Introduction - Research agenda

- Overview of literature on fair trade buying behaviour and marketing: paper ready
- Qualitative research (focus groups) on attitudes and behaviour with respect to fair trade products: paper ready
- Quantitative research on attitudes and behaviour with respect to fair trade products:
  - Data collection: ready
  - Determination of valid and reliable constructs: ready
  - Scale development with regard to FT issues: ready
  - Descriptive analysis: ready
  - Estimation of integrated model of buying behavior: 2004
Introduction - Research Agenda

- Web-based study on the relative importance of product labels (fair trade, bio, social,…): ready to set on-line
- Formulation of marketing implications: end 2004

The Survey

- Purpose
- Data collection
- Content
- Results
- General conclusion
The Survey

Purpose

Data collection
Content
Results
General conclusion

The survey – purpose

- Purpose of the survey:
  - To gain insight in the knowledge, attitudes, beliefs, intentions and behaviour of Belgian consumers with regard to different Fair Trade issues
  - To investigate the attitude of consumers towards Fair Trade information and communication
  - To define different types of consumers based on their personal values
  - To search for significant differences in beliefs, attitudes and behaviour between types of consumers
The Survey

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→ Data collection

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The survey – data collection

5000 questionnaires were sent to a Belgian sample of consumers
RESPONSE : 799 (16%)

1200 questionnaires were sent to Oxfam Worldshop consumers
RESPONSE : 339 (28%)

(After data cleaning:

- Respondents who are not responsible for the purchases in their household
- Respondents who did not fill in 10% or more of the questions)

→ 858 questionnaires were retained for investigation
   → Belgian sample : 615
   → Oxfam sample : 243
The Survey

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General conclusion

The survey – content

The respondents were asked about:

- Their knowledge of Fair Trade
- Their attitude towards Fair Trade
- Their buying intention and buying behaviour with regard to FT products
- Their beliefs about Fair Trade information and communication

→ This was measured by the use of 8 constructs and 18 subconstructs
## The survey – content

### Dependent variables (to be explained)

<table>
<thead>
<tr>
<th>Construct</th>
<th>Subconstructs (dimensions)</th>
<th>Direction with respect to Fair Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge of Fair Trade</td>
<td>Narrow</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Environment</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Social</td>
<td>-</td>
</tr>
<tr>
<td>Perceived Consumer Effectiveness</td>
<td>Resignation</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Inclination to Action</td>
<td>-</td>
</tr>
<tr>
<td>Attitude towards Fair Trade in general</td>
<td>Scepticism</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Concern</td>
<td>-</td>
</tr>
<tr>
<td>Attitude towards Fair Trade products</td>
<td>Indifference</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Product likeability</td>
<td>+</td>
</tr>
<tr>
<td></td>
<td>Attitude towards price</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Effort</td>
<td>-</td>
</tr>
<tr>
<td>Attitude towards Fair Trade specialty shops</td>
<td>Staff professionalism</td>
<td>+</td>
</tr>
<tr>
<td></td>
<td>Shop sobriety</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Shop unfamiliarity</td>
<td>-</td>
</tr>
<tr>
<td>Buying intention</td>
<td>Buying intention</td>
<td>-</td>
</tr>
<tr>
<td>Buying behaviour</td>
<td>Buying behaviour</td>
<td>+</td>
</tr>
<tr>
<td>Fair Trade information and communication</td>
<td>Lack of information quality</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Lack of information quantity</td>
<td>-</td>
</tr>
</tbody>
</table>

### Cluster Analysis

<table>
<thead>
<tr>
<th>Cluster</th>
<th>Competence</th>
<th>Public responsibility</th>
<th>Emotional tranquility</th>
<th>Comfort</th>
<th>Being sympathetic</th>
<th>Idealism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cluster 1 (n=196)</td>
<td>6.30</td>
<td>6.52</td>
<td>6.82</td>
<td>5.93</td>
<td>6.34</td>
<td>6.61</td>
</tr>
<tr>
<td>Cluster 2 (n=135)</td>
<td>5.44</td>
<td>5.64</td>
<td>6.51</td>
<td>4.63</td>
<td>6.00</td>
<td>6.45</td>
</tr>
<tr>
<td>Cluster 3 (n=135)</td>
<td>5.80</td>
<td>6.07</td>
<td>6.20</td>
<td>5.75</td>
<td>5.30</td>
<td>5.59</td>
</tr>
<tr>
<td>Cluster 4 (n=108)</td>
<td>5.15</td>
<td>5.09</td>
<td>5.24</td>
<td>4.57</td>
<td>4.93</td>
<td>5.25</td>
</tr>
</tbody>
</table>

Cluster 1=value conscious people
Cluster 2=ascetic idealists
Cluster 3=hedonic self-seekers
Cluster 4=value sceptics
The survey - content

<table>
<thead>
<tr>
<th>Independent variables (explanatory variables)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oxfam</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>Gender</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Language</td>
</tr>
<tr>
<td>Dutch</td>
</tr>
<tr>
<td>French</td>
</tr>
<tr>
<td>Level of education</td>
</tr>
<tr>
<td>Lower Secondary</td>
</tr>
<tr>
<td>Higher Secondary</td>
</tr>
<tr>
<td>Higher Education</td>
</tr>
<tr>
<td>Higher Education (Univ.)</td>
</tr>
<tr>
<td>Age</td>
</tr>
<tr>
<td>&lt;34 years</td>
</tr>
<tr>
<td>35 – 54 years</td>
</tr>
<tr>
<td>&gt;55 years</td>
</tr>
<tr>
<td>Children</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>Income level</td>
</tr>
<tr>
<td>-2500 €</td>
</tr>
<tr>
<td>+2500 €</td>
</tr>
<tr>
<td>Types of value groups</td>
</tr>
<tr>
<td>Value Conscious</td>
</tr>
<tr>
<td>Ascetic Idealists</td>
</tr>
<tr>
<td>Hedonic Self-seekers</td>
</tr>
<tr>
<td>Value Sceptics</td>
</tr>
</tbody>
</table>

The Survey

Purpose
Data collection
Content

Results
General conclusion
The survey – results

Knowledge of Fair Trade

- **Narrow, Environmental, Social**
  - Perceived Consumer Effectiveness
  - Resignation, Inclination to Action
  - Attitude towards Fair Trade (general)
  - Scepticism, Concern
  - Attitude towards Fair Trade products
    - Indifference, Product likeability, Price, Effort
  - Attitude towards Fair Trade specialty shops
    - Staff professionalism, Shop sobriety, Shop unfamiliarity
  - Buying intention
    - Buying intention
  - Buying behaviour
    - Buying behaviour
  - Fair Trade information
    - Lack of information quality, Lack of information quantity

Knowledge of FT - Narrow
Knowledge of Fair Trade - conclusion

- The overall knowledge of the respondents is good.
- The respondents that are most correct in defining the Fair Trade concept are also the ones adding social and environmental components to it.
- Female respondents, Dutch speaking respondents, mid-life respondents, higher educated respondents and the ascetic idealists are best able to define the Fair Trade concept.

Knowledge of Fair Trade - other results

Which Fair Trade distributors do you know?

<table>
<thead>
<tr>
<th>Distributor</th>
<th>Oxfam sample</th>
<th>Belgian sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worldshop</td>
<td>94.00%</td>
<td>74.80%</td>
</tr>
<tr>
<td>Bio- and nature shops</td>
<td>74.00%</td>
<td>56.40%</td>
</tr>
<tr>
<td>Max Havelaar</td>
<td>56.40%</td>
<td>43.40%</td>
</tr>
<tr>
<td>Triodos Bank</td>
<td>43.40%</td>
<td>31.40%</td>
</tr>
<tr>
<td>Maya Fair Trading</td>
<td>31.40%</td>
<td>8.30%</td>
</tr>
<tr>
<td>Belgian sample</td>
<td>8.30%</td>
<td>75.70%</td>
</tr>
</tbody>
</table>

Worldshop Bio- and nature shops, Max Havelaar, Triodos Bank, Maya Fair Trading.
Knowledge of Fair Trade - other results

Which Fair Trade distributors do you know?

- Worldhop
- Bio- and nature shops
- Max Havelaar
- Triodos Bank
- Maya Fair Trading

Dutch speaking respondents
French speaking respondents
Knowledge of Fair Trade - other results

First contact with FT products (Belgian sample):
- By visiting a Worldshop (25.0%)
- Seeing the FT products in a 'normal' supermarket (21.8%)
- Through the media (12.3%)
- Through friends (9.2%)

The survey – results
- Knowledge of Fair Trade
  - Narrow, Environmental, Social
- Perceived Consumer Effectiveness
  - Resignation, Inclination to Action
- Attitude towards Fair Trade (general)
  - Scepticism, Concern
- Attitude towards Fair Trade products
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- Attitude towards Fair Trade specialty shops
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- Buying intention
  - Buying intention
- Buying behaviour
  - Buying behaviour
- Fair Trade information
  - Lack of information quality, Lack of information quantity
PCE - conclusion

- All respondents are leaning to a more positive approach than a negative one → they believe that their consumption behaviour can be of influence to Fair Trade business.
- French speaking respondents and older respondents are most positive.

The survey – results

- Knowledge of Fair Trade
  - Narrow, Environmental, Social
- Perceived Consumer Effectiveness
  - Resignation, Inclination to Action

→ Attitude towards Fair Trade (general)
  - Scepticism, Concern
- Attitude towards Fair Trade products
  - Indifference, Product likeability, Price, Effort
- Attitude towards Fair Trade specialty shops
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- Buying intention
  - Buying intention
- Buying behaviour
  - Buying behaviour
- Fair Trade information
  - Lack of information quality, Lack of information quantity
Attitude towards Fair Trade – conclusion

- Scepticism towards Fair Trade is most experienced by:
  - Lower educated respondents
  - Respondents with a lower income level (<2500€)
  - Hedonic self seekers

- The willingness to trade ‘Fair’ is the highest for:
  - French speaking respondents
  - Older respondents (55+)
  - Value conscious people and ascetic idealists

The survey – results

- Knowledge of Fair Trade
  - Narrow, Environmental, Social
- Perceived Consumer Effectiveness
  - Resignation, Inclination to Action
- Attitude towards Fair Trade (general)
  - Scepticism, Concern

🚀 Attitude towards Fair Trade products
  - Indifference, Product likeability, Price, Effort
- Attitude towards Fair Trade specialty shops
  - Staff professionalism, Shop sobriety, Shop unfamiliarity
- Buying intention
  - Buying intention
- Buying behaviour
  - Buying behaviour
- Fair Trade information
  - Lack of information quality, Lack of information quantity
Attitude towards FT products - Indifference

Attitude towards FT products – Product likeability
Attitude towards FT products - conclusion

- Indifference towards FT products is the smallest for:
  - Female respondents
  - Higher educated respondents
  - Respondents with a higher income (+2500€)
  - Ascetic idealists

- Taste, health and quality of the FT products are more liked by:
  - French speaking respondents
  - Respondents with a lower income (-2500€)
  - Ascetic idealists

- Respondents want FT products to be cheaper!

- Having to do too much effort to buy FT products is most experienced by:
  - Male respondents
  - French speaking respondents

Attitude towards FT products - other results

Fair Trade products vs. shelf positioning

Respondents could choose out of 3 different options:

- Option 1: all FT products are gathered in a separate shelf or department, apart from the ‘normal’ products
- Option 2: the FT product is put on the same shelf with other products belonging to the same product category
- Option 3: the FT product is put together with the products of the same brand
Attitude towards FT products - other results

**Belgian sample**
- Option 1: 27%
- Option 2: 52%
- Option 3: 21%

**Oxfam sample**
- Option 1: 32%
- Option 2: 57%
- Option 3: 11%

Attitude towards FT products - other results

**Dutch speaking respondents**
- Option 1: 27%
- Option 2: 40%
- Option 3: 14%

**French speaking respondents**
- Option 1: 28%
- Option 2: 56%
- Option 3: 16%
The survey – results

- Knowledge of Fair Trade
  - Narrow, Environmental, Social
- Perceived Consumer Effectiveness
  - Resignation, Inclination to Action
- Attitude towards Fair Trade (general)
  - Scepticism, Concern
- Attitude towards Fair Trade products
  - Indifference, Product likeability, Price, Effort

⇒ **Attitude towards Fair Trade specialty shops**
  - *Staff professionalism, Shop soberness, Shop unfamiliarity*

- Buying intention
  - Buying intention
- Buying behaviour
  - Buying behaviour
- Fair Trade information
  - Lack of information quality, Lack of information quantity

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**Attitude towards FT shops – Staff professionalism**

[Bar chart showing data]
Attitude towards FT specialty shops - conclusion

- Specialty shops are more liked by:
  - Female respondents
  - Dutch speaking respondents
  - Ascetic idealists
- Soberness is most seen as a disadvantage by:
  - Older respondents (+55)
  - French speaking respondents
  - Respondents with children
- The ‘green’ character is more negatively experienced by:
  - Respondents with a higher secondary degree
  - Hedonic self-seekers

The survey – results

- Knowledge of Fair Trade
  - Narrow, Environmental, Social
- Perceived Consumer Effectiveness
  - Resignation, Inclination to Action
- Attitude towards Fair Trade (general)
  - Scepticism, Concern
- Attitude towards Fair Trade products
  - Indifference, Product likeability, Price, Effort
- Attitude towards Fair Trade specialty shops
  - Staff professionalism, Shop soberness, Shop unfamiliarity

Buying intention

- Buying intention
- Buying behaviour
- Fair Trade information
  - Lack of information quality, Lack of information quantity
FT buying intention - other results

- The reasons why respondents buy or tend to buy FT products:
  - It gives a fair price to the Third World manufacturers
  - It assures a fair production process (no child labour,…)
  - It gives producers of the South the chance to retain their dignity and autonomy

- The reasons why respondents don’t buy or are not willing to buy FT products:
  - Not enough information available (!)
  - The price is often too high
FT buying intention - other results

- Respondents could be stimulated to buy more FT products if:
  1. They are able to buy the FT products in a normal supermarket
  2. There is a wider assortment of FT products available
  3. There are more formal guarantees that state the fact that Third World people are getting better out of the Fair Trade project
  4. The price is lowered
  5. More Fair Trade information is available

The survey – results

- Knowledge of Fair Trade
  - Narrow, Environmental, Social
- Perceived Consumer Effectiveness
  - Resignation, Inclination to Action
- Attitude towards Fair Trade (general)
  - Scepticism, Concern
- Attitude towards Fair Trade products
  - Indifference, Product likeability, Price, Effort
- Attitude towards Fair Trade specialty shops
  - Staff professionalism, Shop sobriety, Shop unfamiliarity
- Buying intention
  - Buying intention

→ Buying behaviour

- Buying behaviour

- Fair Trade information
  - Lack of information quality, Lack of information quantity
Fair Trade Buying behaviour

FT buying behaviour – other results

Where did you already buy Fair Trade products?

- Worldshop: 83.10%
- Bio- and nature shops: 45.40%
- Max Havelaar: 49.20%
- Colruyt: 74.60%
- DeBio: 76.20%
FT buying behaviour – other results

Where did you already buy Fair Trade products?

<table>
<thead>
<tr>
<th>Store</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worldshop</td>
<td>36%</td>
<td>34%</td>
</tr>
<tr>
<td>Bio- and nature shops</td>
<td>51%</td>
<td>51%</td>
</tr>
<tr>
<td>Max Havelaar</td>
<td>21%</td>
<td>23%</td>
</tr>
<tr>
<td>Colruyt</td>
<td>93%</td>
<td>93%</td>
</tr>
<tr>
<td>Delhaize</td>
<td>75%</td>
<td>75%</td>
</tr>
</tbody>
</table>

FT buying behaviour – other results

During the last year, how many times did you buy FT products?

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>&lt; 5 times</td>
<td>29%</td>
<td>29%</td>
</tr>
<tr>
<td>5 - 20 times</td>
<td>36%</td>
<td>36%</td>
</tr>
<tr>
<td>&gt; 20 times</td>
<td>19%</td>
<td>19%</td>
</tr>
</tbody>
</table>
FT buying behaviour – other results

During the last year, how much money did you spend on FT products?

The survey – results

- Knowledge of Fair Trade
  - Narrow, Environmental, Social
- Perceived Consumer Effectiveness
  - Resignation, Inclination to Action
- Attitude towards Fair Trade (general)
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  - Staff professionalism, Shop soberness, Shop unfamiliarity
- Buying behaviour
  - Buying behaviour
- Buying intention
  - Buying intention

⇒ Fair Trade information
  - Lack of information quality, Lack of information quantity
FT information – Lack of information quality

FT information – Lack of information quantity
Fair Trade information and communication - conclusion

- The quality of the FT information is poor according to:
  - Lower educated respondents
  - Older respondents (55+)
  - Respondents with a lower income level (-2500€)
  - Value conscious people

- Fair Trade information and communication is too scarce according to:
  - Female respondents
  - French speaking respondents
  - Value conscious people

Fair Trade information and communication – other results

- According to our respondents, appropriate Fair Trade publicity could be:
  1. Clear indication of Fair Trade information in the department of the supermarket
  2. A product label
  3. An informative brochure
  4. A TV documentary
The Survey

Purpose
Data collection
Content
Results

⇒ General conclusion

The survey – general conclusion

- The knowledge of Fair Trade is rather good.
- Respondents are positive with regard to the perception of their consumer effectiveness
- Respondents are willing to generalise Fair Trading, more than they are sceptical
- Respondents want FT products to be cheaper
- Specialty shops are too sober and too ‘green’
- There is not enough Fair Trade information available
The survey – general conclusion

- Stimulators to buy more FT products
  - Formal guarantees → believability is of major importance
  - More information → clear indication in stores, an informative brochure, use of package labels
  - A lower price → but: is this possible given the character of the FT product (more production and/or certification costs)
  - More points of sale → accessibility (opening hours,…) and nearness are important (cfr. regular supermarkets)