Emerald Insight

Journal of Consumer Marketing

Sustainability labelling as a challenge to legitimacy: spillover effects of organic Fairtrade coffee on consumer perceptions of mainstream products and retailers
Angela Anagnostou Paul T.M. Ingenbleek Hans C.M. van Trijp

For Authors

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com

Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

*Related content and download information correct at time of download.

Sustainability labelling as a challenge to legitimacy: spillover effects of organic Fairtrade coffee on consumer perceptions of mainstream products and retailers

Angela Anagnostou, Paul T.M. Ingenbleek and Hans C.M. van Trijp

Department of Marketing and Consumer Behaviour, Wageningen University, Wageningen, The Netherlands

Abstract

Purpose – This study aims to better understand the impact of norm-challenging products on consumers' perceptions of mainstream products and retailers. By showing that sustainable market offerings are feasible, products with sustainability labels, such as Fairtrade and organic products, implicitly question the legitimacy of mainstream brands in the market.

Design/methodology/approach – This paper uses an experiment, based on scenarios that portray the consumer in a shopping situation for their usual coffee brand when they encounter an organic Fairtrade coffee. The paper distinguishes a situation in which the sustainable and the mainstream products compete, from a situation in which the two brands collaborate.

Findings – The results show that norm-challenging products deteriorate perceptions of mainstream products and the companies that produce them but improve the image of retailers that include these products in their assortment. If labelled products are sold under the heading of mainstream brands, they still spill over negatively to other products of that brand but positively to the brand company.

Practical implications – The spillover effects of norm-challenging products to mainstream companies are an incentive for mainstream firms to enhance the sustainability of their activities.

Originality/value – Whereas much literature has focused on the first steps of creating awareness among consumers for sustainability, this paper is the first that tries to understand how typical consumers of mainstream brands develop preferences for products that are more sustainable.

Keywords Corporate social responsibility, Legitimacy, Fairtrade, Organic, Spillover effects, Sustainability labeling

Paper type Research paper

An executive summary for managers and executive readers can be found at the end of this issue.

Introduction

During the past two decades, consumers are increasingly expressing concerns about the environmental and social sustainability of products that they encounter in the market. In addition to their preferences for taste, appearance and price of products, they also develop preferences for attributes pertaining to the products' origins, like the living standards of farmers in developing countries, impact on climate change, bio-diversity, the welfare of animals and the like (Fortin and Uncles, 2011; McDonagh and Prothero, 2014). Sustainable development refers to development that "meets the needs of the present without compromising the ability of future generation to meet their own needs" (World Commission on Environment and Development, 1987, p. 8). In consumer markets, Fairtrade and Organic products were among the first

products that were regarded as sustainable because they set strict criteria for, respectively, the social and ecological sustainability of the products (Ingenbleek and Meulenberg, 2006). Because these organizations allow certified sellers to use a label, Organic and Fairtrade products can be distinguished from the other, "non-sustainable", products on the market (hereafter, mainstream products).

Research on consumer marketing has studied, among others, consumers' dissatisfaction with mainstream products by examining when and why consumers spread negative stories about their brands and even actively boycott certain brands (Carrigan *et al.*, 2004; Klein *et al.*, 2004). A related line of research has examined the consumer characteristics and purchasing motives of those consumers that prefer Organic, Fairtrade and/or other sustainable alternatives to the mainstream products (Andorfer and Liebe, 2012; Kim and Chung, 2011; Paul and Rana, 2012). This research has shown, among others, that strong preferences for sustainable products are found in a relatively small group of highly

involved consumers (Andorfer and Liebe, 2012; Borin and Cerf, 2011; Murphy and Jenner-Leuthart, 2011).

Analyzing the development of a market for sustainable coffee in The Netherlands, Ingenbleek and Reinders (2013) see the introduction of a brand that is entirely Fairtrade certified as an initiator of change because Fairtrade signals to consumers that a sustainable alternative in mainstream marketing channels like supermarkets is feasible. This Fairtrade brand, therefore, initiated the adoption of sustainability labels by brands that had always sold mainstream coffee. The adoption of sustainability labels by incumbent brands increased the market share of all certified coffee to a predicted 75 per cent of the entire Dutch coffee market in 2015. A possible explanation for the adoption of the second-generation labels by mainstream brands is that the managers of these brands were afraid that the presence of a sustainable alternative in the market may harm their brands because consumers start questioning the legitimacy of brands that lack certification (Ingenbleek and Reinders, 2013). From a consumer research point of view, we still know little about whether and why consumers indeed develop such negative perceptions of mainstream brands in the presence of sustainable alternatives. This study intends to fill this gap.

More specifically, this article will present the results of an experimental study that measures changes in consumers' perceptions of mainstream coffee products and the stores in which these products are sold, when consumers are confronted with an Organic–Fairtrade coffee. The combination of Organic and Fairtrade is chosen because these labels focus, respectively, on the ecological and social aspects of sustainability and, therefore, jointly cover the greater part of the sustainability domain (Ingenbleek and Meulenberg, 2006). In other words, we aim at answering the question whether the introduction of Organic–Fairtrade coffee sets a new reference point for the category against which consumers evaluate the legitimacy of existing brands in the marketplace. In addition to examining this situation in which the Organic–Fairtrade alternative enters the market as a new brand that competes with the brands of mainstream products, we also examine whether selling the Organic–Fairtrade coffee under an existing brand that also sells mainstream coffee leads to a positive spillover effect for the brand, thus creating an incentive for the major brands in the market to adopt a sustainability label. In making these contributions, we draw on legitimacy theory (Handelman and Arnold, 1999; Suchman, 1995) and literature on spillover effects in marketing (Ahluwalia *et al.*, 2001; Lutz, 1975). Although it has been shown that brand equity might spill over from one brand to another in brand alliances (Balachander and Ghose, 2003; Li and Murphy, 2013), such research has not yet been conducted on alliances between brands and sustainability labels.

Background

In this section we first present the arguments on legitimacy, which offer an explanation of *why* consumers may change their perceptions of mainstream brands in the presence of sustainable alternatives. Next, we briefly discuss the literature on spillover effects to understand where to the attributions may spill over.

Sustainability labelling as a challenge to legitimacy

When brands with Organic and/or Fairtrade sustainability labels enter the market, they, in fact, question the legitimacy of the existing brands. Legitimacy is "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995, p. 574). Institutional theory posits that market players should adhere to the ruling norms to be perceived as legitimate (Handelman and Arnold, 1999). This is important because without legitimacy, the society in which these players operate, will not grant them a license to operate or sell (Suchman, 1995). As long as sustainable production is perceived as a utopic goal which is noble to pursue but, in the competitive reality of consumer markets, impossible to implement without extraordinarily extra costs, the social norm is unlikely to change. If new brands that enter the market, however, show that such claims have no solid ground and that it is economically and practically feasible to bring and keep sustainable products into the mainstream supermarket channel, such sustainable products may implicitly question the ruling social norms and with that the legitimacy of the (unsustainable) mainstream brands (Ingenbleek and Reinders, 2013).

Fairtrade and Organic products are probably the best examples of such products in the modern consumer markets. They both first developed small niche markets of consumers that were reached through alternative marketing channels, like specialty stores. When the initiatives grew, they professionalized their businesses and entered the mainstream supermarket channel (Goewie, 2002; Moore, 2004). Both initiatives managed to conquer a market segment of involved consumers. They not only competed with the mainstream brands but also joint them, in that Organic and Fairtrade products were brought to the market under the heading of established (mainstream) brand names. Fairtrade products are, for example, brought to the market by various A brands, including Nestlé. Some dairy companies use organic milk in a range of their dairy products and fashion brands like Nike and Timberland ally with suppliers of organic cotton.

In other words, the effects of introducing an Organic-Fairtrade coffee in a market may spill over to consumer perceptions of existing brands (see the conceptual framework in Figure 1). This may happen in situations in which the Organic–Fairtrade coffee is introduced as a new brand that competes with the existing brands under which the mainstream products are sold (hereafter the competitive situation) and in situations in which the Organic–Fairtrade coffee is sold under the name of the existing brand because the

Figure 1 Conceptual framework
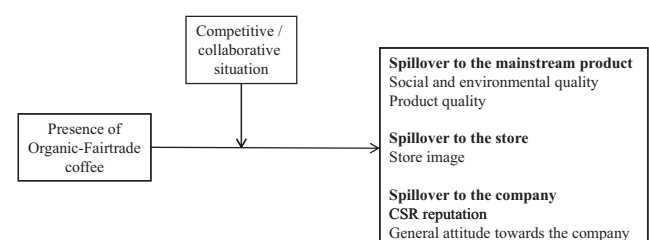
sustainability label formed a coalition with that brand (hereafter the collaborative situation). To better understand this phenomenon, we draw from literature on spillover effects.

Spillover effects

Spillover effects constitute a phenomenon in which any kind of communicated information influences beliefs about attributes that are not directly addressed in communication (Ahluwalia *et al.*, 2001). Prior research initially examined spillover effects in communications to understand the perceptual effects on attributes that were not mentioned in the communicating message (Lutz, 1975). More recently, the study of spillover effects has extended to cover a range of phenomena, of which several are of interest to understand the array of perceptions that the presence of a sustainable product like Organic–Fairtrade coffee potentially can influence. First, because research has found that spillover effects may occur from one product to other in the same store (Heilman *et al.*, 2002; Janakiraman *et al.*, 2006), the Organic–Fairtrade coffee can potentially spill over to mainstream products. Second, because spillover effects occur within retailers, for example, from trust in and satisfaction with retailer brands to retailer service perceptions (Zboja and Voorhees, 2006), the inclusion of Organic–Fairtrade coffee in a retailer's assortment can also potentially spillover to the perception of the store. Third, because spillover effects occur between products and the companies that manufacture these products (Berens *et al.*, 2005), the Organic–Fairtrade coffee may also affect the corporation producing the mainstream product. As such, the conceptual framework includes spillover effects to the mainstream brand, the retailer and the company (Figure 1).

The information of an Organic–Fairtrade label pertains to the social and environmental quality of the product. Research has, however, shown that spillover effects may occur between social responsibility and product evaluations (Brown and Dacin, 1997) and from crises and scandals to product evaluations (Klein and Dawar, 2004; Roehm and Tybout, 2006). We, therefore, also include the perceived product quality in addition to the social and environmental quality of the product. Likewise, we include the general attitude towards the company in addition to the corporate social responsibility (CSR) reputation of the company. Finally, we note that information may also spill over from one partner to another within a brand alliance (Balachander and Ghose, 2003; Simonin and Ruth, 1998). The spillover effects may, therefore, not only occur in the competitive situation but also in a collaborative situation (Figure 1). We will detail the hypotheses on the spillover effects of the Organic–Fairtrade coffee on the mainstream product, on the store and on the company in subsequent order below.

Hypotheses

Spillover effects to the mainstream product
Social and environmental performance
According to information integration theory (Anderson, 1981), consumers' attitudes and beliefs are formed when they receive, interpret and then integrate information using simple algebraic rules. On introduction, the Organic–Fairtrade coffee emphasizes diversity in the social and environmental performance of the available products, a trait that consumers

might have previously believed was irrelevant in their evaluations of the product because of the lack of differentiation. Therefore, the Organic–Fairtrade coffee adds a new type of diagnostic information to evaluative criteria and, at the same time, set a relevant point of reference, or anchor, on that dimension for product evaluations. Because the presence of Organic–Fairtrade coffee raises the bar, through contrast they implicitly signify the lower social and environmental performance of mainstream products. As a result, the sheer presence of the Organic–Fairtrade option within the assortment may negatively affect the perceived social and environmental performance of mainstream products. This is likely to happen if the Organic–Fairtrade product competes as a brand with the existing brands and if an existing brand includes a product-line extension with a labelled product; in both cases, consumers evaluate the mainstream product against an alternative with a higher social and environmental performance. Thus:

H1. When consumers encounter Organic–Fairtrade coffee, their perceptions of the social and environmental performance of the mainstream product are negatively influenced in the competitive and collaborative situations.

Product quality
The presence of Organic–Fairtrade coffee can also spill over to constructs that, in principle, are irrelevant to perceptions of social and environmental performance. Spreading activation theory posits that all acquired product information is stored in consumers' memories, creating networks of concepts (or nodes) that also activate spillover effects between concepts (Ahluwalia *et al.*, 2001; Balachander and Ghose, 2003). The social and environmental characteristics highlighted by Organic–Fairtrade products constitute a (new) concept that can easily become integrated as part of the perceived overall product quality. The Organic–Fairtrade coffee signifies the absence of those characteristics in the competing mainstream products. As a result, the socially and environmentally related node falls short in the case of mainstream products, "spreading" negatively to perceived product quality. As we explained previously, this likely happens in the competitive and collaborative situations because, in both cases, consumers evaluate the mainstream product against the socially and environmentally more attractive Organic–Fairtrade coffee. Thus:

H2. When consumers encounter Organic–Fairtrade coffee, their perceptions of the product quality of the mainstream product are negatively influenced in the competitive and collaborative situations.

Spillover effects to the store
According to attribution theory, consumers naturally search for the causes of events (like encountering Organic–Fairtrade coffee) they encounter (Folkes, 1988). For example, when some attribute of a product consumers know well changes, they engage in an attributional search to determine the causes of the change. This search then leads to rewards or punishments for all the actors involved in the change. This process is a sequence of thoughts (looking for the causes of any

change), feelings (positive or negative) and attributional actions (rewards or punishments) (Janakiraman *et al.*, 2006; Klein and Dawar, 2004). If the thoughts and feelings are positive, positive attributions will occur; however, if they are negative, the attributions will also likely be negative.

When consumers encounter Organic–Fairtrade coffee on the supermarket shelves, their attributions towards the retailers are likely to be positive. The positive perception of lifting social norms spills over from the product to the store offering that product. Likewise, strong brands can spill over to retailer image in a positive way (Zboja and Voorhees, 2006). If the Organic–Fairtrade coffee is presented under the heading of an existing brand, this spillover effect is likely to disappear because the positive attribution towards the retailer (due to inclusion of the Organic–Fairtrade coffee in its assortment) is now attributed to the brand owner, which already has access to shelf space. Therefore, we expect a positive spillover effect of Organic–Fairtrade coffee on perceived store image in the competitive situation but not in the collaborative situation:

H3. When consumers encounter Organic–Fairtrade coffee, their perceptions of store image are positively influenced in the competitive situation but not in the collaborative situation.

Spillover effects to the company

With respect to the corporate image of the companies producing mainstream brands, we include the company's perceived CSR reputation and the consumers' general attitude towards the company. According to attribution theory, consumers make attributions even when they are loyal to their favourite brand (Folkes, 1988). If they encounter an Organic–Fairtrade coffee next to their favourite coffee brand, they may still search for the causes of this event even if they have no intentions of switching to the Organic–Fairtrade product. The companies they "reward" are likely those that produce and market Organic–Fairtrade products, and the companies they "punish" are likely those that have not incorporated these brand extensions. Because the norms that are lifted pertain to social and environmental characteristics, the CSR reputation of the company producing the mainstream products is likely to be negatively affected in the competitive situation. In addition, because CSR associations are also likely to affect consumers' general attitudes towards companies, similar to the influence of social and environmental product performance on overall perceived product quality, we also expect that consumers' general attitudes towards the mainstream company are negatively affected.

However, when companies extend their brand with an Organic–Fairtrade coffee, the direction of the spillover effect may change. Because the inclusion of the Organic–Fairtrade option signals a more socially responsible business, consumers may reward the mainstream company through more positive perceptions of CSR reputation and more positive general attitudes towards the company (Brown and Dacin, 1997). In line with these arguments, we hypothesize the following:

H4. When consumers encounter Organic–Fairtrade coffee, their perceptions of CSR image are negatively influenced in the competitive situation but positively in the collaborative situation.

H5. When consumers encounter Organic–Fairtrade coffee, their general attitudes towards the mainstream company are negatively influenced in the competitive situation but positively in the collaborative situation.

Method

To test the hypotheses, we use a role-playing scenario method because any change in perceptions indicating spillover effects probably occurs only in a specific behavioural context – that is, a shopping experience in which a consumer encounters an Organic–Fairtrade coffee when selecting his or her favourite mainstream product. The scenario first describes this behavioural context as a hypothetical situation and then measures respondents' subsequent beliefs and attitudes. Although the market share of Fairtrade coffee has always been lower than 5 per cent in The Netherlands, awareness of Fairtrade coffee has been high from the early 1990s (Ingenbleek and Reinders, 2013). Therefore, we expect the respondents to be familiar with the stimulus.

We apply a before–after control group design (Churchill and Iacobucci, 2005). Following studies on spillover effects (Ahluwalia *et al.*, 2001; Roehm and Tybout, 2006), we test spillover effects by measuring the change in consumers' perceptions between their initial (preexposure) and final (postexposure) attitude towards mainstream products. We then identify the presence of positive (or negative) spillover effects as the positive (or negative) score of the "belief change" calculated by subtracting the initial belief scores from the postexposure belief scores. We control for the variance due to individual differences, as pre-measurements function as a point of reference for postexposure measurements.

This design enables us to undertake several comparisons. First, to check for randomization, we can test all the initial preexposure measurements to identify whether the groups are equivalent before the manipulation. By measuring the preexposure scores, we provide insight into the preexisting individual differences. Second, use of preexposure measurements tests the effect of the exposure to Organic–Fairtrade coffee because each respondent serves as his or her own comparison. As a result, any differences between the preexposure and the postexposure beliefs indicate spillover effects. Third, to ensure that any detected differences in participants' scores are due to their exposure to Organic–Fairtrade products and not any other external event, we compare both experimental groups with the control group.

Because the measurements focus on beliefs and attitudes, participants may not have differences between their pre- and postexposure measurements because of attitude consistency. This effect is called "main testing" (Churchill and Iacobucci, 2005; Malhotra, 1996) and occurs when the preexposure measurements, not the exposure itself, influence the postexposure measurements. Moreover, the main testing effect may be reactive, resulting in the sensitivity of respondents to give a different score after exposure. In either case, the main testing effect reduces the internal validity of the experiment.

To control for the main testing effect, we compare the differences in a paired-samples *t*-test. If the control group has a change in scores, this change is caused by the effect of the pretest. If this is the case, we take this difference in scores into

consideration in the calculation of the spillover effects of the experimental groups (variance due to the labels – variance due to the pretest = spillover effects). If not, any difference occurring between pre- and postexposure scores in the experimental groups is due to the exposure alone.

Protocol
We first informed respondents about the purpose of the study and received their consent for participation. All respondents then indicated the mainstream coffee they usually buy. They read the first step of the scenario (Appendix 1), which described a usual shopping experience in which consumers buy their (indicated) favourite coffee and continue their shopping. Next, they completed the first part of the questionnaire with multi-item measures on the dependent variables. Respondents filled out a self-reported, paper-and-pencil questionnaire to avoid socially desired or biased answers.

After completion of the first part of the questionnaire and to minimize respondent fatigue, respondents provided some demographic data. After that, respondents read the second part of the scenario. The introduction to the second part of the questionnaire was identical for all respondents. According to the scenario, they want to buy their favourite (indicated) mainstream coffee. We then randomly assigned them to one of three conditions in a three-group between-subjects design (for the scenario descriptions, Appendix 1). They were informed that next to their favourite coffee, they unexpectedly encounter:

• a different coffee brand with certification of Organic production and Fairtrade coming from Mexico (competitive situation);
• another type of their usual coffee brand but with certification of Organic production and Fairtrade coming from Mexico (collaborative situation); or
• a control condition that stated that they found many other well-known coffee brands (control condition).

Finally, the scenario indicated that they purchase their favourite coffee and continue shopping. Respondents then completed the second part of the questionnaire with the postexposure measurement of dependent variables. To minimize the chance of interactive testing effects, control questions regarding their environmental and social sensitivity appeared at the end of the questionnaire (Churchill and Iacobucci, 2005; Malhotra, 1996).

After the procedure, we debriefed respondents and reassured them that the provided information would remain confidential and be used only for the purpose of the actual study. We also informed them that the information they received was fictitious and designed under the scope of the study.

Pilot study and data collection
Study respondents are all students of a university in The Netherlands. We expect this population to be relatively homogeneous, with no significant differences in age, income, education and type of study. We conducted a pilot study with 23 respondents on three versions of the questionnaire that corresponded to the three experimental groups (Churchill and Iacobucci, 2005). The time for completing the questionnaire

was 10-15 minutes. We also conducted a protocol analysis in which we asked respondents to "think aloud" while completing the questionnaire, and we debriefed them after completion (Malhotra, 1996). From the results, we made a few minor changes to the questionnaire to improve fluency.

We approached the participants of the main study in the main buildings of the university. As a selection question, we asked them whether they were loyal buyers of Organic–Fairtrade coffee. We asked only the students who answered "no" to this question to participate. To stimulate participation, we offered them an incentive in the form of a lottery ticket that gave them a chance to win one of three prizes of €100. A total of 166 questionnaires were completed; the competitive and control groups consisted of 58 respondents, and the collaborative group consisted of 50 respondents. Of the respondents, 76 were men (45.78 per cent) and 90 (54.22 per cent) were women. In addition, 84.8 per cent were aged 21-30 years, 14 per cent were younger than 21 years and 1.2 per cent were older than 30 years. In terms of education, 48.3 per cent had a bachelor's degree, and 51.7 per cent had a master's degree. Finally, 72 per cent indicated that the market-leading coffee brand was their favourite brand, 19 per cent indicated a private label as their favourite brand and 9 per cent indicated various other brands.

Measurement
We measured the dependent variables with existing multi-item scales; responses were on seven-point Likert-type items, anchored by "strongly disagree" (1) and "strongly agree" (7). In the pilot study with 23 respondents, we adapted these scales to the context of the study (i.e. purchasing situation for coffee). The pilot study confirmed the high reliability of the measures and informed us on possible scale reductions to reduce respondent burden. As a result, we applied reduced-length scales for perceived product quality (four items, alpha's for pre- and post-exposure, respectively, are 0.86/0.88), social and environmental performance (five items, 0.92/0.95) and store image (three items, 0.91/0.92) and full-length scales for general attitude towards the company (Goldsmith *et al.*, 2000, three items, 0.86/0.87) and perceived CSR of the producing company (Lichtenstein *et al.*, 2004, five items 0.92/0.96) (Appendix 2 for the final items). We also inspected the data for outliers and on violations of nonnormality and homogeneity using Kolmogorov–Smirnov tests and Levene's test statistic (Field, 2005), respectively, but detected no problems.

Results

To test our hypotheses, we compared the preexposure measurements and the postexposure measurements using paired-samples *t*-tests. The null hypothesis was that there were no differences among the means of the dependent variables in the first and second measurements, implying no spillover effects. Table I presents the results.

The differences between the pre- and postexposure measurements in the experimental groups are significant. However, we also find significant differences in the control group (attitude towards the company and CSR reputation), signalling a possible main testing effect (Churchill and Iacobucci, 2005). Therefore, we examined all the hypotheses

Table I Results (paired-samples *t*-tests)

Variables	Mean Part 2	Mean Part 1	Mean Difference	SD	t	p-value (two-tailed)	df
Experimental group 1 (Competitive situation)							
Social environmental performance	3.376	3.986	−0.6103	0.758	−6.132	0.000	57
Product quality	4.707	5.026	−0.319	0.675	−3.599	0.001	57
Store image	5.661	5.414	0.247	0.830	2.268	0.027	57
CSR reputation	3.221	3.710	−0.490	0.601	−6.207	0.000	57
Attitude towards company	5.149	5.512	−0.362	0.679	−4.061	0.000	57
Experimental group 2 (Collaborative situation)							
Social environmental performance	3.472	3.916	−0.444	0.608	−5.165	0.000	49
Product quality	4.875	5.065	−0.190	0.509	−2.639	0.011	49
Store image	5.567	5.527	0.040	0.554	0.508	0.614	49
CSR reputation	4.572	3.688	0.884	1.199	5.212	0.000	49
Attitude towards company	6.040	5.827	0.213	0.709	2.128	0.038	49
Control group							
Social environmental performance	4.862	4.807	0.055	0.355	1.184	0.241	57
Product quality	5.108	5.013	0.095	0.391	1.846	0.070	57
Store image	5.144	5.092	0.051	0.317	1.240	0.220	57
CSR reputation	4.524	4.435	0.090	0.305	2.240	0.029	57
Attitude toward company	5.626	5.724	−0.098	0.455	−1.637	0.107	57

by comparing the experimental groups with the control group. By doing so, we took the difference in scores into account in the calculation of spillover effects of the experimental groups (variance due to the manipulation – variance due to the pretest = spillover effects). We computed difference scores for all the dependent variables and tested the differences between the experimental groups using ANOVA and planned contrasts between the control group and the first and second experimental groups. Table II presents the results.

H1, which predicted that the Organic–Fairtrade coffee would negatively spill over to the perceived social and environmental performance of mainstream products, is supported in both the competitive ($t_{(163)} = -6.006, p < 0.05$) and the collaborative ($t_{(163)} = -4.335, p < 0.001$) conditions. Likewise, *H2*, which predicted a negative spillover effect on

Table II Results from planned comparisons (ANOVA)

Difference in variables (Part 2-1)	t	df	p-value (one-tailed)
Competitive situation compared with control group			
Social environmental performance 2-1	−6.006	163	0.000
Product quality 2-1	−4.022	163	0.000
Store image 2-1	1.735	163	0.043
CSR reputation 2-1	−4.058	163	0.000
Attitude towards company 2-1	−2.100	163	0.018
Collaborative situation compared with control group			
Social environmental performance 2-1	−4.335	163	0.000
Product quality 2-1	−2.625	163	0.005
Store image 2-1	−0.101	163	0.460
CSR reputation 2-1	5.354	163	0.000
Attitude towards company 2-1	2.799	163	0.003

perceived product quality, is also supported in both the competitive ($t_{(163)} = -4.022, p < 0.001$) and the collaborative ($t_{(163)} = -2.625, p < 0.01$) conditions. *H3*, which stated that the Organic–Fairtrade coffee would positively spill over to store image in the competitive condition, is supported ($t_{(163)} = 1.735, p < 0.05$). As we predicted for the collaborative condition, we found no positive spillover effect on store image ($t_{(163)} = -101, p = 0.456$).

H4 predicted that the Organic–Fairtrade coffee would have a negative spillover effect on CSR reputation in the competitive condition and a positive spillover effect in the collaborative condition. This hypothesis is supported; we find a negative, significant effect in the competitive condition ($t_{(163)} = -4.058, p < 0.001$) and a positive, significant effect in the collaborative condition ($t_{(163)} = 5.354, p < 0.001$). Finally, *H5*, which predicted a negative spillover effect on general attitudes towards the companies producing mainstream products in the competitive condition and a positive spillover effect in the collaborative condition, is supported. In the competitive condition, the effect is negative and significant ($t_{(163)} = -2.100, p < 0.05$); in the collaborative condition, the effect is positive and significant ($t_{(163)} = 2.799, p < 0.01$).

Discussion

This study explored the role of spillover effects of a product with a sustainability label as a potential underlying dynamic of sustainability labels to change the market structure. In line with the developments on the Dutch coffee market (which seems to show similarities with several other consumer markets on which products with sustainability labels were introduced), we distinguish between the competitive situation, in which the sustainability label is introduced as a new brand that will compete with the existing brands on the market (thereby exceeding the ruling level of legitimacy) and the

collaborative situation, in which the sustainability label builds alliances with existing brands (thereby beginning to mainstream the higher level ruling norm within the category). For both conditions, the Organic–Fairtrade coffee significantly spills over to the mainstream products, the retailer and the company producing mainstream products.

With respect to the mainstream product, perceptions of social and environmental performance and of product quality of mainstream products significantly decrease in the presence of Organic–Fairtrade coffee. The effect is persistent, even when the Organic–Fairtrade coffee is sold under the same brand name as the mainstream coffee. For the retailer, we found a positive spillover effect only in the competitive situation, suggesting that the positive attributions of including Organic–Fairtrade coffee in the assortment award the brand owner rather than the retailer if the product is sold under the heading of an existing brand. Apparently, it is either the retailer or the mainstream brand company that benefits from a positive spillover effect, but not both. For the mainstream producing company, we found a negative spillover effect in the competitive situation. This situation spills over negatively not only to the company's CSR image but also to consumers' general attitudes towards the company. When companies begin adhering to the newly introduced norms of bringing the Organic–Fairtrade coffee under their own brand, the spillover effect becomes positive for their company.

The results provide important evidence that sustainability labels may be changing the rules of the market. That is, introducing products with sustainability labels to the marketplace creates an incentive for retailers to include these products in their assortment, and the retailers that do so enjoy improved reputations. Thus, by becoming widely available, products with sustainability labels generate consumer appreciation; they also increase the normative reference point pertaining to their social cause and lead the mainstream brands to become disqualified at this reference point by their own buyers. When sustainability labels scale up their initiative through alliances with mainstream brands, the mainstream brands earn improved corporate image, even though the mainstream brand products without the sustainability label are still being hurt. The added value for branded companies comes at the expense of added value for the retailers because, in collaborative situations, the positive effect does not spill over to the store image.

Implications

Theoretical implications
The findings extend the literature on the influence of legitimacy on markets (Handelman and Arnold, 1999). This literature has thus far mostly looked at the effects of companies that violate the informal norms (Klein and Dawar, 2004). Our study shows that norms can also be increased by introducing products that explicitly question the norms that prevail in the market. In making this contribution, the study also shows that brand alliances of companies extend to the institutional environment, in that companies can ally also with labelling organizations. This far, this literature mostly focused on alliances restricted to the market domain (Balachander and Ghose, 2003; Simonin and Ruth, 1998). In this collaborative context, the results confirm the positive spillover effects found

in previous studies (Ahluwalia *et al.*, 2001; Brown and Dacin, 1997; Klein and Dawar, 2004; Zboja and Voorhees, 2006) and show that mainstream brands can benefit from line extensions in alliance with sustainability labels. In addition, this study reveals that, in the competitive context, the positive trait of Organic–Fairtrade coffee has a negative spillover effect. This directional switch in the spillover effect may be unique to situations, in which the positive traits are not generated in the company's market environment but rather in the institutional environment because the Organic–Fairtrade product signals that the mainstream product does not adhere to what should be the ruling norm – to be perceived as a legitimate offering.

Importantly, our sample excluded loyal buyers of Organic–Fairtrade coffee – consumers who are highly involved with the environment or other social causes related to coffee – but rather loyal buyers of mainstream coffee. However, although these consumers are not loyal buyers of Organic–Fairtrade coffee, they are still influenced by them. The impact of sustainability labelling may thus reach beyond the sometimes relatively small numbers indicated by market shares of Organic–Fairtrade products. Indeed, our study confirms that these products may have a dual goal. On the one hand, they satisfy a demand for socially responsible products in a market segment of socially responsible consumers (as is acknowledged in prior studies; Andorfer and Liebe, 2012; Borin and Cerf, 2011; Murphy and Jenner-Leuthart, 2011). On the other hand, they increase other consumers' awareness and gradually change the ruling norms in society, which may eventually question the legitimacy of mainstream producers.

Practical implications
Our findings have implications for sustainability labels, retailers, brand managers and public policymakers. For sustainability labels, the findings suggest that introducing products with sustainability labels is a double-edged sword: it may satisfy a demand of socially responsible consumers and, at the same time, exert a subtle effect in the minds of consumers loyal to their mainstream brands, thus eroding the value of these mainstream brands and gradually challenging the legitimacy of the entire industry.

For retailers, the findings show that they may benefit from including products with sustainability labels in their assortment. However, benefits come only in competitive situations because, after mainstream brands begin including Organic–Fairtrade products in their product line, consumers attribute the rewards to brand companies rather than retailers. Therefore, retailers should be open-minded to and develop relationships with sustainability labels that want shelf space in their stores so that they are the first to include new sustainable products in their assortments. Next, they can use the relationship that they build with the organization behind the sustainability label to adopt the label for its store brand before other brands will adopt it.

For managers of brand companies, the findings imply that responding to sustainability labels by adopting them for their products is an effective strategy to increase their overall image and their CSR image. However, consumers will notice that not all products in the product line adhere to the uplifted sustainability norms. This will lead to negative spillovers from the labelled product to the other products in the product line.

To prevent this, firms should take a proactive approach to social issues and become a sustainable brand that does not just include a socially attractive option in the product line but also anticipates a change in societal norms and uplifts the entire product line at the same time.

For policymakers who want to achieve social objectives, the findings indicate that supporting sustainability labels with investment subsidies and the like can be an effective policy instrument. Although sustainability labels may not generate large market shares at the start, they set a process in motion that may change the market in the long run. Therefore, the success of such a policy should not be measured by market share and sales figures but rather by the presence and visibility of products, the number of outlets and categories these products are available in, and whether they are sufficiently clear on the shelves for consumers to notice them. When developing such policies, policymakers and sustainability labels should team up with retailers, which can strengthen their reputation by including these products in their assortment before brands include them in their product line.

Limitations and directions for further research

The limitations of this study provide potential avenues for further research. First, this study used an experimental approach, which may be strong in its internal validity but brings limitations in external validity. Future research may, therefore, complement this study with research designs that are strong in their external validity, like consumer surveys. Second, we used a sample of students to test the hypotheses and thus are not able to generalize our findings to other parts of the population; for example, older people might respond differently. We also do not know to what extent the participants are loyal buyers of other Organic or Fairtrade products. Future research may examine the role of general attitudes to these product categories in the spillover effects. Third, we tested our hypotheses on a single Organic–Fairtrade product, Organic–Fairtrade coffee. An interesting direction for future research is, therefore, to use other products and other categories to test the presence of spillover effects. Fashion and consumer electronics are examples of categories in which Organic–Fairtrade products are introduced, but unlike coffee, they are not fast-moving consumer goods.

The study also used a market situation with one level of social attractiveness. In reality, more than one level may exist, such as certification schemes that aim to decrease poverty among farmers in developing countries, without using the relatively strict criteria that Fairtrade uses (Ingenbleek and Meulenberg, 2006). Research could also study the impact of such certification schemes on multiple levels and test whether they are effective responses to the introduction of Organic–Fairtrade products. Such studies may also examine the role of brand competition, in particular store brands which were beyond the scope of our study.

Finally, although we identified spillover effects from Organic–Fairtrade products, we did not test whether the consumers' attitude changes would eventually lead to different preferences and product choices. Thus, a real-life longitudinal study using point-of-purchase data might be a worthwhile follow-up to our study.

References

Ahluwalia, R., Unnava, R.H. and Burnkrant, R.E. (2001), "The moderating role of commitment on the spillover effect of marketing communications", *Journal of Marketing Research*, Vol. 38 No. 4, pp. 458-470.

Anderson, N.H. (1981), *Foundations of Information Integration Theory*, Academic Press, New York, NY.

Andorfer, V.A. and Liebe, U. (2012), "Research of fairtrade consumption-a review", *Journal of Business Ethics*, Vol. 106 No. 4, pp. 415-435.

Balachander, S. and Ghose, S. (2003), "Reciprocal spillover effects: a strategic benefit of brand extensions", *Journal of Marketing*, Vol. 67 No. 1, pp. 4-13.

Berens, G., van Riel, C.B.M. and van Bruggen, G.H. (2005), "Corporate associations and consumer product responses: the moderating role of corporate brand dominance", *Journal of Marketing*, Vol. 69 No. 3, pp. 35-48.

Borin, N. and Cerf, C. (2011), "Consumer effects of environmental impact in product labelling", *Journal of Consumer Marketing*, Vol. 28 No. 1, pp. 76-86.

Brown, T.J. and Dacin, P.A. (1997), "The company and the product: corporate associations and consumer product responses", *Journal of Marketing*, Vol. 61 No. 1, pp. 68-84.

Buchanan, L., Simmons, C.J. and Bickart, B.A. (1999), "Brand equity dilution: retailer display and context brand effects", *Journal of Marketing Research*, Vol. 36 No. 3, pp. 345-355.

Carrigan, M., Szmigin, I. and Wright, J. (2004), "Shopping for a better world? An interpretive study of the potential for ethical consumption within the older market", *Journal of Consumer Marketing*, Vol. 21 No. 6, pp. 401-417.

Churchill, G.A. and Iacobucci, D. (2005), *Marketing Research: Methodological Foundations*, 8th ed., Southern-Western, Cincinnati.

Field, A. (2005), *Discovering Statistics using SPSS*, Sage Publications, London.

Folkes, V.S. (1988), "Recent attribution research in consumer behavior: a review and new directions", *Journal of Consumer Research*, Vol. 14 No. 4, pp. 548-565.

Fortin, D. and Uncles, M. (2011), "The first decade: emerging issues of the twenty-first century in consumer marketing", *Journal of Consumer Marketing*, Vol. 28 No. 7, pp. 472-475.

Goewie, E.A. (2002), "Organic agriculture in the Netherlands; developments and challenges", *Netherlands Journal of Agricultural Sciences*, Vol. 50 No. 2, pp. 153-169.

Goldsmith, R., Lafferty, B. and Newell, S. (2000), "The impact of corporate credibility and celebrity credibility on consumer reaction to advertisements and brands", *Journal of Advertising*, Vol. 29 No. 3, pp. 43-54.

Handelman, J.M. and Arnold, S.J. (1999), "The role of marketing actions with a social dimension: appeals to the institutional environment", *Journal of Marketing*, Vol. 63 No. 3, pp. 33-48.

Heilman, C., Nakamoto, K. and Rao, A.R. (2002), "Pleasant surprises: consumer response to unexpected in-store

coupons", *Journal of Marketing Research*, Vol. 39 No. 2, pp. 242-252.

Ingenbleek, P.T.M. and Meulenberg, M.T.G. (2006), "The battle between 'good' and 'better': a strategic marketing perspective on codes of conduct for sustainable agriculture", *Agribusiness*, Vol. 22 No. 4, pp. 451-473.

Ingenbleek, P.T.M. and Reinders, M.J. (2013), "The development of a market for sustainable coffee in the Netherlands: rethinking the main contribution of Fairtrade", *Journal of Business Ethics*, Vol. 113 No. 3, pp. 461-474.

Janakiraman, N., Meyer, R.J. and Morales, A.C. (2006), "Spillover effects: how consumers respond to unexpected changes in price and quality", *Journal of Consumer Research*, Vol. 33 No. 3, pp. 361-369.

Kim, H.Y. and Chung, J.E. (2011), "Consumer purchase intention for organic personal care products", *Journal of Consumer Marketing*, Vol. 28 No. 1, pp. 40-47.

Klein, J. and Dawar, N. (2004), "Corporate social responsibility and consumers' attributions and brand evaluations in a product-harm crisis", *International Journal of Research in Marketing*, Vol. 21 No. 3, pp. 203-217.

Klein, J.G., Smith, N.C. and John, A. (2004), "Why we boycott: consumer motivations for boycott participation". *Journal of Marketing*, Vol. 68 No. 3, pp. 92-109.

Li, N. and Murphy, W.H. (2013), "Consumers' alliance encounter satisfaction, attributions, and behavioral intentions", *Journal of Consumer Marketing*, Vol. 30 No. 6, pp. 517-529.

Lichtenstein, D.R., Drumwright, M.E. and Braig, B.M. (2004), "The effect of corporate social responsibility on customer donations to corporate-supported nonprofits", *Journal of Marketing*, Vol. 68 No. 4, pp. 16-32.

Lutz, R.J. (1975), "First-order and second-order cognitive effects in attitude change", *Communication Research*, Vol. 2 No. 3, pp. 289-299.

McDonagh, P. and Prothero, A. (2014), "Sustainability and marketing research: past, present and future", *Journal of Marketing Management*, Vol. 30 Nos 11/12, pp. 1186-1219.

Malhotra, N.K. (1996), *Marketing Research: An Applied Orientation*, 2nd ed., Prentice Hall, Englewood Cliffs, NJ.

Moore, G. (2004), "The fairtrade movement: parameters, issues and future research", *Journal of Business Ethics*, Vol. 53 Nos 1/2, pp. 73-86.

Murphy, A. and Jenner-Leuthart, B. (2011), "Fairly sold? Adding value with fairtrade coffee in cafes", *Journal of Consumer Marketing*, Vol. 28 No. 7, pp. 508-515.

Paul, J. and Rana, J. (2012), "Consumer behavior and purchase intention for organic food", *Journal of Consumer Marketing*, Vol. 29 No. 6, pp. 412-422.

Roehm, M.L. and Tybout, A.M. (2006), "When will a brand scandal spill over, and how should competitors respond?", *Journal of Marketing Research*, Vol. 43 No. August, pp. 366-373.

Simonin, B.L. and Ruth, J.A. (1998), "Is a company known by the company it keeps? Assessing the spillover effects of brand alliances on consumer brand attitudes", *Journal of Marketing Research*, Vol. 35 No. 1, pp. 30-42.

Suchman, M.C. (1995), "Managing legitimacy: strategic and institutional approaches", *Academy of Management Review*, Vol. 20 No. 3, pp. 571-610.

World Commission on Environment and Development (1987), *Our Common Future*, Oxford Paperbacks, Oxford.

Zboja, J.J. and Voorhees, C.M. (2006), "The impact of brand trust and satisfaction on retailer repurchase intentions", *Journal of Services Marketing*, Vol. 20 No. 6, pp. 381-390.

Zimmer, M.R. and Golden, L.L. (1988), "Impressions of retail stores: a content-analysis of consumer images", *Journal of Retailing*, Vol. 64 No. 3, pp. 265-293.

Further reading:

Subramanian, B. and Ghose, S. (2003), "Reciprocal spillover effects: a strategic benefit of brand extensions", *Journal of Marketing*, Vol. 67 No. 1, pp. 4-13.

Vardanyan, M. and Tremblay, V.J. (2006), "The measurement of marketing efficiency in the presence of spillovers: theory and evidence", *Managerial and Decision Economics*, Vol. 27 No. 5, pp. 319-331.

Appendix 1: Stimuli

Part 1 of the questionnaire

Indicate the brand coffee you usually buy_____ and the name of the supermarket you usually go for shopping_____.

Then IMAGINE you walk in this supermarket as you usually do and you want to buy your *favourite usual coffee brand* (the one you have already indicated).

You are looking for it in the shelves and you finally find it. You buy it and continue shopping.

Part 2 of the questionnaire

Indicate the brand coffee you usually buy_____ and the name of the supermarket you usually go for shopping_____.

IMAGINE you walk in your regular supermarket as you usually do. You want to buy your *favourite usual coffee brand* (the one you have indicated above). You are looking for it in the shelves and you finally find it.

Next to this coffee, you unexpectedly discover:

[Competitive situation] a different coffee brand with certification of Organic production and Fairtrade coming from Mexico.

[Collaborative situation] another type of your usual coffee brand of _____ (fill in the name of the coffee brand you have indicated before)

BUT with certification of Organic production and Fairtrade coming from Mexico.

[Control group] many other well-known coffee brands.

As always, you buy your regular coffee brand and continue shopping.

Appendix 2: Scale items

Perceived product quality (Buchanan *et al.*, 1999)

- This A coffee has a good/poor quality.
- This A coffee is a superior/inferior product.

- This A coffee is better than average/worse than average coffees.
- This A coffee has paid a lot of attention to details/very little attention to details.

Social and environmental product performance (Brown and Dacin, 1997)

- This A brand coffee was cultivated on an environmental unfriendly manner/environmental unfriendly manner.
- This A brand coffee was cultivated under unfair working conditions/fair working conditions.
- This A brand coffee was traded under unfair trading conditions/fair trading conditions (fair prices).
- This A brand coffee is a socially responsible/irresponsible product.
- This A brand coffee is more beneficial/harmful to society's welfare than other products.

Store image (Zimmer and Golden, 1988)

- The super market that I found the coffee has a good selection of merchandise.
- The supermarket where I found the coffee has a good reputation.
- Overall, I have a good impression of this supermarket.

Perceived CSR of producing company (Lichtenstein et al., 2004)

- This company is committed to using a portion of its profits to help nonprofits.
- This company gives back to the communities in which it does business.
- Society benefits from this company's contributions.
- This company integrates charitable contributions into its business activities by trading fair and rewarding suppliers fair.
- This company has a strong record of practicing environmental friendly.

General attitude toward the company (Goldsmith et al., 2000)

- My overall impression of the company is good/bad.
- My overall impression of the company is favourable/unfavourable.
- My overall impression of the company is satisfactory/unsatisfactory.

About the authors

Angela Anagnostou obtained Msc in Organic Agriculture, Wageningen University, The Netherlands, in 2008. She is food application specialist working in the food industry. Her main interests are at marketing strategies, food technology and innovation management.

Paul T.M. Ingenbleek is an Associate Professor of marketing at Wageningen University. His main research interests are at the interface between strategic marketing and (sustainable) development in the food and agribusiness industries. His current research focuses predominantly on the role of marketing in developing and emerging markets, in particular Sub-Saharan Africa. His work is published in, among others, *Journal of Product-Innovation Management*, *International Journal of Research in Marketing*, *Journal of Business Research*, *Journal of Public Policy & Marketing* and *Journal of Business Ethics*. Paul T.M. Ingenbleek is the corresponding author and can be contacted at: paul.ingenbleek@wur.nl

Hans C.M. van Trijp is the Chaired Professor of Marketing and Consumer Behaviour at Wageningen University. His key interest is in effective marketing (including new products, new services and new technologies) to enhance healthy and sustainable food choices among consumers. He has published extensively in the fields of personalized nutrition, social marketing for obesity prevention and food labelling and nutrition and health claims, among other areas.