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## **The Recognisability of the Fair Trade Idea in the Context of Universal Access to Information**

### INTRODUCTION

The popularisation of the self-service forms of retail food sales warrants the analysis of packaging as the information carrier. In addition to its role in product transport and protection, it also has to serve an informational function, especially under the conditions of limited involvement of the customer service staff in the sales process. Information transfer is conducted in the form of both text and graphic shapes, such as logos, symbols and certificate signs. The information provided is to stimulate the selection of a given product. In order for it to efficiently serve this purpose, the condition that the potential buyer will associate these graphic signs with values they represent, must be met.

This article presents some of the result of research carried out at the turn of 2014 using the direct survey method, and employing an original questionnaire. The survey included 1,000 buyers of foodstuffs residing in the Podkarpackie Voivodeship. After the verification of the empirical material and due to deficiencies in data completeness, data from 900 questionnaires were qualified for calculation.

The survey verified a number of aspects of customers' opinions, assessments, preferences and behaviour, in the process of purchasing. One of these matters was an attempt to specify in what way do buyers assess their own knowledge of symbols and certificates on food packaging. This self-assessment was verified by establishing the degree of awareness of consumers from Podkarpackie on the idea pursued as part of fair trade. Also an assumption was made

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that under the conditions of free access to information, resulting i.a. from access to modern channels such as the Internet and the growing tendency of consumers to actively search for and gather information, their awareness of markings on food products will also be high. One of such markings is the fair trade symbol, which is used to mark products that support the idea of reducing the discrepancy between highly developed countries and the Third World countries. The article also aims to identify differences in the attitudes of consumers in relation to the analysed phenomenon in diversified categorisational subgroups of customers, assuming the existence of statistically significant differences. The customers were classified by place of residence, gender, age, education, the number of household members and income, which made it possible to make the analysis more profound.

#### THE ROLE OF FAIR TRADE IN ELIMINATING SOCIAL AND ECONOMIC INEQUALITY

Fair trade is defined as a social movement based on an ideology that supports the development of communities in the most poorly developed regions of the world. Its essence lies in such statements as: “escaping poverty through one’s own work” and “trade instead of aid.” As the idea matured, definitions were formalised and independent organisations were established. The objective of these organisations was to govern and monitor supply agreements concluded in international trade, and grant licences to its participants. The main objective of the aforementioned activities was to change the business model towards social awareness and care [Doherty, Davies, Tranchell, 2013, pp. 161–162].

Fair trade has several objectives, the first and best known being the assurance of prices that guarantee that producers secure their livelihoods. Furthermore, these objectives include long-term relations between the buyers and the sellers, which ensure that producers have better access to financing, as well as improved working conditions, the creation / maintenance of effective producer and employee organisations and the utilisation of environmentally friendly production processes [Dragusanu, Giovannucci, Nunn, 2014, p. 218].

This selection of objectives can be further expanded by [Wielechowski, Roman, 2012, p. 49]:

- improving living conditions and well-being of producers through enhanced access to markets and empowering producer organisations,
- promoting developmental opportunities for producers in unfavourable situations, especially for women and local residents, and protecting children from exploitation in the production process,

- increasing consumers' awareness of the negative impact of international trade on the producers, to make sure they use their purchasing power in a positive way,
- presenting the example of trade partnership based on dialogue, transparency and respect,
- running campaigns promoting change in the rules and practice of conventional international trade,
- protecting human rights through the promotion of social justice, pro-environmental practices and economic safety.

Fair trade is also a marking initiative aimed at improving the lives of the poor in developing countries through ensuring better conditions for producers and helping them to organise their operations [Dragusanu, Giovannucci, Nunn, 2014, p. 217].

To obtain a fair trade certificate producers have to meet standards specified by external certification bodies. These standards differ depending on the product, region and certification system in a way that is not always entirely clear to the consumer. The sphere of fair trade certification is complex. There is a number of institutions responsible for marking. The major bodies responsible for certification include: *The Fairtrade Labelling Organizations International* (FLO), *The World Fair Trade Organization* (WFTO), *The Network of European Worldshops* (NEWS!) and *The European Fair Trade Association* (EFTA), which jointly established an informal association – FINE [DiMaarcello III, Hooker, Marconi, 2014, p. 1; Wielechowski, Roman, 2012, p. 49–51].

Activities supporting the fair trade idea based on granting licences to use fair trade markings on the packaging of goods will remain ineffective, if the buyers do not recognise the meaning of such certificates. The consumers' awareness of symbolism, therefore, conditions the market success of fair trade initiatives stimulated by the market. The knowledge of the concept itself and the used markings stems from the accessibility of such information. Its universality is a precondition for further purchasing decisions.

## THE CONDITIONS OF ACCESS TO INFORMATION

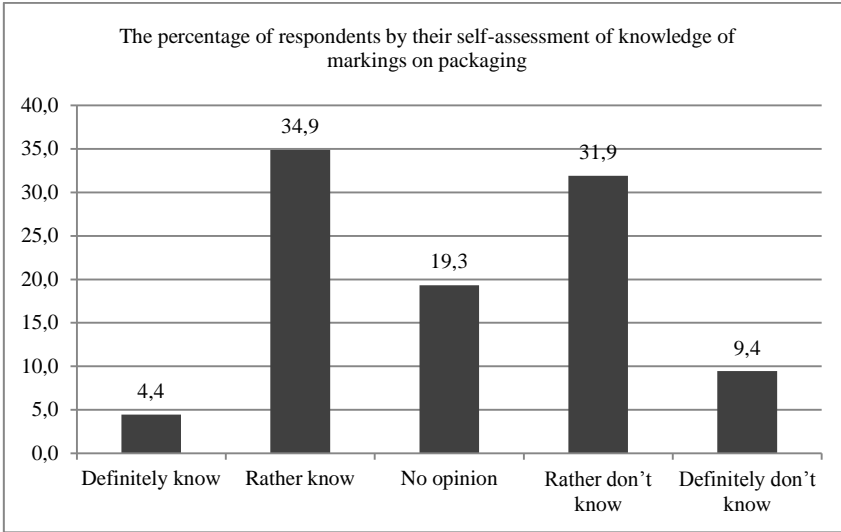
The growing information resources made available on a mass scale, nowadays allow to recognise the symbolism of fair trade, provided that measures aimed at obtaining such knowledge are carried out. These measures can be limited by objective technological and equipment-related barriers, as well as subjective ones, which are associated with individual skills, attitudes and motives. The need for the active attitude of the consumer in search of information on this issue appears to be a significant limitation for the knowledge of the fair trade idea.

The barrier associated with equipment that facilitates such access, remains one of determinants of obtaining information. Taking into account the actual equipment of households in the Podkarpackie Voivodeship, which is the subject of interest of this article, we should conclude that this is not a relevant factor. This is proved by computer equipment indicators published in 2013, which stated that in one household there were on average 1,61 computers; whereas, only 8,26% of households did not have such equipment. Such a high degree of computerisation is partly due to the users' tendency to buy newer-generation equipment despite the owned devices being technically operational and used for purposes requiring less computing power. As indicated by the data, 60,2% of households in the Podkarpackie Voivodeship were equipped with a portable computer, and 95,6% used mobile telecommunication services, often on smartphones [Szura, 2013, pp. 9–14].

Potential access to the Internet also was not a problem. The percentage of households in Poland with such access grew from 63,4% in 2010 to 74,8% in 2014. An analysis of ongoing tendencies warrants an assumption that this growth will continue. The lack of technical capacity for Internet connection was the cause of the absence of Internet in merely 1,8% of households without access to the Internet. In the majority of cases the reasons for this barrier were the lack of need (59,1% in 2014) and the lack of appropriate skills to use the Internet (44,8% in 2014). In 2014 in Poland 63% of population aged 16–74 regularly used the Internet, compared to 59,9% in 2013. In 2014 70–75% of households in the Podkarpackie Voivodeship had Internet access, with 68,7% of individuals using it, and 59,4% doing it on a regular basis [*Spoleczeństwo...*, 2014, pp. 108–120]. These deliberations prompt us to adopt a thesis that it is rather mental and personality-related barriers that restrict one's inclination to search for information than the lack of technical capacity.

#### THE RECOGNISABILITY OF MARKINGS ON FOOD PRODUCTS BY CONSUMERS IN THE PODKARPACKIE VOIVODESHIP

The verification of the results of author's own research into consumers' self-assessment of knowledge of the symbolism of markings on products or their packaging leads us to a conclusion that consumers are rather critical in this regard. 41,3% of respondents stated that they did not know the meaning of symbols placed on packaging, and every tenth respondent was completely sure of this fact. 39,3% of consumers indicated that they were aware of product markings; however, only every twentieth was strongly convinced about this fact.



**Figure 1. The assessment of the knowledge of marking symbolism**

Source: calculations based on the results of the author's own research.

A series of research into the real interest of consumers in the socially and environmentally responsible production indicates that consumers attach importance to production consistent with fair trade standards, and believe that such certificates reflect reliable information [Dragusanu, Giovannucci, Nunn, 2014, pp. 222–223]. Surveys of American households conducted by J.E. Taylor and V. Boasson indicated that around 58% of respondents have heard of fair trade and just over a quarter have knowingly purchased a fair-trade product. Respondents who were unwilling to pay a fair trade premium were divided between not doing so because of a belief that all voluntary trade is already fair and a fear of potential unintended negative consequences on workers [Taylor, Boasson, 2014, p. 418].

The knowledge of symbols and certificates placed on food packaging does not automatically mean that the buyer is fully aware of the meaning of such symbols. Therefore, the knowledge of the idea and marking of fair trade among the residents of the Podkarpackie Voivodeship was varied. The obtained results are presented in table 1. These results indicate that despite free access to information a number of respondents gave wrong answers to questions about the meaning of symbols and descriptions on the packaging of fair-trade products.

Every twentieth customer stated that they were completely unaware of the fair trade idea. More than every third individual indicated that the main meaning behind the symbolism in question was to protect the rights of marginalised producers. Nearly every fourth consumer thought that products marked as fair-trade were manufactured in a way that prohibits child labour, which can be associated with the general rule of providing decent working conditions. The remaining

variants of answers indicated the lack of knowledge of the fair trade symbolism. Every fourth consumer associated the fair trade marking with the adequate price-quality relation of the product, and 17,6% of customers simply thought that the fair trade marking guarantees high quality. For 6,1% respondents this marking ensured that no air transport was used in the sales of this product. Correct associations with the protection of rights of marginalised producers were more often observed among city residents. The percentage of people convinced of such a meaning of the fair trade symbol increased with income earned. This percentage was the highest in two-person families. The gender of respondents had no substantial impact in this regard. On the other hand, the growing age of respondents was associated with the decreasing accuracy of associations between fair trade and the protection of marginalised producers. While the percentage of customers who correctly interpreted fair trade markings grew with the increasing level of education, it was surprising to note that the highest percentage of correct associations was identified among respondents with primary education.

**Table 1. The knowledge of fair trade**

Specification	Consumers' associations with the fair trade marking											
	Total	by place of residence		by income per capita				by the family size				
		city	village	up to PLN 600	PLN 601-1000	PLN 1001-1500	PLN 1501-2500	more than PLN 2500	1-person	2-person	3-5-person	6 and more
Total customers	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
It is part of the protection of marginalised producers	36,3	38,0	34,5	32,8	35,8	36,7	37,2	40,2	31,4	40,3	36,5	31,6
The price is adequate to the quality of the product	25,1	26,7	23,4	27,0	29,4	21,0	27,3	15,9	25,7	18,8	27,4	23,2
No child labour was used in the production of the product	24,3	21,5	27,3	17,2	24,9	25,4	26,2	25,6	35,7	29,5	20,4	29,5
The product is of high quality	17,6	15,7	19,5	25,4	15,8	19,8	15,3	9,8	15,7	20,5	15,9	23,2
No air transport is employed in the sales of this product	6,1	5,2	7,0	4,9	4,9	6,9	6,0	9,8	5,7	5,7	6,6	4,2
I don't know	5,2	5,9	4,5	5,7	7,2	4,4	2,7	6,1	4,3	2,8	6,8	1,1

	Total	by gender		by age				by education			
		woman	man	15 - 25 years of age	26 - 35 years of age	36 - 55 years of age	more than 55 years of age	primary	vocational	secondary	higher
Total customers	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
It is part of the protection of marginalised producers	36,3	36,8	35,7	39,5	39,0	33,7	28,4	43,9	31,3	35,7	39,2
The price is adequate to the quality of the product	25,1	24,1	26,4	24,9	24,1	27,1	23,3	19,5	22,2	27,3	24,7
No child labour was used in the production of the product	24,3	23,5	25,4	23,7	25,6	25,9	20,7	19,5	27,8	22,5	25,3
The product is of high quality	17,6	16,0	19,5	17,7	14,9	16,5	24,1	17,1	22,7	17,0	15,3
No air transport is employed in the sales of this product	6,1	6,5	5,7	4,2	8,7	7,5	4,3	7,3	8,0	6,3	4,5
I don't know	5,2	6,1	4,2	3,3	5,6	5,5	9,5	4,9	2,8	5,6	6,3

Source: calculations based on the results of the author's own research.

When it came to associating fair trade markings with decent working conditions excluding child labour, most declarations were made in rural areas, by persons with incomes within the range of PLN 1501–2500, men, individuals aged 36–55, people with vocational education, and individuals running single-person households.

The verification of the presented observations using the  $\chi^2$  procedure makes it possible to conclude that the household size was a factor that differentiated the observations of consumers associated with fair trade at the level of  $\alpha=0,05$ . In the remaining analytical subgroups the presented descriptive differences are only of a demonstrative value.

## CONCLUSION

The obtained results lead us to a conclusion that the society is still quite unaware of the meaning of markings and certificates visible on food product packaging. This conclusion is based both on the subjective self-assessment of consumers and its objective verification. It is impossible to positively assess the state of respondents' knowledge of the fair trade idea, which was often associat-

ed with issues not directly related to it. Customers often mistook fair trade markings for certificates of product quality or logistic techniques used in product sales.

Despite universal access to information, the fair trade idea is of little importance when it comes to the selection of particular food products. A change in this regard requires ongoing promotion of its premises. It appears that previous promotional measures in this field have been too limited. The social knowledge of the fair trade idea is limited by the necessity to take individual actions to search for information in this field. The low level of consumers' awareness of the fair trade concept can partly stem from the overall excess of symbols, graphic signs, logos and certificates placed on food product packaging. As a result of their overutilisation, they have become too common and lost the trust of their audience in the meaning they were supposed to convey.

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## Summary

The paper is a synthetic presentation of one of the essential areas of the author's research, concerning a sample of 900 persons consisting of consumers from Podkarpackie Voivodeship, who were shopping at randomly chosen food retailers. The research was conducted using a method of personal interview.



The subject of discussion presented in the study is the recognisability of labelling on food product packaging, which was described in a subjective way (through self-assessment of consumers), as well as objectively (through verification of knowledge of the essence of products labelling). A special attention was paid to verification of associations of the clients from Podkarpackie Voivodeship to a fair trade labelling. The conclusions are presented in classification subgroups of clients concerning their demographic, social and economic features.

The findings allow to conclude that both subjective and objective assessment of consumers recognition of the essence of symbols on food products are at a relatively low level. Knowledge about a fair trade idea among clients from Podkarpackie Voivodeship was also not common. These remarks indicate a low interest of clients in certificates and symbols placed on food packaging. Without such interest it is impossible to gain sufficient knowledge, and also to assimilate a fair trade idea and perceive it as a determinant in decisions connected with a choice of specified products, and thus to support societies in the Third World. To minimise social and economic inequalities between the North and the South it is necessary to continuously promote the idea to the extent that stimulates consumers' willingness to search for information about fair trade products and to search for products with this labelling. The thesis is supported by data negating technological barriers of access to information.

*Keywords:* fair trade, retail trade, labelling, information on packaging

## **Rozpoznawalność idei sprawiedliwego handlu w kontekście powszechnego dostępu do informacji**

### *Streszczenie*

Artykuł stanowi próbę syntetycznej prezentacji jednego z obszarów merytorycznych badań własnych obejmujących 900-osobową próbę badawczą, którą utworzyli konsumenci z województwa podkarpackiego realizujący zakupy w losowo wybranych przedsiębiorstwach handlu detalicznego żywnością. Badanie przeprowadzono w formie wywiadu bezpośredniego.

Przedmiotem rozważań przedstawionych w opracowaniu jest poziom rozpoznawalności oznakowań na opakowaniach produktów żywnościowych, określane zarówno subiektywnie (w autoocenie konsumentów), jak i obiektywnie (przez weryfikację znajomości treści oznaczeń). Weryfikacji poddano w szczególności skojarzenia klientów z woj. podkarpackiego związane z oznaczeniami *fair trade*. Wnioskowanie prezentowane jest w układzie podgrup klasyfikacyjnych ustalonych z wykorzystaniem charakterystyk demograficznych, społecznych i ekonomicznych respondentów.

Uzyskane wyniki pozwalają na stwierdzenie, że zarówno subiektywna, jak i obiektywna ocena świadomości konsumentów w zakresie znaczenia symboli zamieszczanych na opakowaniach produktów żywnościowych pozostaje na stosunkowo niskim poziomie. Znajomość idei *fair trade* wśród klientów z woj. podkarpackiego nie była powszechna. Spostrzeżenia te wskazują na niskie zainteresowanie klientów certyfikatami i znakami zamieszczanymi na opakowaniach. Bez takiego zainteresowania niemożliwe jest uzyskanie rzetelnej wiedzy i przyjęcie idei *fair trade* jako determinanty decyzyjnej w wyborze określonych produktów, a przez to wsparcia ludności krajów Trzeciego Świata. W celu niwelowania nierówności społecznych i gospodarczych krajów Północy i Południa konieczna jest stała promocja tej idei w stopniu stymulującym skłonność konsumentów do poszukiwania informacji o produktach *fair trade* i samych produktach z tym oznakowaniem. Tezę tę potwierdzają dane negujące technologiczne bariery dostępu do zasobów informacji.

*Słowa kluczowe:* sprawiedliwy handel, handel detaliczny, oznakowanie produktów, informacje na opakowaniu

JEL: M31, D12, L15, L81