Ethical Consumerism: Are Unethical Labour Practices Important to Consumers?

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ABSTRACT

This study investigates whether negative information about the labour practices of a company affects consumers’ opinions of the company, and ultimately, their product purchasing decisions. Specifically, this study uses the case of Oxfam’s ‘NikeWatch’ campaign to examine whether negative publicity can change consumers’ attitudes and behaviours. Two groups of first-year university students were asked about their opinions in relation to unethical labour practices and what action they would take to address the issue, with one group given negative information about Nike before undertaking the survey. This study finds that negative information can elicit some emotional responses, but this may not be enough to change consumers’ behaviours.

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Advertisers versus Activists

Global clothing and footwear companies spend millions of dollars sponsoring athletes to endorse their products and to promote particular lifestyles through advertising. According to human-rights group Global Exchange, Nike paid former professional basketball player Michael Jordan US$20 million a year in the late 1990s to endorse their brand, which was twice as much as the combined wages of the Indonesian factory workers producing Nike-branded products during the same period (Klein 2001).

Competing with millions of dollars of positive advertising and famous sportspeople are activist organisations, with considerably less money and less glamorous spokespeople, campaigning against what they perceive as unethical corporate practices. With such a power imbalance, can these relatively small, less-resourced groups of activists ever win the public relations battle? Even when the activists’ information penetrates, is it enough to challenge brand loyalties? Are the ethics of a company important in deciding whether to buy a product from that company? This study investigates whether negative information about the labour practices of a company affects consumers’ opinions of the company and their product purchasing decisions. Specifically, this study uses the case of Oxfam’s ‘NikeWatch’ campaign to examine whether negative publicity can change consumers’ attitudes and behaviours.
Oxfam is a non-government organisation working on aid and development issues, and is one of the most prominent organisations involved in international fair trade campaigning in Australia. Its ‘NikeWatch’ campaign calls for clothing and footwear companies (specifically Nike) to eradicate ‘sweatshops’ and ensure the provision of labour rights and fair working conditions are respected. Nike has been a popular target of activist organisations and has, in recent years, responded to the issue of corporate responsibility through regular reporting on a dedicated website∗.

The present study aims to determine whether ‘knowing’ that the product is unethical would have a greater impact. That is, if information about the unethical practices of a company were at the front of a consumer’s mind, would he or she take it into account? Can consumers be ‘guilted’ into changing their attitudes? Thus the first hypothesis of this study is that negative information about the labour practices of a company will create negative emotional responses amongst consumers. Based on previous research, it seems that unethical behaviour alone is not enough to stop consumers from purchasing a brand, leading to the second hypothesis of this study: negative information about the labour practices of a company will not affect a consumer’s purchasing behaviour.

**Methodology**

185 participants (145 females and 40 males) aged between 17 and 54 years (mean age 21 years) took part in the study. The participants were enrolled in first-year courses in Anthropology, Social Science and Sociology at the University of Queensland. Participants were informed that the study was about consumer attitudes and behaviours in general, rather than specifically about Nike. Whilst this sample is obviously not representative of the general population, it is a key demographic for sportswear manufacturers and therefore is particularly relevant to the present study.

The participants were randomly divided into two groups. The study employed a simple experimental design, that is, there was a control group and an experimental group. The experimental group was exposed to anti-Nike information, whilst the control group was not. The anti-Nike information consisted of allegations of unethical labour practices in factories producing Nike-branded products made in Oxfam’s ‘NikeWatch’ campaign, and was sourced as such∗. Both organisations were chosen because of their prominence in the debate.

Both groups were then given the same survey. One section of the survey contained a series of statements using a five-point ‘Likert’ scale to measure responses (attitudes towards the issue of child labour and purchasing behaviours), ranging from 1 to 5 (with higher numbers indicating higher levels of agreement). The other part of the survey asked whether participants had heard of Oxfam and the ‘Just Stop It’ campaign and whether they owned Nike-branded products or would buy Nike-branded products in the future. Each survey began with questions related to demography (gender and age) and concluded with a series of open-ended questions where participants could comment on the issues raised and on the survey itself.

∗ www.nikeresponsibility.com
∗ The allegations were reproduced with permission from the Oxfam (formerly known as Community Aid Abroad) ‘Just Stop It’/‘NikeWatch’ campaign.
Results

Attitudes

Two of the 13 questions about attitudes revealed significant differences between the group that received anti-Nike information and those that did not receive any information. These were the statements, ‘When I think of the ways companies are exploiting workers, I get frustrated and angry’, and, ‘Poor labour practices are one of the most critical problems facing the nation’. Although the differences in the response means for the remaining questions were not significant (in a statistical sense), in this sample the means in the anti-Nike information group were greater than the no-information group in eight of the 13 questions.

Behaviour

Only one statement relating to actual behaviour revealed a significant difference between the two groups. The group that did not receive the anti-Nike information had a significantly higher level of agreement with the statement, ‘Consumers should pay more for products that are made using unfair labour practices’. In this sample the means in the anti-Nike information group were greater than the no-information group in five of the nine questions.

Respondents were also asked to indicate if they would buy Nike products in the future. Across both groups, 48 percent of participants indicated that they would buy Nike products, whilst only 37 percent claimed that they would not (15 percent were unsure). Thirty-eight percent of all respondents had heard of the ‘Just Stop It’ campaign; 52 percent of respondents had heard of Oxfam; and 53 percent of respondents owned Nike-branded products. There were no significant differences between the groups in relation to these questions.

Discussion

There was only limited evidence supporting the first hypothesis whilst the second hypothesis was largely supported, with the exception of one unexpected result. Perhaps the first hypothesis was not supported because the anti-Nike information was not new information for many of the respondents. Over a third of respondents had actually heard specifically about the ‘NikeWatch’ campaign. As this is one of many campaigns dealing with this issue, it is conceivable that many more respondents would have come into contact with some sort of negative information about multinational clothing and footwear manufacturers. It is conceivable there would have been significant differences if one group had absolutely no previous knowledge of the issue and were therefore giving an immediate emotional response.

What does this mean for consumers?

The major problem with this type of research – a point that most researchers in this field have made – is that ethical consumerism cannot be reduced to whether or not a consumer will boycott an ethically-unsound product. If consumers do not purchase products made using child labour, for example, that does not necessarily mean that children in developing countries will be better off. Thus, in addition to the other factors already identified, some well-intentional consumers may actually feel that boycotts do more harm than purchasing ethically-unsound products. Consumers may
also think that all sportswear manufacturers engage in the same unethical practices, and therefore feel that buying other brands will not make a difference.

Despite the findings of this study and other studies, it is reasonable to assume that activist groups and clothing and footwear companies will continue to mount information or advertising campaigns as both sides attempt to persuade consumers. It is perhaps likely that activist groups will only become more emotionally aggressive in the tone of their campaigns in an attempt to elicit desired responses. It is also likely that targeted companies will just as aggressively respond to these negative messages with even more advertising, if not to counter claims, then to at least drown them out. As consumers continue to be exposed to these types of campaigns, it can be expected that it will become increasingly difficult for them to reconcile the conflicting messages and to feel confident that they are making informed decisions. Consumer decision-making is likely to become even more difficult over time.

**Conclusion**

This study aimed to determine whether negative information about a company’s labour practices can result in changes to attitudes and behaviours. It can tentatively be concluded that the anti-*Nike* information did provoke some minimal anger and frustration, but this is not enough to change consumers’ behaviours. It appears that negative information alone cannot ‘just stop it’.

**Reference**