The Impact of Fair Trade: How the Exchange of Goods Links Producers and Consumers

Jessica Stanley-Asselmeier
What is Fair Trade?

- Trading Partnership
- Developed After WWII
- Billion Dollar Industry
Anthropological Research

- Economic & Development Anthropology
- Exchange of Goods and Cultural Commodities
- Previous Research
Plowsharing Crafts

- Local Non-Profit Fair Trade
- Founded in 1985
- Religiously Based
- Mission Statement
- Artisans from 45 Countries
Plowsharing Crafts’ Merchandise
Plowsharing Crafts’ Merchandise
Project Objectives

Does Plowsharing Crafts facilitate a relationship between Fair Trade producers and consumers?

• How does the retail profile of Madison County, IL impact the relationship between Plowsharing Crafts Fair Trade producers and consumers?

• What consumer traits affect the purchasing of Fair Trade goods at Plowsharing Crafts?

• How does Plowsharing Crafts’ marketing strategies impact the relationship between Fair Trade producers and consumers?

• How does the culture of Plowsharing Crafts’ influence the relationship between Fair Trade producers and consumers?
Methods

• Participant Observation
  • Volunteer 8 hrs/week at Plowsharing Crafts
  • January – April 2015

• Archival Research

• Semi-Structured Interviews
  • Plowsharing Crafts Owner & Manager

• Online & Paper Survey
  • 72 Online—General Public
  • 20 Paper—Students at SIUE

• Limitations

• Ethical Considerations
Retail Profile of Madison County, IL

- Total Population - 267,000
- Median Household Income - $51,045
- Median Age – 39.3
- Ethnicity – 87% Caucasian, 8% African American
Retail Profile of Madison County, IL

- **Demands**
  - Clothing $73.8 Million
  - Home Furnishings $6.9 Million

- **Surplus**
  - Specialty Foods ($2.1 Million)

- **Other Interesting Traits**
  - Buying American Goods is Important 47%
  - Most People Purchase Goods Based on Price Not Quality 84%
  - Buy Brands That Support a Charity 35%
Frequency of Purchasing Fair Trade Products

How often do you purchase Fair Trade Products?

- Always
- Very Frequently
- Occasionally
- Rarely
- Never

Number of times chosen:

0 10 20 30 40 50 60

Options

How often do you purchase Fair Trade Products?
## Consumer Traits Impacting Purchases

<table>
<thead>
<tr>
<th>Fair Trade Consumers (Plowshare)</th>
<th>Fair Trade Consumers (Non-Plowshare)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Age 18-29</td>
<td>- Age 30-39</td>
</tr>
<tr>
<td>- Caucasian</td>
<td>- Caucasian</td>
</tr>
<tr>
<td>- Bachelor /Higher Degree</td>
<td>- Master/Higher Degree</td>
</tr>
<tr>
<td>- Liberal</td>
<td>- Moderate</td>
</tr>
<tr>
<td>- No Religious Affiliation</td>
<td>- No Religious Affiliation</td>
</tr>
<tr>
<td>- Coffee, Tea, and Food</td>
<td>- Coffee, Tea, and Food</td>
</tr>
<tr>
<td>- Ethically Conscious and Uniqueness of Product</td>
<td>- Ethically Conscious and Uniqueness of Product</td>
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Importance of Fair Trade Criteria

- **Fair Trade Consumers (Plowshare)**
  - Very Important
    - All Criteria

- **Fair Trade Consumers (Non-Plowshare)**
  - Very Important
    - Working Conditions
    - Rights of Children
  - Important
    - All other Criteria
## Fair Trade Related Statements

<table>
<thead>
<tr>
<th>Fair Trade Consumers (Plowshare)</th>
<th>Fair Trade Consumers (Non-Plowshare)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Like to be associated with Fair Trade</td>
<td>• Not as engaged in Fair Trade</td>
</tr>
<tr>
<td>• Believes their purchase helps a bigger cause</td>
<td>• Do not see the promotion of Fair Trade in the community</td>
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<tr>
<td>• Wants more awareness of Fair Trade in the community</td>
<td>• They do not discuss Fair Trade with others</td>
</tr>
<tr>
<td>• Like the originality of Fair Trade products</td>
<td>• They do want to learn more about Fair Trade</td>
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Key Student Survey Findings

• All students wanted to learn more about Fair Trade

• All students would support a Fair Trade organization at SIUE
Marketing Strategies
Linking Producer and Consumer

- Fair Trade Logo
- Origin of Product
- Price
- Quality
- Uniqueness
- Name/Story of Producer
- Information about Product
Marketing Strategies
Linking Producer and Consumer

• **Fair Trade Consumers (Plowshare)**
  • Care most about the uniqueness of product
  • Care least about the name or story of the producer

• **Fair Trade Consumers (Non-Plowshare)**
  • Care most about quality
  • Care least about the name or story of the producer
Culture of Store

Non-Profit Mission vs Business

- They are passionate about their mission.
- They utilize volunteers heavily.
- Consumer needs impact the inventory of the store.
- Minimal promotion within community, except within certain religious institutions.
Research Conclusions

Does Plowsharing Crafts facilitate a relationship between Fair Trade producers and consumers?

• A market exists in Madison County, IL for certain Fair Trade products.
• A younger, more liberal consumer base favors purchasing Fair Trade Goods at Plowsharing Crafts; consumers tend to lack religious affiliation.
• People that purchase at Plowsharing Crafts do so because of the uniqueness of the product, not because of the information about the producer.
• A struggle exists between fulfilling the non-profit mission and implementing the necessary strategies for a successful business.
• Thus, the relationship between producers and consumers is limited at best and non-existent at worst at Plowsharing Crafts.
Recommendations for Plowsharing Crafts

- Increase involvement within the community
  - Engage SIUE students
  - More active in civic events
  - Participate with local Chamber of Commerce

- Training program for volunteers

- Create an ambassador program

- Partner with local artisans and businesses

- Proactive with website and social media
Bibliography

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