# CHAPTER 1 **INTRODUCTION**

The following chapter provides an introduction into the general background of the study and points out the specific relevance of the topic. Furthermore the objectives and research questions are presented before a short overview on the outline of the study is given. **ง**มยนต 2/22

## 1.1 General background

Consumers are increasingly aware of global trade systems for foods and the industrialization of agricultural production. They are more and more concerned about the consequences of current consumption patterns for economies, the environment and the social situation of producers. Consequently, anew trendin purchase behaviour, opposing the negative effects of globalization, industrialization and concentration in food production has been observed in recent years. This demonstration of purposely purchasing products that are in line with a certain set of ethical values can be described as ethical consumption. Accordingly, the so-called ethical consumer can be defined as someone, "[...] who considered environmental issues, animal issues and ethical issues, [...] when shopping" (Hall, 2011: 629), in order to do something good and right (Starr, 2009). เหาวิทยาลัย

Intending to fulfil their perceived ethical obligations and their personal ethical goals many people purchase food items that claim to be produced under certain ethical standards. These items are for example labelled as locally produced, climate friendly, fairly traded, organically grown and other ethically relevant aspects. Furthermore, they are presented and perceived as a viable means of achieving goals of ethical consumption. Certifying agencies claim to provide the consumer a way to act right with regard to the rising problems of global trade and industrialized agriculture. And in fact it is evident that not only the awareness and thus the demand among consumers is growing but also the purchases of ethically labelled food products have strongly increased in recent years (e.g. Lekakis, 2014; Otto Group Trendstudie, 2013). This is especially true for products that are certified as organic or fair trade, which until now experience a high rise in demand and which claim to offer a way for ethically concerned consumers to specifically purchase products in accordance with their preferences (Otto Group Trendstudie, 2013; Starr, 2009).

At the same time, another movement of purchasing behaviour can be observed.Large numbers of people buy local productsat for example farmers' markets or directly at the farm, or they show a preference for labels that claim a regional origin (Gilg & Battershill, 2000; Hasan, 2006). This trend is driven among other reasons, also by ethical motives such as limiting food miles, reducing CO<sub>2</sub> emissions or supporting the local infrastructure and economy. Additionally, customers seek transparency and intend to gain better insights into the production patterns, to avoid products that are transported around the globe and to support local social structures (Starr, 2009). But in contrast to ethical food labels, which work with certification schemes and provide objective criteria that are documented and accessible for consumers, the consumption of local food is merely associated with the fulfillment of ethical goals. Buying locally is a trend that promises to be environmentally sound and socially responsible and in line with several other attributes that are relevant for the ethically motivated consumer. But despite this positive perception of purchasing locally produced products as a means of opposing the negative trends in the global food system, many critics are concerned that "[...] the actual scope and meaning of either "localization" or "local foods" are rarely transparent." (Hinrichs, 2003: 33). Various researchers consequently describe the ambiguity of the term "local" and focus on misperceptions, false assumptions or simply the lack of information about the benefits of purchasing local products (Adams & Salois, 2010; DuPuis & Goodman, 2005; Hallett, 2012; Hinrichs, 2003; Holloway & es Kneafsey, 2000).

Anyhow, the trends in consuming organic or local food products do not evolve independently from each other. Instead the precisedefinitions and underlying concepts of ethical labelling (i.e. organic labelling) and local purchasing are often unknown to consumers (Berlin et al., 2009; Hill &Lynchhaun, 2002). Instead, they often have vague ideas of both concepts and it remains difficult to make clear distinctions between them. As a consequence "[...] the lines between local and organic were blurred"

(Adams & Salois, 2010: 331). Additionally, researchers describe a shift in consumer demand from organic to local, which is in the first place driven by the industrial scale of organic agriculture as it is common nowadays. Consumers desire for sustainability, authenticity and a holistic concept of food production, which, in their perception, often cannot be found in organic products anymore. A turn towards local food production and consumption is the consequence, whereas local and organic are perceived as either complementary or substitutable attributes(Naspetti & Bodini, 2008).With regard to the ethical dimension the motivated consumer finds himself in a situation where he needs to decide whether local or organic is best suited to achieve his personal consumption goals. But the purchasing situation rarely provides a reliable option to compareif aproduct is in line with certain ethical consumption goals. Instead it remains difficult for consumers to assess if purchasing locally is truly an option to achieve their ethical goals. There is no comprehensive de facto information available such as it is provided through labels. But shopping habits are built on plans, and the availability and accessibility of information about certain product characteristics can be a determining factor in the process of purchase decision-making (Carrington et al., 2014). While this is true for purchase behaviour in general, it comes to certain relevance if the trend towards ethical consumption is considered. Information on the price, the geographical origin, or the nutritional value of a food product is usually readily available thanks to product labels in the supermarket, on the farmer's booth in the market or the information in printed advertisements, but information on ethical values is not that obviously found (Zander & Hamm, 2010). Especially, if products that are produced locally and in smallscale and that are sold directly on the farm or on a local market are considered, there is a lack of options in gathering information on compliance with ethical criteria before the actual shopping process. Consequently, planning on purchasing ethically sound products that are sold by regional small-scale producers not covered by standard labelling schemes is effortful for consumers in terms of duration and travelling distance and it requires a lot of personal research effort due to the mentioned lack of available or accessible information.

In order to simplify this process a scoring model that assesses the ethical dimensions of organic or local products could provide a useful tool for consumers (Fetzer, 2014). An in-depth understanding of ethical consumption goals related to organic and local purchasing is the basis for the development of the application. Hence, a comprehensive description ofethical consumption goalsas well as their linkages and relationships, independently of the respective purchasing option is the crucial issue that this research paper will focus on.

#### 1.2 Relevance and applicability of the study

The study will provide a theoretical Framework of Ethical Consumption Goals that enables faster and easier access to information about the ethical values that are inherent to a certain food product. The Framework of Ethical Consumption Goals is considered a fixed term in the following study.

Based on the work of Fetzer (2014), who describes a modified scoring model for the comparison of ethical preferences as related to regional products, the framework will consider the author's suggestion of a hierarchical structure of consumption goals. Also the relationships between the various goals will find consideration. In line with the ideas of Fetzer (2014) the information gathered through this research project could be used as background content for further application through a computerized tool that enables consumers to perform a decision-making process based on individual ethical consumption goals.

This could for example find use on websites that represent local producers and promote local consumption as it is the case for the website www.reg.io. The operators of this site currently provide a search-engine for consumers to find local producers within a certain geographic area. But in the future it is intended to extend the tools' functions, in order to enable consumers to evaluate single products under the aspect of compliance with their personalethical preferences. In this final stage the products that can be assessed by the consumer are not only locally produced but the tool will include the option that also certain organic labels are suitable to fulfill ethical consumption goals. Accordingly, the application will not recommend either local or organic products but evaluate in compliance with the ethical preferences of any consumer, which product matches best.

This study will provide a basic Framework of Ethical Consumption Goals which will build the basis content for the described application. The evaluation of ethical preferences as a starting point for the assignment of a suitable product takes the consumer demand into focus. Consequently, this study does not promote any of the purchasing options but concentrates instead on supporting the consumer during the process of decision-making. Herein, not only the ethical values as associated with local purchasing as suggested by Fetzer (2014) are included but also purchasing motives related to organic products will find representation in order to represent the major trends of ethical consumption.

Since the scope of this study is not sufficient to develop all aspects of the respective tool, it is the major purpose to develop a framework of ethical target criteria as a basis for further research. Future studies will then have to develop explicit methods for the gathering of data on consumer and producer side, to test the model in a theoretical and a real life context and finally program a suitable computer application. Only then the consumer should finally be able to compare various products online, in order to evaluate which one is the most suitable – independently if it is certified organic or locally produced or even both – to achieve a certain ethical goal.

#### 1.3 Objectives and research questions

It is the central focus of this study to evaluate the ethical consumption goals that underlie organic and local purchasing. This includes in the first place the analysis of consumers' motives for both purchasing options, independently from each other. Then, this study aims on comparing both options and to further integrate and synthesize them into one comprehensive framework. This conceptual structure shall include all ethical values as they are connected to both purchasing options so that every individual consumer can be portrayed. Hence, the consumer will not be represented according to his preferences for organic or local products, but as someone with a preference for the fulfillment of certain ethical consumption goals. In order to provide information corresponding to the scoring model of Fetzer (2014) the objectives of this research can be summarized as follows:

- To analyse the ethical consumption goals related to organic and local purchasing

- To develop a comprehensive framework representing the aims of ethical consumers

- To assess the potential relationships and linkages between the relevant consumption goals RELIO 2/24

In order to obtain these objectives the research questions that are addressed in this study are:

Question 1: Which ethical consumption goals matter to ethically motivated consumers, when they decide for either labelled or local food products?

The development of a comprehensive Framework of Ethical Consumption Goals can only be based on the understanding of both purchasing options separately. Hence, a general overview on the ethical motives of each option is provided. The range of motivesissystematically assessed with the help of a theoretical framework. Here the Food Choice Motives (FCMs) as presented in the Food Choice Questionnaire (FCQ), of Steptoe et al.(1995) and Lindman and Väänänen (2000) are used.

Question 2: In how far do the ethical consumption goals of both purchasing options match or differ? ved

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This question is the basis for the integration of the two purchasing options into a comprehensive Framework of Ethical Consumption Goals. As an extension of the basic model, which exclusively deals with the ethical values as associated with regional/local production, it is assessed if also products with an organic label can be included into the comprehensive model. The commonalities and differences are thus crucial for the representation of any ethically motivated consumer through the framework and moreover through the aspirated tool for the assessment of ethical attributes.

**Question 3:** How are the relationships between ethical consumption goals and other Food Choice Motivescharacterized?

The final question focuses on the linkages between consumption goals that are rated as significant by consumers. Since ethical considerations are not necessarily always compatible with each other and other driving motives for certain purchase decisions (e.g. costs, convenience, perceived quality, etc.), this study will also consider the possible trade-offs and complementary effects between the different goals (Carrington et al., 2014). Also non-ethical consumption goals can play a role and cannot be neglected if they are in turn related to ethical motives. An understanding of this network of consumption goals enables a structural approach on different hierarchical levels and might find consideration in future studies on the implementation of the modified scoring model.

### **1.4 Structure**

In chapter 2 the literature review presents an overview on recent scientific researchin the field of ethical consumption. Furthermore, the concepts and trends with regard toorganiclabelling and local purchasing are introduced. Then, the aspect of information availability is explained which eventually leads to the presentation of a scoring modelthat is modified for the evaluation of ethical consumption goals.

In chapter 3 the applied research methodology is described. The integrated research review is introduced as central concept behind the assessment of all three research questions. Since research Question 1 and 2 are approached differently than Question 3 all underlying theoretical models are additionally explained.

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Chapter 4 summarizes the results of theintegrated research review in two subsections that consider the outcomes with regard to Question 1 and 2 on the one hand and Question 3 on the other hand. Then in chapter 5 an in-depth discussion of the study results is performed that takes into account the information obtained through the literature review and the integrated research review. Additionally the applicability of the results for a modified scoring model for ethical consumption goals is debated. Finally, chapter 6 gives an overview on conclusions that can be drawn from the discussion and lastly recommendations for further research are give



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