Faith and Fair Trade: The Moderating Role of Contextual Religious Salience

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Abstract Normative and historical arguments support the idea that religion potentially shapes decisions to support fair trade products. That said, the question of how religion influences organizational decision-makers to purchase fair trade products in a business-to-business context has remained largely unaddressed. This research examines the interactive effect of individual religious commitment and contextual religious salience on an individual’s willingness to pay a price premium for a fair trade product, when buying on behalf of an organization. Findings from two experimental studies (involving 75 and 87 working individuals, respectively) reveal that the effect of a decision-maker’s religious commitment on his or her willingness to pay a price premium, for the purchase of a fair trade product on behalf of an organization, is moderated by the contextual salience of religion. Specifically, when religion is highly salient in the organizational context, religious commitment is positively related to the decision-maker’s willingness to pay a premium for the fair trade product; when contextual religious salience is low, religious commitment and willingness to pay a premium are unrelated. Implications for theory and practice are presented.

Keywords Religion · Fair trade · Business-to-business · Contextual religious salience · Prosocial behavior · Ethical decision-making · Religious commitment · Price premium

Introduction

Over the past two decades or so, there has been tremendous growth in the production and sale of fair trade products: those that are manufactured and distributed “under equitable trading agreements, involving cooperative rather than competitive trading principles, insuring a fair price and fair working conditions for the producers and suppliers” (Strong 1996, p. 5). In the USA, for instance, demand for such products grew at 75 % in 2011, with over 10,000 products certified by Fair Trade USA, an independent third-party organization that verifies whether these products meet strict social and economic standards associated with fair trade (Fairtradeusa.org 2012). Indeed, consumer markets have witnessed how fair trade has migrated from a niche concept to an established tenet of corporate social responsibility, for many retailers and manufacturers, among a set of widely available products (e.g., Raynolds 2009).

What is clear from a substantial body of scholarly research is that values shape individual consumer intentions to purchase fair trade products (e.g., Kim et al. 2010; Ma and Lee 2012). Still, a significant portion of the variance in individual choices with respect to supporting fair trade products remains unexplained (e.g., Shaw et al. 2005), particularly in terms of decision-making in the realm of organizational procurement of fair trade products.
(i.e., in the business-to-business [B2B] arena). Specifically, although we know from extant research that formal policies supporting fair trade encourage the procurement of fair trade products by public or non-profit organizations (e.g., Low and Davenport 2007; Malpass et al. 2007), the question of how the organizational context shapes and interacts with the values of a decision-maker, to influence that individual’s fair trade purchase decisions on behalf of a business organization, remains largely unaddressed. Given that the largest buyers of fair trade products are actually organizations, as opposed to individuals (e.g., Neuman 2011), and that business procurement or purchasing decisions are potentially shaped by individual values as well as elements of the organizational context (e.g., Joo and Kim 2004; Lin 2009), addressing this question is both theoretically and practically relevant.

In this paper, we attempt to extend research in this realm by examining the role of religion, an important source of values, in shaping individual decision-making regarding the procurement of fair trade products on behalf of an organization. As religion continues to be a pervasive force in many societies, it tends to influence a wide range of attitudes and behaviors, both as a dimension of the decision-maker’s “personal characteristics” (i.e., an individual’s “religiosity”) as well as an element of the decision-making environmental context (e.g., Hunt and Vitell 1986). However, in the only study, to date, that has considered religion as an antecedent to the purchase of fair trade products (Doran and Natale 2011), the authors reported a mixed set of statistically significant and non-significant results, concluding that there is only a “very, very weak” relationship (p. 12) between religion and fair trade consumption by individuals.

These mixed empirical results need not reflect an absence of an underlying systematic connection between religion and the purchase of fair trade products. Rather, as Chaves (2010) argues regarding the influence of religion on human behavior, these findings potentially signal that there are only certain conditions under which an individual’s religiosity is likely to influence her or his support for fair trade products. Drawing on Weaver and Agle’s (2002) symbolic interactionist perspective, the specific goals of our study are to develop and to test the hypothesis that, presented with the task of buying on behalf of an organization, a decision-maker’s religious commitment is positively related to her or his willingness to pay the attendant fair trade price premium only when the contextual salience of religion is high.

In pursuing this research, we aim to make a theoretical contribution to the literature on fair trade decision-making by examining in the influence of a seemingly distal factor, religion, on the willingness to pay a premium for fair trade products, when individuals buy on behalf of their organization. In addition, by conducting this study, we respond to Andorfer and Liebe’s (2012) call for scholars to use experiments to detect causal relationships between antecedents and fair trade purchase choices. With respect to research on religion in organizations, we aim to respond to scholarly calls to investigate the ways in which workplace behaviors, including ethically-relevant decision-making on behalf of an organization, are influenced by religion, not only just in terms of individual differences in religiosity but also in terms of religious salience in the situational or organizational context (e.g., King 2008).

This paper is organized as follows. First, we review the literature on fair trade product purchasing, focusing on the antecedents explaining individuals’ willingness to pay for fair trade products. Next, we make the case that the salience of religion in an organizational context amplifies the relationship between individual religiosity and fair-trade relevant decision-making. More specifically, we develop the hypothesis that it is in workplace contexts that are high in religious salience that there will be a positive link between religious commitment and the willingness to pay a fair trade price premium in an organizational procurement decision. We then present the results of two empirical studies testing this hypothesis based on experimental data from samples of working adults. Finally, we discuss the implications of our findings, including those pertaining to the potential theoretical as well as practical significance of contextual religious salience in decision-making involving individuals buying fair trade products on behalf of organizations.

Willingness to Pay for Fair Trade Products

A commonly used definition of the scope of Fair Trade is provided by the World Fair Trade Organization (2009):

Fair Trade is a trading partnership, based on dialogue, transparency, and respect, which seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to and securing the rights of marginalized producers and workers—especially in the South. Fair Trade organizations...backed by consumers, are engaged actively in supporting producers, awareness raising, and in campaigning for changes in the rules and practice of conventional international trade.

Underlying this definition is the notion that support for fair trade and the consumption of fair trade products constitute an ethical or moral decision¹ (e.g., Davies and Crane

¹ Following extant research in behavioral ethics (e.g., Tenbrunsel and Smith-Crowe 2008), we use the terms “ethical” and “moral” interchangeably.
Recognizing that fair trade consumption may be motivated by a myriad of factors that include self-interest (e.g., Gould 2003), individuals do support (or oppose) fair trade initiatives on the basis of moral beliefs and principles (cf., Kim et al. 2010). The decision to purchase a fair trade product involves the consumer reacting to a company’s (or a brand’s) fair trade propositions, triggering the individual’s moral sensibilities in the process (Watson 2007). In contrast to other types or arenas of ethical consumption, such as the boycott of certain food products associated with animal cruelty, fair trade consumption taps specifically into the psyche of older, more established notions of redistributive justice (Wilkinson 2007), within the purview of ethics. Thus, an individual’s values are likely to play an influential role in shaping aspects of her or his decisions to purchase or support fair trade products.

Inherent in the purchase of a fair trade product is a consumer’s concern that poor producers in developing countries receive their fair compensation for what they produce (Doran 2010). Consequently, there is usually a price premium associated with fair trade products (cf. Arnott et al. 2006), with the premium representing the difference between the regular market price and the “redistributive justice price” individuals are willing to pay for the fair trade alternative (Doran 2010). In this regard, empirical research has generally consisted of economic studies that have attempted to generate point or interval estimates of either the exact monetary equivalent or the percentage equivalent of this price premium. In many of these studies, the question of interest has been: how much more are individuals willing to pay for a fair trade product? In their review of empirical fair trade research, Andorfer and Liebe (2012) list point estimates generated by these investigations. For fair trade coffee, for instance, individuals appear to be willing to pay a range of “ethical” price premia, from $0.22/lb (Loureiro and Lotade 2005) to $1.40/lb (Trudel and Cote 2009), or 10 to 11% more than the non-fair trade brand (e.g., De Pelsmacker et al. 2005; Galarraga and Markandy 2004).

Another, perhaps more important, question that extant research in this area has attempted to address is this: what accounts for an individual’s willingness to pay this so-called “ethical premium?” Studies addressing this question have focused on three broad sets of antecedents. The first revolves around the ethical reputation of the company producing or selling the fair trade product. In experiments conducted by Trudel and Cote (2009), individuals were willing to pay, on average, $1.40 per pound more for fair trade coffee than “regular” coffee. Conversely, the price that individuals were willing to pay for coffee produced by a company that treated its workers unfairly was $2.40 lower than that of the regular coffee. Trudel and Cote also found that the difference in the average price that consumers are willing to pay is moderated by their prior expectations regarding the ethicality of corporations. Specifically, the fair trade price premium that individuals with high corporate ethical expectations (i.e., those who believed that corporations behave ethically and work toward society’s best interests) were willing to pay was much higher than that of individuals with low corporate ethical expectations (i.e., those who believe that corporations are generally self-serving and profit-focused).

A second set of antecedents can be broadly referred to as individual differences or characteristics. Gender is one such individual antecedent, although the evidence in this regard has been mixed. Some studies (e.g., Loureiro and Lotade 2005) indicate that females are more likely to pay a premium for fair trade products, whereas others (e.g., De Pelsmacker et al. 2005) find that gender does not have an effect. An individual’s knowledge and attitudes regarding fair trade is another factor that predicts his or her willingness to pay for fair trade products. Consistent with the assumption that support for and consumption of fair trade products is reasoned or planned behavior (cf. Ajzen 1991), De Pelsmacker and Janssens (2007) found that the consumers’ overall knowledge of the goals of fair trade positively influences their self-reported annual fair trade spending amount. Results from their Belgian sample indicated that this effect is mediated in part by the individual’s attitudes regarding fair trade, including concern for and importance attached to fair trade.

A third set of antecedents consists of an individual’s values. In a web-based survey, Doran (2009) found that the sets of values loyal fair trade consumers considered relatively more important, such as “universalism” (which subsume values such as equality and social justice), were quite different from the sets of values that non-fair-trade consumers ranked as more important (e.g., “security,” which include social order and a sense of belonging). Environmental concern is another value that positively predicts the price premium an individual is willing to pay for a fair trade product (Loureiro and Lotade 2005).

It is noteworthy that there has been little research on the factors that shape fair trade decision-making in a business to business context. Some of the research in this area has focused on factors that shape organizational approaches to selling fair trade products to organizational buyers. For instance, based on interviews of producers and distributors of fair trade products, Huybrechts (2010) found that across many types of fair trade organizations, the communication by entrepreneurs to their business customers was less focused on fair trade, and more centered on the product itself and the customers’ need, emphasizing that the fair trade supplier or distributor was not a charity. Using data from participant observation and semi-structured interviews, Davies and Crane (2010) pointed out the critical
role that selection and socializations processes play in stimulating employee engagement within small and medium size fair trade enterprises that sell to both individual and organizational buyers.

On the organizational buying side, Bezencon and Bili’s (2009) case studies revealed that businesses choose to buy and distribute fair trade products for reasons that are varied, but are all, nonetheless, strategic. For instance, whereas some companies buy fair trade products to maintain their product diversification, others carry fair trade brands to present opportunities to raise consumer social awareness. Aside from organizational strategy, research also demonstrates that formal policies and structures provide impetus for the organizational procurement of fair trade products. In their case study, Malpass et al. (2007) showed how the issuance of policy guidelines expressing support for the use of fair trade products in meetings and food service facilities, and how the establishment of a Corporate Procurement Unit that introduced fair trade specifications, as part of a Fairtrade City Campaign, indeed stimulated the purchase of fair trade products by the City of Bristol in the UK. This finding was consistent with the assertion that, at least among public sector organizations, the adoption of ethical purchasing policies can promote the organizational procurement of fair trade products (e.g., Low and Davenport 2007).

These scholarly contributions, all of which have been qualitative or conceptual, have substantially added to our knowledge of the organizational purchase of fair trade products. That said, none of the research in this area has examined the factors that influence a decision-maker’s willingness to pay for fair trade products in a B2B context, when buying on behalf of an organization. With respect to individual or personal consumption, examining what shapes the willingness to pay a higher price or a premium for a product, simply because it is described as “fair trade,” is a question of particular scholarly interest, as such willingness goes against rationalist, self-interested assumptions about human behavior (cf. Folger and Salvador 2008). By a similar logic, but to a much larger extent, examining the factors that explain a decision-maker’s willingness to pay for a fair trade premium, when buying on behalf of an organization, is itself an intriguing research goal. This is particularly so, because of the long-standing, implicit assumption that organizational procurement decisions are a function of rational, financial approaches, as well as formal organizational structures and policies (e.g., see Oliver 1997).

Given the findings that values influence an individual’s willingness to pay the fair trade premium, our current inquiry integrates relevant research in management and social psychology by arguing that religion, an important source of an individual’s values, plays a critical role in this respect. Specifically, we argue that the interaction between an individual’s religious commitment and the extent to which religion is salient in his or her decision-making context positively influences that individual’s willingness to pay a price premium for fair trade products when buying products on behalf of an organization. In the following sections, we explain why.

The Influence of Religion on Fair Trade Consumption

Religiosity is a multifaceted construct, as reflected in the many ways it has been operationalized and measured in empirical research (cf. Hood et al. 2009). In this study, we focus on religious commitment, “the degree to which a person adheres to his or her religious values, beliefs, and practices and uses them in daily living” (Worthington et al. 2003, p. 85). We chose this dimension of religiosity for theoretical and empirical reasons. Theoretically, the extent of one’s religious commitment is central to an individual’s sense of identity (Cosgel and Minkler 2004) and inevitably shapes the types of schemata or frames that the individual uses to make sense of the world and her experience (Worthington et al. 2003). Empirically, it is religious commitment, more than any other dimension of religiosity, that has been found to significantly predict choices and decisions involving consumption of products and services that have a moral dimension (Jeynes 2006; Swimberghe et al. 2009)

Based on our earlier discussion, understanding the relationship between religion, in terms of both individual religious commitment and contextual religious salience, and support for fair trade products, specifically an individual’s willingness to pay a price premium for fair trade goods (when buying on behalf of the organization), entails examining the link between religion, on the one hand, and ethical and prosocial behavior, on the other. Conceptually, the potency with which religion shapes ethical and prosocial behavior seems to be straightforward. From a normative perspective, various religious traditions (e.g., Christian, Muslim, Jewish) guide individuals toward engaging in moral and prosocial behaviors by espousing norms that not only explicitly proscribe unethical acts (such as the exploitation of others), but also promote fairness and a caring attitude toward individuals who are particularly vulnerable (e.g., Childs 1997; Williams and Zinkin 2010). In addition, many religious teachings indicate that it is good and right to act with fairness toward others because to do so is a means of carrying out God’s work, as seen in the lives of religious figures who have been known to be models of justice as well as altruism (cf. Saroglou et al. 2005). Moreover, religions also provide specific reinforcements for prosocial behavior, such as
charitable giving, and punishments for unjust, anti-social, and immoral behaviors. For instance, the Qur’an and the Bible both contain admonishments for individuals to give a proportion of their wealth to people in need, enshrined in the paying of obligatory charity (or zakat) for Muslims (Williams and Zinkin 2010).

Referring specifically to Christian traditions, Sugden (2001, p. 9) argued, still from a normative perspective, that fair trade is a “response of practical compassion often rooted in a Christian worldview” and is an expression of Christian mission grounded on biblical teachings regarding social justice and caring for the poor. Fair trade products inherently exist for the virtue manifest within them (Golding and Peattie 2005), that is, the products exist as mechanisms for social change aimed at promoting socially just commerce, and providing for those who have less in life. In this sense, paying a price premium for fair trade products is, at its core, a form not only just of ethical consumption but also of prosocial behavior. This is because paying this premium constitutes participation in the pursuit of goals that are other-directed: social justice and the improvement of the standard of living for farmers by insuring a “fair” price (Reinstein and Song 2012). Thus, as Reinstein and Song argue, paying a premium for fair trade products may be viewed as an act that is both altruistic and charitable.

Furthermore, historical antecedents of the fair trade movement go back to the role of religious charities in many countries, including the USA, in establishing alternative distribution and retail channels (Raynolds et al. 2004). Indeed, Alternative Trading Organizations (ATOs), which helped impoverished and disadvantaged producers export their products, were established by a number of religious-based charities including Oxfam and Caritas (Jaffee 2007). Given the role of religious groups in fostering the nascent fair trade movement, it is logical to expect individuals with a strong commitment to religion to embrace fair trade as a value consistent with, and supported by, their identity as a religious individual. In this light, we would expect individuals with higher levels of religious commitment to have a stronger identification with a fair trade brand or schema. Thus, on the basis of these normative and historical arguments, it does seem reasonable to hypothesize that the greater an individual’s religious commitment, the more likely he or she is to be willing to pay the price premium (or the larger the price premium an individual is willing to pay) for fair trade, when buying on behalf of an organization.

That said, the empirical evidence relevant to support this hypothesis has been equivocal and has its limitations. On the one hand, a number of studies provide support for the notion that religiosity does indeed positively predict charitable behavior and ethically responsible consumption. For instance, Brooks (2004) found that religious people, defined as those attending their place of worship at least once a week, are more likely than non-religious individuals (‘secularists’) to give to charity and to engage in volunteer work. Specifically, Brooks found that on average, American religious individuals gave $1,568 more in charitable donations than non-religious persons. He also found that participation in religious activities is positively associated with charitable giving even targeted to non-religious entities, suggesting that individuals with higher levels of religious commitment may give more for fair trade insofar as they may perceive fair trade as having a charitable objective. In a pair of studies, Swimberghe and colleagues found that religious commitment and Christian conservatism influenced individual ethical judgments, which in turn shaped consumer intentions, such as remaining loyal to a store, including the willingness to purchase more in the future and to recommend the store to others (Swimberghe et al. 2011b) or participating in product boycotts (Swimburge et al. 2011a). Based on a UK sample, Pepper et al. (2011) found that individual subjective religiosity, which they defined as the degree to which an individual generally considers herself to be a religious person, positively correlated with self-reported frequency of socially conscious purchasing. This last study is particularly relevant to the question of support for fair trade, as socially conscious purchasing was operationalized here to specifically include the frequency of purchasing commodities, such as bananas, tea, and coffee, with a fair trade label, in lieu of products which did not have the label. Taken together, these studies seem to support the empirical proposition that religious commitment positively predicts support for fair trade, and consequently, a willingness to pay a higher premium on fair trade products.

On the other hand, there are several important reasons why such a proposition seems premature. First, interpreting the above findings warrants caution, as the self-reported nature of the dependent measures is likely to have overestimated the real relationship between religiosity and charitable and/or ethically responsible consumer behavior (cf. Saroglou 2006). Self-reported measures, whether quantifying willingness to support fair trade products or the frequency of fair trade purchasing, are potentially inflated by social desirability biases (e.g., Andorfer and Liebe 2012). Moreover, in contrast to experimental or quasi-experimental research designs, the cross-sectional approach used in these survey-based studies precludes any conclusion regarding the causal influence of religiosity on such behavior (e.g., Shadish et al. 2002). In addition, other pieces of scholarly evidence suggest that there is unlikely to be a straightforward relationship between religious commitment and support for fair trade (e.g., Sugden 2000). As mentioned at the beginning of this paper, the only study
to date that has explicitly examined the relationship between religion and fair trade consumption did not find consistent evidence for such a relationship (Doran and Natale 2011). While acknowledging that there are compelling normative theological arguments, across a broad spectrum of religious traditions, for religious individuals to support fair trade, Doran and Natale found, in their sample of over 500 people, that non-religious individuals reported purchasing fair trade products more frequently than Catholics or Protestants, but less so than Buddhists or Hindus. Accordingly, they suggest that religion is very weakly related to behavior supportive of fair trade. At the very least, what their findings suggest is that religious affiliation alone is not enough to guarantee fair trade support.

Findings from the broader scholarly realm of the behavioral sciences also suggest a lack of a straightforward relationship between religiosity and prosociality. Such studies are particularly informative and relevant to explaining an individual’s willingness to pay for the fair trade price premium, as these studies have quantified fairness-oriented and prosocial behavior in terms of monetary allocation. For instance, Tan (2006) examined the effect of personal religiosity on individual behavior in a dictator game, where each participant was instructed to make a unilateral decision to split some prize (e.g., a cash amount) between herself and another (non-participant) person. In this study, personal religiosity did not emerge as a predictor of the relative amount individuals decided to allocate to their counterpart. A similar result has been observed in a study by Ahmed and Salas (2011) using public goods games designed to gauge cooperation “for a greater good.” In their experiment, participants were instructed to secretly decide how much of their private resources they want to contribute to a “pot,” in which the total amount of contributions was multiplied by a factor greater than one, and then split evenly among, ostensibly, all participants. In that study, personal religiosity was not correlated with the level of monetary prosociality displayed. In reviewing this and other similar studies examining the relationship between religiosity and prosocial behavior, Preston et al. (2010: 577; cf. Saroglou 2006) concluded that religiosity “does not reliably predict universal prosocial behavior.” Research on the behavioral consequences of religious commitment, in particular, has yielded inconclusive results (Perrin 2000).

Thus, the empirical evidence relevant to characterizing the influence of religiosity on prosocial behavior, including the effect of religious commitment on fair trade consumption, is mixed. One way to account for these equivocal findings is to take into account the context in which the individuals making these fair trade choices and decisions are embedded. Chaves (2010) argues that mixed results such as these are to be expected because religious congruence, the consistency between an individual’s religious beliefs on one hand, and choices and behavior on the other, is quite rare. To influence individual choice and behavior in a particular situation, it is not sufficient for a religious schema to be internalized; “it also has to become activated in that situation” (Chaves 2010, p. 8). As Preston et al. (2010) concluded from their literature review, religiosity seems to facilitate prosocial behavior, but only under certain circumstances. In the next section, we argue that in a workplace context, when religion is highly salient, religious commitment positively predicts an individual’s willingness to pay a fair trade price premium when buying on behalf of an organization.

The Moderating Effect of Contextual Religious Salience

While previous research has assumed the workplace to be secular and religion-free (Ashforth and Vaidyanath 2002), there has been an increasing awareness of religious activity in many work organizations (Kelly 2008). There has also been a growing consciousness among researchers that religion is becoming more salient in the organizational landscape (e.g., Fort 2008). In investigating whether religious commitment influences the willingness to pay the price premium for fair trade products in an organizational context, Weaver and Agle’s (2002) symbolic interactionist perspective of religiosity and ethical decision-making becomes particularly useful. Individuals, according to this perspective, maintain role identities that are religious (e.g., part-time church volunteer) and non-religious (e.g., assistant manager for organizational procurement). At any given point in time in the workplace, one identity can be more important and central to a person than other identities. In the daily grind of work, non-religious identities would presumably be, by default, more central and significant to managers and employees than their religious identities (cf. Marty 2003). Weaver and Agle (2002) argued that religiously-relevant contextual cues, such as the presence of co-workers who share a similar religious tradition, the use of religious words or verbal references, or the visibility of religious images in workstations, are likely to activate psychological processes that make a religious identity more prominent or relevant (than other identities) to individuals in that context or workplace. Consequently, they posited that the more prominent a religious role identity is to an individual, the more likely that person will behave in ways consistent with the role expectations specified by her or his religion.

One implication of Weaver and Agle’s perspective is that when religion is somehow made salient in an organizational decision-making context, religious commitment is likely to influence individual ethical decision-making and
behavior (including prosocial behavior) in ways that are in accordance with normative expectations of the individual’s religious tradition. Conversely, when religion is not salient in the organizational context, individual ethical decision-making and behavior are much less likely to be shaped by religious commitment. In effect, one can expect prosocial choices and behavior to be the result of an interaction between religious commitment and contextual religious salience (i.e., the presence of religiously-relevant cues in the immediate decision-making environment).

Empirically, there is convergent, albeit limited, evidence supporting this interaction effect. In a study of Christian college students, Carpenter and Marshall (2009) found that individual religiosity was negatively associated with “moral hypocrisy,” operationalized as the lack of consistency between a stated moral intention and actual behavior (in this case, assigning a potential positive outcome to another individual in accordance with the results of a coin toss). However, they found that this was true only among individuals for whom religion was primed by first briefly reading through a sheet of bible verses. In contrast, level of religiosity was unrelated to moral hypocrisy among those for whom religion was not primed.

In terms of altruistic behavior, results of a study by Sharif and Norenzayan (2007) indicated that when individuals were primed with “God” concepts in a subtle way, such as through a word unscrambling task, they left more money, ostensibly for an anonymous stranger as part of a dictator game, compared to those who were not primed. Notably, this “charitable” effect was more pronounced among individuals who had indicated some belief in a god than among those who did not. A similar effect was found by Malhotra (2010), examining contextual religious salience in terms of time. In an experiment involving an online auction where participants were invited to place bids supporting secular charitable causes, he found that, indeed, religious individuals were more likely to respond positively to an appeal to be generous, compared to self-reported non-religious individuals. However, this “generosity” was observed only during days of the week when these religious individuals had previously reported that they would be attending religious services at their place of worship.

In the context of our study, all these arguments and findings suggest that when religion is highly salient in a decision-making context, religious commitment will positively predict an individual’s support for fair trade products. Thus, we hypothesize that contextual religious salience will moderate the relationship between an individual’s religious commitment and his or her willingness to pay a price premium associated with fair trade products, when buying on behalf of an organization. Specifically, religious commitment will positively predict an individual’s willingness to pay a fair trade premium, but only when the contextual salience of religion is high. In other words, the more religiously committed an individual is, the greater the fair trade premium she or he is willing to pay when buying on behalf of the organization, but only when religion is highly salient in the workplace. More formally,

**Hypothesis**  Contextual religious salience moderates the relationship between religious commitment and willingness to pay a fair trade price premium when buying on behalf of an organization, such that there will be a positive relationship between religious commitment and willingness to pay a fair trade premium only when contextual religious salience is high, rather than low.

**Overview of Studies**

To test our hypothesis, we conducted two independent studies. Given that over three-fourths of individuals in the US self-identify as Christian (Newport 2012), and that differences in religious traditions potentially serve as a confounding source of variance in participant responses, we controlled for the effect of religious tradition by limiting the final set of participants in each study to those who self-identified as Christians. In both studies, willingness to pay a fair trade premium was measured through an experimental simulation, in which the participant, playing the role of assistant manager in a restaurant chain, is asked for his or her input regarding the organizational procurement and use of FairBean, a fair trade coffee brand, in lieu of Roast Royale, the brand that the restaurant currently carries. To provide each participant with a common, baseline characterization of a fair trade product, we indicated a description of FairBean as being distributed by a company that pays “above-market prices to improve the lives of small-scale farmers...offering comprehensive health coverage to both their full-time and part-time employees,” and as tasting as good as Roast Royale. In these studies, we used coffee, as opposed to other possible fair trade products, not only because coffee fits with the restaurant context of the simulation but also because coffee is well-recognized as a potential fair trade product (Arnot et al. 2006). Prior to inviting participants and conducting the studies, approval was received from the Institutional Review Board’s committee for research involving human subjects from the respective universities from which the samples of employed individuals were drawn. All individuals who participated gave their informed consent before the conduct of the studies, and were assured that the information they provided would be kept confidential.
Study 1

Methods

Participants

Ninety-two employed individuals, recruited from classes in a public university serving mostly commuters in the Pacific Northwest of the United States, participated in this study. After limiting the final set of participants to those who self-identified as Christians, the final sample was made up of seventy-five individuals, half (52.0 %) of whom were female, and close to three-quarters (72.0 %) identified as non-Hispanic Caucasian. On average, participants were 26.1 years old (SD = 8.4), working an average of 27.9 hours per week (SD = 9.9) with over a fifth (22.7 %) working in a managerial capacity. Among the largest Christian religious traditions represented were non-denominational Christians (44.0 %), Catholic (16.0 %), and Baptist (8.0 %).

Procedure

Each participant was asked to complete a paper-based in-basket exercise, in which she or he played the role of an assistant manager in a restaurant chain. At the beginning of the exercise, participants were provided a context for their role through a primer describing the background of the company. Each was then asked to read through several memos, some of which they had to respond to by indicating a decision based on options provided.

Contextual religious salience was manipulated by randomly assigning participants to one of two in-basket conditions. Participants in the high religious salience condition read memos in which the fictional restaurant, Jacob’s, was described as having “…an integrated religious dimension, doing business by living the gospel of Jesus Christ.” Jacob’s mission statement was indicated as follows: “We exist in the service of the Heavenly Father by having a positive influence on all who come in contact with us and by faithfully taking care of all that is entrusted to us.” The company’s slogan, “Feeding God’s flock,” was also indicated on the company letterhead in each of the in-basket memos. In the low religious salience condition, participants read about the fictional restaurant, Jake’s, described in a way that was identical to Jacob’s, that is, as a “down-home, country style restaurant best known for its homemade bread,” except that there were no allusions to religion. The introduction to Jake’s was silent with respect to the company mission statement and did not indicate a company slogan in the memos.

The dependent measure, described in the succeeding section, was embedded in one of these memos. To insure that the participants were not inadvertently primed to think in terms of religion, we asked them to complete measures on religious commitment after they were finished with all the memos, banking on the relative stability of religiosity as an individual difference variable over time, within individuals (e.g., Bremer et al. 2004). Subsequently, we also asked them to complete several measures representing variables that potentially account for systematic variance in the dependent variable.

Measures

Religious Commitment Religious commitment was measured using Worthington et al.’s (2003) 10-item Religious Commitment Inventory. Sample items include: “My religious beliefs lie behind my whole approach to life,” “I often read books and magazines about my faith,” and “I enjoy spending time with others of my religious affiliation.” A five-point response format was used (1 = not at all true of me, 5 = totally true of me), with higher average scores representing a stronger degree of commitment to religion. Even though other studies (e.g., Swimberghe et al., 2011a) have treated the measure as consisting of two dimensions, making a distinction between intra-personal commitment and inter-personal commitment, we considered religious commitment as a unidimensional construct for theoretical and empirical reasons. First, we did not find any a priori basis for making a theoretical distinction between these two dimensions in developing our hypothesis. In addition, we wanted to be consistent with Worthington et al.’s (2003) psychometric recommendation to treat the measure as a parsimonious one-factor scale. Finally, our own principal components analysis indicated that all ten items loaded on a single factor. Cronbach’s α for the scale was .91.

Socially Desirable Responding Socially desirable responding, the extent to which an individual tends to tailor her or his responses for the purpose of “looking good” or maintaining social approval, was measured as a variable that potentially accounts for variance in willingness to pay the fair trade premium. We used the 20-item Impression Management subscale of the Balanced Inventory of Desirable Reporting (BIDR) (Paulhus 1991). Sample items include: “I never cover up my mistakes,” “I never take things that don’t belong to me,” and “I have some pretty awful habits” (reverse-coded). A 7-point response format was used (1 = not true, 7 = very true). Following instructions of Paulhus, we coded responses by adding one point for each response of a “6” or a “7,” after taking reverse-coded items into account, and calculated total scores by summing over the twenty items. Potentially, scores range from 0 to 20, with higher scores representing a
stronger desire to maintain social approval. Cronbach’s $\alpha$ was .71.

Identification with Fair Trade Brand  Consumer-brand identification refers to the degree to which a focal brand expresses and enhances a consumer’s self-identity (Kim et al. 2001). In essence, this represents the extent to which there is an overlap between the consumer’s personal schema and the schema he or she holds for the brand (Tuskej et al. 2013). Brand identification is known to result in feelings of affinity toward the brand, resulting in several positive outcomes, such as enhanced brand trust and satisfaction (He et al. 2012). Past researchers have proposed (see, Dimitriadis and Papista 2011) that a brand’s corporate social responsibility (CSR) initiatives are likely to motivate and enhance an individual’s ability to identify with that brand, assuming that the individual knows about the CSR activities associated with the brand.

We measured the participant’s identification with a fair trade brand in one of the in-basket memos, purportedly from the restaurant chain’s financial controller, asking for the assistant manager’s (i.e., the participant’s) recommendation regarding the purchase and use of FairBean, a fair trade coffee brand, in lieu of Roast Royale, the brand that the restaurant currently carries. Immediately following this description, the participant was presented with a three-item scale, ostensibly designed by the financial controller, asking the extent of the participant’s agreement with the following statements, in reference to FairBean: “The brand reflects who I am,” “I identify with the brand,” and “I feel a personal connection to the brand.” A 10-point response format was used ($1 = strongly disagree, 10 = strongly agree), with higher average scores representing a stronger degree of identification with the fair trade brand ($\alpha = .97$).

Willingness to Pay Fair Trade Price Premium  We measured our dependent variable, the participant’s willingness to pay a fair trade price premium in the context of an organizational procurement decision, as follows. Immediately following the three-item measure of fair trade brand identification, the participant, playing the role of assistant manager, was asked to indicate “the maximum price per pound that you would be willing to pay for FairBean, given that Roast Royale costs $6.00 per pound.” As with the brand identification scale, this question was posed to the participant ostensibly by the financial controller, who “wanted your sense of FairBean before we make any decision to carry their products.” The measure was operationalized using an 11-point response format, with each option corresponding to a price, from a low of $6.00 (coded as “1”) to a high of $8.50 (coded as “11”), with $0.25-increment response options in between (e.g., $6.25 coded as “2,” $6.50 coded as “3,” and so forth). Thus, the maximum price the participant indicated reflected her or his willingness to pay for the fair trade premium in making a purchase on behalf of the organization.

Results

The effectiveness of the contextual religious salience manipulation was evaluated immediately after the in-basket exercise. Participants were asked to rate, using a 7-point response format (1 = to a small extent, 7 = to a large extent), the degree to which two statements, embedded in a list of other statements, characterized the fictional restaurant: “Jacob’s (Jake’s) considers religion and religious values central to business.” As intended, participants in the religion-salient condition viewed their restaurant as an organization where religion was indeed more salient ($M = 4.36, SD = 2.12$) than those in the control condition ($M = 2.28, SD = 1.35$), $t(56) = 4.99, p < .001$.

The means, standard deviations, and zero-order correlations for all variables are displayed in Table 1. Based on these correlations, none of the other variables that potentially systematically account for variance in the dependent

| Variable | $M$ | $SD$ | 1 | 2 | 3 | 4 | 5 | 6 |
|----------|-----|-----|---|---|---|---|---|---|
| 1. Sexa  | 0.52 | 0.50 |   |   |   |   |   |   |
| 2. Age   | 26.05 | 8.42 | −.04 |   |   |   |   |   |
| 3. Socially desirable responding | 6.32 | 3.21 | −.01 | −.04 |   |   |   |   |
| 4. Religious commitment   | 3.18 | 1.27 | .02 | .12 | .15 |   |   |   |
| 5. Contextual religious salienceb | −0.07 | 1.00 | −.01 | −.01 | .03 | .19 |   |   |
| 6. Identification with fair trade brand  | 6.43 | 2.38 | −.06 | .13 | −.10 | .04 | .23† |   |
| 7. Willingness to pay fair trade price premium  | 3.51 | 2.14 | −.17 | .02 | −.15 | .14 | .31** | .57*** |

$N = 75$. $^1 p < .10$, $^* p < .05$, $^{**} p < .01$, $^{***} p < .001$

a Sex was coded as male = 0, female = 1. bContextual religious salience was coded such that high religious salience = 1 and low religious salience = −1.
measure (sex and socially desirable responding) significantly impacted willingness to pay a price premium for the fair trade coffee. That said, we observed a significant, non-hypothesized effect of contextual religious salience on willingness to pay a fair trade premium \( r = .31, p < .01 \), equivalent to an effect size of \( d = 0.63 \). The mean level of “willingness to pay” for the entire sample translates to an average fair trade price premium of $0.63 per pound of coffee, equivalent to a 10.5% premium.

To test our hypothesis, we ran a hierarchical multiple regression analysis, the results of which are presented in Table 2. The data were consistent with the assumptions necessary for our ordinary least squares multiple regression analytical approach (e.g., Hair et al. 2010), based on visual inspections of residual plots examining the assumptions of linearity and independence of error terms, as well as analytical approaches examining normality (e.g., skewness = 0.48, \( p > .05 \); e.g., kurtosis = 0.17, \( p > .05 \)), multicollinearity (maximum VIF ≤ 1.06), and homoscedasticity (e.g., White statistic = 4.35, \( p > .05 \)).

As hypothesized, we found a significant interaction effect between religious commitment and contextual religious salience on the maximum price where individuals were willing to pay for the fair trade coffee, \( B = 0.48, p < .05 \). The pattern of the interaction was consistent with our expectations. Recall that we hypothesized the relationship between religious commitment and willingness to pay a premium to be positive only when contextual religious salience was high, as opposed to low. Conducting a simple slopes analysis of our regression results (cf. Aiken and West 1991), we found that under the condition of high contextual religious salience, the higher an individual’s religious commitment, the higher was his or her maximum price to pay for the fair trade coffee, \( B = 0.68, p < .05 \). However, when contextual religious salience was low, religious commitment was unrelated to the maximum price an individual was willing to pay for the fair trade coffee brand, \( B = -0.28, p > .10 \). Figure 1 illustrates this interaction.

The higher willingness to pay associated with those high in religious commitment might be explained by some other reason or mechanism. For instance, it is plausible that individuals who are high in religious commitment may, by nature, simply be less price sensitive (or more financially reckless!) than those who are low in religious commitment. Thus, we examined the extent to which the observed interaction effect of religious commitment and contextual religious salience on the dependent measure is explained (i.e., mediated) by identification with the fair trade brand. To accomplish this, we conducted a moderated mediation analysis using methods specified by Edwards and Lambert (2007). Given our theoretical rationale as well as our study design, we tested a “Total Effect Moderation Model” (Model H in Edwards and Lambert’s framework). Specifically, we examined main and interaction effects in a model in which contextual religious salience moderates not only the direct effect of religious commitment on the willingness to pay the fair trade premium but also the (first stage) effect of religious commitment on the mediator, fair trade brand identification, as well as the (second stage) effect of fair trade brand identification on the willingness to pay the price premium. We determined the statistical significance of the resulting direct and indirect effects using bias-corrected confidence intervals based on 1,000 bootstrap coefficient estimates generated by the constrained nonlinear regression module developed by Edwards and Lambert.

The results of the moderated mediation analysis are illustrated in Fig. 2. Consistent with our hypothesis, under the high contextual religious salience condition, fair trade

Table 2 Results of the hierarchical multiple regression analysis, Study 1

| Predictor                     | \( \Delta R^2 \) | \( B \)   |
|-------------------------------|------------------|-----------|
| **Step 1**                    |                  |           |
| Constant                      | .10*             |           |
| Religious commitment          | 3.55***          |           |
| Contextual religious salience | 0.14             |           |
| **Step 2**                    |                  |           |
| Constant                      | .08*             |           |
| Religious commitment          | 3.43***          |           |
| Contextual religious salience | 0.20             |           |
| Religious commitment \( \times \) contextual religious salience | 0.59* | |
| Religious commitment \( \times \) contextual religious salience | 0.48* | |
| **Total \( R^2 \)**          | .18              |           |

\( B \) unstandardized regression coefficient. The dependent variable is the participant’s willingness to pay for the fair trade premium

\( * p < .05, ** p < .01, *** p < .001 \)
brand identification mediated the relationship between religious commitment and willingness to pay the premium, with a marginally significant positive effect of religious commitment on brand identification (first stage effect = 0.46, p < .10) and in turn, a significant positive effect of brand identification on willingness to pay (second stage effect = 0.54, p < .01). Apart from this effect mediated by brand identification, there was also a marginally significant direct effect of religious commitment on willingness to pay (direct effect = 0.44, p < .10). In contrast, no sufficient evidence of such mediation and direct effects exists under the low religious salience condition.

Discussion

The results of this study suggest that the willingness of decision-makers to pay a price premium in purchasing a fair trade product on behalf of the organization is positively associated with their religious commitment, but only when religion is highly salient in the organizational context. In addition, the willingness of participants who were high in religious commitment to pay a fair trade price premium is explained, at least in part, by their identification with the fair trade coffee brand. This evidence lends support to our hypothesis, and to the theoretical rationale underlying it, suggesting that the interaction effect was a result of a sense of affinity that individuals high in religious commitment have toward fair trade.

That said, one major limitation of this study lies in the existence of a confound between contextual religious salience and what may very well be an organizational values-driven, prosocial mission, as reflected in Jacob’s “having a positive influence on all who come into contact with us.” Thus, the effect we have found may not have been caused by contextual religious salience, but rather by the organization’s mission in the treatment condition. To disentangle this confound, we designed and conducted Study 2, an analogous experiment in which the “high religious salience” condition would truly be a “pure” contextual religious salience manipulation, without reference to any prosocial element, whether in the form of a mission statement or some other organizational characterization. Moreover, rather than leaving the organizational characterization in the low religious salience condition completely silent (i.e., without a company description or slogan), we chose to characterize the low religious salience organization in a way that was as parallel as possible to the high religious salience organization, to minimize unpredictable sources of error resulting from participants freely imputing any type of organizational context, and to allow a truly fair comparison consistent with our hypothesis.

Study 2

Methods

Participants

One hundred forty-six individuals, recruited from business classes in a public university in the northeastern United States, participated in this study. After limiting the final set of participants to those who self-identified as Christians and indicated that they were working at least part-time, the final sample was made up of eighty-seven individuals, a significant majority (83.9 %) of whom were female, with close to three-quarters (74.7 %) self-identifying as non-Hispanic Caucasian. On average, participants were 22.4 years old (SD = 7.4), working an average of 23.5 hours per week (SD = 10.7). Among the largest Christian traditions represented were Catholic (44.8 %), non-denominational Christians (17.2 %), and Methodist (6.9 %).

Procedure

The experiment was conducted online, through the platform Surveymonkey.com. We conducted the study in two stages, to insure that participants were not inadvertently primed to think in terms of religion. In the first stage, participants were sent e-mail links to surveys for the individual difference measures, including measures of religious commitment and social desirability, as well as demographic information (age, sex). In the second stage, conducted three weeks after the end of the first, participants were sent e-mail links to an “inbox exercise” in which they played the role of an assistant manager in a restaurant chain. At the beginning of the exercise, each participant was provided a context for their role through a primer
describing the background of the company and their role. They were instructed to read through several e-mails, in response to each of which they would have to make a number of decisions, by choosing from a set of provided alternatives. The dependent measure, described in the succeeding section, was embedded in one of these e-mails.

Contextual religious salience was manipulated by randomly assigning participants to one of two conditions. Participants in the high religious salience condition read a primer in which the fictional restaurant, The Holy Plate, was described as always having had:

> an obvious, unmistakable religious dimension. Employees are quite comfortable displaying items with a religious character, such as calendars or posters featuring religious figures or quotes that include words such as “God” or “prayer.” The company’s slogan, which employees typically include as part of their e-mail signatures, says it all: “Prayerful Cuisine.”

In the low religious salience condition, participants read about their fictional restaurant, The Whole Plate, described as always having had:

> an obvious, unmistakable professional dimension. Employees are quite comfortable displaying items that promote competence in the workplace, such as calendars or posters featuring icons of American business or quotes that include words such as “skillful” or “performance.” The company’s slogan, which employees typically include as part of their e-mail signatures, says it all: “Professional Cuisine.”

In addition, we indicated a company slogan to reinforce these conditions in each of the e-mails that the participants read. In the high religious salience condition, the Holy Plate’s slogan, “Prayerful Cuisine,” was also indicated as part of the signature below the name of the fictional sender in each of the e-mails that the participants read. Analogously, in the low religious salience condition, participants saw the Whole Plate’s slogan, “Professional Cuisine,” as part of the signature right below each of the e-mails they read. Describing the low religious salience organization as “professional” not only constitutes a way of creating an experimental condition benign of any religious (and prosocial) elements, but also as parallel as possible to the high religious salience condition, using a reasonable and fairly typical or ubiquitous characteristic of many, if not all, work contexts, albeit to varying degrees (e.g., Evetts 2003).

**Measures**

*Religious Commitment* As with Study 1, we measured religious commitment using Worthington et al.’s (2003) 10-item Religious Commitment Inventory, based on a five-point response format was used (1 = not at all true of me, 5 = totally true of me; α = .95).

*Socially Desirable Responding* Likewise, we used the 20-item Impression Management subscale of the BIDR (Paulhus 1991) to measure socially desirable responding (α = .80).

*Willingness to Pay Fair Trade Price Premium* We measured our dependent variable, the participant’s willingness to pay a fair trade price premium, in a way analogous to that of Study 1. One of the e-mails, purportedly from the restaurant chain’s financial controller, asked for the assistant manager’s (i.e., the participant’s) recommendation regarding the organizational procurement of FairBean. At the end of the e-mail, participants were asked to indicate the maximum price per pound that they would be willing to pay for FairBean, given that the non-fair trade brand the restaurant currently carries costs $7.00 per pound. The measure was operationalized using a 9-point response format, with each option corresponding to a price, from a low of $7.00 (coded as “1”) to a high of $9.00 (coded as “9”), with $0.25-increment response options in between (e.g., $7.25 coded as “2,” $7.50 coded as “3,” and so forth). Thus, the maximum price they indicated reflected their willingness to pay for the fair trade premium in making a purchase on behalf of the organization.

*Intent to Purchase Fair Trade Brand on Behalf of the Organization* As a potential mediator explaining the link between religious commitment and willingness to pay the fair trade price premium, we also measured the participant’s intent to purchase the fair trade brand on behalf of the organization. Immediately preceding the question regarding the price premium, the participant was asked “If you were to make the final decision for the coffee purchase, how inclined are you to purchase FairBean on behalf of The Holy Plate (or The Whole Plate)?” The measure was operationalized using a 7-point response format (1 = not at all inclined, 7 = very much inclined).

**Results**

We evaluated the effectiveness of the contextual religious salience manipulation immediately after the “e-mails” were completed. Participants were asked to rate, using a 5-point response format (1 = to a small extent, 5 = to a large extent) the degree to which the fictional restaurant was religious, prayerful, and God-fearing. As anticipated, participants in the religion-salient condition described their restaurant as an organization in terms of these three adjectives to a larger extent (M = 3.58, SD = 1.04) than
those in the control condition (\(M = 1.26, SD = 0.52\), \(t(62) = 13.16, p < .001\).

The means, standard deviations, and bivariate correlations for all variables are displayed in Table 3. As with Study 1, none of the potential covariates significantly impacted both the willingness to pay a price premium for the fair trade coffee, as well as the participant’s intent to purchase the fair trade brand on behalf of the organization. The mean level of “willingness to pay” for the entire sample translates to an average fair trade price premium of $0.45 per pound of coffee, equivalent to a 7.0% price premium.

To test our hypothesis, we ran a hierarchical multiple regression analysis, the results of which are presented in Table 4. As with Study 1, the data were consistent with the assumptions necessary for ordinary least squares multiple regression, based on visual inspections of residual plots examining the assumptions of linearity and independence of error terms, as well as analytical approaches examining normality (e.g., skewness = 0.50, \(p > .05\); e.g., kurtosis = 1.02, \(p > .05\)), multicollinearity (maximum VIF \(\leq 1.01\)), and homoscedasticity (e.g., White statistic = 5.05, \(p > .05\)).

As hypothesized, we found a significant interaction effect between religious commitment and contextual religious salience on the maximum price where individuals were willing to pay for the fair trade coffee (\(B = 0.45, p < .05\)). The pattern of the interaction also reflected the expectation that the relationship between religious commitment and willingness to pay a premium would be positive, but only when contextual religious salience was high, as opposed to low. Our simple slopes analysis (cf. Aiken and West 1991), indicated that when contextual religious salience was high, religious commitment had a positive effect on the decision-maker’s willingness to pay a higher price for the fair trade coffee (\(B = 0.64, p < .05\)). However, when contextual religious salience was low, religious commitment was essentially unrelated to the decision-maker’s willingness to pay a fair trade premium (\(B = -0.25, p > .10\)). Figure 3 illustrates this interaction.

We also analyzed the extent to which the observed interaction effect of religious commitment and contextual religious salience on the dependent measure can be explained by the participant’s intent to purchase the fair trade brand on behalf of the company (in contrast to Study 1, where we investigated identification with fair trade brand as the mediator). Again, we conducted a moderated mediation analysis using Edwards and Lambert’s (2007) “Total Effect Moderation Model,” the results of which are illustrated in Fig. 4. Consistent with our hypothesis, under the high contextual religious salience condition, intent to purchase the fair trade brand on behalf of the restaurant mediated the relationship between religious commitment and willingness to pay the premium. There was a statistically significant positive effect of religious commitment on intent to purchase (first stage effect = 0.59, \(p < .05\)) and in turn, a significant positive effect of intent to purchase on

| Predictor | \(AR^2\) | \(B\) |
|-----------|---------|------|
| Step 1    |         |      |
| Constant  | .04     | 2.96**|
| Religious commitment | .23     |      |
| Contextual religious salience | .39     |      |
| Step 2    | .05*    |      |
| Constant  |         | 2.95***|
| Religious commitment | .20     |      |
| Contextual religious salience | .39     |      |
| Religious commitment \(\times\) contextual religious salience | .45*    |      |
| Total \(R^2\) | .09     |      |

\(B\) unstandardized regression coefficient. The dependent variable is the participant’s willingness to pay for the fair trade premium

\* \(p < .05\), ** \(p < .01\), *** \(p < .001\)

\(N = 87\). \(^a\) Sex was coded as male = 0, female = 1. \(^b\) Contextual religious salience was coded such that high religious salience = 1 and low religious salience = -1

\(\dagger\) \(p < .10\), \(*\) \(p < .05\), ** \(p < .01\), *** \(p < .001\)
willingness to pay (second stage effect = 0.51, \( p < .05 \)). Beyond this mediated effect, there was no direct effect of religious commitment on willingness to pay (direct effect = 0.34, \( p > .10 \)). In contrast, no sufficient evidence of such mediation and direct effects exists under the low religious salience condition.

Discussion

Taken together, these findings support our hypothesis. Given the random assignment of participants to the experimental conditions, as well as the lag in measuring the participants’ willingness to pay, the results of this study suggest that the willingness of decision-makers to pay a price premium in purchasing a fair trade product on behalf of the organization is influenced or predicted by the interaction between the individual’s religious commitment and the level of contextual religious salience. In addition, under a condition of high contextual religious salience, the willingness of those high in religious commitment to pay a fair trade price premium is explained by their intent to purchase the fair trade brand on behalf of the organization.

General Discussion

The objective of this inquiry was to examine the influence of religion on support for fair trade in a B2B context. Collectively, the results of our two studies indicate that, when buying on behalf of an organization, an individual’s religious commitment is positively related to (and actually positively predicts!) the price premium that she or he is willing to pay for a fair trade product, but only when religion is salient in that context. Notably, these findings are simply not an artifact of a decision-maker’s social desirability (i.e., a desire to look good before others). As such, our findings extend research on several fronts, and suggest some practical implications.

Theoretical Implications

Our study makes at least two theoretical contributions, particularly in the realm of decision-making in the organizational procurement of fair trade products. First, our findings suggest that the willingness to pay a price premium associated with fair trade products, specifically for institutional or organizational use, is not simply the result of purely rational processes. As we had mentioned earlier in the paper, conventional thinking regarding organizational procurement processes is, by and large, characterized by an assumption that decision-making in this regard is governed by cognitive (e.g., rational, financial) considerations. While these considerations might very well be applicable for the purchase of fair trade products on behalf of an organization, what the results of these studies indicate is that other non-rational and informal factors also come into play. Specifically, we now have evidence that religion, even though seemingly distal and arguably irrelevant in much of organizational procurement decision-making, can indeed shape such organizational purchase decisions, under certain conditions. More precisely, a (relatively) high level of religious commitment, in combination with the presence of organizational context cues making religion-salient, can positively prompt a decision-maker to exhibit a greater willingness to pay a fair trade premium, when buying on behalf of his or her organization.

Indeed, extant theory, such as Hunt and Vitell’s (1986) General Theory of Marketing Ethics, already specifies...
religion as an antecedent to ethically-relevant decision-making. What the findings from our studies suggest is more theoretical nuance specifically to the religion-relevant elements of their model, through the integration of Weaver and Agle’s (2002) symbolic interactionist perspective. In the Hunt–Vitell model, which appropriately applies to the issue of organizational procurement of products (including those that are fair trade), religion as a dimension of an individual’s personal characteristics, appears to operate independently of religion as a feature of the larger cultural environment. To the extent that fair trade purchase decisions on behalf of an organization are indeed ethically-relevant marketing decisions, the results of our study suggest that these two “religion factors” (religion as an individual difference factor and religion as a contextual feature) are likely to have a multiplicative (or interactive) effect, rather than an additive effect (or independent effects), on the process of ethical decision-making, consistent with Weaver and Agle’s perspective. We recognize that such an assertion is a potential theoretical extension particular to the religion-relevant elements of Hunt and Vitell’s (1986) model, and warrants future conceptual elaboration and empirical examination.

Second, our findings not only direct attention to but also raise questions regarding the pivotal role that the discrete situational context, or more generally, the “contextual variables that shape attitudes or behaviors” (Johns 2006, p. 391) play in explaining a decision-maker’s willingness to pay a price premium, when purchasing fair trade products on behalf of an organization. The proposition, that an individual’s level of religiosity is likely to influence ethically-relevant decisions only when religion is highly salient in the organizational context, is itself not new, being the crux of Weaver and Agle’s (2002) symbolic interactionist perspective. Arguably, our studies constitute an empirical test of such a proposition. In our studies, we find that a high level of religious commitment, in and of itself, does not necessarily lead to greater identification with fair trade or a firmer intention to purchase a fair trade brand on behalf of an organization, perhaps contrary to intuitive expectations. Instead, a high level of contextual religious salience, within which an organizational procurement decision is embedded, appears to trigger a positive link between an individual’s religious commitment, on the one hand, and identification with a fair trade brand, as well as the intention to purchase a fair trade brand on behalf of the organization, on the other hand. Consequently, high contextual religious salience potentially constitutes a necessary theoretical condition for religious commitment to influence willingness to pay a fair trade premium in a B2B context. Such an assertion, as well, warrants future research.

One aspect of our findings that may also have theoretical implications, regarding the role of organizational context in shaping organizational fair trade procurement decisions, involves the observed main effect of contextual religious salience on willingness to pay for fair trade products in an organizational buying situation. The correlation between contextual religious salience and willingness to pay was statistically significant in Study 1, but was only marginally significant in Study 2. This difference might have simply been an artifact of the “stronger” experimental manipulation in Study 1, where the highly religious context was described in terms of both religious and “prosocial mission” elements. That said, across both studies, the standardized effects (Cohen’s d) of contextual religious salience on willingness to pay were non-negligible, larger than those of some interventions essentially aimed at promoting prosocial decision-making (e.g., Salvador et al. 2012). There may be more potential nuance to characterizing the influence of contextual religious salience on willingness to pay for fair trade products in a B2B setting.

Practical Implications

Our study also has practical implications for the workplace. First, against the backdrop of U.S. Federal directives for religious expression in the workplace (Kelly 2008), our research suggests that allowing greater religious expression, perhaps in the form of collegial and non-confrontational conversations about religion, or even the non-intrusive display of religious artifacts, may provide necessary cues to trigger religious role expectations that encourage ethical decision-making, including support for fair trade in the area of B2B marketing and procurement. It appears that making religion salient can exert a powerful effect on aligning individual’s religious self-identity with his or her workplace identity to improve ethical decision-making and moral behavior in an organizational context. Such a recommendation recognizes a rather simple means to harness the positive power of contextual religious salience to enhance a decision-maker’s willingness to support fair trade products, in terms of paying the associated price premium when buying on behalf of an organization. However, we do not suggest that employers take this as a reason to develop a specific “brand” of religious identity in their organizations. With the potential benefit of increased religious salience in the workplace, with respect to the organizational procurement of fair trade products, comes the risk that such increased religious salience may alienate other employees in the organization. As other research suggests, heightened religious identities and overt displays of religion may create a more intolerant workplace for those who are minorities in terms of race or sexual orientation (e.g., Johnson et al. 2010) or who are of other (or no) religious faiths or denominations (Williams and Zinkin 2010).
Second, our findings may hold promise for organizations seeking to promote business-to-business (B2B) fair trade sales. Given that religious salience appears to trigger greater support for fair trade products, marketing campaigns targeted at organizations characterized by a higher level of religious salience in the workplace might prove to be effective in generating sales for fair trade goods. Of course, given the many factors that influence B2B purchase decisions, the implications from our work should be not treated as definitively predictive of all types of fair trade organizational buyers. Nonetheless, the success of fair trade products in the marketplace might be enhanced by taking note of the contexts of various organizational buyers, and prudently enhancing identification with fair trade brands among relevant decision-makers using appropriate marketing cues and messages.

Limitations and Directions for Future Research

Although our study builds on and extends past research, it has a number of limitations that suggest more directions for future research. First, our studies examined the effect of a religious prime on Christian samples. While excluding non-Christians from our final samples was methodologically appropriate to avoid potentially confounded effects, it might very well be the case that the observed interaction effects were artifacts of religious primes resonating with a Christian sample. Neither of our studies examines the impact of religious primes on individuals who do not identify with Christian traditions. Moreover, it might very well be the case that the content of religious primes introduces nuance to the patterns of decisions we observed in our studies. For instance, an avowedly Christian prime might cause those with a strong religious commitment to other non-Christian faiths to experience some form of dissonance discomfort (Matz and Wood 2005). Such dissonance could dampen an organizational purchasing agent’s willingness to pay a price premium when buying a fair trade product for organizational use, compared to a situation where a religious prime is relevant to or consistent with the agent’s religious tradition. Thus, extending this research using contextual manipulations relevant to Islamic, Jewish, and other religious traditions is an important avenue for advancing this research.

Second, contextual religious salience was operationalized in this study, in terms of both the high and the low levels, in very specific ways. Participants in the high religious salience condition were made consciously aware and were reminded of the religious nature of the restaurant, through the company description, the explicit company slogan, and in the case of Study 2, through the company name. Conversely, in Study 2, the low religious salience condition was operationalized specifically in the form of an organizational context that emphasized professionalism. Although our two studies were internally valid, future empirical research might want to explore the effect of seemingly innocuous, subtle, implicitly religious artifacts, images, or symbols, as well as other configurations or forms of low contextual religious salience, on organizational purchase decisions of fair trade products.

Third, counting aside our Study 2 model examining the mediating role of intent to purchase, we examined the role of only one mechanism, identification with a fair trade brand, in explaining the effect of religious commitment on willingness to pay a fair trade premium when buying on behalf of an organization. Based on our moderated mediation analysis in Study 1, the marginally significant direct relationship between religious commitment and willingness to pay a premium, over and above the effect explained by identification, suggests that there are other mediators at play. For instance, perhaps the combination of high religious commitment and high contextual religious salience also triggers a higher level of trust in the fair trade proposition. In an organizational procurement situation in which religion is made salient, individual decision-makers high in religious commitment may tend to become more trusting, that the fair trade organizational seller will actually deliver revenue from a price premium to the producers of the fair trade goods. There is certainly scope for future research to investigate other mechanisms that explain the positive link between religious commitment and willingness to pay a fair trade price premium when buying on behalf of an organization.

Lastly, the in-basket and inbox approaches used to gauge participants’ willingness to pay the fair trade price premium have their own limitations. Although the use of an experimental simulation to measure participant perspectives and intent constitutes an improvement over surveys that solicit self-reported data, the decision-making scenarios were nonetheless limited to one particular fair trade product, coffee. The results we obtained were well within the range of average fair trade price premiums that other studies have reported, in dollar terms (cf. Andorfer and Liebe 2012). In percentage terms, the average price premiums we observed across our two studies (10.5 and 7.5 %, respectively) were also comparable to those obtained in some previous studies involving fair trade coffee (cf. Andorfer and Liebe 2012), but were much lower than those obtained in other experimental studies (e.g., 23 %, Hiscox et al. 2011). Such a discrepancy may have been an artifact of the price point options being presented in increments of $0.25 in our studies, as opposed to being measured on a continuous, open-ended scale (given a floor price). Alternatively, the discrepancy might be explained by differences in experimental approaches (e.g., our inbox exercises versus online auctions). As such, the
generalizability of the conclusions resulting from this study to the larger range of fair trade pricing mechanisms and products remains an open question and warrants further research.

Conclusion

The findings from this investigation provide compelling empirical support that, when religion is salient in an organizational procurement decision setting, religious commitment is positively linked to a decision-maker’s willingness to pay a fair trade price premium, when buying on behalf of an organization. Given the limited research on fair trade purchasing decisions in a B2B setting, these studies hopefully stimulate a larger scholarly conversation regarding the interplay of individual and contextual factors in shaping such decisions.

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