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Ethical chocolate consumption by millennials in the Netherlands

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*Master* in International Studies

Supervisor:

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ISCTE-Instituto Universitário de Lisboa

November, 2021



SOCIOLOGIA  
E POLÍTICAS PÚBLICAS

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Department of History

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The process of writing this dissertation has been a bumpy ride. Even though I am very passionate about the subject, there have been moments that I have felt lost. In these times I was especially grateful for the support of my supervisor Professor Ana Lúcia Sá. Throughout this process, she has been incredibly patient and helpful.

I would like to thank my parents, for their words of encouragement and for sending me packages full of Dutch snacks to keep me fuelled. I am also very grateful to my dear friends, for believing in me and keeping me motivated.

Last, I would like to thank all respondents that took time to fill out the survey. And I would like to express my gratitude towards all people who are trying to create a more sustainable world. The world needs more people like you.

Thank you all.



## Resumo

O processo de produção do chocolate é uma prática insustentável. A indústria do cacau apresenta vários desafios relacionados com renda, direitos humanos e proteção ambiental. A pobreza dos produtores de cacau está na raiz desses impactos. Por seu turno, o cacau produzido de forma ética garante o bem-estar das pessoas e do meio ambiente no processo de produção. Os Países Baixos são um dos maiores participantes da indústria do cacau e têm feito esforços para criar uma prática de cacau mais sustentável. A geração de *millennials* (pessoas nascidas entre 1980-2000) constitui cerca de um quarto da população holandesa e possui um grande poder aquisitivo e influência no mercado. Também se caracteriza pela sua consciência em relação às questões éticas, ao meio ambiente e ao valor do multiculturalismo. O objetivo deste estudo é explorar as motivações dos *millennials* que vivem nos Países Baixos para consumir chocolate produzido eticamente. A pesquisa foi conduzida junto de 189 *millennials*, dos quais 175 se afirmaram consumidores de chocolate de comércio justo. As motivações para este consumo foram divididas em seis categorias: culpa, empatia, narcisismo, auto-atualização, felicidade e intenção de futuro. As categorias foram constituídas por afirmações, as quais foram respondidas em escala Likert de cinco pontos. Os dados foram analisados pelo método de partial least squares (PLS). Os resultados mostram uma forte associação positiva entre felicidade e intenção de futuro. A culpa tem uma influência positiva na empatia, e a empatia impacta positivamente a autorrealização e a felicidade. A empatia tem uma associação negativa com a intenção futura. O narcisismo tem uma influência positiva na autorrealização, que por sua vez suscita felicidade e intenção futura. O estudo mostra um forte caminho desde a auto-atualização até a felicidade e a intenção futura.

### Palavras-chave

Cacau, chocolate de comércio justo, *millennials*, Países Baixos



## **Abstract**

The process of producing chocolate is an unsustainable practice. The cocoa industry contains several challenges related to living income, human rights and environmental protection. The root cause of these impacts is poverty of cocoa farmers. Ethically produced cocoa ensures the wellbeing of people and the environment within the production process. The Netherlands is one of the largest players in the cocoa industry, and has been making efforts to create a more sustainable cocoa practice. Around one quarter of the Dutch population consists of millennials, a group of people born between 1980-2000. This generation has a huge purchasing power and influence on the market, and characterises itself by their awareness regarding ethical issues, the environment and value to multiculturalism. The aim of this study is to explore the motivations of millennials living in the Netherlands to consume ethically produced chocolate. A survey was conducted on 189 millennials living in the Netherlands, of which 175 are fair-trade chocolate consumers. The motivations were divided into six categories: guilt, empathy, narcissism, self-actualisation, happiness, and future intention. The categories consisted of statements, which were answered on a five point Likert scale. The data were analysed via the partial least squares method (PLS). The results show a strong positive association between happiness and future intention. Guilt has a positive influence on empathy, and empathy impacts self-actualisation and happiness positively. Empathy has a negative association with future intention. Narcissism has a positive influence on self-actualisation, which in turn elicits happiness and future intention. The study shows a strong path from self-actualisation to happiness to future intention.

### **Keywords**

Cocoa, fair-trade chocolate, millennials, the Netherlands





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## Glossary of acronyms

|         |   |
|---------|---|
| AVE     | Average variance extracted  |
| DISCO   | Dutch Initiative on Sustainable Cocoa                                       |
| EU      | European Union  |
| FAO     | Food and Agriculture Organization   |
| FAOSTAT | Data Centre of the Food and Agriculture Organization                        |
| FLO     | Fairtrade International/Fairtrade Labelling Organisation                    |
| FTAO    | Fair-Trade Advocacy Office  |
| ISEAL   | International Social and Environmental Accreditation and Labelling Alliance |
| PLS     | Partial least squares (method)  |
| SDG     | Sustainable Development Goals   |
| UN      | United Nations  |
| VSS     | Voluntary Sustainability Standards  |
| WTP     | Willingness-to-pay  |



## Glossary of symbols

|            |  |
|------------|--|
| $n'$       | sample size finite population                      |
| $z$        | z-score  |
| $\epsilon$ | margin of error                                    |
| $N$        | population size                                    |
| $\hat{p}$  | population proportion                              |
| $n$        | sample size infinite population                    |
| t value    | size of difference relative to variation of sample |
| $R^2$      | coefficient determination                          |





## CHAPTER 1

### Introduction

Chocolate has been around for quite some time. Some sources believe that the consumption of cocoa started around 5300 years ago, in what is now America. The first consumers of cocoa, such as the Mayans, used cocoa during rituals, where it was drunk cold, and mixed with spices. After Europeans discovered cocoa during their overseas expeditions in the 16<sup>th</sup> century, much has changed. Other ways to consume chocolate were invented and the demand in Europe increased. The first chocolate factories in Europe were established in the 19<sup>th</sup> century, and most of the cocoa beans were imported from South America. In the beginning of the 20<sup>th</sup> century, many chocolate manufacturers moved their production to Western Africa, after which the production largely increased (Alliot et al., 2016). Today, the main cocoa production region remains in Western Africa, where two thirds of the global cocoa production take place. The remaining one third of the production takes place in the Americas, Asia and Oceania (in descending order by share). The top ten of countries with the highest production of cocoa in 2019 were Ivory Coast, Ghana, Indonesia, Nigeria, Ecuador, Cameroon, Brazil, Peru, Colombia and Dominican Republic (FAOSTAT, 2021). In 2020, the global cocoa production reached 4.7 million tonnes, and it is forecasted to reach the 5 million mark in 2021 (ICCO, 2020).

However, the majority of the farmers producing cocoa beans lives in poverty. Most of the cocoa farms are small family farms in Western Africa. Cocoa farmers receive around 6.6 per cent of the final retail price of a chocolate bar, whereas retailers receive almost half and manufacturers around one third of the final retail price. A small part is spent on processing, marketing and transportation. Even though the cocoa industry comes with a list of challenges and impacts, it is widely agreed that poverty is the root cause. As Elsby states:

The cultivation and harvesting of agricultural commodities in Africa supplies consumer markets in Europe with an impressive variety of food and beverage products, yet widespread human suffering persists among those who perform such essential production activities (2020, p. 1).

The main challenges of the cocoa industry are divided into three categories: living income, human rights and environmental protection. Most of the cocoa farmers do not earn a living income – a human right – which disables them from sending their children to school – another human right. Many of these children end up working at the farms, which is another large challenge in the cocoa industry. As Willoughby and Gore stated: “there is no justifiable reason

that the human and labour rights of women and men supplying supermarkets cannot be respected. There is no moral excuse for anyone producing our food to go hungry” (2018, p. 8).

Besides, cocoa farmers have little bargaining power, and due to poor governance, transparency, and low traceability of cocoa beans it is difficult to tackle these challenges. As the demand of cocoa beans is increasing and the yield is low, new farmland is being created by clearing forests. Also, over time old trees lose their productivity and it is cheaper to plant trees on new farmland than to renovate existing farmland. Deforestation by the cocoa industry in Western Africa is causing the acceleration of the desert and the loss of biodiversity. Low yield is mainly caused by inadequate maintenance, and pest and disease control. Again, this is a result of poverty. In sum, cocoa farmers live in this vicious cycle, keeping them in poverty.

Some companies and organisations focus on helping create a sustainable cocoa industry. Generally, these standards are measurable, independent and take into account human rights, well-being and food security without being at the expense of the environment or others' well-being. Though the sales of certified sustainable cocoa have increased majorly since the end of the 20<sup>th</sup> century, it is still a small part of the total world cocoa market. As the world's largest cocoa bean importer, and second largest cocoa processor, the Netherlands is an important player in the cocoa industry. It imports around one quarter of the world's cocoa beans, of which 80 per cent is processed in the Netherlands, the rest exported (FAOSTAT, 2014, in Logatcheva, 2014). Besides, the Netherlands is the second largest exporter of cocoa beans in Europe, with Germany as its main destination (CBI, 2021). The Dutch annually consume 5.1 kilograms of chocolate, accounting for a total of 85 thousand tonnes. Though, this amount is beaten by the Swiss with 8.8 kilograms and Austria with 8.1 kilograms (CBI, 2021). In the last few years, the demand for fair-trade chocolate has been increasing. As a large player in the cocoa industry, the Netherlands also plays a significant role in making the industry more sustainable. Recently, the country has been involved in several initiatives. In 2018, already two thirds of chocolate sold by supermarkets in the Netherlands was certified sustainable cocoa. Then, last year the DISCO initiative was founded to tackle the issues of the industry with regards to cocoa imported by the Netherlands. Also, increased popularity of brands, such as Tony's Chocolonely (founded in the Netherlands), helps with raising awareness to the consumers regarding the cocoa industry's challenges. A large part of these consumers belong to the millennial generation. In the Netherlands, this generation accounts for around one quarter of the population. This generation includes people born from 1980 until 2000, meaning their ages vary from 20 to 41. Due to their huge purchasing power, they have a large influence in the world economy.

This study focusses on millennials living in the Netherlands, that consume fair-trade chocolate. The main objective of this study is to explore the ethical consumers' self-oriented

motivations and moral emotions' influence on their happiness and fair-trade chocolate consumption. Therefore, this research is guided by the following research question:

“Why are millennials in the Netherlands consuming ethically produced chocolate?”

To theoretically frame this research, I use Hwang and Kim's study regarding fair-trade coffee consumption in Seoul, South Korea (2016). In their study, the authors described the effects of consumers' motivations based on empathy opposed to self-orientation on their happiness, in relation to fair trade coffee. In order to research this, they measured the following values via a survey: guilt, empathy, narcissism, self-actualization, happiness and repurchase intention. The authors analysed the data and the connections between certain constructs via the partial least squares (PLS) method.

This dissertation uses the following structure. After the introduction, the second chapter includes a literature review, in which the key concepts are outlined. This includes a brief history of cocoa, an explanation of the chocolate production process and its impacts, and a definition of sustainable cocoa. Secondly, this chapter contains the theoretical framework of this study and the research hypotheses. The first contains an outline of the millennial generation, the Dutch cocoa industry and Hwang and Kim's study regarding fair-trade coffee consumers. Subsequently, the research methods are described. Desk research was used in order to give an overview of existing literature. Field research included the use of a survey, targeted on millennials living in the Netherlands. Chapter four includes the data analysis and findings of the survey, and their interpretation. The last chapter includes final remarks on the research, its limitations and recommendations for future research.



## CHAPTER 2

### State of the Art

#### 2.1 A brief history of cocoa trade and consumption

Though the invention of the process from bean to chocolate is still a mystery, some sources believe that the consumption of cocoa started in the pre-Olmec age, around 3000 years ago (Alliot et al., 2016). Other sources believe that cocoa beans were already used by first nations in what is now America 5300 years ago, which was around 1500 years before domestication of the cocoa tree. Other ancient civilizations, such as the Mayans, Incas and Aztecs also used cocoa beans for consumption, as a cold beverage mixed with spices during rituals, and as a currency for trade (ICCO, 2020). The word *chocolate* was derived from the Mayan word *xocoatl*. (Alliot et al., 2016). Cocoa is part of the genus that is called *Theobroma*, which means “food of the gods” in Greek. This genus is divided into 22 different species. One of these species is called *Theobroma cacao*, today’s most known species (ICCO, 2020). Nowadays three main cocoa varieties are being cultivated: *criollo*, *forastero*, and *trinitario*. The first variety, *criollo*, comes from the central American region and is known for having a very fine taste. Criollo was the first variety to be described in European sources, and represents only around 1 per cent of global cocoa production today, due to its vulnerability to climate change and low productivity. The second variety, *forastero*, represents around 80 per cent of today’s global cocoa production. This variety stems from the Amazon region and has a more bitter taste than criollo, and is the easiest variety to cultivate, because of its stability during weather changes and its overall high productivity. The *trinitario* variety is a hybrid between criollo and forastero, and was created with the goal of creating a finer taste while being more productive. This variety represents around 20 per cent of global cocoa production (Alliot et al., 2016). The following map (figure 2.1) gives an indication of the geographical distribution of the three main cocoa varieties. The map shows that the ideal climate for the cocoa to grow is the region between 10°N and 10°S of the Equator.

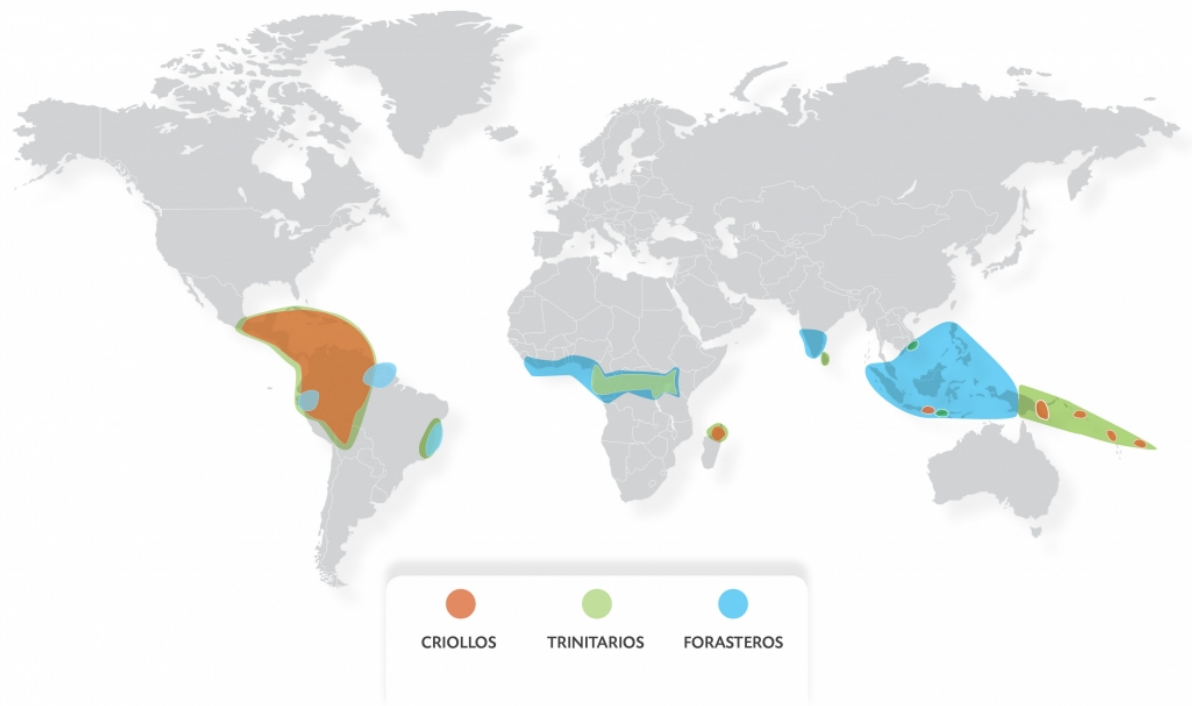


Figure 2.1 World map distribution cocoa varieties. Source: ICCO (2020)

It is believed that the first westerner to come into contact with chocolate was Christopher Columbus, when he arrived in what is now Nicaragua in 1502, though it was Hernan Cortés who introduced chocolate in Spain, when he came back from an expedition to the Aztec empire in 1528 (ICCO, 2020). Later, in the 17<sup>th</sup> century, the Spanish, French and Italian elites started to consume chocolate as a hot beverage, with added sugar, opposed to the traditional cold beverage. Soon after, the demand of chocolate rapidly increased in Europe, though it became difficult to keep up with the rising demand. Due to diseases imported by the settlers, and bad treatments of the local population, the Mesoamerican population decreased significantly. To keep up with the increasing demand in Europe, cocoa plantations are setup in South America (Alliot et al., 2016). In the 18<sup>th</sup> century, the Italians started to create recipes using chocolate, such as cakes and cream. In England, chocolate houses were born, whereas the French continued consuming chocolate as a hot or cold beverage.

In the 19<sup>th</sup> century, the first chocolate factories were established, in which cocoa beans were roasted and grinded. Additionally, in 1828 Casparus van Houten discovered how to separate cocoa butter from the powder by hydraulic pressure. These two developments enabled a massive increase in chocolate production (Alliot et al., 2016). Until the late 19<sup>th</sup> century, the world market was dominated by South American cocoa producing countries.

The year 1909 marked a turning point, when three large British chocolate manufacturers (Fry, Cadbury, and Rowntree) stopped importing cocoa from countries where enslaved people

were working on plantations, and choose the British colony Gold Coast – now Ghana – as their main supply country (Alliot et al., 2016). Subsequently, the Latin American countries become independent, and many chocolate manufacturers move their production to the colonies in Western Africa, which is still the leading region of world cocoa supply today.

After moving the production region to Western Africa, the production rises rapidly to keep up with the increased demand. In 1830 the production was around 140.000 tonnes, which increased to 250.000 tonnes in the beginning of the 1900s (Alliot et al., 2016). Between 1920 and the end of the 1980s the production increased from around 500,000 tonnes to 2,5 million tonnes and has reached more than 3 million tonnes at the end of the 20<sup>th</sup> century (shown in figure 2.2). In the 21<sup>st</sup> century the amount of cocoa produced has increased significantly. In 2020 the cocoa production was 4,7 million tonnes, and the International Cocoa Organization forecasts a global production of over 5 million tonnes in 2021 (The International Cocoa Organization, 2020).

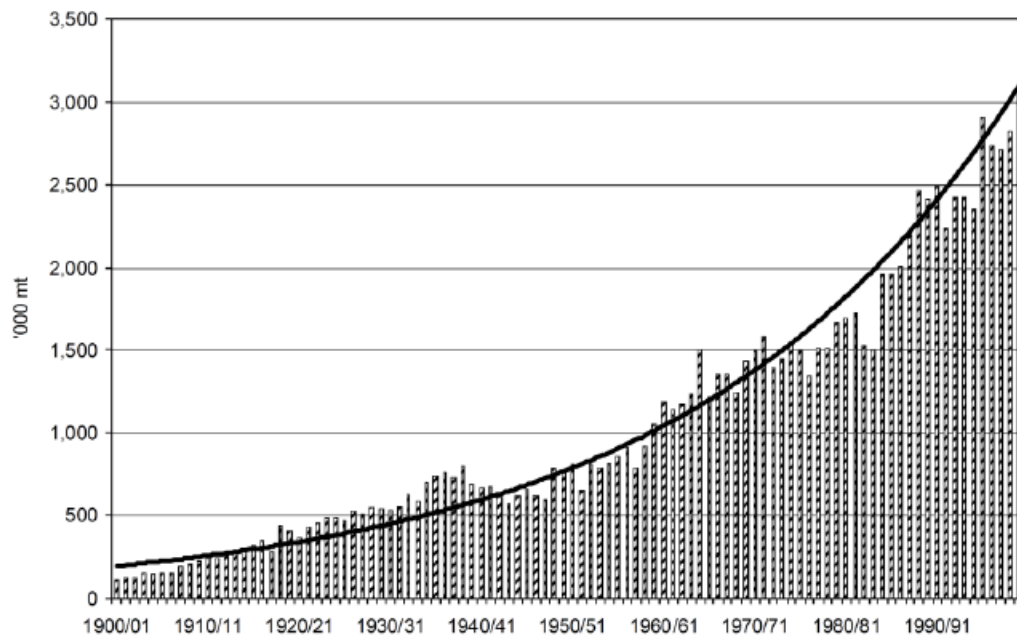


Figure 2.2 Evolution of the world cocoa production in the 20<sup>th</sup> century. Source: LMC International Ltd. (in Alliot et al., 2016, p. 13)

## 2.2 From bean to bar: cocoa production process, key players and challenges

The production process of chocolate starts at small family farms, where cocoa trees are grown. The tree grows best in the rainforest, and temperature and rainfall are significant factors for the trees' growth (ICCO, 2020). The tree produces pods, which are harvested and from which the cocoa beans are extracted. One tree can produce around eight kilos of dry cocoa beans annually (CBI, 2021). These beans are then fermented and dried in the sun. Next, the beans

are transported to the harbour of the country, from which they are exported to processing plants, where the beans are cleaned, dried, blended and then broken into nibs. Then, the nibs are roasted and grounded, and subsequently are made into cocoa liquor, cocoa powder or cocoa butter. From these, consumer chocolate or industrial chocolate is made. Consumer chocolate includes additional ingredients, such as sugar and/or milk; industrial chocolate is sold to chocolate manufacturers, in liquid or solid form (BASIC in Alliot et al., 2016). Figure 2.3 shows the production process and key players involved in the supply chain, including examples. The main key players in this process are farmers, companies, retailers, consumers and governments.

In short, farmers produce cocoa beans; companies transport, process and distribute processed cocoa and/or chocolate; retailers sell chocolate (products); the consumers buy and consume the products; and the governments form relevant laws and regulations. This process illustrates an hourglass figure, with millions of smallholder farmers producing cocoa beans at the beginning of the supply chain, a few companies in a few countries that control the processing in the middle, and the end of supply chain consists of billions of consumers. The few companies in the middle of the process receive the majority of the final retail price of a chocolate bar, whereas the farmers earn the lowest. Around 50 million people's livelihoods depend on cocoa production, which is produced by five to six million small farms (Fairtrade Foundation, 2016). In 2020, cocoa farmers received 6.6 per cent of the final retail price of a chocolate bar, compared to retailers receiving 44.2 per cent and manufacturers receiving 35.2 per cent (Bhutada, 2020). The other 14 per cent is spent on processing (7.6%), marketing (4.2%), port arrival costs (1.1%), inland transportation (0.6%), international traders (0.2%) and international transport (0.3%) (Bhutada, 2020).

The from *bean to bar process* has several challenges and impacts, of which poverty has been named the root cause of all challenges in the cocoa industry. According to Fountain and Huetz-Adams, the challenges of the cocoa industry can be divided into three main categories: *living income*, *human rights*, and *environmental protection*. First, *living income* is described as follows:

Living income is the net annual income required for a household in a particular place to afford a decent standard of living for all members of that household. Elements of a decent standard of living include: food, water, housing, education, health care, transport, clothing, and other essential needs including provision for unexpected events (Living Income 2020, in Fountain & Huetz-Adams, 2020, p. 39).



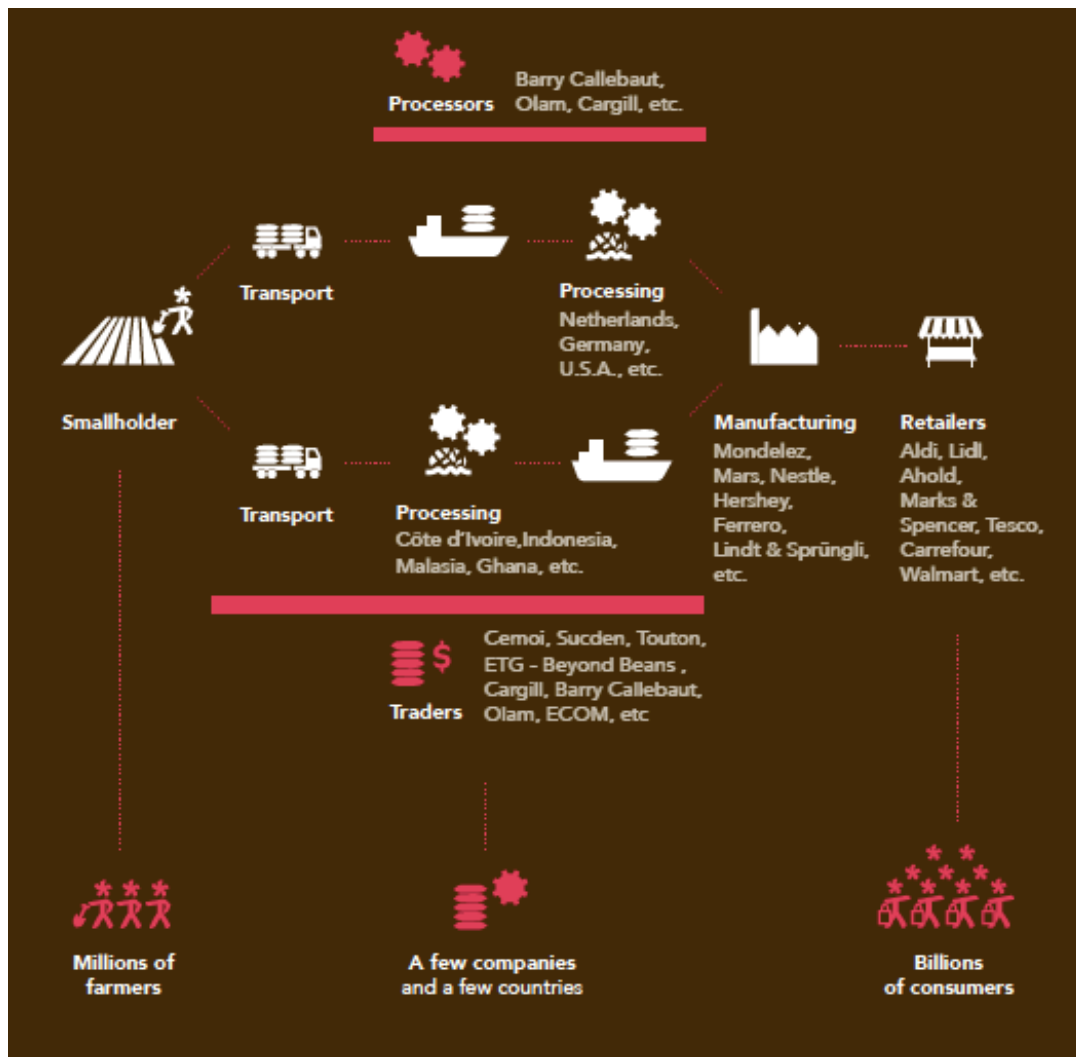


Figure 2.3 Cocoa supply chain. Source: Fountain and Huetz-Adams (2020, p. 2)

Many cocoa farmers do not earn a living income. According to Fairtrade, in 2018 only 12 per cent of the certified cocoa farmers in Ivory Coast earned a living income (2018). Having a living income is a human right, and “without a living income for cocoa farmers, cocoa will never be sustainable (...)” (Fountain & Huetz-Adams, 2020, p. 39). As the root cause of all the current challenges in the cocoa industry, it is most important to eradicate poverty. For example, when cocoa farmers, earning below a living income, have to make a decision between either feeding their children or sending them to school, there is no choice (human rights). Also, when tackling poverty in the cocoa industry, it is imperative to deal with situations that involve issues of power, like price formation or the asymmetrical bargaining power of farmers, and a lack of transparency in the industry (Fountain & Huetz-Adams, 2020).

The second challenge in the cocoa industry is *human rights violations*. This category includes issues, such as child labour and modern slavery, gender inequality, malnutrition, labour rights, lack of access to education, and inadequate health care facilities (Fountain & Huetz-Adams, 2020). Child labour is one of the largest human rights challenges in the cocoa

industry. According to a survey published by Tulane University, the amount of child labourers in the cocoa industry in Ivory Coast and Ghana in 2015 was around 2.12 million (Tulane University, 2015, in Fairtrade Foundation, 2016).

Lastly, the third major challenge in the cocoa industry is *environmental protection*. The largest concerns within this category are deforestation, climate change and the use of pesticides. Deforestation causes the loss of biodiversity, local environmental change, and the destruction of livelihoods of dependent communities. Additionally, deforestation leads to the advance of acceleration of the desert in Western Africa (Brack, 2019). The combined cocoa production area of Ghana and Ivory Coast increased from 2.3 million hectares to 5.8 million hectares between 1990 and 2017 (Cuypers et al., 2013). Planting new trees on new farmland that was created by clearing forests, has a lower cost than renovating existing farmland with older, less productive cocoa trees. Due to poverty, the farmers have no choice but to choose the cheapest option (Brack, 2019).

Increased deforestation is also caused by a low yield. Yield means the amount of cocoa that is produced per ha. According to Wessel and Foluke Quist-Wessel, the main causes of a low yield in cocoa producing areas are “low input use, inadequate maintenance and pest and disease control, poor shade management, little or no fertilizer use and old age of cocoa farms” (2015, p. 3). The low income from cocoa hinders the farmers to increase the input. This is the result of low farm gate prices, high input prices, having no access to loans and credit, and small farm sizes. Having low yields results back into low income for the farmers, which keeps the vicious cycle going (Wessel and Foluke Quist-Wessel, 2015). Pests and diseases play a role in low yields. These particularly occur in Western Africa, where many small family sized farms produce cocoa and where adequate pest and disease control is difficult. The main pests and diseases affecting cocoa are cocoa swollen shoot virus disease, phytophthora pod rot, and mirids. Secondly, old age cocoa trees also cause low yields. Cocoa farms with old age cocoa trees can either be rehabilitated or new trees can be planted. Planting new trees has been the preference of many farmers, due to the higher profitability and expansion of land. Also, fertilizers can help with creating a higher yield for cocoa farmers. Though farmers do not prefer this, due to the high cost of fertilizers. Traditionally, cocoa trees are grown with the shade of some forest, which is called cocoa agroforestry. Although the yield is lower, this method is sustainable, and allows farmers to grow other products as well. However, most farmers prefer the no-shade, high yield method (Wessel and Foluke Quist-Wessel, 2015). The Cocoa Barometer 2020 states that the cocoa yields have increased in the last few years, though it points out that the figures are not entirely accurate and that the yields should be measured more correctly (Fountain and Huetz-Adams, 2020).

In addition to the three major challenges described, another issue that stands out is the poor standards of governance and weak law enforcement in cocoa producing countries. For

example, in Ghana, forest clearance is prohibited by law in national parks, but not enforced. Even though some farms have been built on illegally cleared areas, no sanctions on the purchase of these farms' cocoa exist. Besides, the traceability of cocoa beans is difficult. In Ivory Coast, the standards of governance are worse and the illegal clearance of protected forests is widespread (Brack, 2019). Both Ghana and Ivory Coast have laws that prohibit the worst forms of child labour. However, due to "inadequate resources, personnel, and training for law enforcement staff and labour inspectors, (...) the laws were applied inconsistently" (Brack, 2019, p. 15).

The Cocoa Barometer 2020 states three main reasons why the efforts of the last 20 years to make the cocoa industry sustainable have failed. The first reason entails that all the efforts have been voluntary, rather than mandatory. This means that no penalties or such have been given for non-compliance. Secondly, Fountains and Huetz-Adams claim that the issue of extreme poverty of farmers of cocoa (due to low cocoa prices and lack of infrastructure) remains "unchallenged and unsolved" (2020, p. 7). The third reason is the lack of inclusivity towards all stakeholders, especially the cocoa farmers (Fountain & Huetz-Adams, 2020). In a report of 2018 from Oxfam International, the role of supermarkets in relation to inequality in the supply chain of their products was investigated. The report states that the power of supermarkets has been growing over the last decades. This has allowed them to dominate global food markets, and to squeeze the supply chains. As a result, the people producing the food for the supermarkets suffer. According to their research of 12 products in different countries, it was concluded that in all cases, the required investment to close the living wage/income gap was significantly lower than the increase of the products' supermarket prices in the last 10-15 years. Regarding cocoa, the authors state that only a two per cent investment is required to close the living wage/income gap in the cocoa industry in Ivory Coast, based on data of 2015 (Willoughby & Gore, 2018).

In short, the cocoa industry includes a variety of challenges that have been pointed out, and of which the root cause is poverty. The challenges and impacts of the cocoa industry are being addressed by both private and public sectors. Moreover, they are connected with the 17 Sustainable Development Goals (SDG)<sup>1</sup>. The following section describes how sustainable cocoa is measured and certified.

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<sup>1</sup> (1) no poverty; (2) zero hunger; (3) good health and well-being; (4) quality education; (5) gender equality; (6) clean water and sanitation; (7) affordable and clean energy; (8) decent work and economic growth; (9) industry, innovation and infrastructure; (10) reduced inequalities; (11) sustainable cities and communities; (12) responsible consumption and production; (13) climate action; (14) life below water; (15) life on land; (16) peace, justice and strong institutions; and (17) partnerships for the goals (United Nations, 2021)

## 2.3 Defining sustainable cocoa

Some organisations and companies have been focusing on making the cocoa industry a more sustainable practice. Sustainability is defined as “ensuring human rights, well-being and food security without depleting or diminishing the capacity of the earth’s ecosystems to support life or at the expense of other’s well-being” (Guttenstein et al., 2010, in Logatcheva, 2014, p. 15). When it comes to cocoa and cocoa products (e.g. chocolate), cocoa is sustainable when it is “produced and processed taking into account the environmental conservation, economic viability for farmers, social responsibility above legally required levels” (Ministerie van Economische Zaken, 2011, in Logatcheva, 2014, p. 15). By the process of certification, the production process of cocoa and cocoa products is assessed and a written assurance regarding their sustainability is given. The International Social and Environmental Accreditation and Labelling Alliance (ISEAL) is a global membership organisation that supports sustainability systems (ISEAL Alliance, 2021). Within ISEAL, there are four global production standards that are relevant to cocoa: *Fairtrade/Max Havelaar*, *Organic*, *Rainforest Alliance*, and *UTZ Certified*. Even though other certification schemes exist, these four standards are examples of schemes that are “measurable, independently audited and monitored from producer to retailer” (Logatcheva, 2014, p. 15). In 2012, around 10 per cent of the global cocoa beans export was regarded as sustainable by either of these four standards (2 per cent by Fair Trade; 3 per cent by Organic; 5 per cent Rainforest Alliance; and 4 per cent by UTZ Certified) (SSI, 2014, in Logatcheva, 2014). Logatcheva notes that for Organic, a 100 per cent physical link with certified cocoa or coffee ingredients within a certain product is guaranteed by European Union law (p. 15). Though, the two largest cocoa certifiers – Rainforest Alliance and UTZ Certified – merged in 2018, which launched in 2020.

Fairtrade International or Fairtrade Labelling Organisation (FLO) is “an association of 3 producer networks and 19 national labelling initiatives, and 3 marketing organisations that promote and market the Fairtrade Certification Mark in their countries” (Logatcheva, 2014, p. 28). Max Havelaar Foundation is a member of FLO presented in the Netherlands. Fairtrade International focusses on tackling poverty in the cocoa industry by offering better terms of trade. Additionally, Fairtrade supports small-scale cocoa farmers by helping them increase their bargaining power, investing in social development projects, and providing services like cocoa marketing (Fairtrade, 2016). In order to be Fairtrade certified, cocoa producer organisations are assessed through Fairtrade Standards for cocoa, which are focussed on the wellbeing of the producers. These standards include topics such as minimum price for cocoa, organisational development, environment and community, child labour, and slavery. According to Fairtrade, in 2014 there were 129 Fairtrade certified cocoa producer organisations throughout 20 countries, accounting for 1,79,800 farmers, of which 78 per cent were in Western

Africa (Fairtrade, 2016). Figure 2.4 shows the number of global sales of cocoa in tonnes that came from organisations that are Fairtrade certified between 1997 and 2014.

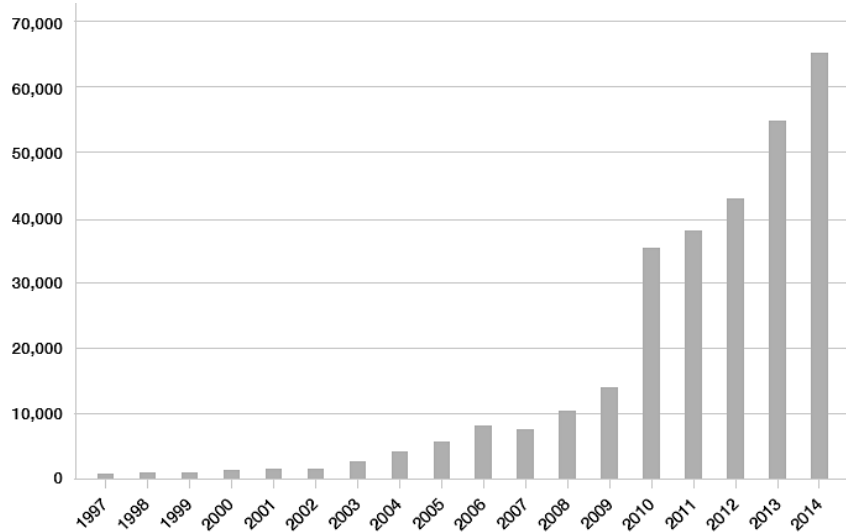
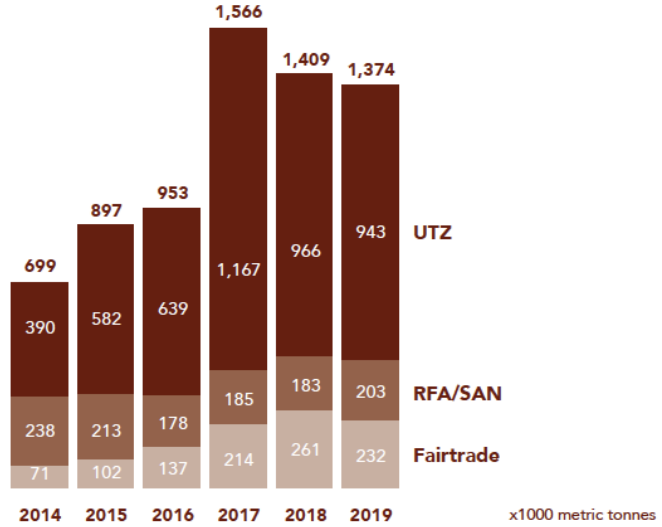


Figure 2.4 Global sales Fairtrade cocoa 1997-2014. Source: Fairtrade Foundation (2016, p. 21)

In 2002, UTZ Certified launched a programme for sustainable farming. Today, the organisation consists of programmes for agricultural products, including cocoa, tea and cotton, in an expanding number of countries. The Rainforest Alliance is a non-governmental organisation based in the United States, that is focussed on conserving biodiversity and ensuring sustainable livelihoods. The organisation has a sustainable agriculture programme that manages the certification of farms that produce “coffee, bananas, cocoa, oranges, cut flowers, ferns, and tea” (Logatcheva, 2014, p. 28). Farms that meet the organisation’s criteria earn the Rainforest Alliance Certified™ seal. Figure 2.5 shows the amount of certified cocoa sales between 2014 and 2019.



A significant part of this cocoa is double and sometimes even triple certified.

Figure 2.5 Certified cocoa sales 2014-2019. Source: Fountain and Huetz-Adams, (2020, p. 35).

Another standard to measure and ensure sustainability is called the Voluntary Sustainability Standards (VSS), which emerged more than 20 years ago in the cocoa sector. The intention of these standards was to provide a wider range of sustainable cocoa products. The VSS are recognisable via a label, which marks products that meet certain standards, which include “specified practices that are more socio-economically sound than conventional production, and have those practices assessed and verified.” (Voora et al., 2019, p. 3). The amount of VSS compliant production, however, has been influenced by large cocoa traders. In 2016, of a total of 6 million tonnes, the 13 largest cocoa consuming companies<sup>2</sup> (i.e. traders, grinders and manufacturers) purchased 2.2 million tonnes cocoa beans that came from sustainable sources (e.g. VSS compliant, or similar).

In short, there are several organisations that focus on creating a more sustainable cocoa industry, such as certifications and labels. These include a variety of criteria and standards, in order to ensure sustainably sourced cocoa. Since the beginning of the century, the sales of certified sustainable cocoa have increased rapidly. Though, the amount still only accounts for a small part of the global cocoa sales.

## 2.4 Context and hypotheses

### 2.4.1 The European Union and the Netherlands

According to the Fair-Trade Advocacy Office (FTAO), the European Union competition policy has played a crucial role in how today’s global food supply systems are characterised by unfair supply chains, huge imbalances of power, and a continuous struggle to produce cheap food (FTAO 2019, in Elsby, 2020). Elsby states that one of the causes is that the European Commission has been granting unconditional approval to most of the major merger notifications since the 90s (2020). These mergers have often been approved and justified in the interest of the consumers. A relevant example, in the category of cocoa, is the merger of Cargill and ADM in 2015. This was approved by the European Commission conditionally, because it could risk an increase of chocolate prices for consumers. Besides, according to Elsby “the suppression of the international commodity agreements and the dismantling of national marketing structures, as well as the concentration and diversification of European agri-business are widely considered to have been key drivers of the ongoing crisis for Africa’s coffee and cocoa producers” (2020, p. 7). Though, the consumer prices have been fairly consistent since the 2000s, whereas the profits received by multinational chocolate manufacturers have increased by 11-12 per cent (Oxfam International in Elsby, 2020).

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<sup>2</sup> Barry Callebaut, Cargill, Cemoi, Cocoonect, Ecom, Olam, Sucden, Touton, Ferrero Group, Hershey Co, Mars, Mondelez International, and Nestlé (Voora et al., 2019)

The majority of the world’s raw cocoa beans are sold to traders and grinders in consumer countries, whereas a small part is grinded in the production countries, such as the Netherlands. This country is one of the largest importer countries of raw cocoa beans. The Fairtrade Foundation states that “the Netherlands is the centre of Europe’s chocolate industry and traditionally the world’s leading cocoa grinder. It is also the largest exporter of cocoa paste (27 percent of the total), cocoa butter (26 percent) and cocoa powder (25 percent)” (2016, p. 7). According to the Study Centre Snacks and Confectionary Benelux, there are five main categories within the Dutch chocolate market: bars/tablets, candy bars, small chocolate and sweets, bite sizes, and seasonal products. Also, chocolate drinks and chocolate custard, toppings, biscuits, cakes and ice-cream are included in this definition (Studiecentrum Snacks en Zoetwaren Benelux, in Logatcheva, 2014). Figure 2.6 shows the quantity and value of the import of cocoa beans to the Netherlands between 1961 and 2019. Even though there has been a general increase over the years, the value shows two sharp peaks, in 2011 and 2016, followed by a steep decrease. Besides, in the period 2006-2011 the value of cocoa increased immensely (from 0.9 million US\$ to 2.5 million US\$). These peaks were caused by an overproduction which resulted in a crash in the world market price of chocolate (Brack, 2016). The overproduction in 2014 caused a tremendous decrease of value, with the lowest point of 1.1 million US\$ in 2015, which rapidly increased in the following year to 2.7 million US\$.

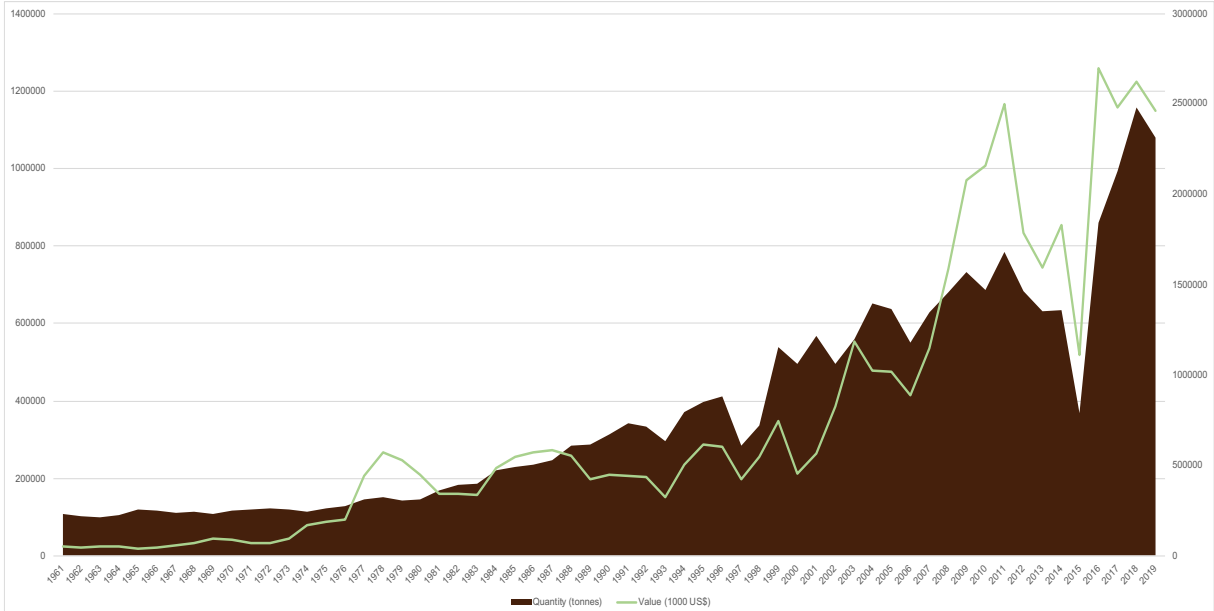


Figure 2.6 Cocoa beans import quantity (left y-axis) and value (right y-axis) Netherlands 1961-2019 (based on data from FAOSTAT, 2021)

In 2020, the Netherlands imported around 895,000 tonnes cocoa beans, which accounts for 24 per cent of the global cocoa bean imports. During the year 2020, due to the COVID-19 pandemic, the cocoa beans imports have been lower than in previous years, though still higher

than in 2016 (CBI, 2021). Additionally, chocolate was the fastest growing fair-trade product in the Netherlands between 2015 and 2016, with an increase of almost 70 per cent (Van Gelder, 2020). In 2010, a declaration of intent was signed by the Dutch government and several Dutch cocoa players to achieve 100 per cent sustainable cocoa consumption in the Netherlands by 2025. In 2018, around two thirds of the chocolate sold by Dutch supermarkets was labeled certified sustainable cocoa. Besides, one of the largest Dutch supermarket branches Albert Heijn signed a partnership with Barry Callebaut in 2019, with the aim to make the supermarket's private chocolate label "Delicata" fully traceable. Tony's Chocolonely, the largest chocolate brand in the Netherlands, was founded in 2005 with the goal to produce slavery free chocolate (CBI, 2021). In 2020, the Dutch Initiative on Sustainable Cocoa (DISCO) was founded. This public-private partnership focusses on three goals relevant to the cocoa production regions important to the Dutch cocoa industry: ensuring a living income by 2030 for farming families with cocoa as their main livelihood; ending cocoa-related deforestation and degradation by 2025; and ending of all forms of child labour by 2025 (DISCO, 2020).

#### **2.4.2 Millennials and ethical consumption**

Millennials can be described as a group of people born between 1980 and 2000. Though some definitions use a narrower period, in general all definitions fall within this period of 20 years (Schawbel, 2015 and Donnelly & Scaff, 2016 in Miller et al., 2017). For the purpose of this research the broader period is used. Millennials are perceived as one of the most "consumption oriented of all generations" (Miller et al., 2017, p. 56). As millennials account for a significant part of the population, they have huge purchasing power and influence in the world economy. This generation is characterised by their receptiveness to ethical issues, value to multiculturalism, self-expression, and their general consciousness socially, culturally and environmentally. However, as a target group, millennials have been a confusing group to marketers, due to their high diversity and according to Bucic et al., "millennials should be treated as a collection of submarkets that differ in their levels of awareness of ethical issues, consider discrete motives when making consumption decisions, and are willing to engage in cause-related purchasing to varying degrees" (2012, p. 113). According to some studies, consumers' ethical buying behaviour does not comply with their attitude towards ethical products (Bray et al., 2011; De Pelsmacker et al., 2005, in Bucic et al. 2012). Also, it is difficult to define the "average ethical consumer" (Bucic et al., 2012, p. 113). Freestone and McGoldrick (2008) state that, in ethical decision making social motivations play a larger role than personal motivations (in Bucic et al., 2012). According to Bucic et al., millennials believe that they can change the world, and think that the "big picture is more important than individual transactions" (2012, p. 115). This generation seems to care about ethical issues. The country of residence



is an important factor in millennials' ethical consumption behaviour. However, ethics are perceived differently by people from different nations, or cultures, meaning that even though people from different countries might consider ethics important, their reactions to ethical situations might differ (Bucic et al., 2012). Also, "the millennial generation share common social and economic conditions and they live in a world dominated by globalization and fast capitalism" (Pendergast, 2007, in Bucic et al., 2012, p. 116).

Despite the today's level of connectedness, and online platforms of communication and information, millennials are not a homogenous group (Bucic et al., 2012). A study analysing the ethical consumption of millennials between a developed and developing country was published in 2012. The researched countries were Australia and Indonesia, and the results showed that people in a less developed country might be more "inward facing and concerned with problems that directly affect their own life and survival (e.g. access to water, deforestation)," whereas people in developed countries have space to be concerned with other issues, such as ethical consumption (Bucic et al., 2012, p. 120). Another outcome of this study showed that in both countries women are more aware about ethical issues than men. The main conclusion of this study was that millennials (in particular the group that was studied) are motivated primarily by personal and social positive feelings, while strongly disagreeing with personal and social negative statements. Hence, the group is aware of the benefits of supporting certain causes, and they do not think that it is inconvenient or a waste of time to support these. The authors point out that "millennials consist of submarkets that are amenable to ethical purchasing to varying degrees" (Bucic et al., 2012, p. 129).

Additionally, as Young and McCoy stated, "although companies seek to provide the consumers what they want, the consumer may be unwilling to pay the price necessary to provide the desired product" (2015, p. 42). This phenomenon is called the *willingness-to-pay* (WTP). In their study, the authors researched the attitudes of millennials towards chocolate products ethics. Moreover, the authors pointed out that the consumers' attitudes towards products with an ethical component often differ from their purchase choice. On the other hand, consumers are hesitant to publicly admitting that "price and taste are more important to them than social and ethical factors" (Young & McCoy, 2015, p. 43). The authors describe *guilt reduction* as a possible motivator for purchasing organic, ethically sourced products. And, "firms can commit to fair-trade only because some consumers are willing to pay a premium above the market price of normal products" (Teyssier et al., 2014, p. 2). This premium is often motivated by image concerns. Image concerns can be categorised into self-image concerns and social-image concerns. Self-image refers to the psychological benefits for oneself of doing something morally good, whereas the social-image refers to the desire to be observed as good by others (Teyssier et al., 2014). Following this, according to Teyssier, Etilé, and Combris, the premium of the WTP would be higher if fair-trade consumption would have a social-signalling

value and the consumption choices would be made public (2014). The authors carried out an experiment to identify the impact of social- and self-image on the consumers' WTP premium for fair-trade chocolate. The hypotheses of this study were that the WTP premium should be higher when consumption choices are made public (social-image), and that the WTP premium should be affected by private information about others' choices (self-image). The authors state that the reason for choosing chocolate in this experiment, is because fair-trade chocolate has been available to consumers for at least 20 years, though its market share remains low (Teyssier et al., 2014). In short, the outcome of this experiment concluded that both social- and self-image have a significant impact on the subjects' choices. Regarding the social-image concerns, the WTP premium was higher to fair-trade over non-fair-trade chocolate when their choices are made public. However, the self-image concerns showed asymmetric results: "(...) with the negative effect of decreasing expectations about others' WTP premium being much larger in absolute terms than the upward effect of increasing expectations" (Teyssier et al., 2014, p. 4).

In 2015, Reese and Kohlmann conducted research regarding the relationship of global identification and fair-trade consumption. They suggested that "identification with humankind may generate a belief that everybody basically deserves the same outcomes, so that inequalities (e.g. global inequalities between richer and poorer countries) are perceived as unjust" (Reese & Kohlmann, 2015, p. 99). This was tested via two hypotheses. The first hypothesis included that the stronger participants identified with all humanity, the more likely they would choose fair-trade chocolate over conventional chocolate. The second hypothesis included that this relationship was influenced by how just global inequality is perceived, meaning that the stronger the global identification, the more unjust global inequality is seen, and thus more likely it would be that participants chose fair-trade chocolate (Reese & Kohlmann, 2015). This research was conducted via a questionnaire with 68 students in a university in Germany. The results showed that there was a relationship between global identification and fair-trade consumption. The authors state that "(...) the association between global identity and chocolate choice was mediated via perceived global injustice, suggesting that peoples' beliefs about inequality in the world explain why globally identified participants chose the Fairtrade over the conventional chocolate" (Reese & Kohlmann, 2015, p. 103). However, it was also pointed out that there could be a gap between reported and actual behaviour, which could lead to overestimating peoples' actual consumption of fair-trade products (Andorfer & Liebe, 2012, in Reese & Kohlmann, 2015).

In 2016, Kumju Hwang and Hyewon Kim published a study in the *Springer Science+Business Media Journal*. In this article, the authors described the effects of consumers' motivations based on empathy opposed to self-orientation on their happiness, in relation to fair-trade coffee. The authors used elements from various literature sources to

assemble a survey, which was distributed among fair-trade coffee purchasers in Seoul, South Korea, in 2014 (Hwang and Kim, 2016). The study focussed on ethical consumer's self-orientated motivations and moral emotions, and their effect on ethical consumers' happiness and regular fair-trade consumption. Hwang and Kim define motivations as "the drives, urges, wishes or desires which initiate the sequence of events known as behavior (...) occurring when a need is aroused that the consumer wishes to satisfy" (Hwang and Kim, 2016, p. 584). Diverse motivations for ethical consumers have been identified, of which the most common ones are based on values, beliefs, moral obligations, and moral identities. Hwang and Kim focussed their study on the consumers' self-orientation and moral emotions because these were understudied in the field. The values selected were: guilt, empathy, narcissism, self-actualization, and happiness (Hwang and Kim, 2016).

Firstly, guilt is a moral emotion, that can lead to prosocial behaviours. Thus, guilt may lead to increased empathy. Empathy is also a moral emotion, which can be defined as "the ability or disposition to respond affectively to perceived emotional states in others" (Munro et al., 2005, in Hwang and Kim, 2016, p. 585). Moreover, the authors state that empathy can lead to altruistic behaviour, and influences individual happiness positively. However, some studies point out that empathy-induced altruism can be focussed on both the other and the self, creating a self-other overlap (Cialdini et al., 1997, in Hwang and Kim, 2016). Next, narcissism could be a motivation for ethical consumption. Narcissism can be described as "psychoanalytic category describing deep anxiety and alienation which manifests itself in a need for validation" (Hwang and Kim, p. 585). Within narcissism, a difference can be made between healthy and unhealthy narcissism. Healthy narcissism refers to an interest in personal growth and focusses on self-investment (Hwang and Kim, 2016). Though, the authors state that narcissism is a complex phenomenon and has rarely been studied in relation to ethical consumption. Then, self-actualisation is a process that includes self-development and growth, and is connected to a positive self-esteem and empathy (Beaumont, 2009, in Hwang and Kim, 2016). Also, happiness can be defined as a long-term and stable feeling of well-being. Ethical behaviour could lead to experiencing happiness (Scheler, 1973 in Hwang and Kim, 2016). Lastly, repurchase intention was a factor to which the other values were compared to, not a value in itself.

The survey was conducted at a local fair-trade coffee shop and had 471 respondents, who regularly purchase fair-trade coffee (i.e. at least one cup of coffee per week, or one pack of beans per month). The survey data was analysed using the partial least squares (PLS) method. The results of this study showed that guilt influences empathy; empathy influences self-actualisation and repurchase intention; empathy does not influence happiness; narcissism influences self-actualisation; self-actualisation influences happiness and repurchase intention; and happiness influences repurchase intention. A strong path was seen from narcissism to

self-actualisation to happiness and repurchase intention. The study also found that people's motivations to purchase fair-trade coffee based on self-actualization rather than moral emotions play a dominant role in the consumers' happiness regarding fair-trade consumption (Hwang and Kim, 2016).

### **2.4.3 Research hypotheses**

The results of the study of Hwang and Kim (2016) showed several connections between ethical consumers' feelings of guilt, empathy, narcissism, self-actualisation, happiness, and repurchase intention regarding fair-trade coffee. The goal of this dissertation is to research these connections in the context of fair-trade chocolate, and additionally research whether there is a correlation with fair-trade coffee. Hence, this study's hypotheses were used and adapted to fit this context. Therefore, the following hypotheses are proposed:

*Hypothesis 1:* Ethical consumers' guilt about buying non-fair-trade chocolate is positively associated with their empathy for poor chocolate producers in developing countries

*Hypothesis 2:* Ethical consumers' empathy for poor cocoa producers in developing countries is positively associated with their self-actualisation

*Hypothesis 3:* Ethical consumers' empathy for poor cocoa producers in developing countries is positively associated with their happiness

*Hypothesis 4:* Ethical consumers' empathy for poor cocoa producers in developing countries is positively associated with their future intention for fair-trade chocolate

*Hypothesis 5:* Ethical consumers' healthy narcissism is positively associated with their self-actualization

*Hypothesis 6:* Ethical consumers' self-actualisation is positively associated with their happiness

*Hypothesis 7:* Ethical consumers' self-actualisation is positively associated with their future intentions regarding fair-trade chocolate

*Hypothesis 8:* Ethical consumers' happiness is positively associated with their future intentions regarding fair-trade chocolate

## CHAPTER 3

# Methodology

The main objective of this dissertation is to explore the ethical consumers' self-oriented motivations and moral emotions' influence on their happiness and fair-trade chocolate consumption. Guided by the research question: "Why are millennials in the Netherlands consuming ethically produced chocolate?", both desk and field research were used. The research methods are described in this chapter.

### 3.1 Research design

First, in order to provide a theoretical framework, desk research was used. According to Kumar & Phrommathed "the first step in developing a body of knowledge essentially begins with searching previous research to understand how far the people in the field of interest have gone through the issue" (2005, p. 43). Via academic search engines, such as Google Scholar, Google Books, JSTOR, and B-On, relevant studies, articles and books were found that contributed to the theoretical framework of this research. Additionally, data from The Food and Agriculture Organization of the United Nations (FAO) was used. FAO's mission is to maintain peace, dignity and equity on a healthy planet (UN, 2021). Its data is collected via annual questionnaires, which is regarded as official UN data. Secondly, field research is considered part of empirical research, which can be described as "data found via direct experience or observation, or interaction with the world" (Punch & Oancea, 2014, p. 3). Empirical data can be retrieved via quantitative research or qualitative research. The difference between them is that quantitative research includes data in the form of numbers (e.g. variables), whereas the latter does not (e.g. cases and processes) (Punch & Oancea, 2014). For this study, quantitative research was used in the form of a survey.

The partial least squares (PLS) method was used to analyse the data and test the above formulated hypotheses (simplified): (H1) guilt positively influences empathy; (H2) empathy positively influences self-actualisation; (H3) empathy positively influences happiness; (H4) empathy positively influences future intention; (H5) narcissism positively influences self-actualisation; (H6) self-actualisation positively influences happiness; (H7) self-actualisation positively influences future intention; and (H8) happiness positively influences future intention. The PLS method is an adequate way to analyse empirical data with the absence of enough supporting theories and available information (Wold, 1975 in Hwang and Kim, 2016). Also, according to Tsang, PLS proves a useful method for data analysis during the early stages of theory developments (2002, in Hwang and Kim, 2016). And it is a particularly appropriate tool when it comes to exploring the relationships among several factors, such as the ones

described in the hypotheses. PLS for SEM was used to analyse the collected data, using the software SmartPLS 3 (Version 3.3.3; Ringle et al., 2015).

### 3.2 Measurements of constructs

The survey was structured into four categories: introduction, demographic questions, chocolate consumption, and ethical awareness. The introduction gives a brief explanation of the research, followed by two multiple choice questions: "Do you currently live in the Netherlands?" and "Are you born between 1980 and 2000?". If either of these questions was answered by "No" or "N/a", the respondent was automatically forwarded to the end of the survey. The second part of the survey consisted of questions regarding age, country of origin, gender, occupation, education and income. The questions regarding education are based on the Dutch educational system, as the questions about income are based on the general Dutch wages. The third part included questions about the respondents' chocolate behaviour. A distinction between chocolate consumers and non-chocolate consumers is made in the beginning of the second part of the survey; the distinction between fair-trade chocolate consumers and non-fair-trade chocolate consumers is made at the end of this section.

Lastly, the ethical awareness questions were drawn from Hwang and Kim's study about the effects of consumer's motivations based on empathy opposed to self-orientation on their happiness, in relation to fair-trade coffee. The questions were adapted to the purpose of this study. The list of Hwang and Kim's measurements and corresponding questions is presented in the annex (annex A). The scale items are guilt, empathy, narcissism, self-actualisation, happiness and future intention. The last item was adapted from "repurchase intention", because the survey was distributed online, as opposed to Hwang and Kim's survey, which was distributed in person in a fair-trade coffee specialty shop. The scale items were measured on a five-point Likert scale including strongly disagree (1), disagree (2), neutral (3), agree (4) and strongly agree (5). Additionally, each question included the options to answer "I don't know" or "N/a". A Likert scale is a rating scale that is used to assess opinions, attitudes, or behaviours in quantitative research (Bhandari, 2020).

### 3.3 Data collection and sample size

The survey was presented on an online page (i.e. Google Forms), easily opened via a link on a desktop computer or phone. The respondents were mainly targeted via social media platforms, such as Facebook and Instagram. As the target group included people *living* in the Netherlands, this could include both Dutch and non-Dutch speakers. Therefore, the survey was available in both English and Dutch, which are both represented in the annex (annex C).

The sample size was calculated in order to ensure the results' reliability. Sample sizes are an important part of empirical studies, and are used to represent a part of a population that is chosen for a survey. To calculate this, the formula for a finite population was used (Steekproefcalculator, n.d.). This formula includes the following factors: z-score (based on the confidence level), margin of error, population size and population proportion. The calculated outcome of the required sample of this survey is 289. The full calculation is shown below. There are two equations for calculation sample size, depending on whether the population is finite or infinite.

Infinite population (n):

$$n = \frac{z^2 \times \hat{p} (1 - \hat{p})}{\varepsilon^2} \quad (3.1)$$

Finite population (n'):

$$n' = \frac{n}{1 + \frac{z^2 \times \hat{p} (1 - \hat{p})}{\varepsilon^2 N}} \quad (3.2)$$

As the population for this research is known and therefore the second equation is used, the equation for calculating the sample size for the finite population can be adapted as follows:

$$n' = \frac{\frac{z^2 \times \hat{p} (1 - \hat{p})}{\varepsilon^2}}{1 + \frac{z^2 \times \hat{p} (1 - \hat{p})}{\varepsilon^2 N}} \quad (3.3)$$

n' is sample size finite population

z is the z-score

$\varepsilon$  is the margin of error

N is the population size

$\hat{p}$  is the population proportion

n is the sample size infinite population

The z-score (z) is calculated in response to the confidence level. This value shows the level of accuracy, regarding how the sample size reflects the population. In general, the most common used confidence levels are 90, 95 and 99 per cent. In this research, a confidence

level of 95 per cent (value of 0.95) was used, corresponding with a z-score of 1.96 (see annex B for z-score table). The margin of error ( $\epsilon$ ), also known as the confidence interval, represents the sampling error in a survey. As this is unknown, the most common margin is used in this equation: 5 per cent, corresponding with a value of 0.05. Furthermore, population size (N) and population proportion ( $\hat{p}$ ) are based on the target group. The target group for this survey has two characteristics: 1) born between 1980-2000; and 2) currently living in the Netherlands. The total population of the Netherlands in 2020 was 17,407,585 (CBS, 2020). According to the Central Bureau for Statistics (CBS), in 2020 the amount of people between the age 20 and 40 years old was 25 per cent (a value of 0.25). However, it is imperative to note that these statistics include people of the age of 20, and exclude people of the age of 40. Besides, these statistics describe the population of the year 2020, whereas the survey was held in 2021. Nevertheless, these statistics serve as an estimation for the base of the calculation of the sample size. Therefore, the population size (N) is 17,407,585; the population proportion ( $\hat{p}$ ) 0.25. The concluded values lead to filling in the equation for calculating the sample size for a finite population ( $n'$ ):

$n'$  = sample size finite population

$z = 1.96$

$\epsilon = 0.05$

$N = 17,407,585$

$\hat{p} = 0.25$

$$n' = \frac{\frac{z^2 \times \hat{p} (1 - \hat{p})}{\epsilon^2}}{1 + \frac{z \times \hat{p} (1 - \hat{p})}{\epsilon^2 N}} \quad (3.4)$$

$$n' = \frac{\frac{1.96^2 \times 0,25 (1 - 0,25)}{0.05^2}}{1 + \frac{1.96^2 \times 0,25(1 - 0,25)}{0.05^2 \times 1740758.}} \quad (3.5)$$

$$n' = \frac{288.12}{1 + \frac{0,7203}{870379,25}}$$



(3.6)

$$n' = \frac{288.12}{1.0000008275028}$$

(3.7)

$$n' = 288.12 \approx 289$$

(3.8)

### 3.4 Units

Tonne is a metric unit of mass equal to 1000 kilograms, also referred to as metric ton. One metric ton is equal to 1102 short tons (US) or 0.984 long tons and 2204.6 pounds (UK). Likewise, one short ton equals 907.18 kilograms and one long ton equals 1016.05 kilograms. For the purpose of this research, to ensure clarity and consistency, all quantity units were converted to the metric system.

|       |                  |
|-------|------------------|
| Tonne | 1000 kilograms   |
| Ton   | 907.18 kilograms |

### 3.5 Ethical considerations

For this research, I followed the university's Code of Ethical Conduct set by the Ethics Committee (ISCTE-IUL, 2016). This dissertation used quantitative research in the form of a survey. Setting up the survey, I took into account the standards set by the committee, ensuring the safety and wellbeing of both the respondents and myself, and ensuring the quality of the study. Transparency and clarity throughout the study was also prioritised.

All respondents participated in the survey on a voluntary, anonymous basis. Before the start of the survey, there was an introductory text that included the general objective of the study, the estimated time and general features of the respondent's participation. It was stated that all answers are anonymous and will solely be used for the purpose of this study. The introductory text is presented in the appendix. Additionally, in case a respondent could not or did not want to answer a question, a non-applicable (n/a) option was available in every question. At the end of the survey, there was an open question in which respondents could state any comments. Besides, all respondents could contact me personally through social media if they had any questions.



## CHAPTER 4

### Data analysis and findings

This section includes the results of the survey and data analysis. First, the respondents' demographic characteristics and their chocolate consumption are presented in table 4.1. Subsequently, the means, standard deviations, and factor loadings of the constructs' items are presented and interpreted (table 4.2). Table 4.3 shows the reliability and validity analysis of the constructs. After the validation of the measurements, the results of the relations between the constructs, based on the hypotheses are shown in table 4.4. The results of the research model are presented in an image in figure 4.1. Last, the specific indirect effects between several constructs are shown in table 4.5.

A total of 189 responses was collected, of which 175 (92.6 per cent) were used in the data analysis. Due to a negative answer by two respondents in the first part of the survey, which determined whether the respondent belonged to the target group, two forms could not be used. The demographic characteristics of the other 187 respondents' show that the majority of the sample is female, born in the 90s, and from Dutch origin. This table also shows the respondents' chocolate consumption behaviour. From these 187 respondents, 186 were chocolate consumers, of which 175 fair-trade chocolate consumers.

Table 4.1 Demographic characteristics and chocolate consumption behaviour of respondents

| Description  | Frequency | Composition (%) | Description                                   | Frequency | Composition (%) |
|--------------|-----------|-----------------|---|-----------|-----------------|
| Birthyear    |           |                 | Origin  |           |                 |
| 1980–1985*   | 17        | 9.1             | Europe  | 169       | 90.4            |
| 1986–1990    | 18        | 9.6             | <i>*the Netherlands</i>                       | 146       | 78.1            |
| 1991–1995    | 76        | 40.6            | Africa  | 4         | 2.1             |
| 1996–2000    | 76        | 40.6            | South-America                                 | 10        | 5.3             |
|              |           |                 | North-America                                 | 1         | 0.5             |
| Gender       |           |                 | Asia  | 3         | 1.6             |
| Female       | 134       | 71.7            | Do you eat chocolate (products)?              |           |                 |
| Male         | 47        | 25.1            | Yes   | 186       | 99.5            |
| Non-binary   | 5         | 2.7             | No****  | 1         | 0.5             |
| N/a          | 1         | 0.5             |   |           |                 |
| Occupation   |           |                 | Frequency of chocolate consumption            |           |                 |
| Student      | 43        | 23.0            | Daily   | 20        | 10.8            |
| Worker       | 100       | 53.5            | Multiple times a week                         | 100       | 53.8            |
| Both         | 41        | 21.9            | Twice a month                                 | 40        | 21.5            |
| Other        | 3         | 1.6             | Monthly                                       | 15        | 8.1             |
|              |           |                 | Less than once a month                        | 11        | 5.9             |
| Education*** |           |                 |   |           |                 |
| High school  | 34        | 18.2            | Money spent on one chocolate bar of 200 grams |           |                 |
| MBO          | 22        | 11.8            | Less than 1 euro                              | 5         | 2.7             |
| HBO Bachelor | 74        | 39.6            |   |           |                 |

|                          |    |      |                                 |     |      |
|--------------------------|----|------|---------------------------------|-----|------|
| HBO Master               | 4  | 2.1  | Between 1– 2 euros              | 53  | 28.5 |
| University Bachelor      | 14 | 7.5  | Between 2 –3 euros              | 102 | 54.8 |
| University Pre-Master    | 7  | 3.7  | More than 3 euros               | 15  | 8.1  |
| University Master        | 31 | 16.6 | Other*****                      | 11  | 5.9  |
| N/a                      | 1  | 0.5  |                                 |     |      |
|                          |    |      | Fairtrade chocolate consumption |     |      |
| Income                   |    |      | Yes                             | 175 | 94.6 |
| Less than 1000 euros     | 56 | 29.9 | No                              | 11  | 5.9  |
| Between 1000–2500 euros  | 87 | 46.5 |                                 |     |      |
| Between 2500–50000 euros | 40 | 21.4 |                                 |     |      |
| More than 5000 euros     | 1  | 0.5  |                                 |     |      |
| N/a                      | 3  | 1.6  |                                 |     |      |

\* note that this category consists of one extra year compared to the other three categories

\*\* e.g. not working due to incapacity for working

\*\*\* highest achieved level of education

\*\*\*\* the respondent who answered “no” to this question, answered “n/a” to all remaining questions, causing disturbance and therefore this form was discarded

\*\*\*\*\* e.g. not knowing the price, not paying attention to the price, or not caring about the price

The next part of the analysis is that between the connections of these 175 respondents' feelings of guilt, empathy, narcissism, self-actualisation, happiness, and future intentions regarding fair-trade chocolate. These constructs included items that were measured via a five point Likert scale from strongly disagree (1) to strongly agree (5). Table 4.2 shows the mean, standard deviation and factor loading of these constructs and their correlation items. The mean shows the average answer, and the standard deviation shows the dispersion of data in relation to the mean. The statements' means vary between 1.76 and 3.55. The standard deviations vary from 0.89 to 1.26, meaning an average low spread of data. The factor loadings represent the strength of the relationship between the constructs and its variables, and could vary from -1 to 1, meaning the closer the factor loading is to zero, the weaker the relation of the variable to its construct. The results show a general high factor loading of all variables, with the exception of the third item of narcissism with a factor loading of 0.46.

Table 4.2 Mean, standard deviation and factor loading

| Constructs | Items   | Mean | Standard deviation | Factor loading |
|------------|---|------|--------------------|----------------|
| Guilt      | It is extremely hard for me to buy non-fairtrade chocolate  | 2.26 | 1.06               | 0.88           |
|            | I cannot stand the idea of buying non-fairtrade chocolate   | 2.23 | 0.91               | 0.86           |
| Empathy    | While consuming fairtrade chocolate I perceived that the life of the labourer of the chocolate to be the quality same as mine | 2.05 | 1.04               | 0.85           |
|            | While consuming fairtrade chocolate I felt as if the labourer's events were really happening to me                            | 1.76 | 0.89               | 0.90           |
| Narcissism | I am more capable than other people   | 2.37 | 1.21               | 0.89           |

|                    |   |      |      |      |
|--------------------|---|------|------|------|
|                    | I know that I am good because everybody keeps telling me so                 | 2.34 | 1.03 | 0.79 |
|                    | I am going to be a great person   | 3.10 | 1.22 | 0.46 |
| Self-actualisation | Buying fairtrade chocolate gives me an opportunity for personal growth      | 2.21 | 1.01 | 0.93 |
|                    | Buying fairtrade chocolate gives me an opportunity for personal progress    | 2.29 | 1.08 | 0.94 |
|                    | Buying fairtrade chocolate gives me an opportunity for personal development | 2.23 | 1.06 | 0.93 |
|                    | Buying fairtrade chocolate increase my feeling of self-fulfilment           | 2.48 | 1.17 | 0.87 |
| Happiness          | I achieved happiness from fair-trade chocolate purchasing                   | 2.67 | 1.22 | 0.77 |
|                    | I buy fairtrade chocolate as a rule   | 2.39 | 1.11 | 0.77 |
| Future intention   | I will recommend fairtrade chocolate to friends                             | 3.07 | 1.26 | 0.89 |
|                    | I will purchase (more) fairtrade chocolate in the future                    | 3.55 | 1.23 | 0.88 |

Next, reliability and convergent validity via an examination of Cronbach's alpha coefficients were calculated. Table 4.3 shows the results of the reliability analysis, varying from 0.60 to 0.94 across the items, which are within an acceptable range (Nunnally and Bernstein, 1994 in Hwang and Kim, 2016). The t value shows whether the data differs significantly from average. A large t value means that the data is significantly different from average, whereas a small t value means that the data is not significantly different from average (Glen, 2013). The constructs' convergent validity was calculated by average variance extracted (AVE), with all constructs showing over 0.5 (Chin, 1998, in Hwang and Kim, 2016). Table 4.3 shows that the AVE of all constructs are between 0.52 and 0.84, which indicates acceptable convergent validity. The composition reliability also shows the acceptable standard of 0.7 (Hwang and Kim, 2016), namely between 0.77 and 0.95. Cronbach's alpha, or coefficient alpha, measures reliability of Likert scale surveys. Cronbach's alpha shows how closely related a set of test items are as a group. Cronbach's alpha is interpreted as follows: excellent ( $\alpha \geq 0.9$ ), good ( $0.9 > \alpha \geq 0.8$ ), acceptable ( $0.8 > \alpha \geq 0.7$ ), questionable ( $0.7 > \alpha \geq 0.6$ ), poor ( $0.6 > \alpha \geq 0.5$ ), and unacceptable ( $0.5 > \alpha$ ) (Glen, 2021). The constructs all show a Cronbach's alpha of at least 0.7 (acceptable), with the exception of narcissism ( $\alpha = 0.60$ ). The coefficient of determination, or R squared ( $R^2$ ), gives the percentage variation in y explained by x-variables. In short,  $R^2$  shows how much of the data falls within the results. The higher this number (ranging from 0 to 1), indicates a better fit of the observations (Glen, 2021). The results of this analysis show low  $R^2$  values, with the values of guilt and narcissism missing, meaning an  $R^2$  value of either zero, or less than zero.

Table 4.3 Validity and reliability of the reflective constructs

| Constructs         |    | <i>t</i> value | AVE  | Composite reliability | <i>R</i> <sup>2</sup> | Cronbach's Alpha |
|--------------------|----|----------------|------|-----------------------|-----------------------|------------------|
| Guilt              | G1 | 16.00          | 0.76 | 0.86                  |                       | 0.68             |
|                    | G2 | 11.17          |      |                       |                       |                  |
| Empathy            | E1 | 17.19          | 0.76 | 0.86                  | 0.10                  | 0.68             |
|                    | E2 | 28.20          |      |                       |                       |                  |
| Narcissism         | N1 | 4.65           | 0.54 | 0.77                  |                       | 0.60             |
|                    | N2 | 3.71           |      |                       |                       |                  |
|                    | N3 | 1.62           |      |                       |                       |                  |
| Self-actualisation | S1 | 50.92          | 0.84 | 0.95                  | 0.16                  | 0.94             |
|                    | S2 | 55.42          |      |                       |                       |                  |
|                    | S3 | 38.38          |      |                       |                       |                  |
|                    | S4 | 35.92          |      |                       |                       |                  |
| Happiness          | H1 | 20.04          | 0.52 | 0.81                  | 0.21                  | 0.70             |
|                    | H2 | 20.66          |      |                       |                       |                  |
|                    | H3 | 5.23           |      |                       |                       |                  |
|                    | H4 | 14.23          |      |                       |                       |                  |
| Future intention   | F1 | 31.26          | 0.78 | 0.88                  | 0.25                  | 0.72             |
|                    | F2 | 33.85          |      |                       |                       |                  |

After the measures were validated, the effects proposed in the model and their significance using PLS were analysed. This method produces loadings and weights in its measurement model, where loading represents the reflective indicators and weights the formative indicators (Chin, 1998, in Hwang and Kim, 2016). Table 4.4 presents the loadings and significance of the path coefficients and *t* values to analyse the structural model. The bootstrap method was used to access the path (bootstrap = 1000 times). The *p*-value, or probability value shows how likely it is that the data has occurred under the null hypothesis. Most commonly a threshold of  $p < 0.05$  is used, meaning a probability of less than 5 per cent. Though, some fields use  $p < 0.01$  or  $p < 0.001$  (Bevans, 2021). The lower the *p*-values, the more significant the results. The path coefficient shows the direct effect of a variable as a cause on another variable, usually varying from 0 to 1. The closer the value is to 1, the stronger the effect. Hypothesis 1 (guilt is positively associated with empathy) is supported (path *c.* = 0.308,  $P < 0.01$ ). Hypothesis 2 is supported, as empathy is positively associated with self-actualisation (path *c.* = 0.354,  $P < 0.01$ ). Hypothesis 3 (empathy is positively associated with happiness) is supported (path *c.* = 0.226,  $P < 0.01$ ). Hypothesis 4 is not supported, as the path from empathy to future intention is negatively associated (path *c.* = -0.035,  $P = 0.591$ ). Hypothesis 5 is supported, as narcissism positively influences self-actualisation (path = 0.121,  $P = 0.101$ ). As the path from self-actualisation to happiness is positively associated, hypothesis 6 is supported (path *c.* = 0.316,  $P < 0.01$ ). Hypothesis 7 is supported, because self-actualisation is positively associated with

future intention (path c. = 0.157,  $P < 0.01$ ). Hypothesis 8 (happiness is positively associated with future intentions) is supported (path c. = 0.526,  $P < 0.01$ ). The results of hypothesis 4 and hypothesis 5 show less significance, due to their low  $t$  values and high probability ( $P$  value).

Table 4.4 Testing results of the structural method

|    | Structural model path                 | Path coefficient | $t$ value | $P$ value |
|----|---------------------------------------|------------------|-----------|-----------|
| H1 | Guilt → empathy                       | 0.308            | 4.55      | 0.000     |
| H2 | Empathy → self-actualisation          | 0.354            | 4.44      | 0.000     |
| H3 | Empathy → happiness                   | 0.226            | 3.28      | 0.001     |
| H4 | Empathy → future intention            | -0.035           | 0.54      | 0.591     |
| H5 | Narcissism → self-actualisation       | 0.121            | 1.64      | 0.101     |
| H6 | Self-actualisation → happiness        | 0.316            | 3.93      | 0.000     |
| H7 | Self-actualisation → future intention | 0.157            | 2.60      | 0.009     |
| H8 | Happiness → future intention          | 0.526            | 8.99      | 0.000     |

Figure 4.1 presents the results of the research model in an image, showing the path coefficients, the strength of the specific paths by thickness of the connecting lines, and the  $P$  values.

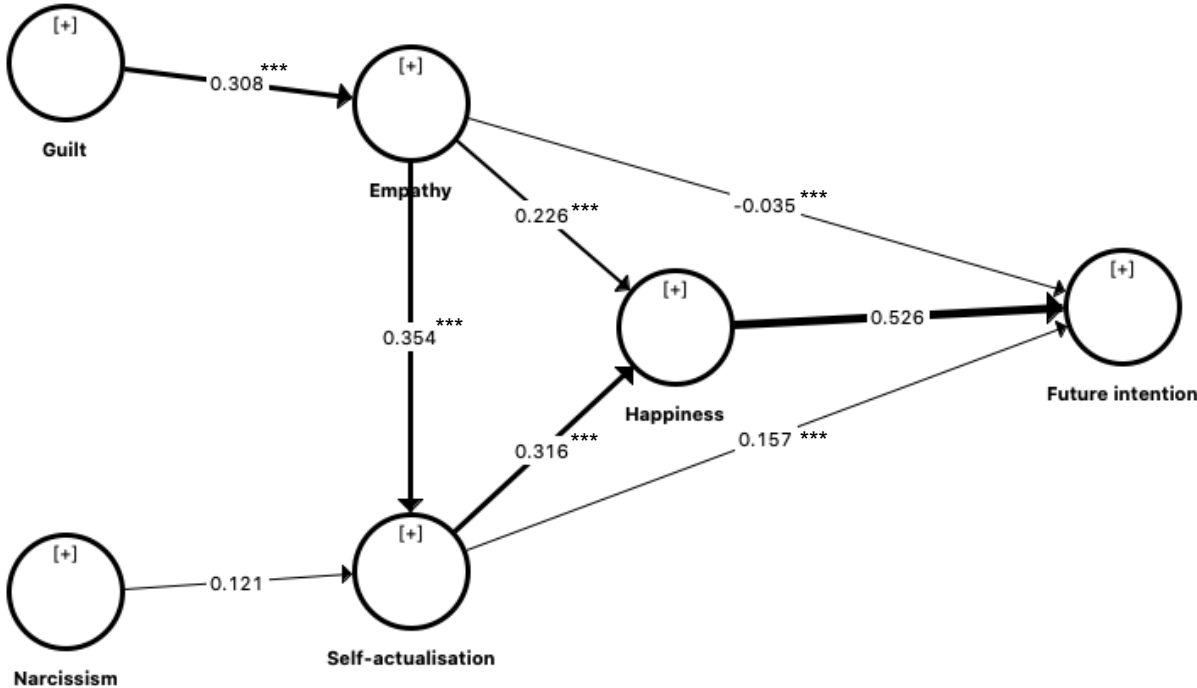


Figure 4.1 Results of the research model. \* $P < 0.1$ , \*\* $P < 0.05$ , \*\*\*  $P < 0.01$

Comparing the results of the study regarding fair-trade coffee, two main differences can be pointed out. First, as opposed to fair-trade coffee, the results show that empathy influences happiness in context of fair-trade chocolate (hypothesis 3). Secondly, the results of fair-trade chocolate show a negative association of the path from empathy to future intention (hypothesis 4), whereas the path from empathy to repurchase intention in the context of fair-trade coffee is positively associated. Additionally, the study regarding fair-trade coffee showed a strong path from narcissism to self-actualisation to happiness and repurchase intention. Table 4.5 shows the specific indirect effects. Four strong paths are shown: self-actualisation to happiness to future intention ( $t = 3.479$ ,  $P = 0.001$ ); empathy to happiness to future intention ( $t = 3.058$ ,  $P = 0.002$ ); empathy to self-actualisation to happiness ( $t = 2.871$ ,  $P = 0.004$ ); and guilt to empathy to self-actualisation ( $t = 2.982$ ,  $P = 0.003$ ). It is notable that the path from empathy to future intention shows a negative association, whereas the path from empathy to happiness to future intention shows a significant positive association. As opposed to the fair-trade coffee's strongest path, the indirect effects starting with narcissism do not show any strong paths.

Table 4.5 Specific indirect effects

|   | Specific Indirect Effects | <i>t</i> value | P value      |
|---|---------------------------|----------------|--------------|
| <b>Empathy → Happiness → Future intention</b>                       | <b>0.119</b>              | <b>3.058</b>   | <b>0.002</b> |
| Guilt → Empathy → Self-actualisation → Happiness → Future intention | 0.018                     | 1.963          | 0.050        |
| <b>Guilt → Empathy → Self-actualisation</b>                         | <b>0.109</b>              | <b>2.982</b>   | <b>0.003</b> |
| Guilt → Empathy → Self-actualisation → Future intention             | 0.017                     | 1.839          | 0.066        |
| Empathy → Self-actualisation → Future intention                     | 0.056                     | 2.295          | 0.022        |
| Narcissism → Self-actualisation → Happiness                         | 0.038                     | 1.385          | 0.167        |
| Guilt → Empathy → Happiness → Future intention                      | 0.037                     | 2.090          | 0.037        |
| Guilt → Empathy → Future intention                                  | -0.011                    | 0.515          | 0.607        |
| Guilt → Empathy → Self-actualisation → Happiness                    | 0.034                     | 2.156          | 0.032        |
| Narcissism → Self-actualisation → Future intention                  | 0.019                     | 1.217          | 0.224        |
| Empathy → Self-actualisation → Happiness → Future intention         | 0.059                     | 2.593          | 0.010        |
| Guilt → Empathy → Happiness   | 0.070                     | 2.201          | 0.028        |
| <b>Self-actualisation → Happiness → Future intention</b>            | <b>0.166</b>              | <b>3.479</b>   | <b>0.001</b> |
| <b>Empathy → Self-actualisation → Happiness</b>                     | <b>0.112</b>              | <b>2.871</b>   | <b>0.004</b> |
| Narcissism → Self-actualisation → Happiness → Future intention      | 0.020                     | 1.288          | 0.198        |



## CHAPTER 5

### **Final remarks**

This research has shown that the production of chocolate is an unsustainable practice. The challenges in the cocoa industry have mainly to do with living income, human rights and environmental protection (Fountain & Huetz-Adams, 2020). These challenges are being tackled by several instances, such as private and public organisations. Fair-trade chocolate is chocolate that is produced ethically, ensuring the wellbeing of people and the planet. Even though fair-trade cocoa has been available for around two decades, its global sales still only represent a fraction of total global cocoa sales. However, in the last few years there has been a significant increase in its sales. As a huge player in the cocoa industry, the Netherlands plays a significant role in helping to make the industry more sustainable. The last few years in the Netherlands, there has been an increased awareness of the challenges of the cocoa industry, especially due to the country's efforts to make cocoa imported to the Netherlands more sustainable. Besides, the millennial generation accounts for a large part of the Dutch population and has considerable purchasing power and influence on the economy.

The goal of this study was to investigate millennials' ethical awareness regarding fair-trade chocolate, via several constructs and the relation between these. Ethical awareness regarding the production of chocolate indicates a general understanding of the impacts and challenges of the cocoa industry. This was measured via an online survey, using the following constructs: guilt, empathy, narcissism, self-actualisation, happiness and future intention. The objective of this survey was to study the relations between these constructs. The results have shown that guilt positively influences empathy; empathy positively influences self-actualisation and happiness, but impacts future intention negatively; narcissism positively influences self-actualisation; self-actualisation has a positive influence on happiness and future intention; and happiness positively influences future intention. The strongest positive association was between the constructs happiness and future intention. From the eight hypotheses, only one hypothesis (H4) was not supported, because empathy is negatively associated with future intention. However, the results showed a strong indirect effect from empathy to happiness to future intention. Referring to the research question stated in the first chapter of this study, the motivations of millennials in the Netherlands to consume ethically produced chocolate are mainly influenced by the respondents' feelings of happiness and self-actualisation. Contrary to common expectations, these results indicate that the motivations to consume fair-trade chocolate are focussed on self-oriented emotions (happiness and self-actualisation), rather than moral emotions (guilt and empathy).

This study was limited in a few ways. First, the recommended sample size (289) for adequate representation of millennials in the Netherlands was not met. The total amount of respondents of the survey was 187, of which 175 were fair-trade chocolate consumers. No data could be found regarding the number of fair-trade consumers in the Netherlands. With this data, the sample size could have included fair-trade consumption as a factor, meaning a more relevant sample size. However, the survey data was validated by a reliability analysis via several standards, such as Cronbach's alpha and composition reliability. Secondly, the separation between fair-trade chocolate consumers and non-fair-trade chocolate consumers could have been made earlier in the survey. The questions about chocolate behaviour could have been changed to fair-trade chocolate consumption as well, which could have provided more insight on fair-trade chocolate consumers' characteristics.

Secondly, some of the statements to measure the respondents' ethical awareness seemed a bit vague. Some respondents gave me some verbal feedback and expressed this feeling, especially regarding the items of the construct narcissism. The results showed that the third item of the construct narcissism (i.e. "I am going to be a great person"), had a low factor loading, though its mean was higher than the other means.

A few recommendations for future research can be made. First, the literature suggests that consumers' social- and self-image, and their global identification influences consumers' fair-trade consumption behaviour (Teyssier et al., 2014; Bucic et al., 2012; and Reese and Kohlmann, 2015). Global identification is connected with perceived global injustice, which has been studied insufficiently, especially in the context of fair-trade chocolate. Hence, for future research, it is recommended to study this concept with regards to fair-trade chocolate consumption. It is also recommended to further explore consumption behaviour in context of fair-trade chocolate, possibly by qualitative studies.

In a world full of unsustainable practices, including the exploitation of people and land, the cocoa industry represents only a fraction. This study has shown that the production of cocoa has a negative impact on the world. Therefore, in order to keep eating chocolate, the industry needs to become sustainable. With this dissertation, I aimed to contribute to the research of ethically produced chocolate, regarding millennial consumers in the Netherlands. Millennials have great influence on the world market, as they represent a significant part of the population. The research has shown that this generation is concerned about ethical issues. Therefore, in order to create a more sustainable world, millennials have a huge opportunity to make a difference.

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## Annexes

### Annex A: Scale items and corresponding survey questions by Hwang and Kim

Figure A.1: Ethical awareness measurements and corresponding survey questions

| Constructs           | Items   |
|----------------------|---|
| Guilt                | It is extremely hard for me to buy nonfair-trade coffee   |
|                      | I cannot stand the idea of buying nonfair-trade coffee  |
| Empathy              | While consuming the fair-trade coffee, I perceived that the fair-trade coffee laborer's life to be the same as mine                   |
|                      | While consuming the fair-trade coffee, I experienced feeling as if the fair-trade coffee laborer's events were really happening to me |
| Narcissism           | I am more capable than other people   |
|                      | I know that I am good because everybody keeps telling me so   |
|                      | I am an extraordinary person  |
|                      | I am going to be a great person   |
| Self-actualization   | Buying fair-trade coffee gives me an opportunity for personal growth.   |
|                      | Buying fair-trade coffee gives me an opportunity for personal progress  |
|                      | Buying fair-trade coffee gives me an opportunity for personal development   |
|                      | Buying fair-trade coffee increases my feeling of self-fulfillment   |
| Happiness            | I achieved happiness from fair-trade coffee purchasing  |
|                      | Fair-trade coffee purchasing fits my personality traits   |
|                      | I buy fair-trade coffee as a rule.  |
|                      | Fair-trade coffee is cheaper than I expected  |
|                      | Fair-trade coffee purchasing satisfies my values  |
| Repurchase intention | I will repurchase this fair-trade coffee  |
|                      | I will recommend this fair-trade coffee to a friend   |
|                      | I will purchase this fair-trade coffee again in the future  |

Source: Hwang and Kim (2016)

## Annex B: Confidence levels and corresponding z-scores

Table B.1 Confidence levels and corresponding z-scores.

| <b>Confidence Level</b> | <b>z-score (<math>\pm</math>)</b> |
|-------------------------|-----------------------------------|
| 0.70                    | 1.04                              |
| 0.75                    | 1.15                              |
| 0.80                    | 1.28                              |
| 0.85                    | 1.44                              |
| 0.92                    | 1.75                              |
| 0.95                    | 1.96                              |
| 0.96                    | 2.05                              |
| 0.98                    | 2.33                              |
| 0.99                    | 2.58                              |
| 0.999                   | 3.29                              |
| 0.9999                  | 3.89                              |
| 0.99999                 | 4.42                              |

Source: Calculator.net (2020)



## Annex C: Online survey

English version

### **Introduction and informed consent**

1. Do you currently live in the Netherlands?

2. Are you born between 1980-2000?

*If either of these was answered with "No" or "N/a" the survey automatically skipped to the end*

### **Demographics**

3. In which year are you born?

4. What is your country of origin?

5. What is your gender?

6. What is your occupation?

7. What is your highest achieved level of education?

8. If you are studying, what is your current level of education?

9. What is your monthly net income?

### **Chocolate consumption**

10. Do you eat chocolate (products)?

*If this answer was answered with "No" or "N/a" the survey automatically skipped to the end*

11. How often do you eat chocolate (products)? (approximately)

12. What type of chocolate products do you eat?

13. What is your favourite chocolate flavour?

14. When buying chocolate bars, which brands do you buy most often?

15. How much money do you typically spend on a chocolate bar (200 grams)?

16. When buying chocolate, how important do you consider the following aspects?

17. Is there another aspect you consider when buying chocolate, that wasn't mentioned in the previous question?

*Brief description of Fairtrade*

18. Do you (ever) eat fairtrade chocolate?

*If this answer was answered with "No" or "N/a" the survey automatically skipped to question 25*

### **Ethical awareness**

Answered on a five point Likert scale, from "strongly disagree" (1) to "strongly agree" (5) and additionally the options of "I don't know" and "N/a"

19. Do you agree with the following sentences?

It is extremely hard for me to buy non-fairtrade chocolate

I cannot stand the idea of buying non-fairtrade chocolate

20. While consuming fairtrade chocolate...

... I perceived that the life of the labourer of the chocolate to be the quality same as mine

... I felt as if the labourer's events were really happening to me

21. How do you perceive yourself, regarding the following sentences?

I am more capable than other people

I know that I am good because everybody keeps telling me so

I am going to be a great person

22. Buying fairtrade chocolate...

... gives me an opportunity for personal growth

... gives me an opportunity for personal progress

... gives me an opportunity for personal development

... increase my feeling of self-fulfilment

23. How do these sentences describe your feelings regarding fairtrade chocolate?

I achieved happiness from fair-trade chocolate purchasing

I buy fairtrade chocolate as a rule

Fairtrade chocolate is cheaper than I expected

Fairtrade chocolate purchasing satisfies my values

24. What will you do in the future when it comes to fairtrade chocolate?

I will recommend fairtrade chocolate to friends

I will purchase (more) fairtrade chocolate in the future

(25. Why do you never eat fairtrade chocolate?)

End of survey

26. If you have any comments or tips regarding the theme of this survey, you may leave them below

Dutch version

### **Introductie en geïnformeerde consent**

1. Woon je op dit moment in Nederland?

2. Ben je geboren tussen 1980-2000?

*Als een of meer van deze vragen beantwoord werd met “Nee” of “N.v.t.”, ging de enquête automatisch naar het einde*

### **Demografische vragen**

3. In welk jaar ben je geboren?

4. Wat is je land van herkomst?

5. Wat is je geslacht?

6. Wat doe je in het dagelijks leven?

7. Wat is je hoogst behaalde opleidingsniveau?

8. Als je studeert, wat is je huidige opleidingsniveau?

9. Wat is je maandelijkse netto inkomen?

### **Chocolade consumptie**

10. Eet je chocolade (producten)?

*Als deze vraag met “Nee” of “N.v.t.” werd beantwoord, ging de enquête automatisch naar het einde*

11. Hoe vaak eet je chocolade (producten) (ongeveer)?

12. Wat voor soort chocolade producten eet jij?

13. Wat is jouw favoriete smaak?

14. Wanneer je chocoladerepen koopt, welk merk kies je het vaakst?

15. Hoeveel geld geef je gemiddeld uit aan een chocoladereep (200 gram)?

16. Wanneer je chocola koopt, hoe belangrijk vind jij de volgende aspecten?

17. Is er nog een ander belangrijk aspect voor jou, die niet in de vorige vraag genoemd is?

*Korte beschrijving Fairtrade*

18. Eet jij weleens fairtrade chocolade?

*Als deze vraag met “Nee” of “N.v.t.”, werd beantwoord, ging de enquête automatisch naar het vraag 25*

### **Ethisch bewustzijn**

Beantwoord op een vijf punt Likert schaal, van “helemaal niet mee eens” (1) tot “helemaal mee eens” (5) en daarbij de opties van “Ik weet het niet” en “N.v.t.”

19. Ben je het eens met de volgende zinnen?

Het is ontzettend moeilijk voor mij om chocolade te kopen wat niet fairtrade is

Ik kan het idee van het kopen van niet fairtrade chocolade niet uitstaan

20. Wanneer ik fairtrade chocolade eet...

... denk ik dat de arbeider van de chocola dezelfde kwaliteit leven als ik heeft

... voelt het alsof de gebeurtenissen van de chocolade arbeider mij echt overkwamen

21. Hoe zie jij jezelf, in verband met deze zinnen?

Ik ben meer in staat dan andere mensen

Ik weet dat ik goed ben, want iedereen zegt het me steeds

Ik ga een geweldig persoon zijn

22. Het kopen van fairtrade chocola...

... geeft mij de kans om persoonlijk te groeien

... geeft mij de mogelijkheid voor persoonlijke vooruitgang

... geeft mij de mogelijkheid voor persoonlijke ontwikkeling

... vergroot mijn gevoel van zelfontplooiing

23. Hoe beschrijven deze zinnen jouw gevoel met betrekking tot fairtrade chocolade?

Ik ben gelukkig geworden door het kopen van fairtrade chocola

Ik koop altijd fairtrade chocola

Fairtrade chocola is goedkoper dan ik had verwacht

het kopen van fairtrade chocolade voldoet aan mijn waarden

24. Wat ga je in de toekomst doen, met betrekking tot fairtrade chocolade?

Ik raad fairtrade chocolade bij mijn vrienden aan

Ik de toekomst zal ik (meer) fairtrade chocolade kopen

(25. Waarom eet je nooit fairtrade chocolate?)

Einde van de enquête

26. Als je nog opmerkingen of tips hebt over het thema van deze enquête, dan kun je ze hier achterlaten

## Annex D: Informed consent online survey

### **English version:**

Hello,

Thank you so much for clicking this link and taking time to fill out my survey.

This survey is focused on people born between 1980 and 2000, who live in the Netherlands.

If you meet these requirements, perfect! Let's start the survey :)

If you do not, there's no need to start the survey. Nevertheless, I am grateful for your willingness to help.

I am currently writing my dissertation for the Master International Studies. The topic of my dissertation is chocolate consumption. This survey includes questions about your (fairtrade) chocolate behaviour.

The answers are 100% anonymous and the results will only be used for my dissertation. Still, if you do not or cannot answer a question, you may use the non-applicable option (n/a).

It will take around 5 minutes in total.

Thank you!

### **Dutch version:**

Hallo,

Ontzettend bedankt dat je te tijd wil nemen om mijn enquête in te vullen.

De enquête is gefocussed op mensen die tussen het jaar 1980 en 2000 geboren zijn, die momenteel in Nederland wonen. Mocht je hieraan voldoen, dan kun je de enquête starten. Zo niet, dan is het niet nodig om verder te gaan. Vooralsnog ben ik erg dankbaar voor je behulpzaamheid.

Op dit moment ben ik bezig met mijn scriptie voor de Master International Studies. Het onderwerp van mijn scriptie is chocolade consumptie. Deze enquête bevat daarom vragen over jouw (fairtrade) chocolade gedrag.

De antwoorden zijn 100% anoniem en de resultaten zullen alleen gebruikt worden voor mijn scriptie. Mocht je toch een vraag niet kunnen of willen beantwoorden, dan kun je de "n.v.t." optie aanvinken.

Het invullen van deze enquête duurt ongeveer 5 minuten.

Bedankt!