

The mainstreaming of Fair Trade: a macromarketing perspective

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The mainstreaming of Fair Trade: a macromarketing perspective

Abstract

Following a brief review of the development and underlying purposes of the Fair Trade movement, the paper introduces perhaps the key issue for the U.K. Fair Trade movement currently: the mainstreaming of Fair Trade food products. The macromarketing literature, with its focus on sustainable consumption, ecocentrism and a consequent need to change the dominant social paradigm, is used as a framework for analysing the findings of an empirical study of this mainstreaming process involving interviews with and case study material from both Fair Trade organisations and the major supermarkets which have engaged with Fair Trade. The key question that the paper addresses is whether Fair Trade, particularly as it enters mainstream markets, provides an exemplar, from within the existing dominant social paradigm, of the kinds of actions that the macromarketing literature suggests are necessary to enable sustainable consumption. Implications for both the Fair Trade movement and for macromarketing are drawn out.

Keywords

Fair-trade
Mainstreaming
Macromarketing
Sustainable-consumption
Ecocentrism
Dominant-social-paradigm

Introduction

The worldwide Fair Trade movement has a history dating back at least 40 years and for much of that time it has been engaged in a gradual development in the organisations that form the movement, the range of products that it provides and hence the range of producer organisations that engage with it (see Moore, 2004, pp.74-76). In recent years, however, the movement in the U.K. (which forms the focus for this paper) has seen a much more dramatic rate of development as a result of the “mainstreaming” of Fair Trade food products through conventional retail outlets, particularly the supermarket “multiples”. With this development has come a significant change both in product quality and in marketing, with several Fair Trade brands, (Cafédirect coffee and tea, Divine chocolate, Clipper coffee and tea, and Percol coffee, to name the most obvious), now taking their place alongside more established brands on the supermarket shelves.

With this process of mainstreaming have come related concerns that Fair Trade may have ‘sold out’ to the multiples, that its message may have become diluted, that it may even have ‘lost its soul’. At such a critical time in its development, some reflection on what Fair Trade has become and what its future options may be, is clearly important. To aid in such reflection the macromarketing literature provides a helpful framework, while at the same time Fair Trade provides the macromarketing literature with an exceptional case study of the way in which its conceptualisations may be turned into “programs of action” (Dolan, 2002, p.175).

This paper, then, proceeds as follows. It begins with a short review of the Fair Trade movement, discussing its development and also its underpinning definition and purpose. It then explores the mainstreaming of Fair Trade food products to provide a basis from which the current position can be critically reviewed. A discussion of the macromarketing literature provides a backdrop against which the findings of an empirical study are described. The empirical study involved interviews with and case study material from key Fair Trade organisations and those supermarkets which have engaged seriously with Fair Trade. The paper concludes with some reflections both on the import of the macromarketing literature for the future of the Fair Trade movement and on potential developments for macromarketing as a result of this exposure to the Fair Trade movement.

The Fair Trade movement: history, definition and recent developments

There have been various assessments of the Fair Trade movement (Adams, 1989; Barratt-Brown, 1993), but a more recent discussion of the development, parameters and issues facing Fair Trade is contained in Moore (2004). Starting from isolated examples of northern organisations beginning to trade with southern producers, Fair Trade developed into a small but international “movement” in the 1960s and 1970s. Its origins were in craft goods imported directly from these southern producers and sold through “alternative”¹ channels to a limited market of concerned northern consumers. However, food products were developed in the 1980s starting with coffee, which was marketed originally as “Campaign” coffee in the U.K. – a clear signal of the radical side of the movement. As the movement gathered momentum a number of umbrella bodies were formed. IFAT (originally the International Federation for Alternative Trade but known now as the International Fair Trade Association) was established in 1989 as a worldwide membership organisation bringing

¹ “Alternative” is frequently used instead of “Fair”. The origins of this are in the use of the term “Alternative Trading Organisations” (ATOs) a name stemming from the early days of Fair Trade where “fair” seemed too weak a description of the common and radical vision that forged these organisations into a movement.

together both producers and buyers. While still growing, it currently consists of over 270 Fair Trade organisations in 60 countries with approximately 65% of members based in the South (IFAT, 2005). In the U.K. the Fairtrade Foundation was formed in 1994 and then became a member of the Fairtrade Labelling Organisations International (FLO) when it was established in 1997. These two organisations have been particularly significant in the growth of Fair Trade food products with FLO providing the worldwide standard setting and certification process that allows the Fairtrade Mark (a labelling device that guarantees that FLO standards have been met – see further below) to be applied to particular products², while the Fairtrade Foundation, in common with other similar national organisations, provides the ‘local’ marketing arm – see Moore (2004, pp.75-76) for further details.

The accepted definition of Fair Trade, drawn together by various members of the movement, is as follows:

Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair trade organisations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade. (FINE, 2001³)

This definition has, in essence, two basic components. The first is to provide a working model of international trade that makes a difference to the producers and consumers that engage in it and to do so in such a way that social objectives – better trading conditions, the securing of rights and the development of consumer consciousness in the North – are met. The second and more radical component of Fair Trade is to challenge orthodoxy in business practice: to be a “tool for modifying the dominant economic model” (Renard, 2003, p.91) and encourage it towards more social ends.

As indicated above, of particular interest at present is the mainstreaming of Fair Trade. As food products have become an increasingly important part of the Fair Trade offering, presently representing around two-thirds of worldwide Fair Trade retail sales (see Moore, 2004, pp.74-75), there has been a concerted move into mainstream retailing, with supermarkets representing the primary channel through which such goods are now sold. With this move has come the challenge to the Fair Trade movement of how to maintain the purity of the Fair Trade concept, while gaining the benefits of the increased volumes that access to the mainstream provides to southern producers. Various commentators have described this process as the “subversion”, “dilution”, “redefinition” or “reabsorption” of the concept (see Moore, 2004, p.83 and further below). However, an alternative perspective is that Fair Trade can not only more fully achieve its mission of supporting marginalized producers and workers by enabling their access to such channels and to the volumes associated with them, but that this is also the best way of achieving the second part of the mission. By working closely with these conventional players in international trade, Fair Trade organisations

² FLO currently sets standards for the following products: cocoa, coffee, flowers, fresh fruit, honey, juices, rice, sugar, tea, wine and sports balls, with standards for more tropical fruit and other tropical products under development. See www.fairtrade.net.

³ FINE is an informal network that involves the Fairtrade Labelling Organizations International (FLO), the International Federation for Alternative Trade (IFAT), the Network of European Shops (NEWS!) and the European Fair Trade Association (EFTA).

have the opportunity to challenge the “dominant economic model” in a way, and with a degree of credibility, that would otherwise be unavailable.

The significant developments in volume caused by such mainstreaming, and hence the opportunity both for dilution and for influence, are certainly borne out by an inspection of the figures for the growth of Fair Trade. Figure 1 shows the worldwide growth in Fair Trade food and drinks by volume based on FLO data. The figure for 2003 is an estimate, but the trend is clear⁴.



Figure 1
Source: Leatherhead Food International, 2003

In terms of the main products Figure 2 shows that bananas are the highest volume product, accounting for 62% of total volume in 2002, followed by coffee as the other significant volume product with 27% in 2002. The other products collectively make up only 11% in total. Although figures by *value* rather than *volume* were not available within this particular report, coffee is clearly the largest product by value by some way given its high price / weight ratio compared with bananas⁵.

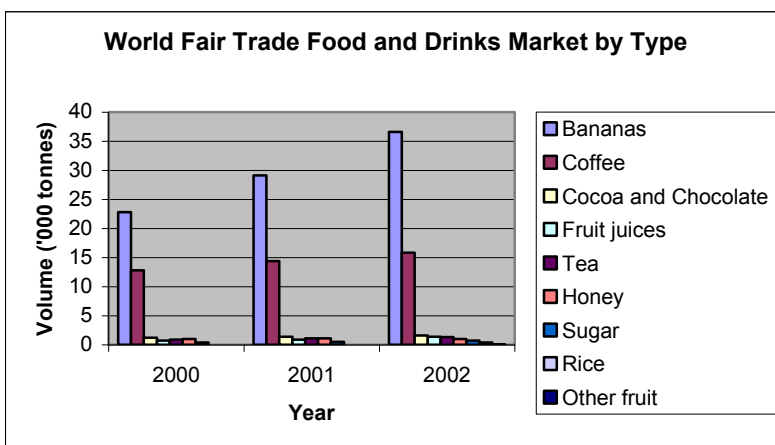


Figure 2

⁴ One of the issues in any analysis of Fair Trade is the lack of comprehensive data across the full Fair Trade product range. The Market Intelligence Section of Leatherhead Food International has produced the most recent international report, which also makes some projections, but even this analyses only Fair Trade food products.

⁵ A rough estimate gives a ratio of 27, suggesting that the value of coffee sales is around 12 times that of bananas.

Source: Leatherhead Food International, 2003

The position in the U.K. is broadly similar, with sales of Fair Trade goods which carry the Fairtrade Mark having an estimated retail value of £140million in 2004, up from £92.3million the previous year. At the individual product level Fair Trade products have 18% of the U.K. roast and ground coffee market, 3% of overall coffee sales and 5% of the total U.K. banana market. Sales increases, by retail value, in the five years from 2000-2004 were: coffee 218%, tea 153%, chocolate/cocoa 358% and bananas 292% (Fairtrade Foundation, 2005a).

In terms of future projections, Leatherhead Food International acknowledged that “the Fair Trade market is still at a very early stage of its life cycle, so it is difficult to assess its future prospects”, but based on the confidence in the suppliers of Fair Trade products, the growth rate in organics as a comparator and the general interest in “other ethical issues”, it estimated that the market would “show a 20-25% [per annum] volume and value growth over the next 4-5 years to hit a level of 150,000 tonnes, worth almost USD1billion by 2007” (Leatherhead Food International, 2003, p.17).

These figures, of course, do not capture the whole of the Fair Trade market since, as indicated above, there are also non-food products that make up around one-third of the market size (see Moore, 2004, pp.74-75 for a discussion of these and the various estimates of market share of non-food products). But it is clear that the main driver of growth of Fair Trade goods has been the food products and, in terms of the mainstreaming of Fair Trade through commercial channels, it is food products that have led the way. That FLO has recently introduced a standard for flowers, which Tesco and Sainsbury’s retail, is an interesting non-food development that will be commented upon further below.

As far as the Fair Trade organisations are concerned, the proportion of their turnover derived from mainstream sales and hence their susceptibility to commercial and reputational risk depends, of course, on the extent of their food versus non-food sales and the range of channels through which they sell. Two examples illustrate this. Cafédirect derives a significant proportion of its turnover from selling to most major retailers, and although it also sells to the “out-of-home” market only approximately 7% of its turnover comes from this source (Cafédirect, 2003). Traidcraft, by comparison, with a much wider product range and a greater range of distribution channels, derived only 14% of its turnover from supermarkets in 2003/04⁶, although this is expected to increase in future. Hence, the direct risks and opportunities inherent in the mainstreaming of Fair Trade vary considerably across different Fair Trade organisations. However, the focus of this paper is not on the potential impact of mainstreaming on individual organisations, but on the impact of mainstreaming on the Fair Trade movement, and the Fair Trade concept, as a whole.

The macromarketing literature and links with Fair Trade

There are three immediate links between the FINE definition of Fair Trade given above and the macromarketing literature. The first is the association made in the macromarketing literature between the “consumption of material superfluities by the wealthy industrial nations” which is claimed to be “at the expense of consumption of necessities in the Third World” (Kilbourne *et al.* 1997, p.12). While Fair Trade does not make the same causal association, there is of course a similar concern for the economic development of developing countries. The second link is the

⁶ Traidcraft internal papers.

contention that Fair Trade contributes to sustainable development which resonates with the macromarketing literature's focus on sustainable consumption – this is discussed further below. The third link is in relation to notions of equity in international trade and the need to raise awareness of inequities and to campaign to change the rules and practice of conventional international trade. But while there are these points of contact, Fair Trade and the macromarketing literature also provide helpful counterpoints to each other.

Macromarketing and sustainable consumption

Within the macromarketing literature is a related set of concepts that raise questions about the direction of current trends in consumerism. At the heart of this set of concepts is that of sustainable consumption:

“Sustainable production and consumption is the use of goods and services that respond to basic needs and bring a better quality of life, while minimizing the use of natural resources, toxic materials and emissions of waste and pollutants over the life cycle, so as not to jeopardize the needs of future generations.” (Oslo Symposium on Sustainable Consumption, cited in Dolan, 2002, p.172)

By contrast with the notion of sustainable consumption are the alternative notions of “conspicuous consumption” (McDonagh, 1998, p.600) and “hyper-consumption”, the latter of which occurs where

“there is no logical connection between the thing consumed and the consumption act itself – it is consumption for its own sake ... [there is a] total separation of the object of consumption from nature: the image is being consumed, rather than the object.... Within hyper-consumption ... the sign value, or image, eclipses the commodity referent and simultaneously negates the ecological referent of the commodity as a product of nature.” (Kilbourne *et al.*, 1997, p.8)

This alternative conceptualisation of consumption links with three other parts of the macromarketing literature. First, there is the notion that historic theory construction has been anthropocentric whereas (the macromarketing literature claims) there is a need to move towards an ecocentric view in which organisations and the market place “only exist as part of the biosphere” (McDonagh, 1998, p.598). Second, this “deep ecological” strand (Shrivastava, 1997, p.170) is supported by the need to challenge the “dominant social paradigm” – a “society's belief structure that organises the way people perceive and interpret the functioning of the world around them” (Milbraith cited in Kilbourne *et al.*, 1997, p.4). Kilbourne *et al.* expand on this definition as follows:

“The DSP [dominant social paradigm] in Western industrial societies informs the prevailing conception of QOL [quality of life] and provides its justification. This is manifested through the ideology of consumption, which maintains that increasing material well-being provides the basis for QOL. The quest for increasing well-being for a growing world population poses the fundamental issue of sustainability: consumption cannot increase indefinitely in a finite world.” (1997, p.5)

In order to achieve a change in the dominant social paradigm there is, third, a need to produce a “counter-consumer” culture (Dolan, 2002, p.176), a concept which, potentially, has resonances with notions of “voluntary simplicity” (Rudmin and Kilbourne, 1996). While in itself a complex concept,

the definition of voluntary simplicity as “singleness of purpose, sincerity and honesty within, as well as avoidance of exterior clutter, of many possessions irrelevant to the chief purpose of life” (*ibid.*, p.167) provides obvious links with ecological concerns and an ecocentric view, and against conspicuous and hyper-consumption.

Macromarketing and development

It is clear from the above discussion that the macromarketing literature has obvious points of connection with limits-to-growth economics. It appears, however, that only recently has it made these connections explicit and begun to build an expanded macromarketing model that links directly with both environmental and development economics (Kilbourne, 2004). Daly (1999) provides the conceptual basis for macromarketing's ecological concerns with his “uneconomic growth theory” in which he argues that continued growth in a “full world” situation (where the macroeconomy reaches a level at which it ‘fills’ the ecosystem that surrounds and sustains it) may be uneconomic – the costs of growth may be greater than the benefits at this macro level. In such a situation, and given the unequal levels of development in different countries and parts of the world, there is, he argues, a requirement for differentiated growth in which higher growth rates in developing countries can be achieved economically only by lower or even negative growth rates in the developed world. “It is absolutely a waste of time as well as morally backward to preach steady-state doctrines to underdeveloped countries before the overdeveloped countries have taken any measure to reduce either their own population growth or the growth of their per capita resource consumption” (Daly, 1992, p.148).

Kilbourne (2004) also draws attention to the broader development economics debate, drawing particularly on Sen's work. Here development, both as process and outcome, is viewed in terms of substantive freedoms including, “elementary capabilities like being able to avoid such deprivations as starvation, under-nourishment, escapable morbidity and premature mortality, as well as the freedoms that are associated with being literate and numerate, enjoying political participation and uncensored speech and so on” (Sen, 1999, p.36). As part of the process of development a key aspect of Sen's thesis is the role of institutions in enabling such freedoms. Institutions include the market, the political system, the media and so on (*ibid.*, p.142) and it is not only the existence but also the complementarity of these institutions that is important (*ibid.*, p.116). Thus, as Sen argues, “it is very hard indeed to see how any reasonable critic could be against the market mechanism, as such” given that it is “a basic arrangement through which people can interact with each other and undertake mutually advantageous activities” (*ibid.*, p.142). But this confidence in the market is tempered by the need for other institutions and public policies (themselves secured through political institutions) to provide “conditions in which the opportunities offered by [markets] could be reasonably shared” (*ibid.*, p.142). It is precisely concerns over both the lack of such institutions in some cases, and institutions that promote inappropriate policies in others, that has led to criticisms of the whole globalisation ‘project’ – see Stiglitz (2002) for example.

While, as indicated above, the exploration of these links between macromarketing and development and ecological economics are comparatively recent, Fair Trade provides practical exemplification of some of these issues. Fair Trade's emphasis on economic development in developing countries is clearly supportive of differentiated economic growth, even though in developed countries this is related, at best, to substitution of Fair Trade for equivalent products rather than the reduction in consumption that the macromarketing literature and Daly (1992, 1999) suggest may be necessary for sustainability. Equally, in relation to substantive freedoms, Fair Trade clearly promotes labour practices including freedom of association, the payment of fair wages and the promotion of

women's role in economic development – one of Sen's concerns in relation to the freedom of labour markets (Sen, 1999, pp.115-116). Fair Trade also, and perhaps particularly, encourages institution-building through the development of local Fair Trade organisations to the point at which they can compete in the mainstream (see Hayes, forthcoming). Indeed, Hayes' conclusion is that, contrary to popular belief, "the ethical consumer and Fair Trade premium are not the core of Fair Trade, but the long-term commitment of Fair Trade buyers to local Fair Trade organizations, underpinned by the preference of the ethical consumer, is a valuable, and sometimes essential contribution to the investment required by local organizations and their households to equip themselves with an efficient technology in order to compete in global markets". In helping to achieve such institution-building in developing countries, Fair Trade also supports community development particularly through the provision of the Fair Trade premium which can be applied to community projects such as adult education facilities or the upgrade of a clean water supply (see Fairtrade Foundation, 2005b).

Changing the dominant social paradigm

Within the macromarketing literature, however, there appears to be an unresolved question over whether the significant changes that it promotes as being necessary can be achieved from within the existing dominant social paradigm, or whether such fundamental change can be brought about only through a challenge from without. Prothero and Fitchett (2000), for example, claim that "one aim must therefore be to establish more fundamental changes to contemporary capitalism and commodity culture by employing the persuasive and communicative qualities of media and marketing practices" (p.46) and it is subsequently evident that they claim that there are "opportunities *within capitalism* to exploit commodity culture in such a way that contributes to a more ecologically sound way of life" (p.47, emphasis added). They therefore promote a "green commodity discourse" that "could ... be employed to communicate an alternative set of meanings that promotes less consumption-oriented lifestyles on the premise that quality of life would increase" (p.50). An alternative formulation of the same 'from within' approach can be found in McDonagh (1998) who suggests that sustainable *communication* may contribute something towards a solution to problems of hyper-consumption (McDonagh, 1998 and see also McDonagh, 2002).

Kilbourne *et al.* (1997), however, seem less sure: "If the solution to the crisis cannot be found within the DSP, a new paradigm is required in order for truly sustainable consumption to become a reality", although they then acknowledge that "[i]mplementing such a paradigm will be problematic, since this would require a transformation of the economic, political, and technological institutions that form the DSP and, consequently, a long-term sacrifice on the part of consumers and producers" (p.7). Whether from within or from without the existing paradigm, however, macromarketing seems clear that its role is "to inform society that the institutional emperor has no ecological clothes to wear" (!) – and this is by way of contrast with micromarketing which is "complicit" in the "vested interests" and "profligate consumer society" that maintains the DSP (*ibid.*, p.17).

That these conceptualisations are "fuzzy", with somewhat vague and ill-defined terms, is acknowledged within the literature (see, for example, Prothero and Fitchett, 2000, p.51). However, this inter-related set of concepts is useful in so far as it prescribes a range of issues and provides a terminology that allows a discourse around them. The difficulty remains, however, whether such a discourse is likely to affect existing consumer patterns:

“The implications of the historical development of consumer culture is the very real difficulty, from the position of prescribing programs of action, of bringing about the cultural shift that would be required to achieve sustainable consumption. This historical development in Europe and North America entailed the emergence of a new ethic of self ... the essence of self-hood is to be self-transforming, to be amorphous, to seek ever new experiences, and to continually reinvent oneself ... modern consumption is about wanting to want. Its essence is insatiability.” (Dolan, 2002, p.175)

Given this “very real difficulty”, the question arises whether any existing “programs of action” might provide at least the possibility of “bringing about the cultural shift that would be required to achieve sustainable consumption”. As noted above, Fair Trade, with its emphasis on sustainable development, its challenge to the dominant social paradigm as it exists in relation to international trade, and with its clear links to the more recent developments in the macromarketing literature towards ecological and development economics, would seem to offer such an example. There seems to be little doubt that in its early manifestations Fair Trade did set out with the bold intention of being a tangible “program of action”.

The key question to which this paper is addressed, however, is whether, as it has developed from niche to mainstream, its capacity to challenge has diminished as the increase in consumer awareness has been countered by a diminution in its radical effectiveness. Has Fair Trade, in effect, been co-opted? If so, then we may need to look elsewhere for better models, and Fair Trade may itself need to attempt to rediscover its radical edge. Alternatively, of course, as Fair Trade has entered the mainstream, the possibility exists that it has maintained its radical edge. If so, is Fair Trade now better able to influence both cultural norms and international trade practices and thus to go some way towards achieving the change in the dominant social paradigm that might help to realise the practice of sustainable consumption and help to achieve some, at least, of the substantive freedoms that lead to genuine development? Either way, it is clear that Fair Trade provides an exceptional case study of the kind of issues that the macromarketing literature is seeking to address. It is to that case study that we now turn.

Method

In order to make an assessment of the impact of mainstreaming on both the Fair Trade movement and the supermarkets, a multi-method approach was adopted. Interviews were arranged with senior individuals at three Fair Trade organisations – the Fairtrade Foundation, Traidcraft and Cafédirect. The web-sites of the supermarkets were also investigated to assess the level and content of their disclosure on Fair Trade issues and an analysis of their retail offerings was undertaken.

Interviews were then held with those senior individuals who were most closely involved with Fair Trade in the four key supermarkets that emerged from the research to that point – the Co-operative, Sainsbury's, Tesco and Waitrose. These interviews took place when other data had been collected and analysed and provided an opportunity to question the supermarkets about their motivation and levels of activity in relation to Fair Trade and to assess the effect Fair Trade was having on their own practices and their view of how it was impacting upon consumers. Finally, an opportunity presented itself to interview a senior individual in an additional Fair Trade organisation – Day

Chocolate Company. This proved to be a valuable addition to the research and the findings are included here within the next section.⁷

Interviews with the Fair Trade organisations and some reflection

The radical edge of Fair Trade was confirmed in that, in all four interviews with Fair Trade organisations, the focus on marginalised producers in developing countries was emphasised. Fair Trade is about market access, sustainable livelihoods and empowerment for these producers and in its purest form is about remodelling the supply chain in such a way that these producers not only gain access to northern markets but are also enabled to trade successfully in them. At the same time, however, there was a strong focus on the market / consumer aspects of Fair Trade with an acknowledgement that Fair Trade is in a sense captive to the market – there is no point providing products that would not sell, or would sell only in limited quantities – and in that sense, as one interviewee put it, Fair Trade “is kidding itself if it thinks it is changing market fundamentals”.

The mainstreaming of Fair Trade food products was seen in a positive light; it had enabled significant increases in volume for the producers and had thus enabled the extension of the concept into channels and to consumers previously untouched by it. The FLO standards and certification processes and the Fairtrade Mark were seen as key to this since they provided protection from any diminution in standards, coupled with a consumer guarantee that had become established and was trusted. The Fairtrade Mark currently has a 50% consumer recognition level (Fairtrade Foundation, 2005c), up from 39% in 2004 and 25% in 2003 – a remarkable rise – and it was thought unlikely that any supermarket would launch an own-label Fair Trade product without it, although the Co-operative and Waitrose were believed to be able to do so with some credibility should they so choose.⁸

There had, however, been some limited signs of supermarkets challenging the Fairtrade Mark standards or not applying them in quite such a rigorous way as the Fair Trade organisations themselves would do. Thus the level and availability of support for producers was often less from the supermarkets, and there was a lower commitment to the long-term producer relationships that are a fundamental part of the Fair Trade relationship. Although no significant de-listings of products had taken place so far⁹, there was a recognition and acceptance that this would be a fact of life in dealing with the mainstream. This left the Fair Trade organisations with the responsibilities of providing the support to the producers themselves and also trying to maintain the long-term relationships. On the positive side, there was some evidence of a reinforcement of standards with one supermarket choosing to deal only through Cafédirect because of its direct relationships with producers which go beyond FLO standards.

⁷ The discussion derives from these interviews which were conducted as follows, all dates being 2004: Fairtrade Foundation (19 April); Traidcraft (23 April); Cafédirect (20 May); Co-op (25 August); Waitrose (22 September); Tesco (23 September); Sainsbury's (23 September); and Day Chocolate (14 October). In order to preserve the anonymity of the interviewees and protect the organisations, general points are not attributed.

⁸ The Co-operative has, however, retailed own-label “Fair Trade” wines without the Fairtrade Mark but with Traidcraft's name to provide reassurance and prior to the FairTrade Mark being awarded - see further below. Similarly, Tesco retails Traidcraft's tinned pineapple, which has yet to receive the Fairtrade Mark. This, however, is not an own-label product.

⁹ De-listings occur when a supermarket decides that a product is no longer worth the shelf-space it occupies and would be better employed stocking another product. These are a regular feature of supermarket activity so that the lack of significant de-listings could be regarded as a positive sign of Fair Trade's ability to hold its own with other highly competitive products.

The influence that Fair Trade organisations have had on the mainstream was viewed partly as direct and commercial in that the supermarkets now “pull” Fair Trade products through the system whereas there was a requirement in the early days to “push” products to obtain listings. Getting the supermarkets to take Fair Trade seriously (and hence to understand it to some extent) was clearly regarded as a success. The wider influence that Fair Trade seeks to achieve, however, was harder to assess and there was some feeling that any impact that had been achieved was through an involvement with the Ethical Trading Initiative (ETI) which addresses supply chain conditions in general and was therefore likely to have wider impact.¹⁰ The question of the size of Fair Trade organisations was addressed by Day Chocolate following a comment in the supermarket interviews (see below), and the view was expressed that they needed to remain small and focused in order to maintain the credibility of Fair Trade and the Fairtrade Mark.

In relation to the “bundle of characteristics” (Lancaster, 1966)¹¹ that are represented in a Fair Trade product it was accepted that these are highly complex. The focus, however, is on the inherent quality of the product coupled with strong elements of social and economic justice that are reinforced through the FLO standards which include sections on social and economic development and a separate section on labour conditions. Environmental considerations are present within the “bundle” in that each FLO standard has a section on environmental development which includes a requirement to implement a system of “Integrated Crop Management”, and to comply with national and international legislation regarding the use of pesticides, the protection of natural waters, virgin forest and other ecosystems of high ecological value, erosion and waste management. FLO standards also encourage producers to work towards organic certification, but do not require it.

With such a complex array of characteristics it is not surprising that the Fair Trade organisations felt that getting this message across to consumers was not without difficulty. Partly this is to do with the fact that this message does not ‘belong’ in today’s society – the Fair Trade message in relation to food products could be thought of in terms of “help us to rig the market in favour of genuinely poor farmers” and this is both difficult to convey and contentious when northern consumers are already acutely aware of “rigged” agricultural markets. There was some concern over the potential confusion in consumers’ minds when faced with so many product labels but a feeling that the Fairtrade Mark was sufficiently clear and well-established for any confusion to be limited. Consumers were thought to fall into three categories: the informed and committed; those with a low level of understanding and interest; and those in between. Generally, consumer understanding was thought to lag activity in terms of the purchasing of Fair Trade goods (though Fair Trade organisations presumably prefer this to the alternative!).

¹⁰ The Ethical Trading Initiative was established in January 1998 with the support of the UK Government’s Department for International Development (DFID) to help develop and encourage the use of widely endorsed standards, embodied in codes of conduct, monitoring and auditing methods, to improve labour conditions around the world. Membership consists of firms (including most of the Supermarkets), Non-Governmental Organisations like Christian Aid, and Trades Unions. See www.ethicaltrade.org.

¹¹ Lancaster’s seminal paper within the economics literature introduced the idea that a good is purchased not for itself but for the bundle of characteristics that the good represents. Since different characteristics may be obtained, often in differing amounts, from competing goods, consumers are faced with choosing both which characteristics they prefer and how to make an efficient choice – how to maximise the bundle of chosen characteristics for the minimum price. Marketing theory, of course, uses much the same idea with the concept of “benefit segmentation” capable of being traced back to a similar time as Lancaster’s article (Haley, 1968). More recently, Kotler’s presentation of product levels (core, basic, expected, augmented and potential - Kotler, 2000, pp.394-396) together with the associated concept of product attributes (see, for example, Crittenden *et al.*, 2002), provide legitimacy to Lancaster’s original conception.

One way of understanding the Fair Trade message that was mentioned in the interviews is in relation to reducing the “distance” between consumers and producers. This has been discussed elsewhere in the literature. In commenting on food products, Reynolds noted that, “[i]f alternative products enter existing market circuits, their environmental and social qualities become subordinated to their price, as occurs with other commodities. Friedmann (1993) suggests that the way to counter this market discipline is to reduce the huge social distance that exists between producers and consumers” (Reynolds, 2000, p.299). She reinforced this point by arguing that “theoretically it is in the process of capitalist exchange that commodities become abstracted from their human and natural roots, so that price becomes their dominant characteristic” and hence contended that Fair Trade initiatives “have begun to create new networks of exchange that escape the bonds of simple price competition” (*ibid.* p.306). This concept of networks reducing social distance is discussed further in Reynolds’ subsequent article in which she investigated “how the huge social and spatial distances between Northern consumers and Southern producers might be ‘shortened’ within Fair Trade networks” (Reynolds, 2002, p.404). This, of course, links directly with the macromarketing concern about hyper-consumption where the consumption act becomes abstracted from the product being consumed.

However, Wright’s insightful critique of Cafédirect’s advertising campaign between 1999 and 2002 suggests an alternative interpretation. She concludes that, “a prominent reading [of this campaign] is that minority [developed or northern] world consumers can ‘redeem’ majority [developing or southern] world producers by perpetuating lifestyles prioritising self-gratification. Moreover, that the lives and landscapes of the majority world are consumables in their own right, alongside cash crops ... My reading is that the campaign may encourage respect for difference, in the name of fairness or through invoking common human concerns, but it simultaneously invites consumption of difference confirming the ‘superiority’ of the minority world consumer” (Wright, 2004, p.678). This may be a rather extreme view, but it should at least act as a warning that in reducing distance there remains the potential for conspicuous or hyper-consumption rather than a genuine “network of exchange”.

From a strategic marketing perspective it is therefore important to transmit to consumers what Strong (1997, p.36) described as the “communication of the human element of sustainability”. Nicholls (2002, p.13), in operationalising Strong’s framework, suggested that brand building and information dissemination are required in order to achieve this. It seems clear, from the interviews with the Fair Trade organisations, that they perceive themselves as engaging in exactly this task of communication, information dissemination and brand building in order to get the Fair Trade message across. Cafédirect, for example, had declined to become an own-label supplier as it wanted to focus on developing its own brand. Associated with this, however, is the danger inherent within brand-building that it creates just the “distancing” effect that Fair Trade seeks to diminish. One interviewee acknowledged the possibility that Fair Trade could become a “lifestyle” choice which enables consumers to make a good “political” statement while also believing that they are helping poor people. To avoid this danger, of course, requires the communication of a very clear message both to the supermarkets and to consumers. The question that arises, then, is whether they are succeeding – and in order to answer that we need to look at Fair Trade from the supermarkets’ perspective.

Supermarkets and their approach to Fair Trade

How, then, do the supermarkets approach Fair Trade? Although the growth figures and projections presented above are impressive, the first point to acknowledge is that Fair Trade, with a relatively limited product range (over 350 products according to Fairtrade Foundation (2005a and see also 2005d and further below) but across only 12 product categories¹²) represents a very small part of the products on offer in supermarket chains. Tesco, for example, stocks around 20,000 food lines. This raises the question as to why supermarkets should become involved at all in this niche market. The answer appears to be a combination of factors. Firstly, from a commercial perspective, ethical products in general and Fair Trade products in particular, are showing growth in markets that are generally mature and static – U.K. coffee consumption has shrunk by 2% in six years, for example (Guardian, 2004a). Hence, mainstream players cannot afford *not* to be involved.¹³ Secondly, as far as certain supermarkets are concerned, Fair Trade fits with their own ethos and, as such, represents a natural extension of their product range.

Corporate disclosure of Fair Trade

An initial analysis was conducted to assess the extent and content of corporate disclosure about Fair Trade. In order to do this, corporate web-sites were inspected.¹⁴ The web-sites of all supermarkets that potentially stock Fair Trade products (see Fairtrade Foundation, 2005d) were inspected and a site search was performed for “Fairtrade” and “fair trade” (see Table 2) and from this a summary of disclosure, in simple binary form relating to high and low disclosers, was produced (see Table 1).

No / minimal Fair Trade information	Fair Trade information and policy statements
Asda	Co-operative
Booths	Sainsbury's
Budgens	Tesco
Iceland	Waitrose
Morrisons	
Safeway	
Somerfield	
Spar	

Table 1 Summary of web-site disclosure

The highest level of disclosure was given by the Co-operative, followed by Sainsbury's, Tesco and Waitrose, which all provided a similar level – see Table 2. The Co-operative's support of Fair Trade is encapsulated in its coffee policy: “as a business driven by co-operative values, we are committed

¹² The categories accord approximately with the FLO categories (see Note 2 above) and are: chocolate/cocoa; coffee; fruit juice; fresh fruit; honey; nuts & snacks, preserves & spreads; sugar; tea; wine/beer; sportsballs; and roses. In the more detailed list of separate products 22 different categories / sub-categories are recorded (Fairtrade Foundation, 2005d).

¹³ Nestlé “is believed to be planning to test a premium “fair trade” coffee brand carrying the Nescafé name in the U.K., with a global rollout to follow” (Laurel, 2004) and Marks & Spencer's 198 Café Revives have switched all coffee to be Fairtrade Mark certified (Fairtrade Foundation, 2004). Kraft is also apparently considering launching an ethically-aware brand, likely to be called “Kenco Sustainable Development”, but based on a Rainforest Alliance certification rather than Fair Trade, and with a considerably lower price being paid for green coffee beans (Guardian, 2004a and 2004b).

¹⁴ The web-sites are: www.asda.co.uk; www.booths-supermarkets.co.uk; www.budgens.com; www.co-op.co.uk; www.iceland.co.uk; www.morereasons.com; www.safeway.co.uk; www.sainsburys.co.uk; www.somerfield.co.uk; www.spar.co.uk; www.tesco.com; www.waitrose.com. They were accessed between 8 March and 28 August 2004.

to play our part in taking Fairtrade out of the niche and into the mainstream". This mainstreaming approach is supported by all the Co-operative's own-brand block chocolate and coffee being Fair Trade products.

	Co-operative	Sainsbury's	Tesco	Waitrose
Fairtrade definition	√	√	√	√
Fairtrade Mark	√	√	√	√
Fairtrade fortnight	√	√	√	√
Fairtrade policy	√	√	√	√ (linked to ETI)
Price and social premium	√	√	√	√
Fairtrade product listing	√	X	√	√
Fairtrade branded products	√	X	X	X
Case studies	√	√	√	√
Weblinks	√	√	√	√
Fairtrade and ETI	√	√	X	√

Table 2 Fair Trade web disclosures

This analysis can be compared with data extracted from the Fairtrade Foundation's list of certified retail products (Fairtrade Foundation, 2005d)¹⁵ – see Table 3. This confirms the leadership of the four supermarkets identified above, although Booths is not far behind Sainsbury's and Waitrose. The Co-operative's leadership is seen particularly in the number of categories in which it has developed own brand offerings.

Supermarket	No. of products	No. of categories	No. of categories with own brand offerings
Asda	38	7	3
Booths	65	9	1
Budgens	18	5	1
Co-operative	122	16	15
Iceland	20	3	0
Morrisons	23	4	3
Safeway	29	6	1
Sainsbury's	67	14	4
Somerfield	25	6	3
Spar	9	2	0

¹⁵ The original data has been up-dated here to the latest version and contains 22 categories (see Note 12 above). Note that all supermarkets with the exception of Iceland and Spar offer one or more varieties of fresh fruit. Morrisons and Safeway are still shown separately despite the takeover.

Tesco	107	16	6
Waitrose	72	11	1

Table 3 Analysis of product, category and own brand offerings by supermarket

One of the potential issues with Fair Trade is how exactly it is defined, and whether this differs between supermarkets. Four definitions of Fair Trade were provided (see Figure 3) and might be compared with the FINE definition given above.

<p>Co-operative: Fair trade seeks to guarantee a better deal for the world's most disadvantaged growers and small-scale producers. Aimed primarily at marginalized independent growers and producers in the world's poorest countries, fair trade ensures they receive payment that exceeds the market place norm and includes an additional premium to support producer development programmes.</p> <p>Sainsbury's: Fairtrade is aimed at small, marginalised and disadvantaged producers. These are often small scale farmers, or independent plantations. It focuses on working with the producer, to allow capacity building and providing export opportunities to those suppliers who would not otherwise have access to them. It also involves ensuring that the terms and conditions of trading with the supplier enable them to maintain and develop good social and environmental conditions.</p> <p>Tesco: Fairtrade is about fair terms of trade, local sustainability, better prices, and decent working conditions, enabling producers to improve their lot and have more control over their lives. By requiring companies to pay above market prices, Fairtrade addresses the injustices of world trade, which traditionally discriminates against the poorest, weakest producers. Fairtrade is not about charity. It is about a better deal for third world producers, because when they are paid a fair price they don't need charity.</p> <p>Waitrose: When global commodity prices fall, they can have a direct impact on small-scale producers in developing countries. Many are forced into debt while others may lose their land and their homes. Consumers can help by buying Fairtrade products ... The Fairtrade Foundation ensures a better deal for disadvantaged producers. [An extended description of Fairtrade standards is then provided.]</p>

Figure 3 Supermarket definitions of Fair Trade

While using different words there is clearly a reasonable degree of conformity on the main characteristics of Fair Trade between the retailers and with the FINE definition. It is particularly interesting that Tesco, the most commercial of the supermarkets, specifically mentions and elaborates on the injustices of world trade.

While all four supermarkets recognise the social premium paid to Fair Trade producers it is interesting that Sainsbury's explicitly links this to why Fair Trade products are more expensive: "this (social) premium is reflected in the cost paid by the customer". This raises the question as to who is the real supporter of Fair Trade – the supermarket and the customer jointly or just the customer prepared to pay more. The Co-operative, Tesco and Waitrose report the social premium, but in the absence of any price-related impact and so focused entirely on producer benefits.

Sainsbury's Fair Trade policy widens the role of Fair Trade from a corporate perspective by using Fair Trade within its overall Corporate Social Responsibility (CSR) framework as follows: "the commitment to Fairtrade products forms a key part of Sainsbury's strategy for Socially Responsible sourcing... (and) overall commitment to Corporate Social Responsibility". Whilst Fair Trade can facilitate a company's commitment to CSR, Sainsbury's and the Co-operative clearly distinguish Fair Trade from other forms of CSR trading, principally the difference between Ethical Trade (based on the ETI) and Fair Trade. This is important as part of identifying the Fair Trade message, so that it is not confused in an amalgam of CSR trading, combining ethical, fair and organically traded products. Waitrose, however, which has not joined the ETI on the basis that its own responsible sourcing policy is an improvement on ETI's, states that, "While Waitrose is working towards the ultimate goal of ensuring all its own-label products are traded fairly, it is also supporting recognised schemes, such as Fairtrade ..." (Corporate Social Responsibility report 2004, pp.26-27, available via their web-site). This would seem to have the potential to confuse rather than clarify, even if the ultimate ambition is laudable.

As part of this Fair Trade identity, all four supermarkets draw attention to their use of the Fairtrade Mark as a labelling device guaranteeing the standard. For example, Tesco states: "The Fairtrade Mark is an independent consumer label which guarantees a better deal for third world workers and producers. The Mark is awarded by the Fairtrade Foundation". This gives Fair Trade products an identity (aside from any associated branding such as Cafédirect, Clipper or Percol) with which consumers can associate. However, when a market-led labelling approach is adopted it may give rise to problems. The example of Fair Trade roses, which has become something of a *cause celebre* within the Fair Trade movement, is a case in point.

The case of Fair Trade roses

There has been concern within the Fair Trade movement, (although it is difficult to find any hard evidence), over the introduction by Tesco of Fair Trade flowers in general and roses in particular.¹⁶ The concern seems to focus first on the development of a FLO standard for flowers ahead of other products that were, apparently, before them in the queue for standard development. The implication seems to be that Tesco used its commercial influence to jump the queue. Second, there seems to be some concern at the Kenyan source for these flowers which apparently uses a company where worker exploitation has previously been identified and involves plantation-style farming. This may be somewhat at odds with the common conception of Fair Trade involving individual producer households or artisans, although FLO does provide standards for hired labour to cover such production. Discussion in the magazine *Ethical Consumer* (2004a, p.38 and 2004b, p.4) on this point was inconclusive but suggests that "although [labour] conditions have improved in response to international campaigning, they may well not fit many people's ideas of what a Fairtrade product is". In other words, there is concern that the FLO standards may not have been applied as rigorously as they should be in awarding the Fairtrade Mark. Third, there is concern that the pricing of these products is at the minimum Fair Trade mark-up from commercial prices. Fourth, the packaging for this product has very limited information about the sourcing of the product and, by incorporating the largely black and white of the Fairtrade Mark into mainly black and white packaging, suggests the possibility of an appropriation of the Fairtrade Mark. Figure 4 demonstrates this effect and also allows a comparison with the Tesco "easy peeler" citrus Fair Trade product where the packaging is similar but there is explicit reference to FLO standards. The danger here, of course, is that such an

¹⁶ Sainsbury's followed Tesco in retailing Fair Trade flowers, but the original concern arose over Tesco's introduction of these products.

approach, if true and extended more generally to other products, could have a deleterious effect on other supermarkets' perception of Fair Trade and the Fairtrade Mark, as well as affecting consumer perceptions. It is precisely these kinds of concern that have led to the charges of "subversion", "dilution", "redefinition" or "reabsorption" mentioned above.

The Fairtrade Foundation, in answer to these criticisms (Fairtrade Foundation, 2005b), responded that, far from jumping the queue, standards for Fair Trade flowers had been in development since 1999 and flowers had already been on sale in Switzerland since 2001 – prior to the Tesco launch. In correspondence with one of the authors¹⁷, it acknowledged that one of the certified farms in Kenya had a previous history of failing to respect workers' rights, but stated that it was widely accepted that there have been major improvements in the past two to three years – precisely what Fair Trade is for in improving the position of marginalised and disadvantaged producers including those on large plantations. The packaging complies with all the rules for the use of the Fairtrade Mark and aligns it with Tesco's "Finest" range – thereby not marginalising Fair Trade within Tesco and supporting the notion that Fair Trade is about quality. The Fairtrade Foundation, therefore, saw Tesco's packaging approach as demonstrating their commitment to making the Fair Trade range work. In conclusion, the Fairtrade Foundation's published commentary (2005b) states: "Supporters of Fairtrade can be assured that flowers operate to the same level of standards and certification as all other products that carry the Fairtrade Mark".



¹⁷ E-mail correspondence 16-18 November 2004.

Figure 4 Tesco packaging for Fair Trade roses compared with easy peeler citrus

Tesco's response to the criticisms rests similarly on the application of the Fairtrade Mark: if the Mark is granted, the product is genuinely Fair Trade. However, Tesco also felt that the development of the FLO standard for flowers, despite the 18 months it had taken, had been "the most important thing Tesco could have done for Fair Trade" because not only did it introduce a new product category but did so on the basis of consumer demand and so introduced FLO to a market-led (as opposed to its traditional product-led) approach. Within this particular case lies, perhaps, the essence of the dilemma facing Fair Trade.

Interviews with the supermarkets

As indicated above, interviews were held with those senior individuals who were most closely involved with Fair Trade in the four key supermarkets – the Co-operative, Sainsbury's, Tesco and Waitrose. In relation to their various motivations for engaging with Fair Trade these were much as expected. The Co-operative cited the link with their own principles, the fact that many producer organisations are themselves co-operatives and backed this by acknowledging concerns about the negative effects of globalisation and poverty reduction. These motivations were reinforced both by the sub-committee of the Board that advises on the implementation of co-operative principles and by the Co-operative's members. Waitrose similarly cited their own partnership structure and corporate ethos so that Fair Trade 'fits' both in terms of values and commercially. Sainsbury's also cited an alignment of Fair Trade with their own values, but then added that Fair Trade fitted with a differentiation strategy and that Fair Trade products must demonstrate that they are worthy of shelf space. While this would also be true for the other supermarkets, the slightly more commercial stance is clear. Tesco, perhaps not surprisingly, responded with the most commercial approach. Their motivations for engaging with Fair Trade were threefold: customer interest; a commercial opportunity in the commodity markets that the Fair Trade product range supplies; and demonstration of social responsibility. It was claimed that Tesco's engagement was not a reflection solely of responding to consumer demand, although there was obvious satisfaction in the fact that Fair Trade now "over-indexes" (i.e. has a greater market share of Fair Trade goods at 33.4% than Tesco's average market share of 28.8%¹⁸). The fact that around one-third of supermarket-related Fair Trade goods is channelled through one supermarket may give pause for thought in relation to market power.

In response to questions concerning the influence of Fair Trade on their own sourcing practices both the Co-operative and Waitrose acknowledged such impact and the Co-operative felt that Fair Trade had more generally affected the sourcing policies of supermarkets. Sainsbury's response focused more on the effect of the ETI than on Fair Trade's influence, with Fair Trade being seen as having had more impact on the marketing side, in getting the message across to consumers, than on the sourcing side. Tesco was similarly content to refer to its long-standing support for ETI and to state its contentment with its own sourcing practices and would not be drawn on whether Fair Trade had influenced the mainstream in relation to its trading practices.

Whether Fair Trade had been affected by its association with the mainstream was not easy for the supermarkets to answer. Certainly all the supermarkets confirmed their commitment to the Fairtrade

¹⁸ These figures were given verbally at the interview and are not necessarily current.

Mark, despite in some cases considerable frustrations such as product development bottlenecks driven by producer need. Sainsbury's thought that the assurance it provided was one of the best at present. There was some concern that the Fair Trade organisations had displayed some naivety in their approach to the mainstream and that this would need to be monitored closely in order to maintain the robustness and credibility of the Mark. But generally there was an acknowledgment that Fair Trade's standards had been accepted by the supermarkets and thus the Fair Trade concept had not been directly affected by its involvement with the mainstream. The Fairtrade Mark would continue to be used although exceptions to this might occur. The Co-operative, for example, might seek to introduce further new product ranges for which there were currently no FLO standards available, as it had done with fairly traded wine in association with Traidcraft until the FLO standard had become available. Tesco's view was that it would continue to work with the Fairtrade Mark.

An interesting divergence of views emerged, however, in relation to the future direction of Fair Trade. Unsurprisingly all supermarkets were positive about the mainstreaming of Fair Trade. Tesco felt that, with its market share and demographic profile, it has the ability to turn Fair Trade from a "bourgeois" concern into one that appealed across the full range of consumers and clearly this would lead to increased volume. This would move the Fair Trade consumer profile away from one based on price and exclusivity towards a broader but more price-conscious consumer profile. Waitrose, however, took the opposite view. Fair Trade had a clear niche and should continue to concentrate on disadvantaged producers in the developing world rather than on the demands of consumers in developed countries. The Fair Trade movement needed to be of sufficient size to be able to influence the mainstream, but it could have that influence without needing to continue to grow. There could be a danger in "following the volume", partly in relation to ensuring supply chains, but also in the possible dilution of the concept. This was particularly related to Fair Trade becoming a commodity, whereas Waitrose argued that it needed to retain its ability to provide differentiated products. While the Co-operative did not express the same concerns about continued growth of Fair Trade, and confirmed its own commitment to continue to extend its product range particularly through composite products that use Fair Trade ingredients, it did confirm that Fair Trade should be "about the primary producer and the product" and that there was a danger of "selling out to the carrot of volume".

In relation to the bundle of characteristics that customers are purchasing when they buy a Fair Trade product, there was a general consensus among the supermarkets. Given that, traditionally, Fair Trade customers could be classified as from the AB socio-demographic groups¹⁹, or from the "liberal middle-class" with "slightly higher values", there was general agreement that they were seeking to purchase better than average product quality with perhaps some understanding that smaller production runs and sourcing from the developed world justified the premium price. Beyond that, however, customers were perceived as buying a rather vague combination of characteristics: "something that makes a difference"; "a salve to conscience"; "a belief that they are saving the world"; "ease of conscience"; "doing good for others"; "better for someone down the line" were some of the phrases that were used. Asked, for example, whether they thought customers knew where the social premium associated with Fair Trade products was used for, Sainsbury's thought that they did not. In general, this set of responses seems to suggest that Fair Trade has not

¹⁹ Bird & Hughes (1997) and Nicholls (2002) both use published consumer data to analyse the "ethical consumer" and while AB socio-demographic groups predominated in earlier studies there is evidence of a broadening of this to other socio-demographic groups. Tesco's and the Co-operative's engagement with Fair Trade is clearly a factor here.

got its message across sufficiently and, despite the level of recognition of the Fairtrade Mark, the level of consumer understanding is thought to be limited.

Asked whether Fair Trade's environmental credentials were adequate the majority view (one supermarket did not comment) was that they were not. It was recognised that Fair Trade had prioritised social justice issues, but there was a feeling that this was now becoming insufficient and that more priority had to be given to strengthening the environmental aspects of Fair Trade – although there was some recognition that this was already occurring. Links with the organic movement were seen as important with Sainsbury's suggesting that an integrated Fair Trade / organic label would be both feasible and desirable so long as it did not undermine the credibility of the product.

In relation to notions of sustainable consumption three of the four supermarkets (the fourth did not comment) agreed that Fair Trade does not 'touch' this agenda: "it is not about not eating chocolate, but about eating fairly traded chocolate when you do" – the substitution effect noted above. One view was that the further Fair Trade went into the mainstream the less impact it would have on culture. The only part of the consumption agenda that is an issue for Fair Trade is the "healthy eating" aspect, and this tends to be problematic given that tea, coffee, chocolate, sugar and wine are some of the key products. However, there was an acknowledgement that Fair Trade is tackling this with, for example, lower sugar content in products such as Muesli.

An assessment of the supermarkets' engagement with Fair Trade

It seems clear from the above description of the supermarkets' disclosure with regard to Fair Trade and the information obtained from the interviews that, for four supermarkets at least, their engagement with Fair Trade is a serious one. It is clear that the Co-operative leads the way in terms of their commitment to the concept of Fair Trade, their web-site disclosure, the number of products stocked and, in particular, their own-brand range. In terms of ideological commitment, Waitrose is clearly second even though this is not represented in the breadth of their product range. Sainsbury's approach was awaiting confirmation within the overall review of the business that was being conducted, but it may be that Fair Trade takes a more prominent place if it is believed that it would assist in whatever features of a differentiation strategy emerge. Tesco is clearly the least committed ideologically but, potentially at least, the most committed commercially. As Tesco adds further product lines to a range that already "over-indexes" it looks set to continue to be able to claim that it is the U.K.'s number one Fair Trade retailer by volume. Viewed from the perspective of performance over commitment, then, Tesco and the Co-operative would come out in the lead, given their success in making Fair Trade work against comparatively unhelpful customer socio-demographics.

The supermarkets' definitions of Fair Trade and the use, and promotion of, the Fairtrade Mark, suggest that, if anything, they have accepted Fair Trade at face value, and hence any concern that the concept might be in danger of serious dilution, whatever view is taken of the Fair Trade flowers case, would seem, on the evidence presented here, to be largely unwarranted.

Discussion and conclusions

The importance to the Fair Trade movement of withstanding commercial pressures that might, in any way, dilute the concept seems clear. Holding to the FLO standards and the rigorous application

of the Fairtrade Mark in such a way as to ensure the purity of the concept is clearly important not just for 'internal' purposes but also in retaining the confidence of the supermarkets and consumers alike. At the same time, however, it would appear that Fair Trade needs to convey its message more cogently so that consumers are clearer about what they are purchasing and know why they are doing so, why there is an associated premium price and what happens to the Fair Trade premium. This "distance-reducing" communication strategy is, in itself, an onerous strategic marketing challenge through which Fair Trade must seek to simplify and convey a complex concept without over-simplifying it to the extent that consumers are faced with bland generalisations and continue to believe that they are in some vague sense "saving the world".

Fair Trade does not seek to promote either conspicuous or hyper-consumption and both existing and future "distance-reducing" communication strategies, therefore, need to continue to seek to ensure that there is "a logical connection between the thing consumed and the consumption act itself" so that it is never a case of "the image being consumed, rather than the object" (Kilbourne, 1997, p.8, cited above). Similarly, there must be concern over any strategic marketing approach which simply perpetuates lifestyles that prioritise self-gratification (Wright, 2004). This, however, raises an interesting tension. As Fair Trade brands seek to establish themselves in consumers' minds they could, as noted above, have the effect of becoming 'lifestyle' choices – the Fair Trade image could become, in a sense, more important than the product itself. This might lead to a further stratification of the market with a group of relatively well-informed but fickle consumers who buy the products for what the Fair Trade movement would see as the wrong reasons – for conspicuous or even hyper-consumption. This, however, underlines the difficulty for Fair Trade of needing to employ conventional "micromarketing" techniques to promote its products, while conveying its radical message at the same time.

In relation to the macromarketing literature it would appear that Fair Trade offers something by way of progress towards sustainable consumption despite the contrary views of most of the supermarkets. Fair Trade products do, to some extent, "respond to basic needs" and certainly in a way that "brings a better quality of life" (Dolan, 2002, p.172, cited above) to producers. There is an extent to which Fair Trade's underlying purpose is to alter the "dominant social paradigm" by challenging the hegemony of the market, but it is clear that its ability to influence the mainstream, despite working closely with it over a number of years, is limited – the two supermarkets that acknowledged any influence were those which already had strong ideological motivations for supporting Fair Trade. It is also clear that there is some, but perhaps not enough, attention within Fair Trade to "minimising the use of natural resources, toxic materials and emissions of waste and pollutants over the life cycle" (*ibid.*, p.172), and it would certainly be reasonable to conclude that Fair Trade has promoted an anthropocentric over an ecocentric view of the world. The supermarkets' majority view that Fair Trade needs to do more on the environmental front is surely correct although any suggestion that this might be at the expense of its anthropocentric focus would seem to be misplaced. Fair Trade remains committed to its primary focus on the social and economic development of marginalised producers in developing countries.

Any link between Fair Trade and notions of a counter-consumer culture or of voluntary simplicity, however, would seem to be somewhat tenuous. This raises the question as to whether any approach that seeks to work alongside the mainstream, and to an extent therefore becomes dependent upon it, can ever seriously challenge the dominant social paradigm. As one commentator has put it, "... even ethical purchases is still seeing shopping as the solution to global problems" (Davidson, 2004, p.15). Perhaps one relevant challenge to Fair Trade, levelled by Waitrose and further discussed in

the interview with Day Chocolate, is for it to seek to remain small and pure, not to follow the “carrot of volume” but, by rejecting the notion that growth is always good, live out a different approach. The reaction of marginalised producers to a strategy that would seem to limit their volume might well be hostile. Nor, at first sight, is this in line with Daly’s (1992) view of the need for differentiated growth although it might make a limited contribution to Daly’s (1999) larger conceptions of reduced growth in the developed world and of the requirements of “full world” economics. It may be, however, that Fair Trade needs to engage seriously with the idea of an “exit strategy” for producers in a way that Traidcraft (Traidcraft, 2002, p.4), for example, has already begun. This would allow a greater number of producers to benefit from Fair Trade, with the established Fair Trade organisations acting, in effect, as incubators for fledgling local Fair Trade organisations, thereby increasing the effectiveness of Fair Trade in bringing more developing world producers into global markets, equipped with an “efficient technology” (Hayes, forthcoming) to enable them to compete. This would not limit the growth in producers’ volumes, while such exit strategies would also help to avoid dependency relationships (in both directions) between Fair Trade producer and buyer organisations.

What, then, of the impact of this case study of Fair Trade on macromarketing? We will confine ourselves here to two main points. The first follows from the discussion above and concerns the question of what kinds of “programs for action” are envisaged that would bring about the “cultural shift” (Dolan, 2002, p.175, cited above) necessary to achieve sustainable consumption. If, as suggested here, Fair Trade cannot make more than limited impact in this direction, the question arises whether anything can that seeks both to co-operate with and at the same time challenge organisations that represent the dominant social paradigm. In particular, then, it raises the question whether the dominant social paradigm can ever be changed from within or whether this requires an external, and potentially revolutionary rather than evolutionary, approach. While Fair Trade provides a somewhat alternative agenda to and a critique of conventional international trade, it could well be argued that it does so from within the existing paradigm rather than outside of it. Certainly it has had some influence, but it could be suggested that this amounts only to dressing the emperor in slightly different clothes rather than exposing his ecological nakedness. The question, then, for macromarketers is whether Fair Trade offers a positive example of how they envisage their objective of a change in the dominant social paradigm being achieved, or whether we should look elsewhere.

The second point is in relation to the anthropocentric versus ecocentric world view. It has been acknowledged above that Fair Trade privileges the anthropocentric, although it probably does more towards ecological concerns than is generally acknowledged. In that sense, Fair Trade may not be a particularly good example of “sustainable communication” or offer an example of a “green commodity discourse” that might help to promote less consumption-oriented lifestyles. That said, the challenge that Fair Trade makes to macromarketing is whether it has privileged the ecocentric view to an unwarranted degree, and needs to take a more balanced approach. There is some evidence that macromarketing is now beginning to address this broader agenda – Kilbourne’s (2004) paper and particularly the work of Sen (1999) on which it draws suggests that this is beginning to occur. We have seen how Fair Trade already grapples at a practical level with many of the substantive freedoms that Sen is concerned with in relation to development – labour practices including gender equity, institution-building of both economic and community institutions. This would require macromarketing to acknowledge that there are also serious issues of social justice that need to be grappled with. In other words, a Fair Trade critique of macromarketing suggests that it is only just beginning to theorise adequately the importance of social justice issues and the link

between social and economic development and ecocentrism. If a change in the dominant social paradigm is to be achieved, it will surely need to address these issues more fully, just as much as those of its hitherto ecocentric focus.

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