Alphabet Soup: Consumer's Perceptions of Social Enterprise Terminology in **Marketing Communications**

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Academically, the definition of fair trade, ethical buying and sustainable consumption are distinct concepts. But little research has explored how consumers perceive these concepts. Can they tell the difference between them? Should marketers choose one term over the other? In an effort to investigate this marketing communications issue, we ran an exploratory study among 197 American consumers. We discover through the use of content analysis and correspondence analysis that consumers do not view these terms as separate constructs. Viewed from a spreading activation theory lens, we discuss the practical and academic implications of these findings.

Keywords: spreading activation theory, fair trade, ethical buying, sustainable consumption, correspondence analysis

INTRODUCTION

Being an ethical consumer is challenging in the modern era. As noted in the recent essay by Tonya Russell, "I Tried Shopping Ethically for One Month and Failed on the First Day" (2019). Russell notes that shopping with an ethical mindset requires time for planning and researching to ensure that consumers are buying products that are, in fact, ethical. Websites such as Better World Shopper (http://betterworldshopper.org) and How Good (https://howgood.com/#/) exist to help nudge consumers towards making more ethical purchases by grading companies that claim that their practices are ethical. As noted in the social enterprise academic literature, there is a growing demand for ethical buying and sustainable consumption, and consumers are willing to pay a premium price for these products (Jayawardhena, Morrell, & Stride, 2016). As consumers increase their interest in making ethical purchases, it is important for researchers to explore how social enterprise terminology resonates with consumers. By understanding this terminology, both practitioners and academics can glean what associations consumers generate with these terms. Using a spreading activation model of semantic memory, we explore the associations that consumers have regarding the terms commonly used in social enterprise marketing communications: fair trade, ethical buying and sustainable consumption (Collins & Loftus, 1975; Davies, 2016; Starr, 2009).

From an academic perspective, the definition of fair trade, ethical buying and sustainable consumption are distinct concepts. Fair trade is defined as "an alternative approach to trade partnerships

because 'fair' prices for the products are implemented." Fair trade also aims for development goals for producers in developing countries (De Pelsmacker, Janssens, Sterckx, & Mielants, 2006). Ethical buying is defined as "purchasing a product that is conscious about certain ethical questions like the green movement, human rights, work conditions, environment, sustainability" (De Pelsmacker & Janssens, 2007). Sustainable consumption is defined as "the consumption of goods and services that have minimal impact upon the environment that are socially equitable and economically viable whilst meeting the basic needs of humans, worldwide. Sustainable consumption targets everyone, across all sectors and all nations, from the individual to governments and multinational conglomerates" (Sharma & Rani, 2014). It is unclear how consumers define these concepts. Thus, we explore this question from an empirical perspective.

First and foremost, we wonder, can consumers tell the difference between the terms "fair trade," "ethical buying," and "sustainable consumption?" Should marketing practitioners choose one term over the other? Does using one term elicit the spreading activation model of semantic memory to a host of other words the marketer is trying to convey? In an effort to investigate this marketing communications issue, we ran an exploratory study among 197 American consumers using an internet survey asking respondents to state the first three words that come to mind when they think of words commonly used in social enterprise marketing communications: fair trade, ethical buying, sustainable consumption. First, using content analysis, we discover that consumers' semantic memory associates similar words with each term. Second, we ran a correspondence analysis, a perceptual mapping technique, to understand the underlying dimensions surrounding social enterprise terminology. We discover that consumers relate to social enterprise terminology with two underlying dimensions: Advocacy Level and Development Stage.

BACKGROUND LITERATURE

Fair Trade, Ethical Buying, Sustainable Consumption

Previous research finds that ethical buying is increasing due to the associated ethical issues and attitudes that consumers feel towards the environment (Jayawardhena et al., 2016). Additionally, previous studies find that many consumers are equally likely to practice ethical buying with fair trade or sustainable products (Ladhari & Tchetgna, 2017). Moreover, consumers who engage in ethical buying behavior are most likely to participate in modifying their current purchases with fair trade items (Shaw & Newholm, 2002). One would assume that while they are modifying their purchases, consumers are looking for key words to help determine which products are the best modifiers.

The definition of fair trade is an alternative approach to trade partnerships because "fair" prices for the products are implemented. Fair trade also aims for development goals for producers in the developing countries (De Pelsmacker et al., 2006). According to the World Fair Trade Organization (www.wfto.org), fair trade is more than exchange and consumption. Fair Trade's intent is to provide more justice in the world. The WFTO also emphasizes that there is a necessity for new rules and practices in business that care about people. Fair Trade organizations around the world are actively engaged in order to support farmers and manufactures in raising awareness and in campaigning for changes in the rules and practices of conventional international trade (Bezençon & Blili, 2010). Previous research has also identified that people with knowledge and concern of fair trade products show a higher intention of purchasing and consuming fair trade products and services whereas those who were unfamiliar with fair trade products demonstrated no interest in future purchase intentions (De Pelsmacker & Janssens, 2007).

Finally, Shaw and Newholm (2002) stated that the two most typical examples of ethical buying behavior are fair trade negotiations and buying environmentally friendly products. Previous research also finds that ethical buying is increasing due to the associated ethical issues and buying behavior that consumers feel towards the environment (Ladhari & Tchetgna, 2017). Despite this body of work, though, the research has yet to explore if consumers view these constructs as separate or similar terms.

Spreading Activation Theory

It is well established in the marketing literature that consumers create a network of meaningful associations which help them process new information (Collins & Loftus, 1975). For instance, the color green serves as an association to eco-friendly brands or environmentally responsible behavior (Labrecque, Patrick, & Milne, 2013). Research also finds that products that claim they are eco-friendly and are also packaged in green are easier for consumers to process when they are evaluating them for purchase (Seo & Scammon, 2017).

Spreading activation theory avers that consumers create complex associations with semantic memory (Collins & Loftus, 1975). This is also the original theory that supports associative priming (Thompson-Schill, Kurtz, & Gabrieli, 1998). When one word is activated, other words that are associated are also elicited in one's semantic memory (Bagozzi, 1996). For example, if respondents view the word "Tide" associations for words similar to "Tide" will be activated. Words such as "ocean," "beach," and "laundry" will all be activated depending upon the respondent's semantic memory of the word "Tide." This phenomenon is explored extensively in the marketing literature because consumers' semantic associative memory has been shown to influence their process fluency (Seo & Scammon, 2017) as well as the words they use to describe products (Aggarwal & McGill, 2012). As such, we explored the associations that consumers have with terms used in social enterprise marketing communications (i.e., fair trade, ethical buying, sustainable consumption) to gain better insight into the associations that are triggered when presented with words.

Participants, Measures and Stimuli

We recruited the participants (n = 206; 58% male; Median age group = 24-35) from the online panel provider Amazon Mechanical Turk ('MTurk'). Respondents were paid \$1 in exchange for their participation. We adopted one attention measure from (Hulland & Miller, 2018) which asked, "Please select all of the following items you currently own: Gas powered automobile, Bicycle, Motorbike, Electric powered automobile, Segway animal transponder." Nine respondents who chose "Segway animal transponder" were terminated from the survey without pay, leaving us with 197 total respondents.

Measures

We used open-ended questions to elicit the respondent's salient beliefs regarding social enterprise terminology: fair trade, ethical buying, sustainable consumption (Ajzen & Fishbein, 1980; Bagozzi, 1996). Each respondent was asked the following questions. (1) "Thinking about the term "fair trade," what are the first three words that come to mind?," (2) "Thinking about the term "ethical buying," what are the first three words that come to mind?," (3) "Thinking about the term "sustainable consumption," what are the first three words that come to mind?" In order to reduce the halo effect, we randomized the order that each term appeared for each respondent.

Analysis

Content Analysis

Two trained coders analyzed the responses that were used to describe fair trade, ethical buying, and sustainable consumption. All disagreements were handled through discussion. Some respondents opted to write full sentences about each word and others offered more than three words as a description. In these instances, the coders recorded the meaning for each sentence. The coders determined that there were sixteen categories that captured the words associated with the terms fair trade, ethical buying and sustainable consumption.

For instance, respondent #31 stated that fair trade means, "moral, compassion, poverty" but that sustainable consumption means, "planet, green, healthy" and ethical buying means, "helpful, empathetic, mindful". For respondent #76, fair trade means "expensive, honest, quality" but sustainable consumption means "recycle, green, fair" and ethical buying means "fair, livable, wage". We coded all words into categories that best describe their meanings. The frequency table of responses is listed in Table 1.

The findings from the content analysis reveal that consumers do not see social enterprise terminology as separate constructs. The marketing literature defines these words as separate constructs, but we discover that the associative semantic memory network for these terms is similar for many of the categories. For instance, words related to artisans/crafts, benevolence, economic, environment, ethics, food, political and positive emotions were elicited when respondents were presented with the term "fair trade," "ethical buying," and "sustainable consumption." In contrast, though, we discover that some categories such as eco-friendly and recycle are only associated with "sustainable consumption" and that moral is associated with "ethical buying." To explore these associations at a deeper level, we will run a correspondence analysis, a perceptual mapping technique.

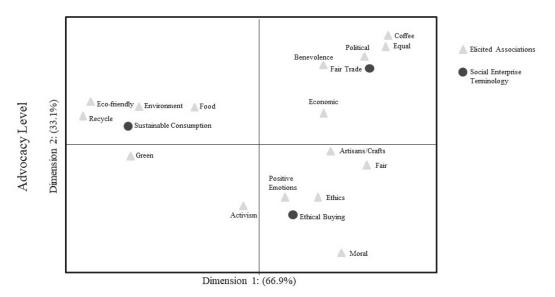
TABLE 1 FREQUENCY OF RESPONSES FROM CONTENT ANALYSIS

	Fair Trade	Ethical	Sustainable
	Tall Trade	Buying	Consumption
Activism	0	35	14
Artisans/Crafts	31	31	7
Benevolence	93	18	26
Coffee	14	1	0
Eco-friendly	0	0	22
Economic	147	95	49
Environment	22	23	151
Equal	47	4	0
Ethics	36	110	26
Fair	56	61	0
Food	18	15	43
Green	0	13	67
Moral	0	37	0
Political	54	9	5
Positive Emotions	32	78	29
Recycle	0	0	55
n=	550	530	494

Correspondence Analysis

In order to get a better understanding of the relationships between the variables in the contingency table, we ran a Correspondence Analysis (CA). CA is a perceptual mapping technique that illustrates the underlying relationship of categorical variables that are not immediately apparent in a contingency table. In this case, CA displays the underlying relationship between the coded responses from the content analysis and the semantic memory associations from the social enterprise terminology (i.e., fair trade, ethical buying and sustainable consumption). CA geometrically plots the standardized cross-tabulation scores (Greenacre, 2007; Inman, Shankar, & Ferraro, 2004; Reavey, Howley, & Korschun, 2013). We used DisplayR (www.displayr.com) to power the CA. DisplayR is a data analytics website that uses R to code the CA and provide the data visualization. CA is similar to other perceptual mapping techniques because it illustrates emergent themes that are not identified by looking at the frequencies alone. The results in Figure 1 are plotted on a 2 x 2 scatterplot. The respective variables are plotted into quadrants and the researcher then analyzes the grouped data points in each quadrant for themes and names the dimensions. The largest advantage that CA has over other mapping techniques is that it is specifically designed for use with contingency tables.

FIGURE 1 CORRESPONDENCE ANALYSIS OF WORDS ASSOCIATED WITH FAIR TRADE, ETHICAL BUYING AND SUSTAINABLE CONSUMPTION



Development Stage

It is important to note that unlike cluster analysis or multi-dimensional scaling (MDS), the relative distance between any two data points does not have meaning (Hair, Black, Babin, & Anderson, 2010). Instead, the researcher can easily identify differentiating data points by examining the data points plotted in *each quadrant* as opposed to the distance between points—as is done with cluster analysis. It is also important to note that the further the data points are from the center axis, the greater the differentiation from the rest of the data points in the quadrant. In contrast, the closer the data points are to the center axis, the more similar that data points are with the rest of the data on the respective axis. Additionally, data points that are placed *on* the axis lines (either horizontal or vertical) fall into both quadrants. After analyzing the quadrants, we created a 2 x 2 matrix to report our findings (Figure 2).

FIGURE 2 THE CORRESPONDENCE ANALYSIS RELATIONSHIPS BETWEEN ELICITED RESPONSES AND SOCIAL ENTERPRISE TERMINOLOGY

acy Level	Low Advocacy	Eco-Friendly, Environment, Food, Recycle	onment, Benevolence, Economic, Political, Coffee, Equal	
		Sustainable Consumption	Fair Trade	
	High Advocacy	Green, Activism	Positive Emotions, Ethics, Artisans/Crafts, Fair, Moral	
			Ethical Buying	
		Marketing Campaigns	Systemic Change	
		Development Stage		

Note: Social Enterprise terminology is listed in *italics*; Coded Responses in regular text

Two major themes emerged from the correspondence analysis. These themes are represented by the two dimensions in Figure 1. The first theme, "Development Stage" is reported on the vertical axis, Dimension 1, and explains 66.9% of the variance. We see a delineation between the word associations that are depicted on both axes. We title the left axis along Dimension 1 as "Marketing Campaigns," and the right axis as "Systemic Change." In the Marketing Campaigns axis, we see words that consumers typically use and see in marketing campaigns such as "eco-friendly," "environment," "recycle," "green," "activism," and "food." Marketing campaigns surrounding these ideas can help influence consumer attitudes and behaviors. This axis is anchored by the social enterprise terminology "sustainable consumption." We can see that when consumers are exposed to the words "sustainable consumption" that the associations it elicits are more marketing campaign driven than anything else.

In contrast the "Systemic Change" axis is populated by words elicit associations with changes at a fundamental level. The words on this axis are elicited by the social enterprise terms "fair trade" and "ethical buying." The associations that consumers recorded when seeing the terms fair trade and ethical buying are "benevolence," "economic," "political," "coffee," "equal," "positive emotions," "ethics," "artisans/crafts," "fair," "moral." We named this axis "Systemic Change" because many of the words elicited such as "economic," "political," and "moral" are very dynamic and require fundamental changes to an entire system (i.e., trade agreements, laws surrounding worker's rights, etc.) before change can occur. Systemic change often takes many years for change to occur (Anderson, 1993). When consumers are exposed to the words "fair trade" and "ethical buying" the associations they elicit are words that comprise fundamental system change.

The second theme located on the horizontal axis, Dimension 2, explains 33.1% of the variance. We named this axis "Advocacy Level." We chose to describe this axis as Advocacy Level because of the level of public support required to institute change for these behaviors. For instance, we named the upper left and upper right quadrants "Low Advocacy" not because these actions have low public support, but because these words are well established with public support, such as recycling and trade agreements. The words elicited that consumers associate with the social enterprise terms "sustainable consumption" and "fair trade" are "eco-friendly," "environment," "food," "recycle," "green," "activism," "benevolence," "economic," "political," "artisans/crafts," "fair" and "moral."

On the other hand, we named the lower left and lower right quadrants "High Advocacy" because the words elicited from "ethical buying" comprise words that require the need for public support. For instance, words such as "green," "activism," "positive emotions," "ethics" "artisans/crafts," "fair" and "moral" can be interpreted differently across cultures and often require a public campaign to galvanize participation. For instance, ethics and morals are well established in the marketing literature to differ across cultures and developed societies (Davies, 2016). Advocating for changes associated with these words requires effort, which is why we named this axis "High Advocacy."

RESULTS OF CONTENT ANALYSIS AND CORRESPONDENCE ANALYSIS

The marketing literature contends that fair trade, ethical buying and sustainable consumption are separate concepts. We discovered in our content analysis that consumers do not agree with the academic literature and they view fair trade, ethical buying and sustainable consumption as similar constructs, not separate. In the content analysis we identified that the semantic memory associations of the coded responses were spread across the social enterprise terms. For instance, words related to "economic," "environment," and "food" were associated with all social enterprise terms. The only words that did not spread across categories were "eco-friendly" and "recycle" which were associated with sustainable consumption and "moral" which was associated with ethical buying.

In our correspondence analysis we were able to graphically explore the social enterprise terms (i.e., fair trade, ethical buying, sustainable consumption) as well as the words that were elicited in their semantic memory network. We discovered that each social enterprise term was "housed" in separate quadrants in the correspondence analysis. This means that although consumers think of the social enterprise terms synonymously, each of the terms loaded on different dimensions. For instance, sustainable consumption is the only term in the upper right and lower right quadrants. This suggests that despite consumers' descriptions of the terms, that consumers think of sustainable consumption as a separate term than other terms used in social enterprise communications. In contrast, though, despite the fact that fair trade and ethical buying are in separate quadrants, they are both "housed" on the right side of Dimension 1, Development Stage. The findings, therefore, suggest that when thinking of fair trade and ethical buying regarding systemic change, that consumers are more likely to think of these words as interchangeable (i.e., synonyms). But when they are thinking of fair trade and ethical buying regarding advocacy level, they will think of them as separate constructs.

CONCLUSION

The marketing literature is replete with examples that words and colors trigger spreading activation theory of semantic memory (Borah & Tellis, 2016; Labrecque et al., 2013; Thompson-Schill et al., 1998). Our study explored the semantic associations that are triggered by marketing terms that are commonly used in social enterprise communications: fair trade, ethical buying, sustainable consumption. By surveying 197 adults in the US and asking them to list the first three words that came to mind when they thought of each of these terms (i.e., fair trade, ethical buying, sustainable consumption) we discovered through the use of content analysis that consumers do not view these words as separate constructs as illustrated by the words that are elicited in their associative semantic memory. For instance, words concerning "environment" were associated with social enterprise terms such as fair trade, ethical buying and sustainable consumption. Additionally, we also used correspondence analysis to explore these associative networks from a graphical perspective. We found that many consumers think of these social enterprise terms (i.e., fair trade, ethical buying and sustainable consumption) on two dimensions: development level and advocacy stage. For instance, the words that were elicited with "sustainable development" are related more with marketing campaigns and low advocacy, such as "green" and "recycle." On the other hand, the semantic memory associated with the words "fair trade" and "ethical buying" are related more with systemic change and high and low advocacy, such as "moral," "ethics" and "political."

LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

No study is without limitations, and our study is no exception. First, our study is limited by its sample size. While 197 people is a sizable number, future research should consider exploring the comparison between consumers who are self-selected as ethical consumers versus those who do not identify as such. Additionally, while this study was able to gain a national representation, future researchers might want to explore if there is a regional effect on the results as well. For instance, previous research has discovered that self-proclaimed ethical consumer are more likely to live in urban versus rural environments (Schröder & McEachern, 2004).

From a practitioners' standpoint, marketing communications specialists will want to make sure that they are using the proper words with which they want their product associated. For instance, consumers' associative semantic memory elicits thoughts regarding benevolence (i.e., kindness, goodwill, etc.), economic (i.e., money, commerce, etc.) and coffee when seeing the word "fair trade." If the communications specialist would prefer to have the consumer associate their product with activism, they will benefit from using the word "sustainable consumption" in their marketing materials instead of "fair trade."

From an academic standpoint, we discover that social enterprise terms elicit similar semantic associations, despite the academic literature defining these words as separate constructs. Our study extends the literature on social enterprise terminology by utilizing the spreading activation theory to explore how consumers react to terminology frequently used in marketing communications (Collins & Loftus, 1975). As an exploratory study, we wanted to delve deeper regarding the semantic associations that are elicited by the social enterprise terminology. Further empirical testing using a lab experiment or a field test will help elaborate on our results. Surveys, which are helpful in an exploratory setting, lack the rigor of internal and/or external validity that lab experiments and field tests. Future researchers will want to consider an experiment which explores consumers' associative network regarding social enterprise terminology that will enhance the study's internal validity. Whereas, the field experiment will help explore how consumers react in a shopping environment and extend the study's external validity.

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