

Buying Socially Responsible Goods: The Influence of Perceived Risks Revisited

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Despite enthusiasm and a high level of declared buying intention with respect to socially responsible goods, actual consumption is far from widespread. There would appear to exist an ethical purchasing gap between attitude and behaviour in relation to socially responsible consumption (SRC). Topical literature generally explains this gap by pointing up perceived consumer risks with regard to socially responsible goods. Using a sample of 752 respondents representative of the province of Québec (Canada), this study shows that the only financial and performance risks may act as impediments to the consumption of a subset of socially responsible goods. This study thus shows that perceived risks do not really represent impediments to SRC and that, as a consequence, industry would be well advised to focus on consumer motivations to enhance advocacy for this type of consumption. Marketing strategies pertaining to socially responsible goods thus need to be revisited!

Field of Research: Contemporary Issues in Marketing and Marketing Strategy

1. Introduction

It is plain to see that today's socially responsible goods and services market is booming (Bray, Johns & Kilburn 2011). Indeed, both consumer interest in socially responsible goods and the popularity of the latter have surged to unprecedented heights (Adams & Raisborough 2010).

Despite enthusiasm and a high level of declared buying intention with respect to socially responsible goods, actual consumption is far from widespread. There would seem to be a consensus among studies on the topic of SRC, just as there would appear to be a significant difference between what consumers have to say about SRC and how they actually behave (Bray, Johns & Kilburn 2011; Walker, Heere, Parent & Drane 2010; D'Astous & Legendre 2008). This ethical purchasing gap between attitude and behaviour respecting green, ethical or responsible consumption is well documented in modern literature (Bray, Johns & Kilburn 2011; Gonzales, Korchia, Menuet & Urbain 2009; De Pelsmacker & Janssens 2007; François-Lecompte & Valette-Florence 2006; Auger, Burke, Devinney & Louviere 2003). However, in practice, the overall market share of ethical goods remains low (D'Astous & Legendre 2009).

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This ethical purchasing gap owes in part to the risks perceived by consumers with respect to socially responsible goods. Indeed, topical literature alludes to the fact that high consumer commitment to socially responsible goods is sometimes confounded by issues of cost, accessibility, time, and product quality. For François-Lecompte and Valette-Florence (2006), there indeed exists impediments to SRC, namely perceived risks, which explain the difference between intention and actual behaviour. Perceived risks stem from uncertainty about the potentially negative consequences associated with a choice (Laforet, 2008). Since responsible goods are gaining in popularity, one may wonder if these risks they still exert a real impact on the consumption of socially responsible goods? And, if so, which of these risks have the greatest impact on the consumption of responsible goods?

This latter questions are of the utmost importance. To date, results of research into SRC behaviour have not tended to corroborate the findings of previous or concurrent studies. Hence findings must be tempered and allowance made for the measurements employed (attitudinal in nearly all cases), size (generally small) and nature of samples and categories of goods and services analysed (often limited to just a handful of goods). In addition, one must take into consideration the fact that the field of SRC is evolving so rapidly that one must necessarily situate findings in the light of the most current concerns. As a result, studies into socially responsible consumption become quickly outdated.

Previous studies have shown that some consumers may be reluctant to purchase responsible goods because of the risks they perceive in terms of quality, price and lack of information, or because of uncertainty surrounding responsible goods (D'Souza et al. 2007; Mahenc 2007; Zaiem 2005; Follows & Jobber 2000; Suchar & Suchar 1994). This study tempers these results as it is shown that only the financial and performance risks may act as impediments to the consumption of a subset of responsible goods.

The objective of this study is therefore to assess whether or not perceived risks actually impact purchasing behaviour in relation to socially responsible goods. Our study stands out owing to the SRC measurement mechanics employed (past behaviour as opposed to attitudes and preferences), large size ($n = 752$) and nature of the sample (probabilistic and representative of one Canadian province), and the categories of goods analysed. After introducing the key concepts of the research, we explain our methodology and present the key findings.

A literature review on perceived risks is provided in section 2. The methodology employed is presented in section 3. Section 4 contains a discussion of findings. Section 5 concludes.

2. Literature Review: Perceived Risks

When adopting a broader vision, responsible consumption may be viewed as incorporating all manner of behaviour by consumers whenever the latter take into account the externalities of private consumption on society and the environment, and use their buying power to induce changes in society (François-Lecompte and Valette-Florence, 2006). Consumer incentive to purchase responsible goods may be influenced by a number of factors: environmental and social awareness or

consciousness, demographics, political ideology, collectivistic value, brand preference, affinity for nature, cost-benefit analyses, trust in advertising, perceived values and risks (Durif et al. 2009; D'Souza, Taghian & Khosla 2007; Mahenc 2007; Rylander 2001).

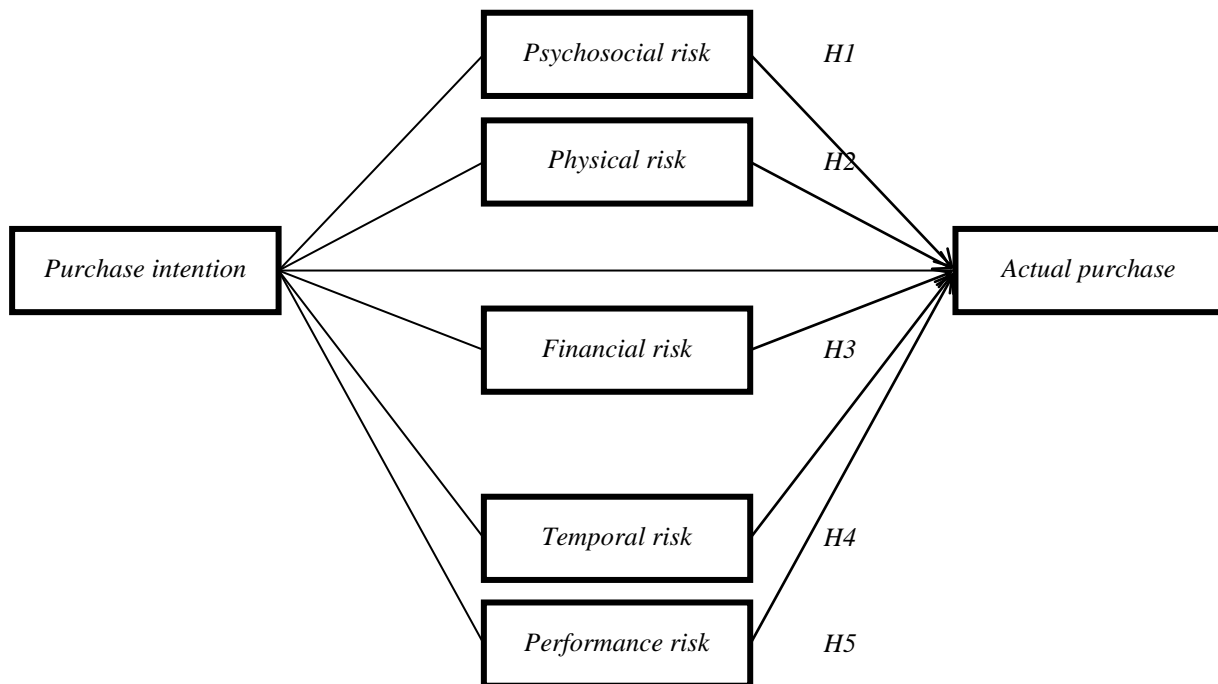
For the purpose of this study, the risks perceived in purchasing socially responsible goods and services were identified through a literature review. Indeed, the purchase process comes replete with a level of risk since each acquisition entails consequences, some negative, which cannot be exhaustively foreseen or regarded as certain (Volle 1995). The concept of perceived risks was introduced by Bauer in 1960 and included two aspects: uncertainty and negative consequences (Aqueveque 2006; Snoj, Pisnik & Mumel 2004). Today, researchers more often than not use a multidimensional approach to the concept of perceived risk which entails five aspects: (1) Performance/functional: risk that a product might not work, not work properly or not work in the manner in which the consumer would like it to work; (2) Financial: risk of losing money with the new product or risk of investing more money than one can expect to receive in return; (3) Physical: risk that the consumer injure him/herself or others through use of the product; (4) Psychological: risk of choosing a bad product which could have a negative impact on the consumer's ego; (5) Psychological/social: risk of choosing a product impacting consumer status with respect to friends, family and/or colleagues (Snoj, Pisnik & Mumel 2004).

Perceived risks can therefore be defined as the subjective anticipation by consumers of conceivable losses when assessing alternative choices (Aqueveque 2006). Perceived risks form an integral part of the general conceptual framework of consumer decision-making respecting the choice of a product, service or brand (Bielen & Semples 2006). Just as in the case of perceived values, perceived risks are considered by some authors (e.g. Tan 2002) as significant upstream precedents impacting ethical consumer behaviour.

3. Methodology

The conceptual framework. After having examined topical literature on SRC and analysed the findings of four focus groups conducted with a convenience sample (university students and employees), we determined the presence of five specific risks with the capacity to impact the purchase of socially responsible goods. We therefore adapted the concept of perceived risk to the specifics of the field of SRC. These five risks are as follows: (1) psychosocial risk; (2) physical risk; (3) financial risk; (4) temporal risk; (5) performance risk (which is to say functional or operational risk).

Figure 1
Conceptual framework for the purchase of responsible goods



The study by Durif et al. (2009) into the impact of perceived risks on the purchase of green products found that consumers deemed perceived risks to be positive in the case of physical and psychosocial aspects. This led to the formulation of hypotheses H1 and H2.

H1: Psychosocial risks positively impact the actual purchase of socially responsible goods.

H2: Physical risks positively impact the actual purchase of socially responsible goods.

Financial risks (budget and cost restrictions and considerations) would, according to topical literature (i.e. Bray, Johns and Kilburn, 2011; Adams and Raisborough, 2010; Zaiem; 2008; and, François-Valette and Florence, 2006), appear to have the greatest impact on the purchase of socially responsible goods, hence hypothesis H3.

H3: Financial risks negatively impact the actual purchase of socially responsible goods.

According to the findings of the study conducted by Durif et al. (2009), consumers perceive negative risks based on GP attributes, specifically with regard to the temporal aspects associated with the purchase of green products. In this study, the main attributes and motivations for purchasing green products were found to be subject to the impact of temporal risks relating to discretionary time, longer utilization time and longer purchase process time. Adams and Raisborough (2010) also pointed up that temporal risks tended to limit SRC. Often, it is also a matter of the limited availability of ethical products (Nicholls & Lee 2006). Hence the formulation of hypothesis H4.

H4: Temporal risks negatively impact the actual purchase of socially responsible goods.

In topical literature, perceived low product quality (i.e. Bray, Johns & Kilburn 2011; Adams & Raisborough 2010; Durif et al. 2009; François-Valette & Florence 2006) also constituted a major impediment to the consumption of socially responsible goods, hence hypothesis H5.

H5: Functional (performance-related) risks negatively impact the actual purchase of socially responsible goods.

Methodological process. Data was collected via an online survey conducted in the province of Québec (Canada) using a random sampling method subject to age and gender quotas to guarantee population representativeness. Respondents totalled 752 in number which a large sample size for the province of Québec that has a total population of about 7 million people. A pre-test was carried out to correct possible defects and anticipate any problems as might arise from the data collection process.

An exploratory factor analysis was used to analyse the scale structure for perceived risks associated with socially responsible goods. The factor analysis was carried out with principal component analysis along with orthogonal rotation procedure of varimax. The impact of perceived risks on the purchase of responsible goods was tested using 36 different multiple regressions. Finally, a cluster analysis was performed to group together products associated with different perceived risks. Perceived risks associated with responsible goods were measured using a 10-point Likert scale (from 1=totally disagree to 10=totally agree). Item scores for each of the perceived risks were averaged to form composite scores. To measure the extent of the purchase of socially responsible goods, respondents were asked to indicate how often they had purchased 36 different goods in the past year using a 10-point Likert scale (from 1=never to 10=always).

4. Discussion of findings

Perceived risks associated with socially responsible goods

Table 1 shows the factorial structure obtained for scales relating to the perceived risks associated with socially responsible goods. The high KMO value of 0.933 reveals the adequacy of the data for factor analysis.

The factor analysis revealed five distinct factors of perceived risks, explaining 74.199% of the variance. Factor 1 accounted for 33.352% of the variance, factor 2 for 26.292%, factor 3 for 5.697%, factor 4 for 4.661% and factor 5 for 4.197%. These factors can be labelled as follows: (1) psychosocial risk; (2) temporal risk associated with the time wasted shopping around for socially responsible goods; (3) performance risk involved in the purchase of goods which do not work as they should; (4) physical risk related to the impact of socially responsible goods on one's health; and (5) financial risk of paying a higher price for socially responsible goods relative to comparable goods. Since previous research has shown that the psychosocial and physical risks associated with socially responsible goods were positive, the items used for these risks were deemed to be positive.

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The Cronbach alpha values for the five perceived risks associated with socially responsible goods were calculated as 0.941, 0.843, 0.860, 0.917 and 0.823. These values were considerably higher than the usually suggested alpha value of 0.70 which would seem to point to sound internal consistency of scale dimensions.

Table 1
Perceived risks associated with socially responsible goods:
Total variance explained and Varimax rotated factor loading matrix

Item	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Commonalities
Choosing these goods helps boost my self-esteem	0.839					0.776
Choosing these goods brings me personal satisfaction	0.682					0.713
Choosing these goods gives me a sense of others' approval	0.821					0.746
Others react positively when I choose these goods	0.796					0.727
I believe that using these goods impacts my social image in a positive way	0.857					0.769
They give me the feeling of being a good person	0.826					0.721
They enhance my self-image with others	0.857					0.768
They enhance my own sense of self-image	0.830					0.782
I do not want to waste time choosing these goods as they are not readily available		0.780				0.721
I do not want to waste time choosing these goods as they must be sought out in several stores before they can be found		0.833				0.762
I do not want to waste time choosing these goods as they are not readily recognizable in stores		0.783				0.713
More time must be spent in stores when purchasing them as information must be read to compare products		0.661				0.594
I question the efficiency of these goods			0.703			0.709
I do not trust the performance of these goods			0.690			0.687
I question the level of performance of these goods			0.713			0.729
Quality-wise, they are not as good as conventional goods			0.764			0.681
I put my health at a lower risk when using these goods				0.821		0.874
I risk fewer side-effects for my health when using these goods				0.797		0.846
These goods are better for my health than other goods in the same category				0.792		0.836
These goods are too high-priced versus comparable items					0.783	0.746
I am not satisfied with the price of these goods					0.771	0.708
I do not trust the pricing of these goods					0.684	0.715

Impact of perceived risks on the purchase of socially responsible goods

The impact of perceived risks on the purchase of socially responsible goods was tested using 36 different multiple regressions with the purchase of a socially responsible good as a dependent variable and the five perceived risks as independent variables. All regressions were statistically significant. Table 2 summarizes the results obtained for the regressions. To render the results more readily understandable, the significant regression coefficients (all beta coefficients with a “p” value of less than 0.05 were retained) were replaced by either “-1” or “1”. A value of “-1” indicates that the perceived risk does not act as impediment to the purchase of the goods, whereas a value of “1” indicates that the perceived risk does act as an impediment. A value of “0” indicates a non-significant coefficient.

In terms of hypothesis testing, H1 and H2 were verified, while H4 was not. H3 and H5 were only partially verified.

Perhaps the most striking result is that the performance risk and the financial risk of paying a higher price for socially responsible goods than for comparable products were the only risks that acted as impediments to the purchase of socially responsible goods. Furthermore, the performance and financial risks only impeded the purchase of a fraction of the socially responsible goods that were included in this study. In fact, in 6 out of 18 cases, the performance risk was found to be motivational. Similarly, in 13 out of 20 cases, the financial risk was found to be motivational. All other risks, when they had a significant impact on the purchase of socially responsible goods, had a reverse influence as they appeared to act as motivations rather than impediments. The reverse psychosocial risks were found to have a significant impact on the purchase of socially responsible goods (31 out of 36 cases).

A two-step clustering analysis was performed to identify groups of goods. The values set out in Table 2 have been used as variables to form these groups. Table 3 shows the three groups of responsible goods derived from the analysis; these groups differ based on purchase sensitivity to perceived risks.

Table 2
Results of regressions: Impact of perceived risks
on the purchase of socially responsible goods

	Psychosocial risk	Time risk	Performance risk	Physical risk	Financial risk
Organically grown goods	-1	0	1	-1	0
Fair trade coffee	-1	0	0	-1	0
Fair trade chocolate	-1	0	0	-1	0
Fair trade tea	-1	0	0	-1	0
Fair trade sugar	-1	-1	0	-1	1
Fair trade spices	-1	0	0	-1	0
Fair trade bananas	-1	0	0	0	1
Organic meat	-1	0	0	-1	0
MSC certified seafood	-1	-1	0	0	1
Locally grown fruits and vegetables	0	0	1	-1	-1
Fresh fruits and vegetables	-1	0	1	-1	-1
Fruits and vegetables purchased directly from farmers	-1	0	0	-1	0
Locally produced fish or meat	-1	0	1	-1	0
Solar thermal collectors	-1	-1	-1	0	1
Photovoltaic energy	-1	-1	-1	0	1
Geothermal heating systems	-1	-1	-1	0	1
Energy Star certified appliances	0	0	0	-1	0
Energy-efficient lightbulbs	0	0	1	-1	-1
LED lightbulbs	-1	0	0	0	0
Rechargeable batteries	-1	0	0	0	0
Green household products	-1	0	1	-1	0
Organic cosmetics	-1	0	0	-1	1
Fair trade cosmetics	-1	0	0	0	1
Fair trade flowers and plants	-1	0	-1	-1	1
Fair trade cotton apparel	-1	-1	-1	-1	1
Organic fabric apparel	-1	0	-1	-1	1
Washable baby diapers	-1	-1	0	0	1
Ecofriendly baby diapers	-1	-1	0	0	0
Green computer products	-1	-1	0	0	1
Chemical pesticide-free garden products	0	-1	1	-1	-1
Sustainable tourist activities	-1	0	0	0	0
Printing paper made from recycled paper	0	0	1	-1	0
Paper tissues made from recycled paper	-1	0	1	-1	-1
Bathroom tissue made from recycled paper	-1	0	1	-1	-1
Paper towels made from recycled paper	-1	0	1	-1	-1
Biodegradable garbage bags	-1	0	1	-1	0

Note: -1 = , 1 = , 0 =

Table 3
Groups of socially responsible goods based on purchase sensitivity to perceived risks

Group 1	Group 2	Group 3
Fair trade sugar Organic cosmetics Fair trade flowers and plants Organic fabric apparel Fair trade bananas MSC certified seafood Solar thermal collectors Photovoltaic energy Geothermal heating systems Fair trade cosmetics Washable baby diapers Green computer products	Fair trade coffee Fair trade chocolate Fair trade tea Fair trade spices Organic meat Fruits and vegetables purchased directly from farmers LED lightbulbs Rechargeable batteries Ecofriendly baby diapers Sustainable tourist activities	Fresh fruits and vegetables Paper tissues made from recycled paper Bathroom tissue made from recycled paper Paper towels made from recycled paper Locally grown fruits and vegetables Energy-efficient lightbulbs Chemical pesticide-free garden products Organically grown goods Locally produced fish or meat Green household products Biodegradable garbage bags Energy Star certified appliances Printing paper made from recycled paper

Group 1, representing 36.1% of the goods, comprises socially responsible goods for which the financial risk acted as an impediment to the purchase process given the significant value in all cases (Please see Table 2). Many of the goods included in this group were quite expensive (organic cosmetics, organic fabric apparel, solar thermal collectors, photovoltaic energy, geothermal heating systems, fair trade cosmetics, green computer products).

Group 2, representing 27.8% of the goods, comprises responsible goods for which no perceived risks were associated with the purchase process.

Group 3, representing 36.1% of the goods, comprises socially responsible goods for which the performance risk acted as an impediment to the purchase process. Indeed, in 12 out of 13 cases, the performance risk was found to have a significant impact on the purchase of socially responsible goods (Please see Table 2). The majority of products in this group were either green products (paper tissues made from recycled paper, bathroom tissue made from recycled paper, paper towels made from recycled paper, energy-efficient lightbulbs, chemical pesticide-free garden products, organically grown goods, green household products, biodegradable garbage bags, Energy Star certified appliances, printing paper made from recycled paper) or local products (locally grown fruits and vegetables, locally produced fish or meat).

5. Conclusion

The objective of this study was to assess whether or not perceived risks actually impacted purchasing behaviour in relation to socially responsible goods. Research was conducted based on a probabilistic sample (n = 752) and demonstrated, for all

categories of goods and services analysed, that perceived risks did not appear to represent major impediments to the consumption of socially responsible goods.

These findings contradicted those of the majority of studies conducted in this field to date. Our findings can likely be explained by the fact that responsible goods are increasingly available. As a result, prices have begun to fall and consumer confidence in product efficacy is on the rise. Further research should include a larger number of responsible goods in order to be able to expand the results to other categories of goods.

However, despite the marked increase in the sale of these types of products in recent years, market share for socially responsible goods remains minimal when compared with that garnered by traditional goods. The first hurdle to remedying the situation, namely eliminating impediments, would appear to have been cleared. It is now a matter of focusing on the second: enhancing consumer motivation!

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