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#### Integrating fair trade with circular economy:

#### Personality traits, consumer engagement, and ethically-minded behavior

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#### Abstract

With the concept of circular economy gaining increasing momentum, its connection to consumer behavior, particularly focusing on fair trade, has been relatively unexplored. Building on cognitive-affective personality system theory, we examine the role of consumer personality traits as drivers of fair trade engagement and its subsequent impact on ethically-minded behavior concerning circular economy issues. Adopting a mixed-method approach, comprising a quantitative survey among 323 consumers in the UK and India and a qualitative study among 18 British consumers, we found that extraversion, agreeableness, and conscientiousness positively affect consumer fair trade engagement, whereas neuroticism has a negative effect, and openness has no significant impact. Consumer fair trade engagement was subsequently revealed to positively influence ethically-minded behavior related to circular economy. The association between consumer fair trade engagement and ethically-minded behavior was stronger in older, more educated, and high-income consumers, whereas gender had no moderating role.

#### **Keywords**

circular economy, consumer engagement, consumer ethics, fair trade, personality traits

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"Fair trade is the most advanced model for ensuring business takes care of people...when combined with new approaches in circular economy, what results are the world's most inspiring enterprises."

- Erinch Sahan, Chief Executive, World Fair Trade Organization

#### **1. Introduction**

Recent decades have witnessed increasing shortages in natural resources, serious damage to the environment, extreme climatic conditions, social inequities, and economic adversities that have dramatically changed the landscape within which firms have to operate (Budhwar & Cumming, 2020; He & Harris, 2020; Mende & Misra, 2021; Verma & Gustafsson, 2020). These trends, coupled with excessive consumption and problems accumulated by the recent Covid-19 pandemic, militate for significant systemic value reassessment to enable the generation of responsible business models to achieve sustainability through fundamental changes in production and consumption systems. This has given rise to the concept of Circular Economy (CE), which is grounded on the principles of "take, make, distribute, use, and recover", and is antithetical to the traditional "use-then-discard" linear economic model (Dey et al., 2020; Ellen MacArthur, 2018; Kim et al., 2019; Kirchherr et al., 2017). This concept focuses on decoupling growth from resource consumption by adhering mainly to the principle of reduce, reuse, and recycle, maximizing the economic, environmental, and social benefits to society (Confente et al., 2020; Ghisellini et al., 2016; Mostaghel & Chirumalla, 2021).

Closely related to the CE concept is that of fair trade (FT), a global movement, with a particular emphasis on small and medium enterprises (SMEs), endeavors to support marginalized producers in developing countries by guaranteeing a minimum price for the goods and services they provide (Hassan et al., 2016; Gillani et al., 2021; Samuel et al., 2018). Fundamentally, based on the commonly recognized parameters of the size of SMEs being up

to 250 employees, all FT organizations are SMEs (Eurostat, 2021) and therefore very relevant for this special issue. The FT model posits that the mutual involvement of the two key actors; SMEs (producers) and consumers, is crucial to achieving improved trading conditions and raising consumer awareness, thus supporting SMEs in adopting CE (Moore et al., 2009). For example, in an attempt to promote the concept of CE, the World Fair Trade Organisation (WFTO), comprising 330 FT SMEs, has recently adopted the People and Planet Initiative, which encourages organic production, the use of renewable energy, and environmental innovation among its members (WFTO, 2020). For example, in Bangladesh, waste from FT SMEs producing fast fashion products is repurposed as bags and other home items, while in Tanzania, FT SMEs have voluntarily been involved in the cleaning of beaches to make pieces of furniture from the litter collected (Mukendi et al., 2020). A recent report released by the Ethical Consumer magazine also revealed a steady rise in the proportion of consumers planning to purchase FT, eco-friendly, and other ethical products, consumers' tendency to become more conscious of socially responsible business practices (Ethical Consumer, 2020).

FT has serious repercussions on environmental, societal, economic, and political issues, which engenders comprehension of its involvement in the CE concept (Doran, 2010; Govind et al., 2019; Uusitalo & Oksanen, 2004). Recent studies (e.g., Hosta & Zabkar, 2021) have highlighted FT as a useful vehicle for achieving sustainable production, and the purpose is to lessen the adverse effects on the environment. This is because being mindful of one ethical concern can lead to awareness of other ethical/sustainability issues, given that the general ethical ideologies behind these issues remain more or less the same. In relation to this, Adams and Raisborough (2010, p.263) reason that a consumer is confronted with various ethical choices every day (supporting FT products being one such option) and as one of the main motivations of involvement with FT is being committed to "doing good", it is expected that FT

involvement will positively impact consumer ethical behavior related to wider sustainability issues.

A key aspect of FT consumption concerns consumer engagement, defined as a consumer's motivationally driven, volitional investment of focal operant (e.g., behavioral) and operand (e.g., equipment) resources into interactions with a specific organization and/or brand (Hollebeek et al., 2016; Kumar & Pansari, 2016). Consumer engagement is a multidimensional concept that involves both emotional (e.g., empathy) and cognitive (e.g., reasoning) aspects, which results in a strong association with a product, service, or idea (Brodie et al., 2013), a positive word of mouth (Kumar & Pansari, 2016), and a higher purchasing propensity (Pansari & Kumar, 2017). Despite its importance, consumer engagement with regard to FT has received scant attention, with only a few studies (e.g., Gillani et al., 2021; Schüler & Christmann 2011) focusing on it.

Another important, but neglected, issue that is highly relevant to FT consumer behavior is personality traits, defined as "endogenous dispositions that follow intrinsic paths of development essentially independent of environmental influences" (McCrae et al., 2000, p. 173). Dant et al. (2013) conceptualize personality as an enduring factor, that affects a person's behavior in a prescribed set of circumstances. These aspects of self tend to be consistent across different situations and remain stable over time (Roberts & DelVecchio, 2000; Walumbwa & Schaubroeck, 2009). Varul (2010) posits that FT consumption reflects an individual's personality and dissatisfaction with a consumerist society; therefore, personality traits can play an important role in shaping a consumer's FT engagement and subsequent ethical behavior toward CE-related issues.

The extant ethical consumption literature (e.g., Balderjahn et al., 2018; Bray et al., 2011; Diamantopoulos et al., 2003; Park & Lin, 2020) has also underscored the direct or indirect role played by consumer demographics in shaping perceptions regarding a firm's

ethical practices. However, the results of past research cannot be easily generalized, as findings have been heterogeneous (and sometimes antithetical) regarding the specific role played by certain demographic variables in ethical consumption behavior (Leonidou et al., 2010). Most importantly, there is a paucity of research connecting consumer demographics with FT and CE-related issues, although there are hints in the literature (Patwa et al., 2021) that these characteristics can reveal valuable information about ethical consumer profiles.

To address these gaps in the literature, this study aims to understand the role of consumers in integrating FT and CE issues, with a particular focus on the link between consumer personality traits, FT engagement, ethical behavior toward CE, and demographic factors. Our study has three major objectives: (a) to examine the influence of various personality traits on consumer FT engagement, using the 'Big Five' personality model; (b) to investigate the effect of consumer FT engagement on their overall ethically-minded behavior with regard to CE issues; and (c) to explore the moderating role of key demographic characteristics, namely gender, age, education, and income, on the link between consumer FT engagement and ethically-minded CE behavior. **Table 1** summarizes the gaps identified in the pertinent literature and indicates how these are addressed in our study.

#### ...insert Table 1 about here...

Our study contributes to the FT and the sustainability literature in three major ways. *First*, we examine issues related to FT and the wider CE concept using information extracted from consumers, that is, the demand side, as opposed to the supply/production side adopted mainly by prior research (Camacho-Otero et al., 2018; Mostaghel & Chirumalla, 2021; Patwa et al., 2021). We extend the application of the 'Big Five' personality traits (extraversion, agreeableness, conscientiousness, neuroticism, and openness) to consumer behavior related to FT. While most studies look at personality from the perspective of personal values, environmental issues, or responses to CSR, there is a dearth of research examining the impact

of consumer personality type on their interaction with FT issues (Gillani et al., 2021). In fact, the few studies on the subject only implicitly rather than explicitly connect personality with FT. For example, Varul (2010) contends that a consumer's decision to buy FT products can be viewed as a reflection of their personality and desire to contribute to the FT ethos, while research by De Pelsmacker et al. (2005), Doran (2009, 2010), and Kim et al. (2010) found that loyal FT consumers considered benevolence, universalism, and self-direction as key values in their FT consumption.

Moreover, as there is evidence showing that personality type is a key consumer characteristic affecting interest and participation in social causes (as in the case of cause-related marketing), one would expect similar effects regarding consumer attitudes and behavior associated with FT issues (Cui et al., 2003; Webb & Mohr, 1998). In fact, one of the dilemmas confronted by individuals in actualizing ethical consumption is the possible predicament of whether or not to act in the interests of the society, with personality expected to have a potentially explanatory role to play. For example, extraverts, being more confident and sociable, are more likely to find it easier to stand up for their beliefs about FT issues and share their ethos with the wider community, rather than restricting themselves to actions centering on self-interest.

Second, this research enhances our understanding of the relationship between FT engagement and ethically-minded behavior toward CE. This is vital as ethical issues cannot be studied in isolation, because in making purchasing decisions relating to FT products, consumers may also consider economic, environmental, or social aspects of the CE connected with these products (Calderon-Monge et al., 2020). In fact, with growing trends of consumer 'responsibilization' in many parts of the world, consumer buying behavior can be influenced by a wide array of ethical issues, such as those pertaining to recycling, reusing, and reducing waste (Shaw et al., 2017). This stresses the need for an expanded view of consumer FT

engagement, incorporating not only social inequality aspects, but also economic, environmental, and social dimensions fundamental to the CE concept (Govind et al., 2019; Hosta & Zabkar, 2021).

*Third*, our focus on consumer demographic characteristics responds to pleas made by various researchers in the field (e.g., Bray et al., 2011; Diamantopoulos et al., 2003; Park & Lin, 2020) to re-examine the influence of demographic factors on ethical/sustainability consumer responses. This can be attributed to: (a) growing consumer concerns and sensitivities about ethical, environmental, and other socially responsible practices of organizations, which have intensified in the last few decades (Leonidou et al., 2010; Ryoo et al, 2020; Vitell, 2015); (b) the mixed (and sometimes antithetical) results produced by empirical studies focusing on the effect of demographic factors on ethical consumption, which has created confusion among researchers in the field (Bray et al., 2011; Doran 2010); and (c) the fact that consumer demographics provide vital input for FT producers and organizations selling FT products in crafting sound targeting and marketing mix strategies (Martin et al., 2017). This need to investigate the impact of consumer demographics on ethical consumer behavior becomes more critical in an FT context given the inexistence of previous empirical insights (Carrington et al., 2021; Vitell, 2015).

The remainder of this article is organized as follows: The next section offers a thorough review of the pertinent consumer ethics/sustainability literature associated with personality traits. This is followed by an explanation of the CAPS theory (the theoretical platform for our study), the presentation of the conceptual model, and the development of the research hypotheses. The methodology adopted for conducting both quantitative and qualitative studies is subsequently explained. The next section analyzes the data collected and presents the results. We then proceed with a discussion of the research findings, and in the final three sections, theoretical and managerial implications are extracted, guidelines for future research are proposed, and conclusions are drawn.

#### 2. Literature review

Personality has been used by researchers to understand various aspects of ethical/sustainable consumption, based on the premise that individuals' ethical beliefs, values, attitudes, and behaviors can largely be attributed to personality factors (De Pelsmacker et al., 2005; Lee et al., 2020; Rawwas et al., 1998; Song & Kim, 2018). There are five main streams of research examining the influence of personality on ethical/sustainable consumption.

The *first* stream, where most of the research lies, focuses on the impact of the 'Big Five' personality traits on *environmental issues* and *ecological concerns*, yielding mixed results (Tran & Paparoidamis, 2021). For example, by exploring the impact of personality traits on environmentalism, a positive relationship was found between openness and agreeableness and environmental concerns (Hirsh, 2010; Hirsh & Dolderman, 2007; Luchs & Mooradian, 2012). In an experimental study of 778 adults and 115 undergraduates, Markowitz et al. (2012) found a moderate positive association between openness and pro-environmental behavior. However, the same study revealed a weak association between conscientiousness and pro-environmental behavior, while there was no statistically significant relationship with agreeableness. More recently, Dalvi-Esfahani et al. (2020) found that conscientiousness significantly moderates the link between green attitudinal factors and intentions to practice green information technology.

The *second* stream assesses the link between consumers' personality traits and *corporate social responsibility (CSR)*. For example, it has been that consumers who support CSR initiatives often perceive a match between their personality type and the CSR persona portrayed by a corporation (Davies et al., 2001; Marin & Ruiz, 2007). While a company's CSR activities can have more appeal to consumers well-endowed with generosity, caring, loyalty, family orientation, and other positive personality traits, it was found that some consumers may

invest in what they perceive to be socially appropriate behavior, accepting the image without regard to the substance (Basil & Weber, 2006). Other studies have also shown that personality type is a consumer characteristic that affects interest and participation in social causes, as in the case of cause-related marketing (Cui et al., 2003; Webb & Mohr, 1998).

The *third* stream examines the influence of personality on *unethical consumer attitudes and behaviors*. Egan et al. (2015) examined the impact of personality traits on moral disengagement and found that low agreeableness and conscientiousness, but high psychopathy and Machiavellianism, were responsible for causing moral disengagement and unethical consumer behavior, while narcissism had no effect. More recently, Simha and Parboteeah (2020), examined data from the World Values Study (WVS) survey, including 38,655 respondents from 23 countries such as China, India, the Netherlands, Pakistan, Singapore, Thailand, and Yemen. They found that conscientiousness and agreeableness negatively correlated with willingness to rationalize unethical behavior.

The *fourth* stream centers on *demographic characteristics*, considering their impact on *personality and ethical behavior*. Swami et al. (2009) used a sample of 239 British respondents to find that there was a positive relationship between age and conscientiousness. Thus, younger respondents were less conscientious than their older counterparts. Older respondents tended to purchase counterfeit products to a lesser extent and demonstrated a lower likelihood of purchasing counterfeit products in the long run than younger respondents. However, the authors failed to find a significant relationship between gender and willingness to buy counterfeit products once age and conscientiousness were considered. In another study, Luchs and Mooradian (2012) reported gender as a driver of agreeableness and openness to experience. In turn, both personality traits were found to influence consumer environmental concerns, and these personality traits also mediated the association between gender and environmental concerns.

The *final*, but smallest group of studies examined *personality in an FT context*. Some researchers (e.g., Doran, 2009, 2010; Kim et al., 2010) studied the impact of values on FT consumption, revealing that loyal FT consumers consider benevolence, universalism, and self-direction as key values in their FT consumption. In addition, De Pelsmacker et al.'s (2005) investigation of consumers' preferences for FT coffee revealed that those who purchase FT products are usually idealistic and unconventional. Varul (2010) contended that when consumers decide to purchase FT products, this can be regarded as a reflection of their personality and desire to contribute to FT ethos. He also argued that FT product consumption is how consumers convince themselves of having made it their choice to do moral good rather than succumb to purely hedonic desires.

Several observations can be made regarding the review of literature: (a) most studies look at personality from the perspective of personal values, such as altruism, self-respect, and universalism, and not in terms of the 'Big Five' personality traits; (b) the role of personality in FT studies is only tangentially tackled, while empirical research on the subject is limited; (c) although involvement with FT issues could perpetuate other ethical behaviors, the link between consumer FT engagement and ethically-minded behavior centering on various CE issues was virtually unexplored; and (d) while demographic characteristics are important indicators of consumer behavior, their moderating role on FT engagement and ethically-minded CE behavior has not yet been studied.

Based on the above review of the literature, we aim to bridge the aforementioned gaps by addressing the following three research questions: (a) What is the effect of each of the 'Big Five' personality traits (i.e., extraversion, agreeableness, conscientiousness, neuroticism, and openness) on consumer FT engagement? (b) What is the impact of consumer FT engagement on their ethically-minded behavior, with a particular focus on aspects of the CE? (c) What is the moderating role of certain demographic characteristics (i.e., gender, age, education, and income) on the association between consumer FT engagement and ethically-minded behavior related to CE?

#### 3. Theory, conceptual model, and hypotheses

To address the above research questions, we capitalize on the cognitive-affective personality system (CAPS) theory, which provides fertile ground to explain the association between personality traits, FT engagement, and ethically-minded CE-oriented behaviors (Mischel, 1977; Mischel & Shoda, 1995, 2002). This theory states that as individuals possess different personality traits, they vary in how they interpret a specific situation, which consequently results in differing attitudes and behaviors. Hence, human behavior is more readily understood and more easily predictable when considering both the situation and the actor are included, and the relative strengths of both are taken concurrently into consideration (Greenbaum et al., 2017).

From the perspective of FT and CE, the value of CAPS theory lies in its interpretive ability to identify situations that could give rise to trait activation in two key ways. First, it focuses on the relevance between a situation and a trait that arises when there is scope for the expression of personality. Understanding this is vital to conceptualizing how consumers' personalities reflect their apprehension regarding FT and CE considerations. Second, it proposes that personality has a latent power for action, which lies dormant until extraneous factors trigger it and manifests itself in actions and behaviors. This is considered to have significant relevance for our research, as we propose that varying consumer engagement with the ethos of FT reflects differing personality traits, which drive engagement with ethical and eleemosynary considerations. These varying FT engagement levels could motivate individuals to express ethically-minded behaviors, such as those about CE issues.

**Figure 1** presents the conceptual model of the study, which, is anchored from the CAPS theoretical perspective. The model proposes that the five personality traits, namely-

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extraversion, agreeableness, conscientiousness, neuroticism, and openness, are antecedents of consumer FT engagement. The latter is hypothesized to predict a consumer's ethically-minded CE behavior, Finally, we propose this link between consumer FT engagement and ethically-minded CE behavior is moderated by four demographic characteristics, namely, the gender, age, education, and income of an individual. Altogether, we have six main hypothesized paths in our model and four moderation hypotheses, elaborated below.

#### ... insert Figure 1 about here...

#### 3.1 Main hypothesized paths

*Extraversion* refers to having an outgoing personality, which is manifested as being energetic, talkative, assertive, and social (Barrick & Mount, 1991; Tauni et al., 2020). According to Moisuc et al. (2018), extraverts are more likely to be active rather than passive agents, as they tend to voice their opinions when they observe uncivil, discriminatory, and immoral behaviors. Evidence indicates a positive link between extraversion and caring about society (Kim & Han, 2018), an important aspect of CE, as in the case of being more environmentally friendly consumers (Fraj & Martinez, 2006; Kvasova, 2015; Markowitz et al., 2012). Kvasova (2015) found that extraversion positively affects pro-environmental tourist behavior. Using this line of reasoning, it can be contended that extraversion can be associated with an increasing association with the FT, coupled with a concomitant desire to proselytize the values, which represent a range of ethical issues, including exploitation, pollution, child labor, animal abuse and cruelty and climate/environment issues (Ryoo et al., 2020). For example, Patagonia Action Works, an FT-certified clothing brand, which, for almost forty years, has supported grassroots groups working to find community-based solutions to the environmental crisis (Patagonia, 2020). Using these arguments, we hypothesize the following:

# *H*<sub>1</sub>: Consumers characterized by high levels of extraversion are more likely to exhibit high levels of FT engagement.

Agreeableness is another personality trait that concerns individuals who are kind, cooperative, modest, trusting, altruistic, and sensitive to other people's prosperity and welfare (McCrae & Costa, 1985; McFerran et al., 2010). These describe some of the desirable characteristics of an ethical person concerned about treating others fairly (Brown et al., 2005; Treviño et al., 2003). They also generate elements of decency, honesty, helpfulness, consideration, understanding, trustworthiness, and responsiveness to the needs of others (McCrae & John, 1992; Tobin et al., 2000). Brown et al. (2005) suggest that concern for other people is a crucial aspect of agreeableness and is linked with benevolence and wanting to benefit society through individual actions. For example, agreeable individuals tend to be characterized by charitable behavior (John & Srivastava, 1999) and are environmentally friendly (Hirsh, 2010; Hirsh & Dolderman, 2007; Milfont & Sibley, 2012). Similarly, we argue that, as agreeable individuals are inclined to worry about the needs of others, such individuals may be more involved with FT out of their concern for marginalized producers and the environment. Based on the above, the following hypothesis is proposed:

# H<sub>2</sub>: Consumers characterized by high levels of agreeableness are more likely to exhibit high levels of FT engagement.

Individuals exhibiting *conscientiousness* are characterized by purpose, determination, discipline, being organized and thorough, and demonstrating responsibility (McCrae & Costa, 1985). Conscientiousness also has a future perspective, meaning that conscientious individuals are often considerate about the future outcomes of their actions (Milfont & Sibley, 2012). Such individuals are more concerned about how their decisions affect other individuals, society, or the environment. Conscientious people tend to demonstrate higher moral standards and be more truthful and honest in their behavior (Van Scotter & Roglio, 2020; Walumbwa & Schaubroeck, 2009). They are less vulnerable to corruption, are more responsible, dependable, and persistent, perform their duties as best as possible, and strive to achieve higher goals (Costa & McCrae,

1992). Conscientiousness was found to be positively associated with higher levels of moral reasoning (Dollinger & La Martina, 1998) and the characteristics of an ethical person (Brown et al., 2005). Further, Song and Kim (2018) reported a positive relationship between conscientiousness and socially responsible purchase and disposal behaviors. Drawing on this reasoning, we posit that conscientious consumers relate more to the FT ethos, such as providing fair wages to marginalized producers, and thus are more prone to engage with FT as they are mainly motivated by altruism (Doherty et al., 2013; Hassan et al., 2016; Konopka et al., 2019). Conscientious consumers are also more likely to recognize the need for recyclable, eco-friendly packaging and that FT products often attempt to reduce unnecessary packaging, particularly for skin care and beauty products where the cost of packaging is disproportionally significant. For instance, FT and Bodyshop have partnered to collect and reuse discarded scrap plastic packaging waste from India and Sri Lanka, transmogrifying it into fashion items such as sunglasses, bags and belt buckles (Bodyshop, 2020). Hence, we hypothesize the following:  $H_3$ : Consumers characterized by high levels of conscientiousness are more likely to exhibit

### high levels of FT engagement.

Another personality trait characterized by negative connotations is *neuroticism*, which is the inverse of emotional stability. Among other negative feelings, individuals with this trait exhibit depression, jealousy, guilt, envy, frustration, fear, anxiety, insecurity, sadness, and worry (McCrae & Costa, 1985). They also have a limited ability to control their impulses, cope with stress, and exercise adequate emotional control when interacting with others (McCrae & John, 1992). Neurotic consumers are more likely to avoid ethical standards as they show inconsistent emotions, which could be linked with vacillating motivations to engage with the ethos of FT and fail to help marginalized producers and meet their needs. Indeed, it has been suggested that neuroticism is antithetical to morality and moral principles, (Wildermuth et al., 2017), derived in part from a lack of self-worth, low assertiveness, and dependence on others, resulting in a more passive disposition (Dant et al., 2013; Thoroughgood et al., 2012), and thus having a badly diminished probability of interaction with FT. Therefore, neurotic consumers are less likely to be involved with FT issues and more likely to be passive bystanders than active agents. Based on this argument, we posit the following:

# H<sub>4</sub>: Consumers characterized by high levels of neuroticism are less likely to exhibit high levels of FT engagement.

Openness suggests a willingness to accept novelty and change and usually refers to imaginative, broad-minded, and intelligent people (McCrae & Costa, 1985). Milfont and Sibley (2012) propose that openness also leads to engagement and that individuals who score highly on this trait demonstrate tolerance and exhibit universalism. Hirsh and Dolderman (2007) also argue that there is a link between openness and experience, which makes an individual's identity boundaries more flexible. Openness has also been found to relate to socially responsible purchase and disposal behavior (Song & Kim, 2018), particularly in the case of ecology, where individuals with high openness were found to be more pro-environmental (Hirsh, 2010; Markowitz et al., 2012; Milfont & Sibley, 2012). Open individuals embrace tolerance and universalistic attitudes linked to FT involvement because this is predicated upon concern for the welfare of others rather than the self (Doran, 2009, 2010). It is noted that open individuals appear more likely to extend beyond convenient options and enthusiastically seek out new stores where they can purchase FT products. Such behavior is also connected with a willingness to positively change their actions or habits concerning recycling and energy conservation, thus linking FT with the CE (Sijtsema et al., 2020). Being more self-aware and concerned about the welfare of others is indicative of greater empathy, flexibility, and cognitive ability, which leads to greater concern for those perceived to be in need or for the environment, even though they may belong to different social groupings or different parts of the world, such as marginalized producers. Hence, we posit the following:

# H<sub>5</sub>: Consumers characterized by high levels of openness are more likely to exhibit high levels of FT engagement.

FT engagement reflects the degree to which a consumer may be emotionally involved with the eleemosynary overtones of FT ethos. It also reflects a sense of moral responsibility to help the less fortunate, who have been subject to exploitation in the past. Involvement with FT is often underpinned by the values of a just world and social justice, with ethical attributes strongly influencing consumer choice (D'Souza et al., 2020). In addition, while receiving a fair income is significant for marginalized producers, CE-related issues (e.g., recycling) also provide important concerns for consumers involved in FT (Calderon-Monge et al., 2020; Davies & Doherty, 2019). An obvious implication of FT engagement is economic voting because the consumer is deliberately attempting to provide for the welfare of marginalized producers by paying a premium for FT products (Bray et al., 2011; Doherty et al., 2013; Hassan et al., 2016; Nicholls & Lee, 2006). Although consumers play a significant role in the promulgation of CE, their involvement often extends well beyond FT purchases. By extending the arguments of consumer FT engagement, we propose that consumers concerned with FT considerations will also care about other ethical matters (e.g., environmental preservation, animal rights protection, respect for diversity) due to their innate inclination to care about moral issues (Doran, 2009; 2010). Moreover, they may avoid companies of dubious repute in ethical matters such as animal rights, child labor, or sweat shops (De Pelsmacker & Janssens, 2007, Hassan et al., 2016; Pangarkar et al., 2021). Furthermore, FT engagement may result in applying pressure on companies to adopt ethical principles by joining FT or similar networks and seeking to create a positive change in the Global North-South relationship (Renard, 2010). Therefore, the following hypothesis can be formulated:

# $H_6$ : There is a positive influence of consumer FT engagement on their ethically-minded CE behavior.

#### **3.2 Moderation hypotheses**

The role of gender in consumer ethical behavior has been extensively studied in the literature, with most studies (e.g., Cohen et al., 1998, 2001; Lu & Lu, 2010; O'Fallon & Butterfield, 2005) indicating that females are often more worried about ethical intent, obligations and regard for duty and have a stronger intention to behave ethically than their male counterparts. The basic explanation for this is that women are more likely to be compassionate and empathetic than men, which is derived from the perception of women as nurturers and caregivers in most societies because they are cognizant of their behavioral consequences (Oumlil & Balloun, 2009; Shang & Peloza, 2016). Hence, due to the stronger ethical sensitivities and moral values of women, as opposed to those of men, we propose the following:

# $H_7$ : The relationship between consumer FT engagement and ethically-minded CE behavior is stronger in the case of female, as opposed to male consumers.

Prior research in the general field of consumer ethics has indicated that older consumers tend to be more ethically concerned than their younger counterparts (Bateman & Valentine, 2010; Egan et al., 2015; Vitell et al., 1991), although in some studies (Bregman et al., 2015; Yin et al., 2018), the results were inconclusive. Within an FT context, studies conducted by DePelsmacker et al. (2005) and Ma and Lee (2012) found that, compared to younger consumers, older consumers purchased more FT products, while the proportion of consumers buying FT products tended to increase with age. This positive change in an individual's ethical behavior can be explained using Kohlberg's (1981) process of moral development, which identifies three levels of moral evolution: namely, pre-conventional (where individual behavior is predicated on conformity), and post-conventional (where an individual, over some time, develops a certain degree of understanding, specifically pertaining to moral principles). Similarly, Davis and Francis (2014) studied the identifies of young consumers in Australia and

found that while younger children revealed a more general understanding of environmental concerns, older children were able to articulate their concerns in a more detailed and nuanced manner. Thus, the more individuals gain maturity, understanding, and experience as they progress in age, the greater the likelihood of becoming more sensitive to ethical issues like FT. Hence, we posit that:

# $H_8$ : The relationship between consumer FT engagement and ethically-minded CE behavior is stronger in the case of older consumers than younger consumers.

Research on business ethics suggests that education has a positive effect on ethical decision making and consumption because consumers are more aware and knowledgeable about immoral company actions and their negative repercussions on society (Chun, 2016; DePelsmacker et al., 2005; Ma & Lee, 2012). In an FT context, it has been argued that the purchase of FT products increases with heightened awareness about the issues facing marginalized producers (Nicholls & Lee, 2006). For example, DePelsmacker et al. (2005) found that educated respondents form a greater proportion in the FT lovers' category, while the opposite is true for the flavor-likers category. In addition, Ma and Lee (2012) reported that FT purchasers are represented mostly by consumers who have had tertiary education. Hence, it is expected that more educated consumers, who have engaged with the FT concept, will exhibit a stronger tendency toward supporting economic, societal, and environmental CE-related issues than those who are less educated. This leads us to the following hypothesis:

### *H*<sub>9</sub>: The relationship between consumer FT engagement and ethically-minded CE behavior is stronger in the case of more-educated consumers than less-educated consumers.

Some ethical products, such as those pertaining to FT, carry an ethical premium intended for remittance to marginalized producers (Andorfer & Liebe, 2012; Bray et al., 2011). However, many consumers are disinclined to shell out a large ethical premium despite their positive attitudes toward purchasing FT products (Doherty et al., 2013). Although this

reluctance to pay such a premium does not always stem from the economic inability of the consumer (Sudbury-Riley & Kohlbacher, 2016), wealthier consumers are more likely to perceive their responsibility to help marginalized producers, because paying a premium price is a negligible issue (Öberseder et al., 2011). This can be justified by the fact that an increase in an individual's income positively affects their idealism and relativism and supports the view that ethical behavior creates positive outcomes for wider societal issues, such as those connected to CE (Vitell & Paolilo, 2003). Hence, we hypothesize the following:

 $H_{10}$ : The relationship between consumer FT engagement and ethically-minded CE behavior is stronger in the case of high-income consumers than low-income consumers.

#### 4. Research methodology

To examine the role of personality traits and to understand consumers' engagement with the FT, we employed an explanatory research design (Harrison III, 2013). We first employed a quantitative design to collect data through online questionnaires and tested the hypothesized paths using structural equation modelling (SEM). Further, in-depth interviews were conducted to gain qualitative insights.

#### 4.1. Quantitative research

The purpose of the quantitative phase was to test the hypothesized relationships pertaining to the conceptual model developed in this study. The sample used was recruited through Qualtrics, an online data-collection agency, which allows for faster response times, increased diversity of respondent samples, and more flexibility in conducting studies (Goodman & Paolacci, 2017). Notably, recruiting respondents through online agencies is widely acceptable in business research and produces reliable findings (Hong et al., 2017; Hulland & Miller, 2018; Kumar & Pansari, 2016). Sample representativeness was obtained by requesting respondents with a demographic profile reflecting the total population, which reduces the potential for sample bias

(Levay et al., 2016). In addition, to ensure response integrity, respondent IP addresses were cross-checked, thus validating unique respondent identity and precluding multiple responses from the same panel list.

We included several screening questions in the questionnaire that aimed to gauge their awareness of ethical issues in general and avoid respondent bias in particular. Participants were also asked to state whether they were aware of the FT idea and products, and only those who showed such awareness were allowed to complete the survey. To avoid problems concerning respondent skimming and not paying close attention to all questions, attention check items were used within the questionnaire, which enabled the removal of these responses from the overall sample.

Altogether, we received 323 usable questionnaires, with respondents having the following demographic breakdown, in terms of gender (male: 47.6%, female: 52.4%), age group (18–24 years: 19.2%, 25–34 years: 37.9%, 35–44 years: 16.4%, 45–54 years: 14.5%, 55–64 years: 12.0%), education (primary: .3%, secondary: 36.8%, undergraduate: 31.1%, postgraduate: 31.8%), and annual income (below \$20,000: 34.0%, \$20,001-\$40,000: 37.3%, \$40,001-\$60,000: 19.6%, \$60,001-\$80,000: 6.7%, \$80,001-\$100,000: 1.4%, above \$100,000: 1.0%).

Only validated and published measures were employed to operationalize the constructs used in the study (see **Appendix 1**). The 'Big Five' personality traits (extraversion, agreeableness, conscientiousness, neuroticism, and openness) were measured using the 20-item compressed version of the International Personality Item Pool—Five-Factor Model measure (Goldberg, 1999), which has been widely used in management, marketing, and ethics research (Donnellan et al. 2006; Kvasova, 2015; Taylor & Pattie, 2014). Consumer FT engagement was measured using 19 items adopted from So et al. (2016), covering the four dimensions of engagement: enthusiasm (four items), attention (five items), absorption (five items), and

interaction (five items). Ethically-minded CE behavior comprised five items derived from Kilbourne and Pickett (2008) and Sudbury-Riley and Kohlbacher (2016) and adapted to reflect issues related to CE. (As not all consumers are familiar with the CE term, this was accompanied by examples centering mainly on the reduce, reuse, and recycle principle).

The questionnaire included a pre-coded list of questions, manifesting the scales operationalized earlier in the extant literature. Some of the items in the scales employed were put in a reverse form to increase respondents' attention when answering the questionnaire. Respondents were asked to confirm their level of agreement or disagreement on a 5-point Likert-type scale, ranging from 1 (strongly disagree) to 5 (strongly agree). We also collected information about the demographic profile of each respondent, particularly focusing on age, gender, education, and income. Prior to conducting the full-scale study, we interviewed ten consumers to determine the workability of the questionnaire in relation to its flow, length, and structure, requiring only minor corrections.

#### 4.2. Qualitative research

To provide further insights into the hypothesized relationships, we employed the qualitative phase by conducting 18 in-depth interviews with consumers located in the UK (Harrison III, 2013). The interview guide was based on the main themes of personality traits, engagement with FT, and ethically-minded behavior toward various aspects of CE. Interviews started with more open-ended questions, where questions pertaining to the understanding of the concepts of FT and CE were posed (Mason, 2017). Participants were asked to describe their personality in general terms and the relationship between the various personality traits (i.e., extraversion, agreeableness, conscientiousness, neuroticism, openness) and involvement with the ethos of FT in terms of their consumption behavior was explored. Participants were further asked to explain how their involvement with the FT ethos influences ethical aspects of their behavior concerning various CE-related issues.

Participants in the qualitative study were selected based on convenience and snowball sampling techniques and to reduce desirability criteria, we sought to obtain a diverse sample. This comprised consumers of different genders (11 males and 7 females), different age groups (ranging from 20 to 67 years), and different backgrounds (e.g., industry professionals, freelance consultants, students) (see **Appendix 2**). The interviews lasted between 35 minutes to 1 hour, were tape-recorded, and transcribed verbatim, which were subsequently content analyzed. Constant comparison method was used throughout the analysis process, where transcripts and incidents were constantly compared to develop concepts and derive relevant themes. To achieve inter-rater reliability, coders shared notes and concepts/themes, which were finalized due to several rounds of discussions between them, guided by the principal investigator.

#### 5. Analysis and results

#### 5.1. Quantitative phase

We employed SEM to test the research hypotheses derived from the conceptual model. In this section, we first report the results of the measurement model, examine the structural model results, and present the results of the moderation analysis undertaken.

#### 5.1.1 Measurement model

With regard to the psychometric properties of the constructs included in the conceptual model, we first utilized item-to-total correlations and confirmatory factor analysis to assess the internal consistency of the scales employed, (see **Tables 2** and **3**). We removed the scale items reporting a low item-to-total correlation and/or high factor cross-loadings from further analysis. Confirmatory factor analysis was subsequently conducted on all remaining scale items, with the fit statistics of the measurement model all being within acceptable levels ( $\chi^2$ = 325.21, p= .000, df= 168; NFI= .95; NNFI= .97; CFI= .98; RMSEA= .05). These results imply that the proposed model fits the data well (Bagozzi & Yi, 1988).

#### ...insert Tables 2 and 3 about here...

Convergent validity was demonstrated, as the *t*-value for each scale item was reported as high and significant, the standard errors of the estimated coefficients were very low, and the average variance extracted for each construct was greater than .50 (Hair et al., 2018). Moreover, there was evidence of discriminant validity because the confidence interval around the correlation estimate for each pair of constructs examined never included 1.00 (Anderson & Gerbing, 1988), while the squared correlation for each pair of constructs never exceeded their average variance extracted (Fornell & Larcker, 1981). Furthermore, construct reliability was satisfactory, because all constructs in our conceptual model exhibited Cronbach's alphas, which were higher than .70, while composite reliability was also satisfactory, with all coefficients exceeding .60.

To investigate the potential of suffering from common method bias, we used Harman's single-factor test (Podsakoff & Organ, 1986). We included all items from all scales in this study in a principal component analysis with varimax rotation. The unrotated factor solution revealed seven separate factors with eigenvalues greater than 1.0, and these factors explained 75.6% of the total variance (with the first factor explaining 24.0%). We also employed the confirmatory factor approach, in which all items included in the measurement model were restricted to load on a single factor (Venkatraman & Prescott, 1990), revealing poor fit indices that were below the commonly accepted cut-off points ( $\chi^2$ = 2895.95; *p*= .000; df = 189; NFI= .55; NNFI= .56; CFI= .57; RMSEA= .21). The results of both tests clearly show that common method bias does not present an issue in our investigation.

#### 5.1.2. Structural model

**Table 4** presents the fit statistics, standardized coefficients, and *t*-values obtained from the estimation of the structural model. Fit statistics (i.e.,  $\chi^2$ = 359.66, *p*= .000, df= 183; NFI= .92; NNFI= .94; CFI= .95; RMSEA= .07) suggest a satisfactory fit to the data.

#### ... insert Table 4 about here...

With regard to H<sub>1</sub>, extraversion was found to have a significant positive effect on consumer FT engagement ( $\beta$ = .18, t= 2.77, p= .01). Agreeableness was also found to significantly positively impact consumer FT engagement ( $\beta$ = .38, t= 5.24, p= .00), thus accepting H<sub>2</sub>. In line with H<sub>3</sub>, conscientiousness had a positive significant effect on consumer FT engagement ( $\beta$ = .14, t= 1.69, p= .09). Neuroticism was found to have a significant negative relationship with consumer FT engagement ( $\beta$ = -.33, t= -4.32, p= .00), thus supporting H<sub>4</sub>. In the case of openness, although as predicted its effect on consumer FT engagement was positive, it was not statistically significant ( $\beta$ =.07, t= .95, p= .34), thus rejecting H<sub>5</sub>. Finally, in congruence with H<sub>6</sub>, consumer FT engagement was found to be a strong predictor of ethicallyminded CE behavior ( $\beta$ = .71, t= 8.34, p= .00).

#### 5.1.3 Moderation effects

Moderation effects were conducted using a series of split group analyses, whereby, based on the values of each individual moderating variable, the initial sample was divided into two subsamples (see **Table 5**). For each moderator, we estimated an equal model, in which all paths of the structural model were set equal across the two groups, and a free model, in which we constrained all paths to be equal across the two groups (except for the path that was potentially affected by the moderator variable). A significant decrease in chi-square from the equal model to a model in which one relationship is set free implies that the moderator variable strongly effects that relationship (De Wulf et al., 2001).

#### ... insert Table 5 about here...

With regard to gender, our study found no moderating effect on the consumer FT engagement  $\rightarrow$  ethically-minded CE behavior link ( $\Delta \chi^2 = 0.30$ , p > .10), thus rejecting H<sub>7</sub>. Specifically, a strong and significant link was found between consumer FT engagement and ethically-minded CE behavior in the female group ( $\beta = .75$ , t = 6.73, p < .01), while a weaker but

statistically significant effect, was found in the male group ( $\beta$ = .66, t= 5.28, p< .05). In accordance with H<sub>8</sub>, our results provide evidence that age has a strong moderating role in the relationship between consumer FT engagement and ethically-minded CE behavior ( $\Delta \chi^2 = 2.90$ , p < .10). In fact, a significant relationship was revealed between consumer FT engagement and ethically-minded CE behavior in the younger age group ( $\beta = .54$ , t = 3.75, p < .01), while an even stronger significant effect was found in the older age group ( $\beta = .76$ , t = 7.03, p < .01). Education level was also found to moderate the relationship between consumer FT engagement and ethically-minded CE behavior, thus supporting H<sub>9</sub>. Specifically, the results indicate that, although there is a significant association between consumer FT engagement and ethicallyminded CE behavior in the highly educated consumer group ( $\beta$ = .70, t= 6.76, p< .01), this link becomes weaker in the case of the less educated consumer group ( $\beta$ = .36, t= 2.44, p< .05). Finally, H<sub>10</sub> was also confirmed, because income was found to significantly moderate the consumer FT engagement  $\rightarrow$  ethically-minded CE behavior association ( $\Delta \chi^2 = 4.11$ , p<.05). Although the effect of consumer FT engagement on ethically-minded CE behavior is evident in the low-income group ( $\beta$ = .42, t= 2.50, p< .05), this effect is significantly stronger in the high-income group ( $\beta$ = .78, *t*= 8.28, *p*< .01).

#### 5.2 Qualitative phase

Upon comprehension of the quantitative data, analysis of response-derived qualitative information is insightful in understanding the links between personality traits and FT engagement, which leads to a better understanding of consumers' ethically-minded behavior toward various aspects of CE.

#### 5.2.1. Personality traits and FT engagement

#### 5.2.1.1 Extraversion and FT engagement

Through the analysis of interviews, it was found that extraverts were more likely to involve others with FT. Most participants suggested that because of their outgoing nature, they were more inclined to share information about the FT ethos and products with their family and friends: "When I see nice FT products, I recommend them to friends and tell them they have some good ethical product, my manager likes ethical, so I give him suggestions on purchases they make for FT products, so the word spreads in my circle" (Participant 7). Furthermore, this participant rationalized enthusiasm toward FT by stating a desire to spread awareness and promote FT products as follows: "Then at least a buzz is generated and if they want, they can try these FT products, we often share experiences of how good those products were." The analysis also revealed that some participants, although identifying themselves as introverts, also purchase FT products. However, they were not keen to start a conversation about FT issues, as demonstrated in the following: "I am not the most sociable person, I am not an extravert. I am quite happy to do my own thing, but I may buy FT products. I don't go out of my way to introduce FT in conversations. If someone is discussing, then I would reflect my views" (Participant 18). These accounts demonstrate how extraversion contributes to greater levels of FT engagement, given that extraverts are more willing to share their FT ethos with people they know. This is in contrast with introverts, who may be more passive in their approach to raising FT awareness, and thus less likely to actively share their involvement with FT with others.

#### 5.2.1.2. Agreeableness and FT engagement

The participants who characterized themselves as agreeable were found to be understanding and genuinely interested in sharing the concerns of others, rather than just focusing on their self-interest. By engaging with the FT ethos, these participants were cognizant of the impact of their consumption on producers and workers down the supply chain, as indicated in the following: *"I think not just how things affect me, but also how they affect others, so I think*  about what I am consuming is affecting people. I do not want to buy something for which children in some developing country are digging" (Participant 3). This participant shows both an understanding of the conditions under which the diamonds are extracted, as well as demonstrating compassion for the miners whose welfare is deemed more important than buying diamonds: "...even if it is a product as beautiful as diamonds, it does not mean much to me, it will be more rewarding for me to know that I buy a product and it helps some people get better wages or water facilities, I prefer buying FT products." She is clear in her determination that the products she purchased are produced fairly and the producers are justly rewarded, which illustrates how being empathetic toward others helps consumers engage with FT issues.

#### 5.2.1.3. Conscientiousness and FT engagement

Most participants who identified themselves as conscientious felt strongly that they had an individual responsibility regarding ethical, environmental, and other societal issues. They were willing to consider the role they could play in a collective society, rather than blaming others, as mentioned by the following participant: "My view is individuals should take responsibility for the planet, for the environment. I don't think it is necessarily a responsibility only of the government bodies, yes, they have a role to play but so does the individual. I would say that consuming, say FT, I see it in three stages; producing, consuming, and disposing. So as a consumer, I may not be able to control producing, it's a big supply chain, but it's consuming and disposing I can control. I support FT products by buying them and then recycling or reusing what I can, I want to take responsibility for what I am consuming and disposing" (Participant 15).

#### 5.2.1.4. Neuroticism and FT engagement

Some participants identified as passionate about ethical issues and related neuroticism with obsessive behaviors. They proposed that passion needs to be deployed to find meaningful causes, such as involvement with the FT ethos, which focuses on helping marginalized farmers

and workers. In fact, one of the participants mentioned that hearing about the poor working conditions of farmers and workers brought about a sense of fairness in them and did not cause extreme mood swings or deep anxiety: *"It would not make me extremely upset, but just opening up to this information, how farmers or workers are being treated, and then try to see what we can do to help. More likely that there are ways you can step in..."* (Participant 4). This extract illustrates that, while participants felt compassionate, they channelled this to engage more with the FT issues.

#### 5.2.1.5. Openness and FT engagement

Our quantitative results demonstrated that openness had no significant impact on FT engagement. Participants were invited to further explore this result to explain whether trying new things or being curious and imaginative impacted their involvement with FT. Some participants suggested that being open meant that they were curious, which sometimes can be translated into FT engagement, as indicated by the following statement: "*I might find new FT products as I go to different stores, I like that a lot*" (Participant 11). However, other participants felt that being open may not necessarily be linked to FT engagement because the sentiment that while openness means you are honest about whether you behave ethically or not, it might not lead to ethical behavior as such. Instead, it could sometimes work against FT involvement, as one may enjoy some products where self-interest comes first: "*Well you are more open, you may like trying out new products, some of them may not be FT if I try something and I really like it, I might buy it, I may just adapt myself or change my shopping behavior, the lines get blurred then.*" (Participant 9) These findings show that being open does not necessarily imply involvement with FT.

#### 5.2.2. FT engagement with ethically-minded CE behavior

To gain a deeper understanding of participants' FT engagement as part of CE under the umbrella of general ethical behaviors, participants were invited to explain their experiences.

We found that participants considered that purchasing FT products at times intensified their relationship with the concept of CE in terms of organic products, produced in a way that they are not harmful to the environment, and producers are not exploited in the supply chain. Further, through the purchase of FT products, they recognized that these products use packaging, which can be widely recycled, reused, or repurposed. As one participant put it: "It's all interrelated. Many places that sell FT products, they are natural organic products, and are sold in a packaging that is reusable or recyclable. I keep the packaging from some items, which I like to reuse and repurpose." (Participant 16). It also became apparent from the interviews that engaging with the FT ethos helps to understand the wider issues regarding the CE and how other aspects also link to create a cohesive paradigm. For example, one of the participants stressed the following: "Actually I was introduced to FT in a Geography GCSE class, you know in school, that's where we really spoke about FT and geopolitics, and that translates into areas of climate change and conservation and how it can affect societies. So, being aware of certain issues such as FT impacted my understanding of other ethical issues." (Participant 10). To cite the views of another participant: "We all live in a society and will need to think about others, considering the environmental situation...if we can do a little bit to help, that's really a good thing and that's how we would like our children to grow up too... you want to impact society, and do something good for the whole society in that sense... you will be switching off lights more...you will unplug the computer more often, it's the concept of circular economy that FT is trying to deliver." (Participant 6). The conclusions derived from this show that participants accept their engagement with FT as part of a widening awareness of the environment and society at large.

#### 6. Discussion

Our study examined the relationships between personality traits, consumer FT engagement, and ethically-minded CE behavior. The results confirmed that three personality traitsextraversion, agreeableness, and conscientiousness-positively influence consumer FT engagement. The finding of a positive association between extraversion and consumer FT engagement is in line with those of Fraj and Martinez (2006) and Kvasova (2015), which also indicates that people who are active, social, and outgoing are more likely to be involved in socially responsible attitudes and behaviors. The results suggest that extraverts tend to be more confident, passionate, and enthusiastic about socially sensitive issues, such as those relating to FT, which is consistent with the fact that ethical consumers are actively involved in their consumption choices (Basso et al., 2021; Shaw et al., 2006). Our qualitative analysis also highlighted that, as opposed to introverts, extraverts are actively involved in the FT ethos, and because their reach goes beyond their immediate social networks, they can play an active role in raising awareness about FT and CE (Gummerus et al., 2017; Song & Kim, 2018).

Given the fact that previous studies (e.g., Hirsh, 2010; Hirsh & Dolderman, 2007; Milfont & Sibley, 2012) found a positive relationship between agreeableness and consumer FT engagement, we provide further insights that agreeable individuals because they are more caring toward other members of society, tend to be more compassionate and empathetic toward the needs of marginalized producers in developing countries. This is in line with the findings of Sanders et al.'s (2018) study, which suggests that agreeable individuals make their decisions by considering the possible long-term consequences these may have on society.

The finding of a positive association between conscientiousness and consumer FT engagement supports the idea that conscientious people tend to care about their actions (as well as the consequences of these actions) and therefore are more prone to be ethically predisposed with regard to FT issues (Hirsh, 2010; Song and Kim, 2018; Swami et al., 2009). This is consistent with previous research indicating that ethical consumption largely depends on a person's beliefs and values regarding the environment, society, and the well-being of people, which is a form of acting in a conscientious manner (Oh & Yoon, 2014). Our qualitative

interviews further support that conscientious consumers are aware of FT issues and actively seek ways to tackle them responsibly (Pekkanen & Penttilä, 2020; Watkins et al., 2016).

In congruence with our hypothesis, we also found that neuroticism has a negative impact on consumer FT engagement. This is because neurotic people are characterized by anxiety, depression, impulsiveness, and other negative psychological parameters, which negatively impact their engagement with ethical issues, such as those pertaining to FT (Awais et al., 2020). This negative association can also be ascribed to their low emotional stability (Watson, 2014), which is responsible for inducing a fluctuating desire to help marginalized producers. Interestingly, our qualitative study confirmed a distinction between being passionate about FT issues on the one hand and showing an obsessive FT behavior on the other (Tran & Paparoidamis, 2021).

Contrary to our expectations, we did not find any support for the link between openness and consumer FT engagement. Our findings differ from those of other researchers, who found positive relationships between openness and disposal behavior (Song & Kim, 2018), proenvironmental attitudes (Markowitz et al., 2012; Milfont & Sibley, 2012), and recycling and energy conservation behaviors (Sijtsema et al., 2020). However, they support Kvasova's (2015) finding that openness does not affect eco-friendly tourist behavior, suggesting that open individuals while partaking in new experiences (e.g., participating in safaris) can trigger harm to the environment. These contrasting findings can be elucidated using the qualitative findings, where data revealed that being open does not necessarily translate into FT engagement, as consumers are more likely to experiment based on their interests and not just adhere to ethical offerings.

We also confirmed the positive effect of consumer FT engagement on ethically-minded CE behavior. While previous research pointed to the fact that FT provides consumers with a form of empowerment, this finding clearly indicates that FT consumers can wield their power to indirectly influence the marketplace by demonstrating other ethically-minded CE behaviors, such as recycling, reusing, and seeking products made from sustainable materials (Fairtrade Advocacy, 2020; Hosta & Zabkar, 2021; Watkins et al., 2016). Our qualitative study also stressed that consumers construe FT as a platform to alleviate economic, social, and environmental concerns, which are at the core of the CE concept. In doing so, we extend the dominant research view that overemphasizes consumers' perceptions of FT as mostly responding to the plight of marginalized producers in developing countries (Basso et al., 2021; Doran, 2009, 2010; Doherty et al., 2013; Gillani et al., 2021; Peattie & Samuel, 2021).

We also show that the association between consumer FT engagement and ethicallyminded CE behavior is likely to be stronger in the case of consumers who are younger, more educated, and more affluent. These findings align with those of DePelsmacker et al. (2005), Pan and Sparks (2012), and Sudbury-Riley and Kohlbacher (2016), who found that: (a) older consumers are more likely to invest in social matters and increase their intentions and actions toward FT issues; (b) FT purchasers are represented mostly by consumers who have completed undergraduate or postgraduate studies, and (c) an increased income provides consumers with greater fiscal flexibility in purchasing ethical products. Contrary to our hypothesis, gender had no moderating effect on the relationship between consumer FT engagement and ethicallyminded CE behavior. This aligns with the findings of DePelsmacker et al.'s (2005) study, which revealed that the percentages of FT lovers and FT likers were similar between male and female consumers. There is also a congruency with the findings of Doran's (2009) study, which reported no gender differences between consumers and non-consumers of FT.

#### 7. Implications

#### 7.1 Theoretical implications

This study's findings extend existing knowledge in the area of consumer ethics and are particularly relevant to FT consumption. First, we employ a strong theoretical base for consumer FT behavior rooted in psychological etiologies and suggest that such behavior contextually is driven by certain personality traits, such as extraversion, agreeableness, and conscientiousness. This suggests that the five-factor model of personality (McCrae & Costa, 1985) can be used to better understand ethical consumption behavior, which is in accordance with repeated calls by other researchers to explore the role of personality in consumer ethics (DePelsmacker et al., 2005; Chowdhury & Fernando, 2014; Lee, 2019; Lu et al., 2015).

Much of the extant research predicated on the theory of reasoned action and/or the theory of planned behavior to explain consumer ethical actions, which, although insightful, downplayed the important driving role of personality (Bondy & Talwar, 2011; Chatzidakis et al., 2007). However, we have amply demonstrated that CAPS theory (Mischel & Shoda, 1995, 2002), a theoretical perspective previously ignored in ethical consumption literature, can adequately explain the links between personality traits, consumer FT engagement, and ethically-minded CE behavior. By integrating these three sets of factors, our study provides an alternative route to a deeper understanding of some of the dynamics taking place in socially-responsible consumer behavior, an under-researched enabler for FT SMEs adopting CE (Cantu et al., 2021).

Previous studies examining the FT consumption phenomenon have predominantly focused on FT purchasing intention/behavior or willingness to pay an FT premium (Bondy & Talwar, 2011; Yamoah et al., 2016), without examining its impact on the consumer's overall ethically-minded behavior concerning CE issues. Our study adopts and confirms the view that consumers engaging with FT will do more than the simple commercial purchase of FT products, but will go a step further and become involved in ethical activities concerning CE-related issues, such as recycling, participating in environmental protection campaigns, and volunteering for ecological organizations (Pangarkar et al., 2021). Thus, their involvement leads to deeper immersion in FT philosophy, integrating social and environmental aspects,

reflected in their overall ethically-minded behavior (Sudbury-Riley & Kohlbacher, 2016). This implies that researchers should expand their view of FT to integrate CE by highlighting the focus on people, planet, and profit and bringing together social premium, environmental benefits, and minimum prices (Bhavsar et al., 2020).

Our findings revealed that demographic characteristics play a significant role in influencing consumers' sensitivity to the ethical aspects of CE issues through the FT engagement pathway. This underscores the assertion that differences in demographic characteristics among individual consumers, particularly age, educational status, and income group, could help expound the central countenances of FT consumption. This will also help elucidate certain inconclusive results found in ethical consumption research (e.g., Doran, 2009, 2010; Lee, 2019; Lu et al., 2015).

#### 7.2 Managerial implications

Our study has significant implications for organizations producing and/or selling FT products, especially those of smaller sizes, which represent the vast majority. First, given that the three personality traits (extraversion, agreeableness, and conscientiousness) positively influence consumer FT engagement, companies, including SMEs, producing and selling FT products could focus on consumers who demonstrate these traits. This may require marketing research to identify various consumer segments based on personality traits and subsequently crafting marketing strategies targeting each of these segments. For example, marketers can target extraverts with high levels of FT engagement (especially opinion leaders) with promotional campaigns, stressing the importance of FT and CE aspects and providing opportunities for them to actively share their experiences with other consumers. In contrast, for conscientious consumers, who are more concerned about the consequences of their actions, marketing campaigns could focus on emphasizing the importance of individual responsibility by engaging with FT and caring about the environment.

Second, managers should also consider demographic factors when targeting consumers with FT products. The fact that age, education, and income significantly moderate the relationship between consumer FT engagement and ethically-minded CE behavior, implies that communication campaigns could mainly target older, more educated, and more affluent consumers. There is also a need to increase the availability of FT products in retail selling activities (both physical and online), particularly targeting this specific profile of consumers. In addition, organizations selling FT products could increase their online presence (through company websites, social media platforms, and industry reports), showing how they tackle FT and cyclical economy issues, particularly focusing on those specific groups of consumers who show greater understanding and appreciation of these issues.

Third, SMEs adopting CE could also design strategies to increase FT and CE engagement among consumers. They should treat "fair" and "circular" strategies in conjunction, rather than compartmentalizing these issues, because FT addresses environmental, social, and economic aspects of sustainability. For example, through the organization of FT/CE fairs, the creation of FT/CE awareness campaigns, and volunteering for FT/CE events, firms can tackle multiple issues related to social and environmental issues (Sudbury-Riley & Kohlbacher, 2016). Thus, a consumer engaged with the FT ethos communicates the CE idea, frequently proselytizing family and friends. Consumers need to be convinced that there is a degree of urgency related to the conditions of the marginalized producers and extend the FT experience beyond the purchase itself by considering vital issues relating to CE, such as recycling, reusing, and repairing of products (ING, 2020). An effective way of doing this is by identifying consumers with high levels of FT engagement (e.g., opinion leaders), who will then persuade other consumers to connect and empathize with the FT ethos and CE concerns.

#### 8. Limitations and future directions

Our study has several limitations that provide avenues for future research. *First*, although researchers argue that firms, especially those of smaller size that represent the vast majority, aiming to strengthen their involvement with CE, must pay particular attention to consumers, the association of the latter with CE has received little attention (Cantu et al., 2021; Mostaghel & Oghazi, 2021). Although our study was among the first to stress this instrumental role of consumers, additional research is required on the dynamics of consumer behavior as regards issues pertaining to both FT and CE. This has to be seen in conjunction with behaviors demonstrated by other key CE stakeholders, such as SMEs, multinational firms, public policymakers, and non-governmental organizations, which must act collectively to achieve positive synergistic results.

*Second*, we used the shortened version of the 20-item mini-IPIP scale to study the 'Big Five' personality traits. Thus, although this is the first study to examine personality traits in the context of FT consumption, we could not explore the underlying sub-constructs for each of the five personality traits. For instance, agreeableness comprises compassion and politeness, which can also shape consumers' ethical attitudes and behaviors toward CE issues. Hence, future research could study these lower-order personality traits and their impact on FT engagement and ethically-minded CE behavior.

*Third*, while we adopted a mixed-method approach, as the interviews were conducted following the survey results, the quantitative survey was cross-sectional in nature, where personality traits, consumer FT engagement, and ethically-minded CE behavior were examined at a single point in time. However, we recognize that FT attitudes and behaviors might change over time based on increased awareness of FT issues due to exposure to advertisements, educational material, and personal experiences related to FT. Hence, it would be valuable to examine these variables and their associations longitudinally, to be able to examine changes in

consumer FT engagement over time and their subsequent impact on ethically-minded CE behavior, especially concerning the influence of both internal (e.g., increase in consumer maturity) and external (e.g., announcement of company scandals) factors.

*Fourth*, our study examines the psychological mechanisms that form the basis of consumer FT engagement and ethically-minded CE behavior. Future research could adopt a complementary perspective by examining the impact of cultural orientation, such as collectivism, power distance, and uncertainty avoidance, on consumer FT engagement (Thøgersen et al., 2015). For instance, consumers characterized by a collectivist orientation may likely care more about other members of society and therefore be more cognizant of the plight of marginalized producers, thus resulting in heightened levels of FT engagement and more sensitivity to CE issues.

*Finally*, while our study focuses on consumer FT engagement, future research could test the applicability of consumer engagement with other unique ethical contexts, such as participating in and/or contributing to philanthropic activities and their impact on ethicallyminded CE behavior. It is possible that varying degrees of consumer engagement exist for these different types of ethical issues, depending on the importance that consumers place on each of them, which might lead to different outcomes in terms of socially responsible behaviors.

#### 9. Concluding remarks

Although previous research has examined FT consumption extensively, most studies adopt a rather narrow perspective by highlighting the need to address the plight of marginalized producers in developing countries while simultaneously overlooking wider influences on economic, social, and environmental issues characterizing CE. Our study provides an integration of FT with the CE concept, by connecting personality traits, consumer engagement with FT, and ethically-minded CE behavior. The results largely support the hypotheses set, indicating that consumer personality traits (except openness) play an important role in influencing

FT engagement, which, in turn, is conducive to creating favorable ethical behavior toward CE. The strength of this association between consumer FT engagement and ethically-minded CE behavior was found to be moderated by their demographic profile, with this becoming stronger in the case of younger, more educated, and more affluent consumers.

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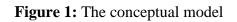
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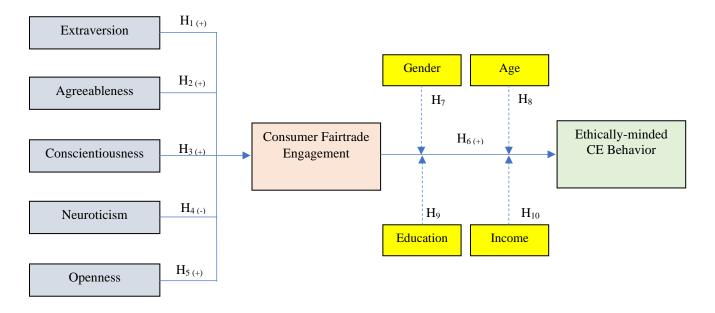
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Identified research gaps	How gaps are addressed in this study
• Limited research among consumers in FT and CE	• Consumer perspective of the principles of FT and CE
While the role of the consumer as a significant stakeholder	We examine issues related to FT and the wider CE
in promoting sustainable business models has been	concept using information extracted from consumers, that
stressed by scholars, adopting a consumer's perspective in	is, the demand side, as opposed to the supply/production
the context of FT and CE is relatively under-researched	side adopted mainly by prior research (Camacho-Otero et
(Camacho-Otero et al., 2018; Mostaghel & Chirumalla,	al., 2018; Patwa et al., 2021; Mostaghel & Chirumalla,
2021).	2021).
• Limited research on the role of personality and FT	• 'Big Five' personality traits and FT engagement
Although consumer involvement with the ethos of FT was	We examine the relationship between 'Big Five'
mainly examined through the purchase of FT products,	personality traits and consumer FT engagement. Studying
little attention has been paid to consumer FT engagement	the impact of personality types on the uptake of FT will
(Gillani et al., 2021). Further, despite the importance of	increase our understanding of consumer personality
the role of personality traits on consumer behavior, little	characteristics, an important psychographic variable
is known about how the 'Big Five' personality traits can	shaping FT engagement.
affect consumer FT engagement (DePelsmacker et al.,	
2005; Gillani et al., 2021).	
• Limited research on the link between FT and CE	• FT engagement and ethically-minded CE behaviour
Although the majority of FT studies examine consumer	We explore the relationship between FT engagement and
attitudes, motivations, intentions, and willingness to pay	general ethically-minded behavior, particularly focusing
for FT products (e.g., Park & Lin, 2020), there is a lack of	on CE. This is vital, as ethical issues cannot be studied in
research examining the relationship between consumer FT	isolation, because consumers may consider economic,
engagement and ethically-minded behavior, particularly	social, and environmental aspects of sustainability in
in the context of CE.	tandem, while taking their decisions (Calderon-Monge et
	al., 2020).
<u>Limited research on consumer demographics</u>	Demographics as moderators between FT and CE
Although researchers have called for studies focusing on	Our conceptual model proposes four key demographic
the impact of consumer demographics, there is a dearth of	characteristics, namely, age, gender, education, and
research examining the role of these demographic factors	income, as potential moderators between consumer FT
in the context of FT (Vitell, 2015; Carrington et al., 2021).	engagement and ethically-minded behavior focusing on
	CE-related issues.

	1.	2.	3.	4.	5.	6.	7.
1. Extraversion	1						
2. Agreeableness	.45**	1					
3. Conscientiousness	.48**	.49**	1				
4. Neuroticism	.42**	.42**	.47**	1			
5. Openness	.45**	.49**	.48**	.42**	1		
6. Consumer FT Engagement	.08	14*	.03	27**	04	1.	
7. Ethically-minded CE Behavior	.16**	04	.09	.41**	.08	.58**	1.

**Table 2:** The correlation matrix

\* p < .05; \*\* p < .01.

Constructs	Scale items	Standardi zed loadings	<i>t</i> -value	α	р	AVE	Mean score	Standard Deviation	Item mean	Item standard deviation
Extraversion	BFE2 BFE4	.76 .76	* 10.63	.71	.64	.58	3.83	.91	3.78 3.89	1.10 1.00
Agreeableness	BFA2 BFA4	.92 .90	* 21.17	.91	.80	.83	3.56	1.25	3.54 3.58	1.32 1.30
Conscientiousness	BFC2 BFC4	.79 .87	* 14.29	.81	.71	.69	3.65	1.07	3.71 3.59	1.10 1.22
Neuroticism	BFN1 BFN3 BFN4	.73 .72 .72	* 10.43 10.44	.73	.70	.53	3.86	.70	3.78 4.05 3.73	1.11 .76 .93
Openness	BFO2 BFO3 BFO4	.81 .81 .87	* 14.19 15.64	.87	.79	.69	3.48	1.04	3.48 3.48 3.50	1.09 1.10 1.31
Consumer FT Engagement	CEE1 CEE2 CEE3 CEE4	.66 .84 .81 .80	* 10.81 10.58 10.49	.86	.80	.61	3.99	.65	3.89 4.01 4.07 3.97	.75 .79 .74 .80
Ethically-minded CE Behavior	EMB1 EMB2 EMB3 EMB4 EMB5	.75 .74 .69 .73 .66	* 10.84 10.06 10.61 9.65	.83	.78	.52	4.02	.64	4.03 4.02 3.99 4.10 3.98	.81 .80 .86 .81 .86

\*Item fixed to set the scale <u>Fit statistics</u>:  $\chi^2 = 325.21$ , p = .000, df = 168; NFI = .95; NNFI = .97; CFI = .98; RMSEA = .05, 90% C.I.= (.04, .06)

Hypo- thesis	Hypothesized path	Standardized path coefficients	<i>t</i> -value	<i>p</i> - value
$H_1$	Extraversion $\rightarrow$ Consumer FT Engagement	.18	2.77	.01
$H_2$	Agreeableness $\rightarrow$ Consumer FT Engagement	.38	5.24	.00
$H_3$	Conscientiousness $\rightarrow$ Consumer FT Engagement	.14	1.69	.09
$H_4$	Neuroticism $\rightarrow$ Consumer FT Engagement	33	-4.32	.00
$H_5$	Openness $\rightarrow$ Consumer FT Engagement	.07	0.95	.34
$H_6$	Consumer FT Engagement $\rightarrow$ Ethically-minded CE Behavior	.71	8.34	.00

## Table 4: Structural model results – Main effects

<u>Fit statistics</u>:  $\chi^2 = 359.66$ , p = .000, df = 183; NFI = .92; NNFI = .94; CFI = .95; RMSEA = .07, 90% C.I.= (.06, .08)

## **Table 5:** Results of individual moderation effects

	Gender as a moderator						
Main effect	Hypothesized moderating effect	Female consumer	Male consumers	$\Delta \chi^2  (\Delta df = 1)$			
Consumer FT Engagement → Ethically-minded CE Behavior	H <sub>7</sub> : Effect is stronger among the female, as opposed to the male, group.	$\beta = .75$ $t = 6.73^{***}$	$\beta = .66$ $t = 5.28^{**}$	0.30 ( <i>p</i> > .10)			
	Age as a moderator						
Main effect	Hypothesized moderating effect	Younger consumers	Older consumers	$\Delta \chi^2  (\Delta df = 1)$			
Consumer FT Engagement $\rightarrow$ Ethically-minded CE Behavior	H <sub>8</sub> : Effect is stronger among the older, as opposed to the younger, group.	$\beta = .54$ t = 3.75***	$\beta = .76$ $t = 7.03^{***}$	2.90 ( <i>p</i> < .10)			
Education as a moderator							
Main effect	Hypothesized moderating effect	Less educated consumers	More educated consumers	$\Delta \chi^2  (\Delta df = 1)$			
Consumer FT Engagement	H <sub>9</sub> : Effect is stronger among	$\beta = .36$	$\beta = .70$	3.82			
$\rightarrow$ Ethically-minded CE Behavior	the more-educated, as opposed to the less-educated, group.	t = 2.44 **	<i>t</i> = 6.76***	(p < .05)			
Income as a moderator							
Main effect	Hypothesized moderating effect	Low income consumers	High income consumers	$\Delta \chi^2$ $(\Delta df = 1)$			
Consumer FT Engagement → Ethically-minded CE Behavior	H <sub>10</sub> : Effect is stronger among the high-income, as opposed to low-income, group.	$\beta = .42$ t = 2.50**	$\beta = .78$ t = 8.28***	4.11 ( <i>p</i> < .05)			

\*\*\* p < .01, \*\* p < .05, \* p < .10

	DEEL		
BFE-Extraversion	BFE1	I am the life of the party	Donnellan
	BFE2	I do not talk a lot (R)	et al. (2006)
	BFE3	I talk to a lot of different people at parties	
	BFE4	I keep in the background (R)	
BFA-Agreeableness	BFA1	I sympathize with others' feelings	Donnellan
	BFA2	I am not interested in other people's problems (R)	et al. (2006)
	BFA3	I feel others' emotions	
	BFA4	I am not really interested in others (R)	
BFC-Conscientiousness	BFC1	I get chores done right away	Donnellan
	BFC2	I often forget to put things back in their proper place (R)	et al. (2006)
	BFC3	I like order	
	BFC4	I make a mess of things (R)	
BFN- Neuroticism	BFN1	I have frequent mood swings	Donnellan
	BFN2	I am relaxed most of the time (R)	et al. (2006)
	BFN3	I get upset easily	
	BFN4	I seldom feel blue (R)	
BFO-Openness	BF01	I have a vivid imagination	Donnellan
openness	BFO2	I am not interested in abstract ideas (R)	et al. (2006)
	BFO3	I have difficulty understanding abstract ideas (R)	et ull (2000)
	BFO4	I do not have a good imagination (R)	
CEN-Consumer FT	DI 04		So et al.
engagement			(2016)
CEE- Enthusiasm	CEE1	I am heavily into Fairtrade	(2010)
CEE Entitusiusiii	CEE2	I am passionate about Fairtrade	
	CEE3	I am enthusiastic about Fairtrade	
	CEE4	I feel excited about Fairtrade	
CEA- Attention	CEA1	I would like to learn more about Fairtrade	
	CEA2	I pay a lot of attention to anything about Fairtrade	
	CEA3	Anything related to Fairtrade grabs my attention	
	CEA4	I concentrate a lot on Fairtrade	
	CEA5	I like learning more about Fairtrade	
CEB-Absorption	CEB1	When I am interacting with Fairtrade, I forget everything else around me	
-	CEB2	Time flies when I am interacting with Fairtrade	
	CEB3	When I am interacting with Fairtrade, I get carried away	
	CEB4	When interacting with Fairtrade, it is difficult to detach myself	
	CEB5	When interacting with Fairtrade intensely, I feel happy	
CEI- Interaction	CEI1	In general, I like to get involved in Fairtrade community discussions	
	CEI2	I am someone who enjoys interacting with like-minded others about Fairtrade	
	CEI3	I like actively participating in Fairtrade-related discussions	
	CEI4	I thoroughly enjoy exchanging ideas with other people relating to Fairtrade	
	CEI5	I often participate in activities related to Fairtrade	
EMB-Ethically—	EMB1	I like receiving news/information about aspects relating to the Circular Economy	Kilbourne
minded CE behavior	EMB2	I contact other people to discuss any issues relating to the Circular Economy	and Pickett
	EMB3	I am a member of an organisation focusing on issues relating to Circular Economy	(2008);
	EMB4	I contribute money, whenever possible, to causes supporting the Circular Economy	Sudbury-
	EMB5	I will boycott ac company if I know that it is not responsible regarding Circular	Riley and
		Economy issues	Kohlbacher
		ureverse item	(2016)

Note: The sign (R) refers to a reverse item

Participant	Gender	Age	Job Title
1	Male	20	Undergraduate Student
2	Male	55	Small Business Owner
3	Female	24	Audit Associate
4	Female	32	Schoolteacher
5	Male	28	Business Analyst
6	Female	28	Doctoral Student
7	Male	46	University Lecturer
8	Female	25	Postgraduate Student
9	Male	24	Customer Service Assistant
10	Male	67	Freelance Consultant
11	Female	37	University Lecturer
12	Male	46	Operations Manager
13	Male	37	Digital Marketing Specialist
14	Female	35	Career Development Specialist
15	Male	30	Marketing Manager
16	Male	61	Retired
17	Female	42	HR Head
18	Male	39	Technology Consultant

# Appendix 2: Profile characteristics of participants in the qualitative study