

Fair trade in unfair times - Do we only buy ethically when we are feeling well?

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# **Fair trade in unfair times - Do we only buy ethically when we are feeling well?**

## **Abstract:**

In this paper, we investigate how stress influences ethical consumption. Drawing on literature regarding stress responses and cognitive load, we argue that stress leads to an increase in selfishness, which in turn lowers the preference for ethically produced products. We tested this proposed mediation model in two studies. First, we collected panel data from India during two phases of the COVID-19 pandemic. Second, we conducted an online experiment, in which we manipulated stress for the participants. Results from both studies provided support for our proposed model. The more individuals feel stressed the lower their tendency for ethical consumption. The effect was mediated by selfishness in the panel data. Recommendations for designing the shopping experience and public policy are made.

*Keywords: stress, ethicality, crisis*

*Track: Consumer Behavior*

## **1. Introduction**

Ethical consumerism is a topic continuously gaining importance in recent years. Mainstream consumers are concerned about the impact of their consumption on the environment and society (De Pelsmacker, Driesen and Rayp, 2005), and relevant information about the origin of products and its way of production is made increasingly available (Poelman, Mojet, Lyon, and Sefa-Dedeh, 2008). An international survey showed 65% of respondents say they feel a sense of responsibility to purchase products that are good for the environment and society (Bemporad, Hebard, and Bressler, 2012). However, reported good intentions often fail to lead to corresponding actions, a phenomenon that has sparked widespread interest in research and practice (Hassan, Shiu, and Shaw, 2014). An element contributing to this discrepancy often neglected is the situational context (Carrington, Neville, and Whitwell, 2010). The situational context includes not only physical surroundings, but also the momentary state an individual brings to the buying situation, i.e. their mood or momentary constraints.

A mood inherent to a shopping trip for many consumers is stress (Aylott & Mitchell, 1998; Baker & Wakefield, 2012). With crowded malls, maze-like layouts, music, visually overloading shelves and product displays, most shopping environments can be considered naturally stressful and have been shown to place a high cognitive load on consumers' mental resources (Orth, Wirtz, and McKinney, 2016). The impact of stress and uncertainty on consumer behavior has also been demonstrated recently in the COVID-19 pandemic, when people started hoarding scarce goods without considering the availability of products for others (Sobirova, 2020). Global crises have previously been linked to increased individual stress (Mucci, Girogi, Roncaioli, Perez, and Arcangeli, 2016). Therefore, stress is not only prevalent in most buying situations, but also currently reinforced exogenously.

The research presented in this paper is designed to investigate ethical consumption choices among stressed consumers. We argue that stress narrows the consumers' focus toward a decision-making process that disproportionately values their own needs and well-being over the well-being of others. Specifically, it is investigated whether stress leads to higher selfishness, consequently decreasing preference for products promoted on attributes benefitting the general public rather than oneself.

After a brief review of the literature, two studies investigating the described relationship will be presented. In a concluding discussion, implications, limitations, and directions for future research are outlined.

## 2. Theoretical Background

In the following section, we describe how stress might influence consumers ethical consumption. By reviewing the current state of research on stress, two main themes pointing toward a shift in focus from others to oneself can be identified.

First, research to date suggests a general impact on the decision-making processes caused by stress. Specifically, research suggests that stress and cognitive load can hinder the ability to weigh decisions' consequences outside of their immediate context (Tice, Bratslavsky, and Baumeister, 2001), narrowing a person's temporal and social scope, which might ultimately lead to a focus on oneself (Liu, Zhao, and Liu, 2018). Self-regulation theory posits that a person's limited pool of self-regulatory resources become depleted when he or she already had to exercise self-control, e.g. in an emotionally demanding situation (Tice et al., 2001). Typically, a lack of self-regulation is associated with lowered impulse control (Baumeister, 2002), which can be interpreted as an inability to consider the wider consequences of one's actions. These consequences might not only impact one's future self, but also other people. Previous research has demonstrated that people are less inclined to conform to socially desirable behavior after performing a cognitively demanding task (Vohs, Baumeister, and Ciarocco, 2005). Supporting these findings, Liu et al. (2018) investigated the relationship between chronic stress and tolerance for unethical behavior. Drawing on construal level theory, they conclude that stressed individuals tend to process information at a lower level of elaboration, which in turn leads them to find self-benefitting unethical behavior more acceptable. Recognizing and considering the broader consequences of one's consumption for others arguably requires a certain degree of cognitive capacity and foresight, abilities that research has demonstrated to be lacking in stressed consumers. Thus, consumers might be less likely to value the altruistic benefits provided by ethically-sourced products when under stress.

A second line of arguments concerns a more specific shift in consumers' purchasing behavior toward self-preservation, decreasing the relevance of more abstract consumption goals. Most notably, stressed consumers are shown to favor buying necessities over non-essential products. Chen, Lee, and Yap (2017) found that loss of control led subjects to favor products when they were framed as utilitarian rather than hedonistic. Manipulated through an autobiographical writing task, the low-control scenarios described by participants largely corresponds to high-stress situations. Similarly, Durante and Laran (2016) demonstrated how participants strategically allocate their financial resources during stressful times, with money

either saved or spent only on products deemed necessary to counteract the source of stress. A survey among Italian consumers during the first peak period of the COVID-19 crisis further supports these findings, with anxiety and COVID-related fear predicting attitude toward necessities products (Di Crosta et al., 2021). In similar fashion, survey data has also shown a relationship between stress and price sensitivity as well as comparison shopping (Anglin, Stuenkel, and Lepisto, 1994).

While most of the described behavior is not explicitly disregarding the needs of others, it does inherently demonstrate a stressed person's heightened concern for their own well-being. Consumers are shown to often ascribe products marketed on their ethicality some form of performance drawback when compared to their conventional equivalent (Luchs, Naylor, Irwin, and Raghunathan, 2010), a drawback consumers preoccupied with their own needs might not be willing to accept. In other instances, ethically-sourced products might simply be associated with a higher price. In each case, ethical consumption options are likely to be considered a luxury rather than a necessity and thus less likely to be considered by a stressed consumer.

In conclusion, it is argued that stress does not only impair the ability to consider consequences outside a decision's immediate context, but also shifts consumption goals toward self-preservation and improvement of one's own situation. Since products positioned on their ethicality usually require some form of altruistic, unselfish motivation to be considered (Palihawadana, Oghazi, and Liu, 2016), it is concluded that (H1) stress negatively impacts the preference for ethical consumption options and that (H2) this effect is mediated by selfishness. In the following, we describe procedure, methodology and findings of our two conducted studies.

### **3. Study 1**

#### *3.1 Method*

To test the presented model, a web-based longitudinal study was conducted. A panel of Indian participants was recruited using CloudResearch. Data was collected in two periods, first in early June 2021 ( $t_1$ ), when the COVID-19 infection rate was near its all-time high in India and major restrictions to public life were in place, and second in mid-October 2021 ( $t_2$ ), while restrictions were widely abolished and over 85% of Indians were vaccinated against COVID-19 or had already recovered from an infection. Of the 391 participants surveyed in  $t_1$ , 230 responded again in  $t_2$  ( $M_{age} = 35.1$ , 27.8% female, 94.8% full-time-, part-time-, or self-

employed, 0.9% students, 4.3% unemployed or retired). Only respondents who participated in both surveys were included in the analysis.

Ethical consumption behavior was measured using a hypothetical choice task between two dishwashing liquids and two all-purpose cleaners for the first and second survey, respectively. The products varied in ethicality of their production and composition, conveyed through an independent ethicality rating (Gupta & Sen, 2013). To ensure participants were not faced with a dominant option, the more ethical brand was described as having only average cleaning power, while the alternative option's cleaning power was described as being very strong. Preference between the brands was to be indicated on a six-point Likert scale. Subjects were then asked to indicate which brand they perceived to have higher ethical standards and more cleaning power as a manipulation check. Selfishness was measured using four items created by Zitek, Jordan, Monin, and Leach (2010). Here, participants indicated how likely they were to engage in certain selfish or unselfish behaviors, such as biking on walkways to avoid traffic or helping a friend move. To measure stress, five stress-related items from the Depression Anxiety Stress Scales (DASS; Lovibond & Lovibond, 1993) were used. All constructs were measured using seven-point Likert scales and combined into single measures. Participants were also asked to indicate how freely they were able to participate in their daily lives (Keele Assessment of Participation scale; Wilkie, Peat, Thomas, Hopper, and Croft, 2005), how threatening they perceived COVID-19 to be to themselves, and whether they were already vaccinated or had recovered from an infection.

### 3.2 Results

The manipulation check revealed that subjects perceived the ethical brand to have higher ethical standards and less cleaning power compared to the alternative brand ( $M_{\text{ethical}} = 5.88$  vs.  $M_{\text{performance}} = 1.93$ ;  $t(229) = 22.92$ ,  $p < .001$  in  $t_1$ ;  $M_{\text{ethical}} = 5.92$  vs.  $M_{\text{performance}} = 2.13$ ;  $t(229) = 20.59$ ,  $p < .001$  in  $t_2$ ). Ratings did not vary between survey periods ( $ts(229) < 1.6$ ,  $ps > .1$ ).

To test the presented model, mediation analysis according to Hayes (2017) was carried out. First, we examine the model for both surveys individually. The results can be found in the following table.

X = Stress, M = Selfishness, Y = Ethical choice

t	Total effect	a	b	Indirect effect	95% CI
1	-0.16*	0.19*	-0.35*	-0.07	-0.12 to -0.02
2	-0.15*	0.17*	-0.43*	-0.07	-0.13 to -0.03

5000 bootstraps used, \* indicates  $p < .05$

Table 1. Results of mediation analysis in  $t_1$  and  $t_2$

Column “a” refers to the relationship of stress and selfishness, while column “b” describes the relationship between selfishness and ethical choice. All regression coefficients are reported as unstandardized.

In support of H1, data from both surveys revealed stress as a significant predictor of ethical choice ( $\beta = 0.16, p = .05$  in  $t_1$ ;  $\beta = 0.15, p = .04$  in  $t_2$ ), with higher stress relating to participants favoring the less ethical brand. In accordance with the proposed model, stress was positively related to selfishness ( $\beta = 0.19, p < .001$  in  $t_1$ ;  $\beta = 0.17, p < .001$  in  $t_2$ ), while selfishness predicted a less ethical product choice ( $\beta = -0.35, p = .001$ ;  $\beta = -0.43, p < .001$  in  $t_2$ ). Analyzing 5000 bootstrap samples, the resulting indirect effect of stress on ethical choice through selfishness was found to be negative within the 95% confidence interval (CI -0.12 to -0.02 in  $t_1$ ; CI -0.13 to -0.03 in  $t_2$ ). Thus, H2 is also supported.

Next, results from both surveys were analyzed as a repeated measures design to test the proposed model on an intraindividual level. Following the procedure developed by Montoya and Hayes (2017), time of survey ( $t_1 - t_2$ ) was introduced as a preceding independent variable. The consequent model and resulting path coefficients are presented in Figure 1.

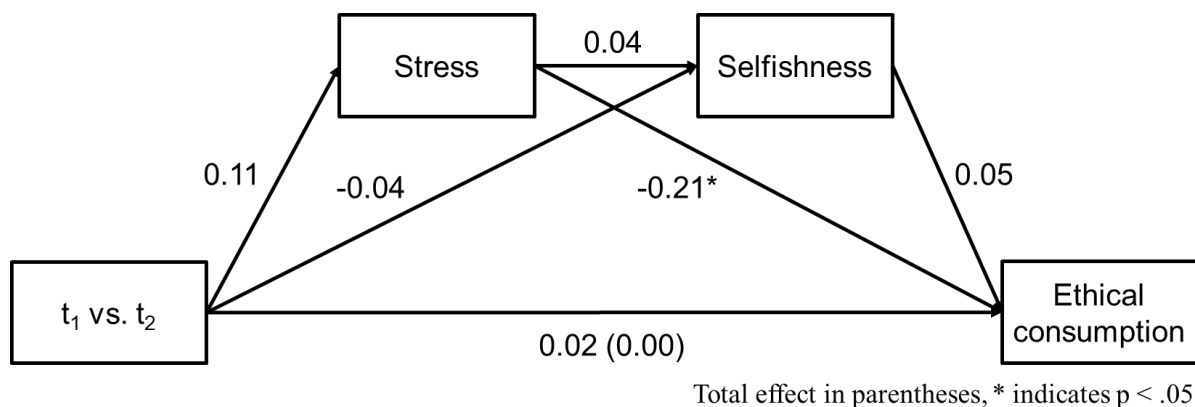


Figure 1. Repeated measures mediation model results

The analysis revealed no significant change in stress between  $t_1$  and  $t_2$  ( $\beta = 0.11, p = .22$ ). The change in severity of the pandemic situation in India did not elicit change in participants’ stress. Accordingly, no significant difference in selfishness ( $\beta = -0.04, p = .61$ ) or the ethical choice task ( $\beta = 0.00, p = .97$ ) could be detected between surveys. However, an individual change in stress was negatively related to a change in ethical consumption ( $\beta = -0.21, p = .03$ ), further supporting H1. Using 5000 bootstrap samples revealed no indirect effect to be different from zero within a 95% confidence interval.

Overall, the conducted panel study provided support for a relationship between stress and ethical consumer choice. To test the causality within the proposed model, study 2 utilizes a direct experimental approach.

## 4. Study 2

### 4.1 Method

For this online experiment, 158 participants from the United States were recruited using CloudResearch ( $M_{\text{age}} = 42.6$ , 51.9% female, 85.4% full-time-, part-time-, or self-employed, 14.6% unemployed or retired). Subjects were assigned to one of two conditions (high stress vs. control). Adapting the procedure from Durante and Laran (2016), participants were asked to either think about and summarize what stresses them out in their daily lives (high stress), or to describe a typical day without much out of the ordinary happening (control). They were then asked to indicate how stressed they felt on a seven-point scale (not at all stressed – very stressed) as a manipulation check. Measurements for selfishness and the ethical choice task were identical to study 1.

### 4.2 Results

Analyzing participants' stress showed that the manipulation was successful ( $M_{\text{stress}} = 4.62$  vs.  $M_{\text{control}} = 2.28$ ;  $t(156) = 9.23$ ,  $p < .001$ ). In the choice task, subjects again perceived the ethical brand to have higher ethical standards and less cleaning power compared to the alternative brand ( $M_{\text{ethical}} = 6.39$  vs.  $M_{\text{performance}} = 1.62$ ;  $t(156) = 28.91$ ,  $p < .001$ ).

Comparing the experimental conditions revealed that participants in the stress-inducing treatment indicated a lower preference for the high-ethicality dishwashing liquid than the control group ( $M_{\text{stress}} = 4.14$  vs.  $M_{\text{control}} = 3.54$ ;  $t(156) = 2.16$ ,  $p = .03$ ). Thus, the experiment provides further support for a causal relationship between stress and (un)ethical consumer choice. To test the proposed mechanism through selfishness, mediation analysis was conducted (Hayes, 2017). While a negative relationship between selfishness and ethical choice could be found once more ( $\beta = -0.47$ ,  $p < .001$ ), there was no significant difference in selfishness between treatments ( $\beta = 0.20$ ,  $p = .33$ ). Analyzing the resulting indirect effect using 5000 bootstrap samples confirmed it to be non-significant (CI -0.31 to 0.10). Therefore, H2 is not supported in this experimental setup.



#### **4. Discussion**

Overall, the presented studies provide strong support for an inverse relationship between stress and ethical consumption. Throughout both studies, the effect could be found in correlational and experimental data. A mediating effect of selfishness was also found in regression analyses of both surveys. It could, however, not be detected in the experimental design of study 2. Possibly, the stress manipulation was capable of influencing the choice between a “regular” and an idealistic option, but not sufficient to increase subjects’ tolerance for explicitly selfish behavior. Future experiments should therefore employ more direct manipulations of stress. Tasks characterized by social-evaluative threat, such as giving a presentation in front of others, have already been used in consumer research and are shown to elicit strong cortisol responses (Dickerson & Kemeny, 2004).

Practical implications can be drawn on a business and public policy level. The presented findings suggest that practitioners should aim to design their shopping experiences as stress-free as possible when trying to promote the choice for ethical products. A simple consequence for supermarket layouts would be to present ethical products early in the shopping process, making sure that consumers are not already stressed by a lengthy shopping trip when having to consider ethical consumption options. Relevant recommendations for action can also be derived from the results at the political level. Our findings suggest that to enable a more sustainable society, policymakers should influence legislation to reduce stress on a society-wide level, thus increasing the general public’s capacity to consider sustainability in their decisions.

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