is a blistering array that is meant to satisfy almost any consumer’s athletic or fashion requirements around the world.

Interview Questions

1. What do you think Penn State students think about Nike’s collegiate apparel?

2. Are they likely to buy it?

3. Which factors will be most important when they are evaluating which brand of apparel to choose?

4. Tell me about a recent experience you had purchasing Penn State apparel. Where did you purchase it? Who was with you? How did you make the decision? Which were the most important product attributes?

5. Are the ethical concerns brought up in the scenario of much concern to Penn State students?

6. Do you think Penn State students are aware of the conditions the clothes are made under?

7. Do you think about these labor issues when you are making your purchasing decision? Do others?

8. Who, if anyone, is hurt by Nike paying substandard wages to male/female factory workers who are working in factories without higher labor standards?

9. Who, if anyone, benefits from Nike paying substandard wages to male/female factory workers who are working in factories without higher labor standards?