



JICA Research Institute

JICA-RI Working Paper

A Study on Socio-cultural Influences of Inclusive Business

Effects on Consumer Attitudes of Appeal Information of Ethical Products

Akiko Masuda, Hiroaki Ishii, and Naoto Onzo

No. 189

March 2019

JICA Research Institute



JICA Research Institute

Use and dissemination of this working paper is encouraged; however, the JICA Research Institute requests due acknowledgement and a copy of any publication for which this working paper has provided input. The views expressed in this paper are those of the author(s) and do not necessarily represent the official positions of either the JICA Research Institute or JICA.

JICA Research Institute
10-5 Ichigaya Honmura-cho
Shinjuku-ku
Tokyo 162-8433 JAPAN
TEL: +81-3-3269-3374
FAX: +81-3-3269-2054

Effects on Consumer Attitudes of Appeal Information of Ethical Products

Akiko Masuda^{*}, Hiroaki Ishii[†], and Naoto Onzo[‡]

Abstract:

This paper aims to clarify how the informational appeal (abstract vs. concrete) of ethical products can be matched to consumers. We tested the attitudes and behaviors of consumers towards ethical products. The hypotheses are based on construal level theory. Higher moral concerns are related to an abstract mindset, while lower moral concerns are associated with a concrete mindset. The findings showed that each of the hypotheses was supported: consumers who are more likely to make charitable donations have positive attitudes toward ethical products (H1); consumers who are more likely to make charitable donations are more likely to respond to abstract appeal information (H2); and consumers who are less likely to make charitable donations will be more likely to respond to concrete appeal information (H3). The findings suggest that marketers' approach to the use of informational appeals should be determined by consumers' moral concern type.

Keywords: ethical products, ethical consumption, construct level theory, moral concern, skepticism

* Chiba University of Commerce (masuda@cuc.ac.jp)

† Seikei University (hishii@econ.seikei.ac.jp)

‡ Waseda University (naoto@waseda.jp)

This paper has been prepared as part of a JICA Research Institute research project entitled “A Study on Socio-cultural Influences of Inclusive Business.”

1. Introduction

In recent years, “inclusive business” has attracted the attention of the international development sector. “Inclusive business” is defined by the International Finance Corporation (IFC) as follows: “Inclusive business models are those which integrate low-income consumers, suppliers, retailers or distributors in their core business operations, on a commercially viable basis. By adopting the models, companies build the capacity of low-income farmers and entrepreneurs; increase access to finance for suppliers and consumers; create or adapt products to meet local needs and requirements; and develop innovative distribution approaches to hard-to-reach communities” (IFC n.d.). This business model has received increased attention since 2015, when United Nations member countries adopted the Sustainable Development Goals (SDGs). To achieve these goals, some private sector organizations (companies) increased new business at the base of the economic pyramid (BOP). The base of the economic pyramid (BOP) refers to all those with incomes below US\$3,000 in local purchasing power (IFC 2007), and people with less than US\$10 per day in purchasing power (BCtA 2017).

Products from inclusive businesses are regarded as ethical products. Ethical products are expected to be consumed in view of humanism, as sociological and ecological goods. Ethical consumption, as defined by the Japanese Consumer Affairs Agency, is consumer behavior that includes the view of humanity, society and ecology, including the development of local areas (Consumer Affairs Agency 2017). In its 2017 report, the Consumer Affairs Agency insisted on the importance of solving social problems through consumer behavior. Such problems cannot be solved by government and companies but also require individual consumer actions. These businesses aim to do more than pursue sales and profits; they also seek to solve social problems. Thus, these types of business and the products they make contribute positively to society. Products made by these types of businesses are similar to ethically produced goods but, to date, there has been little research in this area.

The trend towards “ethical consumption” and consumer preference for ethical products is relatively underdeveloped in Japan. In 2017, the government agency, the Consumer Affairs Agency published a research report on “ethical consumption.” The research paper discussed ways in which government, the private sector and researchers can encourage ethical consumption and revealed that only about 10% of consumers are currently aware of ethical products in Japan. But people may understand the ethical concept from a report issued by the Cabinet Office in Japan (2015). This found that 64.3% of Japanese people support the purchase of products and services on the grounds that they can help to solve social problems. This includes ecologically beneficial products, reductions in food rubbish, local production and local consumption of products, recovery of disaster-affected areas, and improvement of the quality of life for producers in developing countries. Thus, there is still a way to go regarding the diffusion of the inclusive business model in Japan.

As examples of inclusive businesses initiated by Japan, Ryohin Keikaku (MUJI) operates and supports businesses in Kyrgyzstan that produce wool felt, employing BOP individuals as producers (Masuda & Ohira 2017). Panasonic has established businesses providing LED lighting for rural communities, resulting in the reduction of greenhouse gas emissions in Africa and Asia (BCtA, Panasonic 2018). This Panasonic business operates with BOP individuals as consumers. Another case, in which BOP individuals are both consumers and distributors, is that of Ajinomoto, which has set up “The Ghana Nutrition Improvement Project” (Ajinomoto 2014). These businesses have been approved as inclusive businesses by Business Call to Action (BCtA), established by the United Nations Development Programme and other international organizations in 2008. However, although inclusive business is expected to spread globally both in terms of new business opportunities and social contributions, only 20 companies in Japan were approved by the BCtA between 2011 and 2018. Thus, the aim of this research is, in part, to encourage the consumption of ethical products in order to solve social problems.

Do consumers attitudes towards products made by inclusive businesses depend on available product information? The diffusion of inclusive business requires the support of favorable attitudes of consumers and a solid understanding of the importance of inclusive business. Research has shown that there is a gap between the understanding of ethical issues and the intention to purchase ethical products, not only in Japan but also in other countries. Do Paço and Reis (2012) found that, in Portugal, 75% of respondents said they would buy environmentally friendly products, but only 17% had actually done so.

In this paper, we examine inclusive businesses from the perspective of information about ethical products. This paper considers products made by inclusive businesses as ethical products. We seek to clarify how the appeal of inclusive businesses and ethical products could be increased for consumers. To diffuse ethical products, we believe that communication with consumers is one of the most important issues. Thus, we focused on and tested the appeal information (abstract vs. concrete) of these ethical products and collected consumer attitudes via an experimental web questionnaire. This study divides consumers according to their ethical characteristics. We think that there is a kind of spectrum that runs from those who are strongly interested in ethical consumption to those who is little interested in. However, in our research, based on similar prior research (Kwak & Kwon, 2016), we divided our sample into two types of consumers to better understand the consumers' characteristics: those who prefer ethical products and those who are not concerned about ethical products.

The paper opens with a review of the literature on “ethical consumption and ethical products,” “limitations of ethical product purchases,” “attitudes toward charitable organizations,” “appeal of ethical products and charity” and “moral concerns and construal level theory” to build a hypothesis. This is followed by our testing of these hypotheses by experimental application and the results of the study. The paper ends with a discussion of the findings and a concluding section, which highlights significant academic and business implications as well as limitations and considerations for future research.

2. Previous Research

2.1 Ethical Consumption and Ethical Products

Ethical consumption is the purchase of a product that is related to a certain ethical issue (e.g. human rights, labor conditions, animal well-being, environment, etc.) and is chosen freely by the individual consumer (Doane 2001). Products include ethical targets relating to environments and animals (e.g. planting trees, animal protection, environmental protection) and for humans and health (e.g. products avoiding child labor, fair trade products) (Lafferty and Edmondson 2014). Individual consumers can choose to purchase or boycott ethical products (Carrigan and Attalla 2001; De Pelsmacker, Driesen and Rayp 2005).

In the UK, the term “ethical consumer” was first used in the 1980s and this trend in consumption has since been reported on and examined (Doane 2001). In the US, the following ethical consumer attitudes have been observed: consumers are more likely to buy from a company that manufactures energy-efficient appliances and products (90%), promotes consumer health and safety benefits (88%), supports fair labor and trade practices (87%), and commits to environmentally friendly practices (87%) (BBMG 2007). This consumer behavior has been observed not only in the US and Europe but also in Japan. The Japanese Cabinet Office (2015) issued a report, “Public opinion polls for consumer administration,” which stated that consumers wish to select products and services in consideration of environmental issues, reduction of food wastage, local consumption, disaster area reconstruction, and life improvement for laborers in developing countries (64.3%). Ethical consumption is gradually becoming more popular with consumers.

In the history of Japanese ethical consumption (Japan Ethical Initiative 2015), the first fair-trade products were sold in 1974, the Eco-mark system was introduced in 1989, an exhibition of Eco products followed in 1999 and “supportive consumption” could be found after

the 2011 earthquake in eastern Japan. The Ethical Consumption Research Committee was established by the Government of Japan through the Consumer Affairs Agency (2015), gradually diffusing the concept of ethical consumption to the public. It is widely known that, since the 2011 earthquake in Eastern Japan, consumers have increasingly recognized the idea of ethical consumption.

For this research, ethical purchase of consumption and products is defined as: a) being aligned to a particular ethical issue – human rights, animal welfare, or the environment; b) giving consumers a choice between one product and an ethical alternative; and c) reflecting, to the extent possible, personal or individual choice, rather than a corporate decision (Doane 2001). Ethical products are aligned with consumers' social and environmental principles (Bezençon and Blili 2010). They are part of a broad concept that includes ecological products (with a focus on environmental issues), fair-trade products (focus on trading) and cause products (focus on methods of ethical sales promotion).

2.2 Limitations of Ethical Products Purchase

In a hypothetical ethical product purchase scenario, it is likely that everyone will say they desire to purchase ethical products because it is the right thing to do, but when making actual purchasing decisions, they may not end up doing this, particularly when paying with their own money for a product. Some academic research demonstrates that, although many consumers have a favorable impression of ethical products that aim to solve social issues (Crane 2001), there is a gap between this intention and actual purchasing behavior (Carrigan and Attalla 2001; De Pelsmacker, Driesen and Rayp 2005; Roberts 1996).

The gap between positive attitude and negative action (not buying) of ethical products is partly due to the lack of credibility of the information attached to ethical products (Carrigan and Attalla 2001; Lee and Lee 2004; Roberts 1996). Consumers may be skeptical as to whether ethical products really do make a social contribution (Mohr, Eroglu and Scholder 1998; Ohira,

Stanislawski and Sonobe 2016). According to a report by the United Nations Environment Program (2005), consumers are aware of the concept of sustainability, but the actual sales results are not a part of total demand. The report noted that the reason why consumers do not purchase ethical products is because of a lack of required information. Questionnaire results show that consumer desire to purchase depends on a company's ethical, social, and ecological actions (74%). However, consumers responded that the main reason for not buying fair-trade products is a lack of information (39%).

In 2016, the Consumer Affairs Agency, conducted a survey and revealed that the reason why consumers decide not to buy ethical products and services is because they are "expensive", "it is not clear whether the business is really ethical or not" and consumers cannot distinguish which products and services are ethical. The Consumer Affairs Agency report also showed that, other than the higher sales price, consumers think that ethical products lack the appropriate product information. Thus, to promote ethical products to many consumers, product information is important and needs to be understood well by consumers, something our research seeks to establish.

The authors of this paper conducted group interviews with 12 Japanese consumers in December 2017. In these interviews, all participants responded that they prefer to read concrete ethical product information compared to abstract information. They replied that "even a little concrete explanation is more trustworthy than abstract information," "it is better to be given numerical information (e.g. providing food for a day and/or two days)" and "I feel that concrete rather than abstract information has a greater impact."

From this, it would seem that having appropriate product information is important. Consumers may not buy ethical products because of skepticism about information on ethical products. Skepticism is defined here as the tendency toward disbelief of advertising claims (Obermiller and Spangenberg 1998). Calfee and Ringold (1994) found that about 70% of consumers had doubts concerning the truthfulness of ads. Consumers have especially higher

skepticism toward advertising than other sources of product information, such as consumer reports, a friend, a salesperson, or a government agency (Obermiller and Spangenberg 2000).

Though ethical products are included as social goods (e.g. environmentally good) products, green advertising was also found to have less credibility among product advertising. Products are labeled “environmentally friendly,” “ozone friendly” and with other slogans, but there is little actual technical or scientific data presented, leading to skepticism about ethical (green) advertising (do Paço and Reis 2012).

Thus, consumers may be skeptical about ethical product information if there is too little information, they may think that there is something wrong with the product or question its social contribution. Therefore, it is important to provide the appropriate amount of detail in ethical product information.

2.3 Attitudes Toward Charitable Organizations

Bendapudi, Singh and Bendapudi (1996) define helping behavior as behavior that enhances the welfare of a needy other, by providing aid or benefits, usually with little or no commensurate reward in return. Webb, Green and Brashear (2000) developed and validated scales to measure attitudes toward helping others (AHO) as well as attitudes toward charitable organizations (ACO). For this research, we used the “Attitudes Influencing Monetary Donations to Charitable Organizations (AIMDCO)” scale, which uses AHO and ACO as consumer ethical characteristics. The scale developed Webb, Green and Brashear (2000) is widely used for academic research on ethical consumption and marketing. Using this scale, Briggs, Peterson and Gregory (2010) examined why volunteers work for nonprofit organizations with pro-social attitudes. They used AHO and ACO as dependent variables to understand volunteers’ pro-social attitudes. We use this scale as it includes important variables to understand consumers’ ethical characteristics. Kwak and Kwon (2016) employed this scale as a control variable, which was

divided at a central median value. It was revealed that this variable has a significantly positive influence on an organization's philanthropic donations process and feelings of gratitude.

Webb and Mohr (1998) explored in depth how consumers think and feel about cause-related marketing (CRM). There are several implications. Skepticism toward advertising in general is positively related to skepticism toward CRM. Consumers with a high level of skepticism toward CRM will be less likely to respond positively to CRM than consumers with a low level of skepticism. The perceived fairness of CRM will positively affect consumer responses to any CRM promotion. Thus, for ethical consumption, it is expected that the more knowledge consumers have the greater their charitable attitudes.

Mohr, Eroglu and Scholder (1998) described skepticism as those who doubt what others are saying or doing but may be convinced by evidence or proof. Their research showed that skepticism is a cognitive response that varies depending on the context and the content of the communication. Thus, consumers are likely to be skeptical about the appeal information of ecological ethical products. do Paço and Reis (2012) examined this using a proposal for a model regarding skepticism toward green advertising – the more environmentally concerned an individual is, the more skeptical he or she will be toward green claims exhibited on the packaging or featured in advertisements.

2.4 Appeal of Ethical Products and Charity

Based on the previous section, the next step would be to consider whether appropriate appeal information may prevent skepticism. During the pre-interview stage of our research, we found that consumers indicated they prefer concrete rather than abstract information on ethical products. There is currently no research on how ethical product information should be directly offered so, therefore, we examine research on intentions to make charitable donations through the purchase of ethical products.

In view of this research area, “effective appeal information” positively affects the action of charitable donations (Bendapudi, Singh and Bendapudi 1996; White and Peloza 2009). For example, well-considered product information such as images, word selection and message length have an effect on charitable donations. Individual nostalgia, religion, emotion, and sympathy also positively affect the decision to make a charitable donation (Basil, Ridgway and Basil 2008; Ford and Altaf 2010; Malhotra 2010). Other research shows that it is more effective to provoke feelings of empathy and sympathy using specific information and/or pictures, than it is to display statistics on victims (Jenni and Loewenstein 1997; Small et al. 2007). This is known as the “identifiable victim effect” (Loewenstein and Small 2007; Small, Loewenstein and Slovic 2007), whereby individuals give more to help an identifiable victim than a statistical victim. They also found that individuals who feel psychologically close to victims give more than individuals who feel psychologically distant from the victims.

Ein-Gar and Levontin (2013) examine construal level theory to monitor how psychological distance changes over time: one month or one year after an event. The smaller the psychological distance, the more individuals prefer to donate to a specific single victim. However, the greater the psychological distance, the more customers prefer to donate to abstract victims.

2.5 Moral Concerns and Construal Level Theory

According to construal level theory (Trope and Liberman 2003), temporally distant information is processed at a higher level of abstractness than temporally nearby information. Thinking about temporally distal information highlights central, purpose-focused and superordinate features that convey its essence (high-level construal), while thinking about temporally proximal information highlights peripheral, subordinate, and specific features (low-level construal). Nussbaum, Trope, and Liberman (2003) found that participants sought information regarding others’ more global dispositions for predicting distant rather than near future behavior (study 3). In addition, they

applied social distance (self vs. other) to construal level theory. That is, self-mindset is related to the near future while the other (altruistic) mindset is related to the distant future.

Agerström and Björklund (2009a) demonstrated that greater temporal distance from an event also results in greater moral concern. People use more abstract mental representations that reveal personal ideals and social values and diminish the attraction of less symbolic rewards, such as money and spare time. They reveal that people increasingly attribute distant rather than near future behavior to abstract characteristics relative to concrete situational causes. In terms of personal ideals, social value is more closely concerned with morals than with self-rewards such as money and spare time.

Agerström and Björklund (2009b) demonstrate that an abstract mindset leads people to abide by ethical principles. Using construal level theory, temporal distance influences people's moral concerns. For most people, thinking about something that is ethically good for future generations would involve an abstract (high-level) construal of the situation to be formed, whereas, thinking about something close by in time or place would involve a concrete (low-level) construal of the situation. Rixom and Mishra (2014) also found that, with an abstract mindset, people prioritize the desire to act more for the greater social good. They conducted three experiments with university students based on construal level theory.

Considering construal level theory, moral concerns and altruistic behaviors are related to an abstract mindset, while self-interest concerns and behavior are related to a concrete mindset. Thus, we predict consumers with moral concerns prefer abstract information.

3. Hypotheses

Our hypotheses examine the effects of different appeal information (abstract vs. concrete) of ethical products on consumer attitudes. The process of consumer behavior begins with attention to and interest in products followed by a decision to purchase, then review or appraisal via word

of mouth. Consumers with a greater preference for charitable donations are more likely to purchase ethical products than consumers with a more skeptical attitude, because ethical products are related to altruistic behaviors and social contribution activities. Therefore, we hypothesize that consumers with higher charitable giving attitudes have a positive attitude toward and interest in ethical products, greater purchase intention and make word-of-mouth recommendations to others after the purchase of ethical products.

- H1a Consumers who are more likely to make charitable donations pay more attention to and have a greater interest in ethical products than consumers who are less likely to make charitable donations.
- H1b Consumers who are more likely to make charitable donations have stronger purchase intentions regarding ethical products than consumers who are less likely to make charitable donations.
- H1c Consumers who are more likely to make charitable donations have stronger intentions of recommending ethical products via word of mouth than consumers who are less likely to make charitable donations.

In addition, high and low attitudes toward charitable donations are affected by the appeal information (abstract vs. concrete) of ethical products on consumer behavior (attention and interest, purchase intention and recommendation via word of mouth). Consumers who are more likely to make charitable donations may originally have had a positive attitude as well as knowledge regarding ethical products. Furthermore, consumers who are more likely to make charitable donations can be regarded as people who have higher-moral concerns. As shown in previous research on moral concerns and construal level theory (Agerström and Björklund,

2009; Rixom and Mishara, 2014), moral concerns and altruistic behavior are related to an abstract mindset, while selfish concerns and behavior are related to having a concrete mindset. Thus, we predict consumers who are more likely to make charitable donations have moral concerns who prefer abstract information rather than concrete information.

This may be related to skepticism. do Paço and Reis (2012) show that consumers who have a higher interest in environmental issues have higher skepticism about environmentally related products, packaging, and advertising. From this result, consumers who have higher charitable giving attitudes are thought to have a high involvement and higher skepticism. After gaining their interest and reducing their skepticism, we predict that they are accessing ethical information daily and become abundant ethically knowledgeable consumers. Thus, such abundant knowledge consumers who have higher charitable giving attitudes can understand abstract information well.

- H2a Consumers who are more likely to make charitable donations pay more attention to and have a higher interest in ethical products than consumers who are less likely to make charitable donations, from the perspective of abstract appeal information.
- H2b Consumers who are more likely to make charitable donations have stronger intentions of purchasing ethical products than consumers who are less likely to make charitable donations, from the perspective of abstract appeal information.
- H2c Consumers who are more likely to make charitable donations have stronger intentions of recommending ethical products via word of mouth than consumers who are less likely to make charitable donations, from the perspective of abstract appeal information.

On the other hand, we expected consumers who are less likely to make charitable donations not to have abundant information. We also expected that these consumers would prefer concrete information on ethical products to promote building the image and understanding of ethical products. According to the identifiable victim effect (Loewenstein and Small 2007; Small, Loewenstein and Slovic 2007), concrete information helps to imagine better than abstract information.

Regarding the moral concerns and construal level theory, consumers who are less likely to make charitable donations are regarded as being less morally concerned who prefer a concrete mindset. However, when the appeal information is concrete instead of abstract, they may have higher attention and interest toward ethical products, purchase intentions and the intention to recommend via word of mouth.

- H3a Consumers who are less likely to make charitable donations have a higher interest in ethical products than consumers who are more likely to make charitable donations, from the perspective of concrete appeal information.
- H3b Consumers who are less likely to make charitable donations have stronger purchase intentions for ethical products than consumers who are more likely to make charitable donations, from the perspective of concrete appeal information.
- H3c Consumers who are less likely to make charitable donations are more likely to recommend ethical products via word of mouth after purchasing than consumers who are more likely to make charitable donations, from the perspective of concrete appeal information.

4. Experiment and Results

4.1 Experiment

We conducted a pre-test using concrete and abstract versions of ethical product appeals on November 7th and 15th, 2016 using 107 student participants from a university in Chiba. We examined the difference (abstract vs. concrete version) in information ($F(1,105)=4.081$, $p<0.05$). We divided participants into two groups (abstract vs. concrete version) and asked them to complete the questionnaire regarding their impression of the appeal information. Participants replied from 1=“it is very abstract information” to 6=“it is a very concrete explanation” (6-point Likert Scale). The abstract information average was 3.44 (S.D.= 1.058) and the concrete information average was 3.87 (S.D.= 1.110). We confirmed the difference between the abstract and concrete appeal information of ethical products for testing.

After the pre-test, we employed an external survey company to conduct an internet survey. From November 29th to 30th, 2016, 240 valid questionnaire responses were obtained, and these were equally spread across different age groups (female 50%; 20 years 25%; 30 years 25%; 40 years 25%; and 50 years up 25%).

<insert Figure 1 about here>

In our experiment, participants were shown images of wool felt products (Figure 1). Participants were told that these products are manufactured by an inclusive business (ethical products) and are sold by MUJI, a Japanese lifestyle retailer (Masuda and Ohira 2017). Participants were informed that these products were produced ethically in Kyrgyzstan, which is classified as a developing country by the World Bank and sold by MUJI. We used actual product information and modified it for this experiment, as shown below.

Abstract information: *“In Kyrgyzstan, there are many people that are forced to subsist with low living standards. To produce this felt, we provided education for the producers in*

Kyrgyzstan. By having them participate in the production process afterward, this felt production has contributed to the improvement of living standards by increasing their income.”

Concrete information: *“In Kyrgyzstan, there are many people that are forced to subsist with low living standards. To produce this felt, we provided education for unemployed Kyrgyz women in skills such as felt formation technology and stock management. Afterward, by having them participate in the entire production process, from wool production, felt formation, and stock management, this felt production has contributed to the improvement of living standards by increasing household income by 5%.”*

We used a 6-point Likert Scale (1. Completely Disagree to 6. Completely Agree) to obtain information such as intention to purchase. We used a 7-point Likert Scale (1. Completely Disagree to 7. Completely Agree) to obtain information regarding consumer characteristics such as attitudes towards charitable donations.

4.2 Variables

4.2.1 Independent Variable

As an independent variable, we used the Attitudes Influencing Monetary Donations to Charitable Organizations (AIMDCO) (Webb, Green and Brashear 2000) as a concept related to ethical consumption ($\alpha=0.879$). This scale is comprised of four questions from Attitudes Toward Helping Others (AHO) and five questions from Attitudes Toward Charitable Organizations (ACO). This scale was originally in English, so we conducted reverse translation and checked the words used by co-authors in order to adopt it for this experiment. We used the combined scores from AHO and ACO. Following Kwak and Kwon (2016), we divided participants into high and low groups of AIMDCO. We treated AIMDCO as a scale of ethical consumption

characteristics to understand both groups' differences. The mean score was 4.13 and this was used to divide the sample into 2 groups: higher charitable giving attitude (≥ 4.13) and lower charitable giving attitude (< 4.13).

Participants were also required to complete a questionnaire relating to "product information (abstract vs. concrete)" after the pre-test.

4.2.2 *Dependent Variable*

As dependent variables, we measured "attention and interest," "purchase intention," and "intention to recommend after purchase via word of mouth" variables as indicators of consumer behavior via questionnaire. The first variable, "attention and interest," is measured by "I became interested in this product after reading the description." The second variable "purchase intention" is evaluated using three questions: "I would like to purchase this product," "I would like to use this product," and "If this product was actually in stores, I would pick it up" ($\alpha=0.902$). The third variable, "intention to recommend after purchase via word of mouth," is measured by "I want to tell people about this product."

4.3 Results

Table 1 shows the average and correlation of each variable.

<Insert Table 1 about here>

To examine Hypothesis 1, we conducted a one-way ANOVA analysis. As we expected (H1a), consumers who are more likely to make charitable donations pay more attention to and have a greater interest in ethical products than consumers who are less likely to make charitable donations ($M_{\text{high}} = 3.87$ vs. $M_{\text{low}} = 3.19$; $F(1,238) = 20.033$, $p < 0.000$). As expected (H1b), consumers who are more likely to make charitable donations have stronger purchase intentions regarding ethical products than consumers who are less likely to make charitable donations (M

$M_{\text{high}} = 3.67$ vs. $M_{\text{low}} = 3.04$; $F(1,238) = 18.459$, $p < 0.000$). As expected (H1c), consumers who are more likely to make charitable donations have stronger intentions to recommend ethical products via word of mouth than consumers who are less likely to make charitable donations ($M_{\text{high}} = 3.47$ vs. $M_{\text{low}} = 2.99$; $F(1,238) = 9.901$, $p = 0.002$). H1a, H1b, H1c are all supported.

To test Hypotheses 2a, 2b, 2c, 3a, 3b and 3c, we used a two-way ANOVA; 2 (Information: abstract vs. concrete) x 2 (charitable giving attitude: high vs. low). The results are shown in Table 2, Figure 2, Figure 3, and Figure 4.

<Insert Table 2 about here>

<Insert Figures 2, 3 and 4 about here>

Figure 2 shows the relationship between appeal information and attitudes influencing monetary donations to charitable organizations (AIMDCO), and the effects on attention and interest of ethical products. Figure 3 shows the relationship between appeal information and AIMDCO and the effects on purchase intention of ethical products. Figure 4 indicates the relationship between appeal information and AIMDCO and the effects on intentions to recommend the ethical product via word of mouth after purchase. We examined these results with hypotheses as below.

As expected (H2a), consumers who are more likely to make charitable donations pay more attention to and have a higher interest in ethical products than consumers who are less likely to make charitable donations, from the perspective of abstract appeal information ($F(1,116) = 4.116$, $p = 0.045$). As expected (H2b), consumers who are more likely to make charitable donations have stronger intentions to purchase ethical products than consumers who are less likely to make charitable donations, from the perspective of abstract appeal information ($F(1,116) = 3.726$, $p = 0.056$). As expected (H2c), consumers who have higher charitable giving attitudes have stronger intentions of recommending the product via word-of-mouth after buying

ethical products than consumers who have lower charitable giving attitudes when the appeal contains abstract information ($F(1,116) = 3.886, p = 0.051$). Thus, “attention and interest” is statistically significant at the 5% level, “purchase intention” and “intending to give word-of-mouth recommendations after buying ethical products” is statistically significant at the 10% level. The hypothesis 2a, 2b, and 2c are supported.

Consumers who have lower charitable giving attitudes have higher “attention and interest” ($F(1,120) = 5.454, p = 0.021$), “purchase intention” ($F(1,120) = 5.222, p = 0.024$) and “intending to give word-of-mouth recommendations after buying ethical products” ($F(1,120) = 4.703, p = 0.032$) when the appeal uses concrete rather than abstract information. All three results are 5% standard significance and hypothesis 3a, 3b, and 3c are supported.

5. Discussion and Limitations

5.1 Discussion

5.1.1 Academic Implications

For hypothesis 1a, 1b and 1c, we tested the attitudes and behaviors of consumers towards ethical products according to the following variables: “attention and interest,” “purchase intention” and “intending to give word-of-mouth recommendations after purchase” by dividing participants into two groups according to attitude towards charitable donations. For hypothesis 1a, 1b and 1c, consumers who have higher charitable giving attitudes have positive attitudes toward ethical products. The attitudes towards charitable donation are constructed according to AHO (attitudes towards helping others) and ACO (attitudes towards charitable organizations) (Webb, Green and Brashear 2000). Our findings show that consumers who are more likely to make charitable donations and may also be more socially aware also have positive attitudes towards ethical products.

Continuing with hypothesis 2a, 2b, 2c, 3a, 3b and 3c, we first divided participants into two groups who have higher and lower charitable giving attitudes. We suggested different product information for each group: abstract information and concrete information. Consumers who have higher charitable giving attitudes have positive attitudes for consumer behavior in each process (attention and interest, purchase intention and intending to give word-of-mouth recommendations after purchasing) when product information is abstract rather than concrete (hypothesis 2a, 2b and 2c). On the other hand, consumers who are less likely to make charitable donations display positive consumer behaviors for each process (attention and interest, purchase intention and recommending after purchase via word of mouth) when product information is concrete rather than abstract (hypothesis 3a, 3b and 3c).

We can explain these results from the viewpoint of construal level theory and moral concern, as previously mentioned. Moral concerns and altruistic behavior are related to an abstract mindset. On the other hand, self-interest and selfish behavior are related to a concrete mindset. We tested whether morally conscious consumers prefer abstract information. Compared with previous studies, our experiment revealed that this tendency is shown through all aspects of the consumption process (attention and interest, purchase intention, and word of mouth after purchasing). Thus, this tendency can be found in any process.

As a result, the reason why consumers who are more likely to make charitable donations have a more positive attitude when appeal information is abstract is that they may possess specific knowledge regarding ethical products. Thus, abstract information promotes better understanding. On the other hand, the reason why consumers who are less likely to make charitable donations have a more positive attitude when product information is concrete rather than abstract is that they did not originally possess any information, and concrete information helps them to understand the product appeal. Abstract information affects consumer behavior in each process, but concrete information does not have any effect on either group.

5.1.2 Business Implications

In this experiment, we tested how product information should better promote ethical consumption, such as products from inclusive businesses. Based on data on charitable giving attitudes, participants were split into two groups (high vs. low) to produce a scale of ethical consumption characteristics. This was because we believe attitude toward charitable donations is a concept that is related to ethical consumption. Thus, consumers who have a positive attitude towards charitable donation will have the same tendency – positive ethical consumption behavior. On the other hand, consumers who are less likely to make charitable donations do not display positive ethical consumption behavior. Only around 10% of Japanese consumers are aware of ethical consumption. Similar to ethical products from inclusive businesses, positive consumer purchase behavior is expected if consumers are provided with concrete information. Firstly, to expand ethical product markets, it is necessary to offer more concrete information to consumers. This will lead consumers to become more aware of ethical consumption from attention and interest, purchase intention and intention to give word-of-mouth recommendations after purchase.

However, for consumers who have higher charitable giving attitudes and have knowledge regarding ethical consumption, in the case of consumers who have higher knowledge of ethical products, it is better to provide abstract information to have a positive impact on consumer behavior leading to use of inclusive and socially responsible businesses. This matches moral concerns and the construal level model concept. Consumers with higher-moral concerns prefer to receive abstract information while those with fewer moral concerns prefer to receive concrete information.

For example, we used MUJI's wool felt items in our study because they are representative of ethical products from inclusive businesses. In the early years after it launched these products in 2011, MUJI provided detailed descriptions (who made the product, why MUJI contributes to local Kyrgyz women, the relationship with JICA, etc.) via leaflets. However, these

products are now labeled with a simple description: “Produced by the local women of Kyrgyzstan, this product is handmade using natural materials” (MUJI). Such information is good for better knowledge of ethical products or in the case of repeat customers. However, many consumers may not be aware it is also an ethical product.

In the case of MUJI wool felt, adequate information seems to have been provided. However, we need to examine the impact of time-lag. A concrete description should be provided at the time of a product’s launch. However, year by year, there are some repeaters and some first-time (new) consumers who understand the ethicality of the products. It is better to provide concrete information so that first-time consumers understand the ethical aspects of the product. The results of our experiment indicate that concrete product information does not lead to differences between lower and higher charitable giving attitudes. Thus, concrete information is appropriate for all types of consumers. To diffuse ethical consumption, especially for consumers with a higher charitable giving attitude, higher-moral concern consumers should be provided with abstract information.

We suggest that, for products sold in an e-commerce environment, it is better to create a special web page that provides concrete information that is separate from the current main store page (abstract information). If products are sold in real stores, we suggest attaching a QR code or web link to an information page on the product tag or label.

In terms of implications for businesses, we suggest that first-time consumers of ethical products should be provided with concrete information, but repeat consumers, who may already possess knowledge about ethical products, are more responsive to abstract information.

5.2 Limitations and future directions

In this research, we tested consumer behavior processes (attention and interest, purchase intention and recommendation after purchase via word of mouth) regarding ethical products, which are made by inclusive businesses – in this case, wool felt products that are sold by MUJI.

Our research does not focus on product characteristics (emotional or practical). Previous research has shown that cause-related products are preferred over emotional products because consumers feel guilty when making a purchase. We need to examine the effects of skepticism. As noted above, Obermiller and Spangenberg (2000) showed higher advertising skepticism than other sources of product information. Thus, it is better to check the resources of product information. We also need to test the actual place of purchase (field study) in future research because these tests are conducted on the web. In our experiment, we used wool, which is both a utility and emotional product depending on the final product. Future research should focus on emotional products.

The research of Ein-Gar and Levontin (2013) examines manipulated temporal and social distance and tested donation intentions. The result was that if there is temporal or social closeness to the donation target, concrete information has a positive effect on donation intention. If the target is not close, abstract information has a positive effect on donation intention. In our study, we did not include the closeness/distance concept in our experiment. We will consider adding temporal and social distance effects in future research. We will need to do more to clarify the consumer insight differences between two types of consumers who have higher/lower charitable giving attitudes through qualitative research methods, such as interviews. We also need to examine which stage of the product life cycle the products are in. In view of the product life cycle, different approaches should be applied for products in the early and matured stages.

In our study, we examined Japanese participants. Ethical consumption is still in its early stages in Japan. For our next step, we need to examine this study data compared to consumer attitudes in the UK, which is where ethical consumption originated and/or the US, which is furthering this area of research. We will conduct further testing and present effective product information for inclusive businesses in order to diffuse ethical consumption.

References

- Agerström, J. and F. Björklund. 2009a. "Temporal Distance and Moral Concerns: Future Morally Questionable Behavior is Perceived as More Wrong and Evokes Stronger Prosocial Intentions." *Basic and Applied Social Psychology* 31: 49-59.
- . 2009b. "Moral Concerns are Greater for Temporally Distant Events and are Moderated by Value Strength." *Social Cognition* 27: 261-82.
- Ajinomoto. 2018. "The Ghana Nutrition Improvement Project."
<https://www.ajinomoto.com/en/activity/csr/ghana/index.html>
- Basil, D. Z., N. M. Ridgway and M. D. Basil. 2008. "Guilt and Giving: A Process Model of Empathy and Efficacy." *Psychology and Marketing* 25, no. 1: 1-23.
- BBMG. 2007. "Conscious Consumers Are Changing the Rules of Marketing. Are You Ready?" Highlights from the BBMG Conscious Consumer Report.
https://www.fmi.org/docs/sustainability/BBMG_Conscious_Consumer_White_Paper.pdf
- BCtA. 2017. "Business Call to Action." <https://www.businesscalltoaction.org/about-bcta>
———. "Panasonic."
<https://www.businesscalltoaction.org/news/lighting-rural-communities-and-reducing-greenhouse-gas-emission-africa-and-asia>
- Bendapudi, N, S. N. Singh and V. Bendapudi. 1996. "Enhancing Helping Behavior: An Integrative Framework for Promotion Planning." *Journal of Marketing* 60, no. 3: 33-49.
- Bezençon, V. and S. Blili. 2010. "Ethical Products and Consumer Involvement: What's New?" *European Journal of Marketing* 44, no. 9/10: 1305-21.
- Briggs, E., M. Peterson and G. Gregory. 2010. "Toward a Better Understanding of Volunteering for Nonprofit Organizations: Explaining Volunteers' Pro-Social Attitudes." *Journal of Macromarketing* 30, no. 1: 61-76.
- Cabinet Office. 2015. "Syohisya Gyosei no Suishin ni Kansuru Yoron Cyosa" [Public Opinion Polls for Consumer Administration].
<https://survey.gov-online.go.jp/h27/h27-shouhisha/index.html>
- Calfee, J. E. and D. J. Ringold. 1994. "The Seventy Percent Majority: Enduring Consumer Beliefs About Advertising." *Journal of Public Policy and Marketing* 13 (Fall): 228-38.
- Carrigan, M. and Attalla, A. 2001. "The Myth of the Ethical Consumer – Do Ethics Matter in Purchase Behaviour?" *Journal of Consumer Marketing* 18, no. 7: 560-78.
- Consumer Affairs Agency Ethical Consumption Research Group. 2017. "Rinri teki Syohi Cyosa Kenkyukai Torimatome" [Summary of Ethical Consumption Research].
https://www.caa.go.jp/policies/policy/consumer_education/consumer_education/ethical_study_group/pdf/region_index13_170419_0002.pdf
- Crane, A. 2001. "Unpacking the Ethical Product." *Journal of Business Ethics* 30, no. 4: 361-73.
- De Pelsmacker, P., L. Driesen and G. Rayp. 2005. "Do Consumers Care about Ethics? Willingness to Pay for Fair-Trade Coffee." *Journal of Consumer Affairs* 39, no. 2: 363-85.
- do Paço, A. M. F. and R. Reis. 2012. "Factors Affecting Skepticism Toward Green Advertising." *Journal of Advertising* 41, no 4: 147-55.
- Doane, D. 2001. *Taking Flight: The Rapid Growth of Ethical Consumerism*. London: New Economics Foundation.
- Ein-Gar, D. and L. Levontin. 2013. "Giving from a Distance: Putting the Charitable Organization at the Center of the Donation Appeal." *Journal of Consumer Psychology* 23 no. 2: 197-211.

- Ford, J. B. and M. Altaf. 2010. "Nostalgia Drives Donations: The Power of Charitable Appeals Based on Emotions and Intentions." *Journal of Advertising Research* 50, no. 4: 450-59.
- IFC. (n.d.). "Inclusive Business Overview." Accessed March 12, 2019. https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Inclusive+Business.
- . "The Next Four Billion." World Resource Institute, International Finance Corporation. https://www.ifc.org/wps/wcm/connect/3c2787004cc75e6094d7b59ec86113d5/Pub_009_The%2BNext%2B4%2BBillion.pdf?MOD=AJPERES
- Japan Ethical Initiative. 2015. "Rinri teki Syohi no Kantan na Rekishi" [History of Ethical Consumption]. <http://ethicaljp.com/blog/2015/03/31/19>
- Jenni, K. and G. Loewenstein. 1997. "Explaining the Identifiable Victim Effect," *Journal of Risk and Uncertainty* 14, no. 3: 235-57.
- Kwak, D. H. and Y. Kwon. 2016. "Can an Organization's Philanthropic Donations Encourage Consumers to Give? The Roles of Gratitude and Boundary Conditions." *Journal of Consumer Behaviour* 15, no. 4: 348-58.
- Lafferty, B.A. and D. R. Edmondson. 2014. "A Note of the Role of Cause Type in Cause-Related Marketing." *Journal of Business Research*. 67, no. 7: 1455-60.
- Lee, B-K. and W-N. Lee. 2004. "The Effect of Information Overload on Consumer Choice Quality in an On-Line Environment." *Psychology & Marketing* 21, no. 3: 159-83.
- Loewenstein, G. and D. A. Small. 2007. "The Scarecrow and the Tin Man: The Vicissitudes of Human Sympathy and Caring." *Review of General Psychology* 11, no. 2: 112-26.
- Malhotra, D. 2010. "(When) are Religious People Nicer? Religious Salience and the 'Sunday Effect' on Pro-Social Behavior." *Judgment and Decision Making* 5, no. 2: 138.
- Masuda, A. and S. Ohira. 2017. "Handmade Syohin no Cause Branding: Ryohin Keikaku to JICA ni yoru Inclusive Business niokeru Seihin Kaihatsu" [Cause Branding Case of Handmade Product: Product Development: Process on Inclusive Businesses by MUJI and JICA]. *Japan Forum of Business and Society Annals* 6: 61-84.
- Mohr, L. A., D. Eroglu and E. P. Scholder. 1998. "The Development and Testing of a Measure of Skepticism Toward Environmental Claims in Marketers' Communications." *The Journal of Consumer Affairs* 32, no. 1: 30-55.
- MUJI (n.d.) "Wool felt animal." Accessed February 14, 2019. <http://www.muji.net/store/>
- Nussbaum, S., Y. Trope and Liberman, N. 2003. Creeping Dispositionism: The Temporal Dynamics of behavior prediction. *Journal of Personality and Social Psychology*, 84, 485-97.
- Obermiller, C. and E. R. Spangenberg. 1998. "Development of a Scale to Measure Consumer Skepticism Toward Advertising." *Journal of Consumer Psychology* 7, no. 2: 159-86.
- . 2000. "On the Origin and Distinctness of Skepticism toward Advertising," *Marketing Letters* 11, no. 4: 311-22.
- Ohira, S., S. Stanislawski and Y. Sonobe. 2016. "Jikken teki Shuhou ni yoru Kifu tsuki Shohin no Ishikettei no Kyuumei: Kaigi syugi no Shohisya Koudou heno Nihon ni okeru Eikyo" [Decision Making Factors for Cause-Related Marketing Products: The Influence of Skepticism on Consumer Behavior in Japan]. *Bulletin of Nikkei Advertising Research Institute* 285: 10-17.
- Rixom, J. and H. Mishra. 2014. "Ethical Ends: Effect of Abstract Mindsets in Ethical Decisions for the Greater Social Good." *Organizational Behavior and Human Decision Processes* 124, no. 2: 110-21.
- Roberts, J. A. 1996. "Will the Real Socially Responsible Consumer Please Step Forward?" *Business Horizons* 39, no. 1: 79-83.

- Small, D. A., G. Loewenstein and P. Slovic. 2007. "Sympathy and Callousness: The Impact of Deliberative Thought on Donations to Identifiable and Statistical Victims." *Organizational Behavior and Human Decision Processes* 102, no. 2: 143-53.
- Trope, Y. and N. Liberman. 2003. "Temporal Construal." *Psychological Review* 110, no. 3: 403-21.
- Webb, D. J. and L. A. Mohr. 1998. "A Typology of Consumer Responses to Cause-Related Marketing: From Skeptics to Socially Concerned." *Journal of Public Policy & Marketing* 17, no. 2: 226-38.
- Webb, D. J., C. L. Green and T. G. Brashear. 2000. "Development and Validation of Scales to Measure Attitudes Influencing Monetary Donations to Charitable Organizations." *Journal of the Academy of Marketing Science* 28, no. 2: 299-309.
- White, K. and J. Peloza. 2009. "Self-Benefit Versus Other-Benefit Marketing Appeals: Their Effectiveness in Generating Charitable Support." *Journal of Marketing* 73, no. 4: 109-24.

Appendix

The Scale of Attitudes Influencing Monetary Donations to Charitable Organizations

1. People should be willing to help others who are less fortunate.
2. Helping troubled people with their problems is very important to me.
3. People should be more charitable toward others in society.
4. People in need should receive support from others.
5. The money given to charities goes for good causes.
6. Much of the money donated to charity is wasted.
7. My image of charitable organizations is positive.
8. Charitable organizations have been quite successful in helping the needy
9. Charity organizations perform a useful function for society.

*1-4: Attitude Toward Helping Others (AHO)

*5-9: Attitude Toward Charitable Organizations (ACO)

Webb, Green and Brashear (2000). "Development and Validation of Scales to Measure Attitudes Influencing Monetary Donations to Charitable Organizations." *Journal of the Academy of Marketing Science* 28, no. 2: 299-309.

Table 1: Averages and correlation

n=240, *p < .05, **p < .01

	Mean	Standard Deviation	1	2	3	4	5
1. Charitable giving attitude	4.15	0.803	1.000				
2. Information(abstract, concrete)	1.50	0.501	0.130	1.000			
3. Attention and interest	3.53	1.230	0.429 **	0.007	1.000		
4. Purchase intention	3.35	1.184	0.406 **	0.000	0.806 **	1.000	
5. Word-of-mouth recommendation after purchase	3.23	1.189	0.302 **	0.000	0.685 **	0.730 **	1.000

Source: Authors

Table 2: Result of ANOVA

n=240, *p < .05, **p < .01

	Appeal	Charitable giving attitudes	Mean	Standard Deviation	Main Effect of appeal (F-value)	p-value	Main effect of charitable giving attitudes (F-value)	p-value	Interaction (F-value)	p-value
Attention and interest	abstract	low	2.93	1.244	0.044	ns	20.697	0.000	9.517	0.002
	abstract	high	4.08	1.100				**		**
	concrete	low	3.43	1.103						
	concrete	high	3.65	1.217						
Purchase intention	abstract	low	2.81	1.138	0.009	ns	18.981	0.000	8.810	0.003
	abstract	high	3.87	1.134				**		**
	concrete	low	3.25	1.017						
	concrete	high	3.46	1.219						
Word-of-mouth recommendation after purchase	abstract	low	2.76	1.222	0.003	ns	10.165	0.002	8.552	0.004
	abstract	high	3.67	1.136				**		**
	concrete	low	3.21	1.034						
	concrete	high	3.25	1.214						

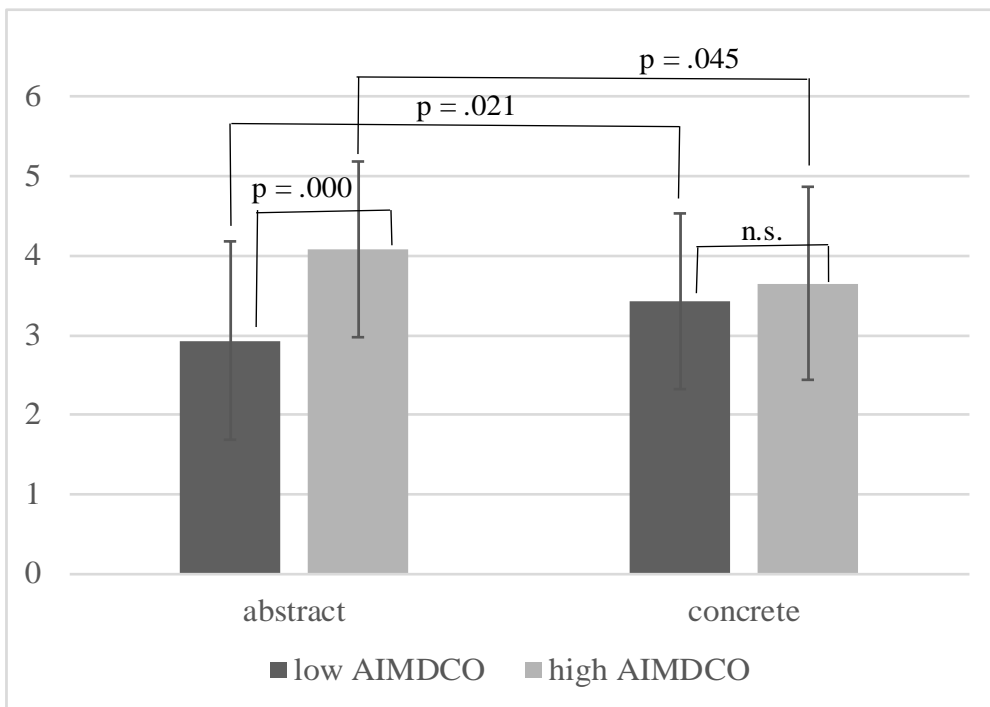
Source: Authors

Figure 1: Image picture of handmade wool felt ethical products



Source: Retrieved from MUJI homepage

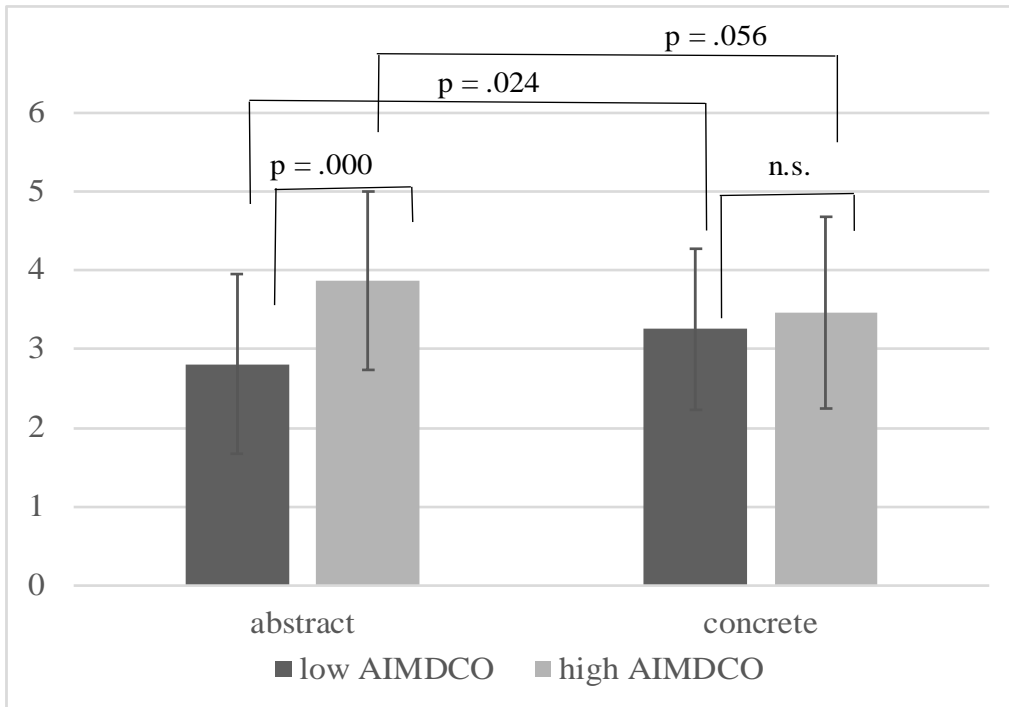
Figure 2: Attention and Interest



*AIMDCO= Attitudes Influencing Monetary Donations to Charitable Organizations
(based on Webb et al. 2000)

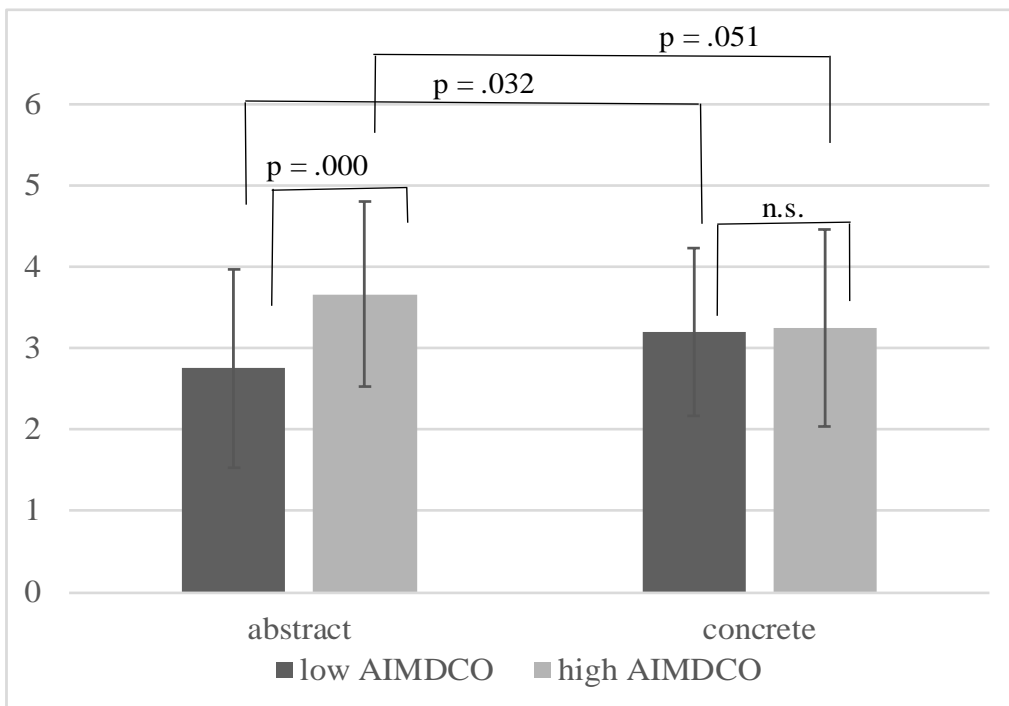
Source: Authors

Figure 3: Purchase intention



Source: Authors

Figure 4: Intention to recommend via word of mouth



Source: Authors

Abstract (In Japanese)

要約

本論文は、消費者に適したエシカル商品の訴求方法（抽象的か具体的か）について明らかにすることを目的としている。被験者を寄付への態度により二つのグループに分け、消費者行動のプロセスに沿って、訴求内容の違いによるエシカル商品に対する態度や行動について実験を行った。仮説は解釈レベル理論より構築された。高い（低い）倫理的関心を持つ者は抽象的な（具体的な）マインドセットになる。以下の仮説はすべて支持された： 寄付に対して肯定的な消費者は、エシカル商品に対してポジティブな態度を持つ（仮説1）、寄付に対して肯定的な消費者は、抽象的な訴求内容にポジティブな態度を持つ（仮説2）、寄付に対してあまり肯定的でない消費者は、具体的な訴求内容にポジティブな態度を持つ（仮説3）。結果より、消費者の倫理的関心の高低によって、適切な訴求方法が異なることを示した。

キーワード：エシカル商品、エシカル消費、解釈レベル理論、倫理的関心、懐疑心