CONSUMER ATTITUDES AND INTENTIONS TO BUY FAIR TRADE GOODS: CASE STUDY OF STARBUCKS IN THAILAND

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Abstract- The objective of this research was to study effect ofself-uniqueness, basic involvement, and perceived risk to consumer attitudes and intentions to buy fair trade goods. The sample of this research was 400 consumers who consume Starbucks in Bangkok, Thailand. The research instrument was questionnaire which consisted of 5 demographic questions, 5 behavior questions, and 26 5-likert-scale questions for self-uniqueness, basic Starbucks involvement, financial risk, social risk, Starbucks fair trade attitude, and purchase intention of Starbucks fair trade. While the usage statistical techniques are frequency, percentage, mean, standard deviation, and structural equation model. All of Calculations was calculated by IBM SPSS Statistics 22 and IBM SPSS AMOS 22 Trial Version. It was found that most of them were female, 31 – 40, single, were employee in private company, monthly income 30,001 – 50,000 THB. As for behavior, most of samples drank 4-5 times/week, drank at 08.01–12.00,liked latte the most, cost 101–200 THB per, and came to Starbucks alone (38.50%). The results also revealed that all aspects were significant in same directions as hypotheses to the others.The factor loading for all items exceeded level of 0.7, Moreover, the AGFI, GFI, NFI, and CFI were more than 0.8.

Keywords- Fair Trade, Starbucks, Attitude, Intention

I. INTRODUCTION

Fairtrade is a social movement that operates on the mind-set of facilitating community development by ensuring 'fair' guarantee prices for commodity producers. Fairtrade is operationally defined by ten key principles by the World Fairtrade Organization consisted ofcreating opportunities for economically disadvantaged producers, transparency and accountability, fair trading practices, payment of a fair price,ensuring no child labor and forced labor, commitment to nondiscrimination, gender equity and women's economic empowerment and freedom of association, ensuring good working conditions, providing capacity building, promoting fair trade, and respect for the environment. It can conclude that from ten principles canseemingly cuts across the three pillars of sustainability; that is economic, social and environmental factors.

One of the favorite premium coffee shop in Thailand is Starbucks which has been widely recognized as a green coffee shop. Its green practices include offering responsibly grown, ethically traded coffee, and using reusable cups. Now, there are more than 200 Starbucks branch which were located around Thailand.

Some customers need for uniqueness because it is an individual trait that might favor the brand especially premium brand as Starbucks. Higher need for uniqueness drives people to possess products that differentiate them from others. Fairtrade or Starbucks is one of choice to create self-uniqueness.

Risk is a consumer's perception of the uncertainty and adverse consequences of engaging in an activity. Perceived risk has two components: uncertainty (the likelihood of unfavorable outcomes) and consequences (the importance of a loss). When consumers perceive higher risks, it is less likely that they will buy the product. In this research, we use only financial risk and social risk based on research of halapete, et al.. Financial risk can bedefined as the uncertainty that the purchased product fails to attain the best possible monetary gain whilesocial risk is the uncertainty that the selection of the product will affect in anegative way the perception of other individuals about the purchaser of that product.

Involvement refers to the degree to which a person perceives an attitude object as personally relevant. From the study of halapete, et al., they mentioned that involvement effects to risk and attitude.

Intentions of a consumer can be influenced bypositive or negative attitudes toward product. Thus, fair trade consumershas been found to influence intention topurchase of customer. Moreover, it has many empirical researches shown that attitude affects to intention such as Das, Jung et al., and Amaro and Duarte Furthermore, some of researches such as Ma et al., and Yu and Litttrell pointed that uniqueness affects to attitude.

There are several researches about fair trade such asCailleba and Casteran, Dickson, Doran and Natale, Tanner and Kast and Uusitalo and Oksanen, however it is rarely to find that emphasized on Starbucks especially in Thailand.

As for reasons and literature review discussed above, it can proposed 10 hypotheses based on:

Hypotheses:

H1: Self-uniqueness affected the positive result to

basic Starbucksinvolvement.

H2: Self-uniqueness affected the negative result to financial risk.

H3: Self-uniqueness affected the negative result to social risk.

H4: Self-uniqueness affected the positive result to Starbucksfair tradeattitude.

H5: Basic Starbucks involvement affected the negative result to financial risk.

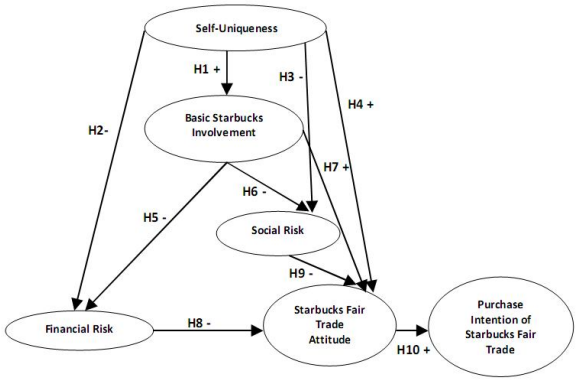
H6: Basic Starbucks involvement affected the negativeresult to social risk.

H7: Basic Starbucks involvement affected the positive result to Starbucksfair tradeattitude.

H8: Financial risk affected the negativeresult to Starbucksfair tradeattitude.

H9: Social risk affected the negative result to Starbucksfair tradeattitude.

H10:Starbucksfair tradeattitudeaffected the positive result to purchase intention to Starbucks fair trade.



II. RESEARCH METHODOLOGY

The target population was consumers of Bangkok-branch Starbucks and are 18 years old or older. A sample size of at least 300 respondents was targeted with the requirements of Structural Equation Modeling (SEM) because of less than 7 constructs model. The sample was selected by convenience sampling and was collected data with Thai questionnaire. The key point in collecting data was collecting only one person in one group. In final, 400 sample was collected.

The questionnaire which was constractin Thai language comprised three main sections, The first section aimed to ask about general data consisting of gender, age, status, occupation, and monthly income, the next section was about frequency of drinking Starbucks coffee, period of drinking, favorite type of coffee, cost per time, and the person who come with.

The third section of the questionnaire measured proposed model, self-uniqueness were evaluated using four items, basic Starbucks involvement using five items, financial risk using five items, social risk using three items, four items for Starbucks fair trade attitude, and five items for purchase intention of Starbucks fair trade.All questions adapted from Halepete et al., and Das.

For checking reliability and validity, the questionnaire was considered by three experts in marketing, and food and beverage. Having some more advices from experts on the validity, each question was carefully selected in terms of Index of Item Objective Congruence (IOC) of more than 0.5. The pilot-test were done among 30 consumers of Huahin-branch Starbucks. In overall, the questionnaires' coefficient alpha of cronbach approximately equaled to 0.882. As the estimates of alpha almost reached 1, the questionnaires showed some confidence, and they were finally given to the samples.

After checking missing values and completeness of questionnaires, it was calculated descriptive statistics for general data and behavior firstly, next all of aspects were tested with a Confirmatory Factor Analysis (CFA). Moreover, Structural equation modeling (SEM) was used to evaluate the influence of self-uniqueness, basic Starbucks involvement, financial risk, social risk, Starbucks fair trade attitude, and purchase intention of Starbucks fair trade. All of results were calculated by IBM SPSS Statistics 22 and IBM SPSS AMOS22 trial version. Model fit was assessed using six indicators (i.e., $\chi 2$/df, GFI, AGFI, RMSEA, CFI, and SRMR).

III. RESULTS

Most of samples of this study were female (69.00%), were 31 – 40 years old (27.25%), were single (72.00%), were employee in private company (52.75%), and had monthly income 30,001 – 50,000 THB (41.25%). See Table 1

Table 1: General Data of Samples

Demographic		Sample (n=400)	Percentage
Gender	Female	276	69.00
	Male	124	31.00
Age	18-20 years old	24	6.00
	21-30 years old	89	22.25
	31-40 years old	109	27.25
	41-50 years old	88	22.00
	51-60 years old	74	18.50
	More than 60	16	4.00
Status	Single	288	72.00
	Married	97	24.25
	Other	15	3.75
Occupation	Employee	211	52.75

	government	104	26.00
	Student	51	12.75
	Owner & Other	34	8.50
Monthly Income (THB)	Lower 15,000	47	11.75
	15,000-30,000	104	26.00
	30,001-50,000	165	41.25
	50,001-100,000	74	18.50
	More 100,000	10	2.50

Most of samples of this study drank Starbucks4-5 times/week (47.00%), drank Starbucksat 08.01–12.00 (46.75%), liked latte the most (39.25%), cost 101–200 THB per time (61.75%), and came to Starbucks alone (38.50%). For more detail, see Table 2

Table 2: Behavior of Samples

Behavior		Sample n=400	Percentage
Frequency of drinking SB coffee	More times per day	48	12.00
	Once a day	104	26.00
	4-5 times / week	188	47.00
	1 time / week	45	11.25
	Rarely	15	3.75
Period of drinking SB coffee	06.00 – 08.00	115	28.75
	08.01 – 12.00	187	46.75
	12.01 – 16.00	74	18.50
	16.01 – 20.00	16	4.00
	20.01 – 24.00	8	2.00
Type of coffee	Latte	157	39.25
	Cappuccino	109	27.25
	Caramel macchiato	64	16.00
	Americano	28	7.00
	Other	42	10.50
Cost to consumers at a time (THB)	Lower than 100	34	8.50
	101-200	247	61.75
	201-300	101	25.25
	More than 300	18	4.50
Come to coffee shop with	Alone	154	38.50
	Friends	105	26.25
	Family	84	21.00
	Girlfriend/Boyfriend	57	14.25

The next step was calculated measurement model by using confirmatory factor analysis with maximum likelihood estimation method was conducted to establish the reliability and validity by composite reliability (CR) which must more than 0.70 to indicate that the measures are reliable while factor loadings and Average Variance Extracted (AVE) were used for validity measurement. Table 3 was shown that all factor loadings were above 0.5 and shown that all the AVE values were above 0.5

The initial measurement model had CMIN/DF = 2.140, CFI = 0.954, GFI = 0.896, RMR = 0.022, and RMSEA = 0.053 while the adjusted model had CMIN/DF = 1.753, CFI = 0.971, GFI = 0.916, RMR = 0.022, and RMSEA = 0.043 it was in acceptable value.

Table 3: The Measurement Model

Variables	Loading	Mean	S.D.
Self-uniqueness(CR=0.928 and AVE=0.764)			
1. Drinking Starbucks is indicative of yourself	0.867	4.07	0.86
2. I feel satisfied to drink Starbucks instead of other brands	0.885	4.10	0.92
3. I was happy to try new products before anyone	0.836	4.12	0.94
4.I prefer fresh coffee more than instant coffee	0.907	4.18	0.86
Basic Starbucks involvement (CR=0.877 and AVE=0.588)			
1. Drinking Starbucks makes me look better	0.774	4.36	0.64
2. Drinking Starbucks makes inspiration for me in working	0.754	4.41	0.71
3. If I don't drink Starbucks, I will feel worse	0.745	4.54	0.65
4. Starbucks coffee is need for me	0.771	4.52	0.65
5. Starbucks is more delicious than the others	0.790	4.53	0.66
Financial risk (CR=0.892 and AVE=0.624)			
1.I lost a lot of money from Starbucks	0.741	4.34	0.77
2. It is not economic to buy Starbucks	0.757	4.45	0.68
3. I feel Starbucks has the same quality as the others	0.817	4.49	0.70
4. Drinking Starbucks is not good in cost-benefit	0.843	4.51	0.68
5. Starbucks makes me lost chance to buy another things	0.788	4.54	0.67
Social risk (CR=0.898 and AVE=0.746)			
1. I feel anxiety about my image	0.898	3.96	0.88
2. I am not in trend if I don't drink Starbucks	0.874	4.03	0.80
3. I am worried from other's opinion in my Starbucks drinking	0.818	4.15	0.90

Variables	Loading	Mean	S.D.
Starbucks fair trade attitude(CR=0.898 and AVE=0.688)			
1. Fair trade goods guarantee for quality goods	0.825	3.83	0.96
2. Fair trade goods have value adding	0.797	3.89	0.92
3. fair trade goods have fair price	0.876	4.01	0.83
4. Fair trade goods are trend from social responsibility	0.819	4.03	0.93
Purchase intention of Starbucks fair trade(CR=0.903 and AVE=0.652)			
1. I want to promote fair trade goods	0.707	4.47	0.71
2. I want to assist growers	0.775	4.09	0.63
3. I want to support fair trade goods	0.927	4.24	0.72
4. I want to be fair-trade and green consumers	0.855	4.04	0.76
5. I want to consume materials from growers	0.756	4.14	0.67

The hypothesized relationships among the study's constructs were tested in the structural model with maximum likelihood estimation. The results indicated an adequate of the structural model with Chi-Square = 639.471 (sig. = 0.000) CMIN/DF = 2.213, CFI = 0.951, GFI = 0.890, RMR = 0.031, and RMSEA = 0.055 and the adjusted model had Chi-Square = 505.735 (sig. = 0.000) CMIN/DF = 1.819, CFI = 0.968, GFI = 0.913, RMR = 0.032, and RMSEA = 0.045 it was in acceptable value.

It can conclude that the hypothesized model was a good fit for the empirical data. As seen on Table 4, the ten hypothesized relationships were significant in the expected direction

Table 4: Standardized Coefficients of all Hypothesizes

Hypothesis Relationship				S.Est.	t-stat
H1:	SU	→	BSI	0.356	6.309**
H2:	SU	→	FR	-0.186	-3.571**
H3:	SU	→	SR	-0.286	-5.373**
H4:	SU	→	ATT	0.142	2.955**
H5:	BSI	→	FR	-0.490	-7.960**
H6:	BSI	→	SR	-0.369	-6.559**
H7:	BSI	→	ATT	0.283	4.654**
H8:	FR	→	ATT	-0.362	-6.239**
H9:	SR	→	ATT	-0.117	-2.279*
H10:	ATT	→	INT	0.366	6.654**

** sig at 0.001 *sig. at 0.01

SU = Self-Uniqueness BSI = Basic Starbucks Involvement
FR = Financial Risk SR = Social RiskATT = Attitude Fair Trade Starbucks
INT = Intention to Purchase Fair Trade Starbucks

Moreover, in table 5-7 will show the direct, indirect, and total effect of each construct.

Table 5: Total Effects

	SU	BSI	SR	FR	ATT
BSI	0.356				
SR	0.417	0.369			
FR	0.36	0.49			
ATT	0.423	0.504	0.117	0.362	
INT	0.155	0.184	0.043	0.133	0.366

Table 6: Direct Effect

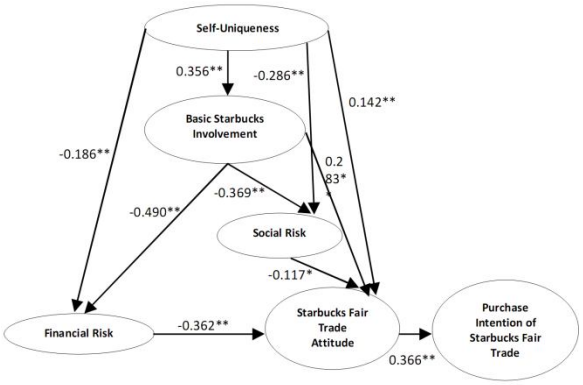
	SU	BSI	SR	FR	ATT
BSI	0.356				
SR	0.286	0.369			
FR	0.186	0.49			
ATT	0.142	0.283	0.117	0.362	
INT					0.366

Table 7: Indirect Effect

	SU	BSI	SR	FR	ATT
BSI					
SR	0.131				
FR	0.174				
ATT	0.28	0.22			

	SU	BSI	SR	FR	ATT
INT	0.155	0.184	0.043	0.133	

Demographic		Sample (n=400)	Percentage
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	30,001-50,000	165	41.25
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	More 100,000	10	2.50



CONCLUSION

The results were shown that all of hypotheses statistically affect in same direction of hypotheses significantly. Thus, this model was proven that fit for using with Starbucks in Thailand.

As the research, its output found that the consumer attitude is the core variables towards the Purchase Intention of Starbucks Fair Trade which is from self-uniqueness of Starbucks, Basic Starbucks involvement, Financial Risk, Social Risk and Starbucks Fair Trade Attitude.

Building good attitude towards Fair Trade business model is vital in business operation which leads to the right target customers.

Once your brand becomes their favorite, there is the brand involvement related. Moreover, the brand awareness will make consumers feel that it is worth to pay for your products so that the financial and social risk will be decreased.

When your fair trade brand becomes the leader or the top tier of the market, all dimensions which are the customers' uniqueness, Brand involvement, Financial, Social and Fair Trade Attitude should be paid attention. They bring your organization with creditability and trustworthy in doing business with. All the related risk will be eliminated especially financial and social.

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