

# Fair Trade buying behaviour

Survey results  
06/05/2004

## 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

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- 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

Purpose

→ **Data collection**

Content

Results

General conclusion

## 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

Purpose

Data collection

→ **Content**

Results

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)

Construct	Subconstructs (dimensions)	Direction with respect to Fair Trade
Knowledge of Fair Trade	Narrow Environment	+
	Social	-
		-
Perceived Consumer Effectiveness	Resignation	-
	Inclination to Action	+
Attitude towards Fair Trade in general	Scepticism	-
	Concern	+
Attitude towards Fair Trade products	Indifference	-
	Product likeability	+
	Attitude towards 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 and communication	Lack of information quality	-
	Lack of information quantity	-

## The survey - content

	Competence	Public responsibility	Emotional tranquillity	Comfort	Being sympathetic	Idealism
Cluster 1 (n=196)	6.30	6.52	6.82	5.93	6.34	6.61
Cluster 2 (n=135)	5.44	5.64	6.51	4.63	6.00	6.45
Cluster 3 (n=175)	5.80	6.07	6.20	5.75	5.30	5.59
Cluster 4 (n=108)	5.15	5.09	5.24	4.57	4.93	5.25

Cluster 1=value conscious people

Cluster 2=ascetic idealists

Cluster 3=hedonic self-seekers

Cluster 4=value sceptics

## The survey - content

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

## The Survey

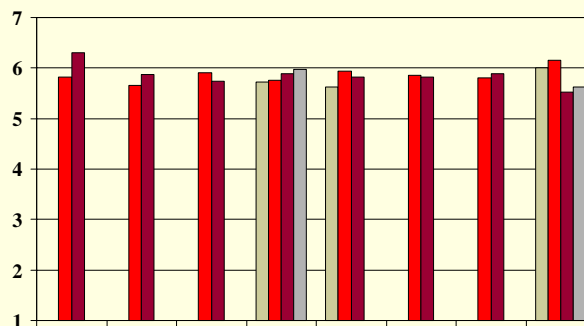
- Purpose
- Data collection
- Content
- Results**
- General conclusion

## The survey – results

### → Knowledge of Fair Trade

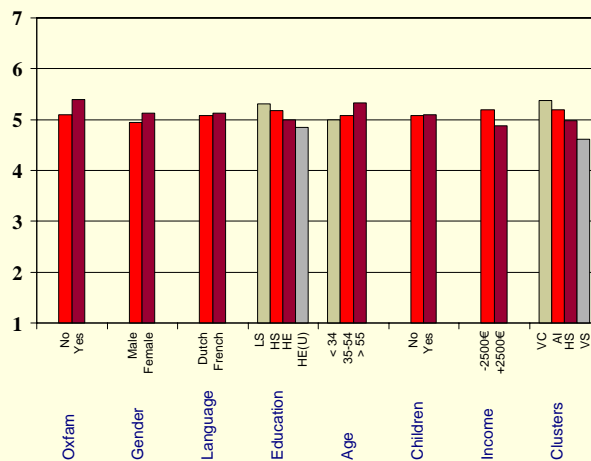
- **Narrow, Environmental, Social**
- Perceived Consumer Effectiveness
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## Knowledge of FT - Narrow

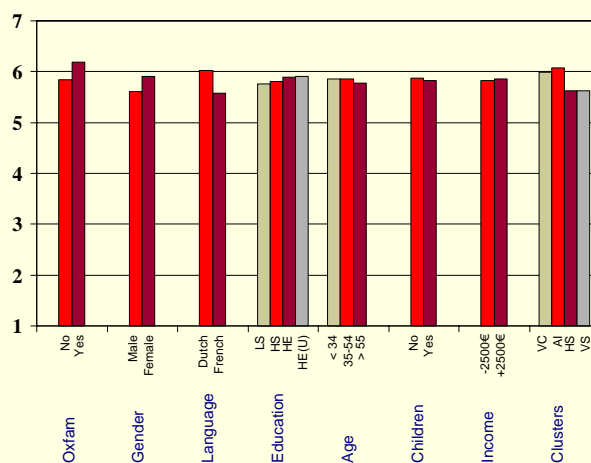




## Knowledge of FT - Environmental



## Knowledge of FT - Social

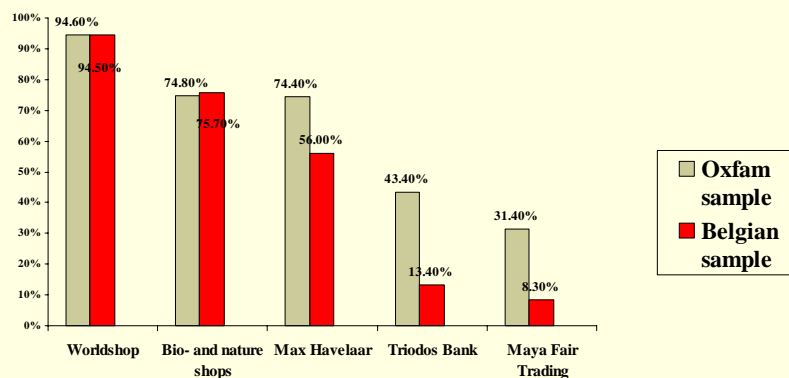


## Knowledge of Fair Trade - conclusion

- 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.

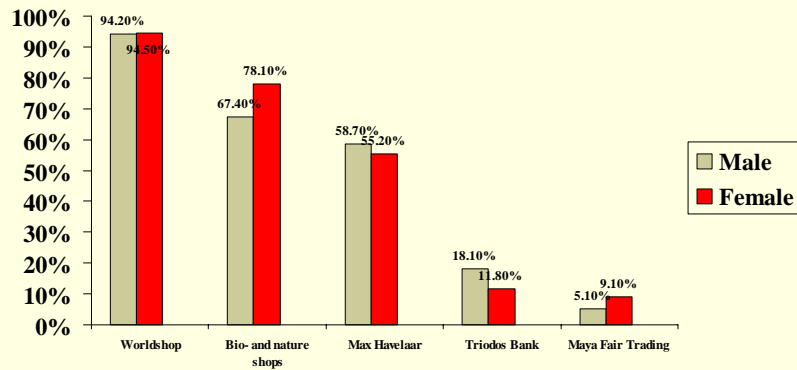
## Knowledge of Fair Trade - other results

Which Fair Trade distributors do you know?



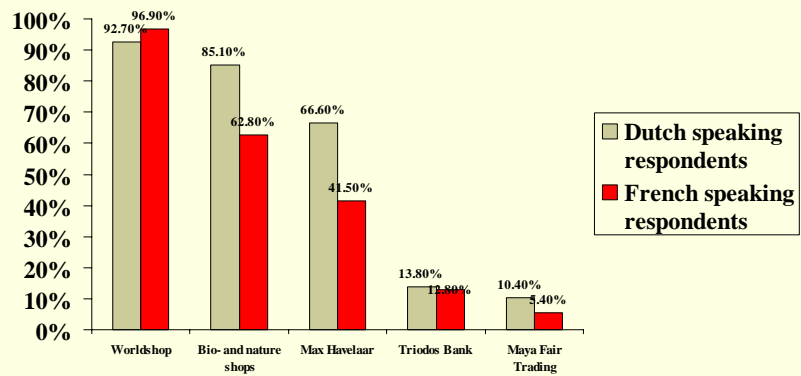
## Knowledge of Fair Trade - other results

Which Fair Trade distributors do you know?



## Knowledge of Fair Trade - other results

Which Fair Trade distributors do you know?



## Knowledge of Fair Trade - other results

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### First contact with FT products (Belgian sample) :

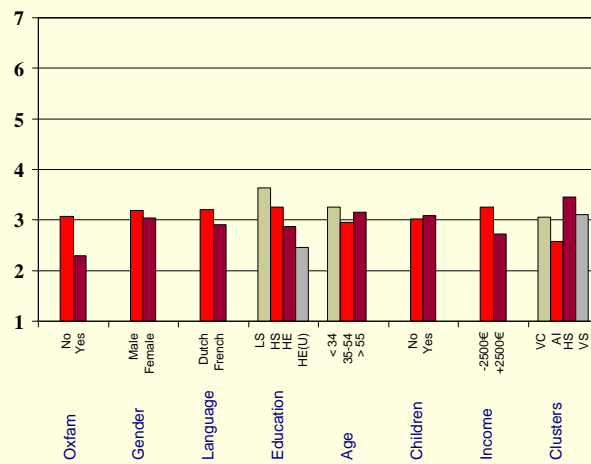
- By visiting a Worldshop (25.0%)
- Seeing the FT- products in a 'normal' supermarket (21.8%)
- Through the media (12.3%)
- Through friends (9.2%)

## The survey – results

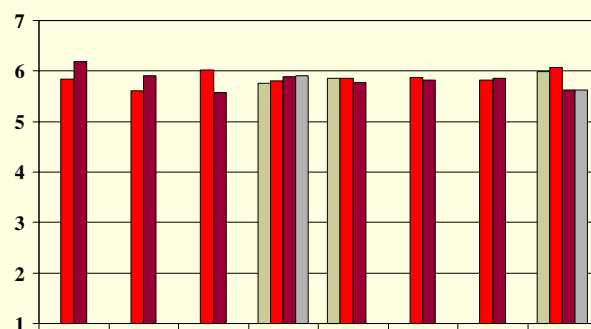
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- Knowledge of Fair Trade
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- **Perceived Consumer Effectiveness**
  - **Resignation, Inclination to Action**
- Attitude towards Fair Trade (general)
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## PCE - Resignation



## PCE – Inclination to Action



## PCE - conclusion

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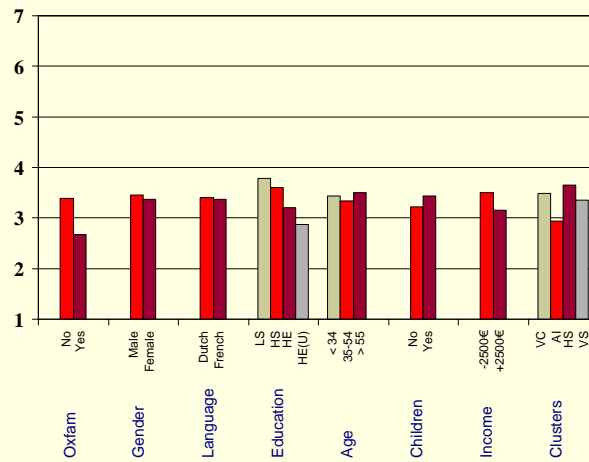
- All respondents are leaning to a more positive approach than a negative one → they believe that their consumption behaviour can be of influence to Fair Trade business.
- French speaking respondents and older respondents are most positive.

## The survey – results

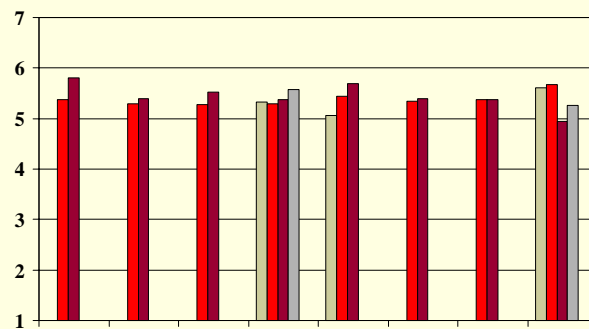
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## Attitude towards FT - Scepticism



## Attitude towards FT - Concern



## Attitude towards Fair Trade – conclusion

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- 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

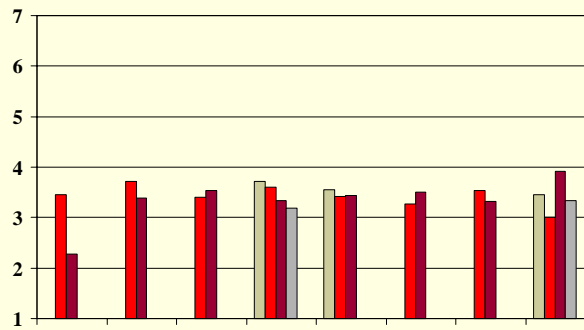
## The survey – results

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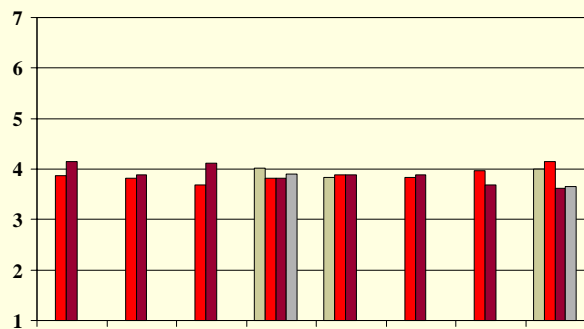
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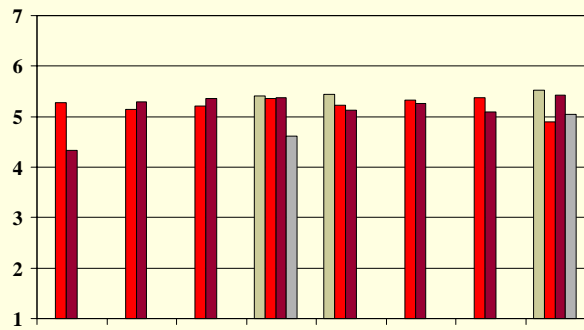
## Attitude towards FT products - Indifference



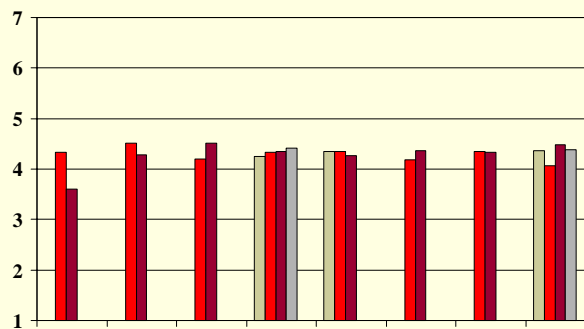
## Attitude towards FT products – Product likeability



## Attitude towards FT products - Price



## Attitude towards FT products - Effort



## Attitude towards FT products - conclusion

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- 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

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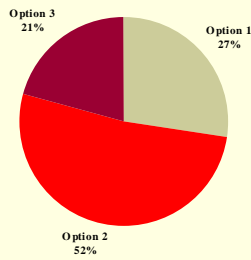
### Fair Trade products vs. shelf positioning

Respondents could choose out of 3 different options:

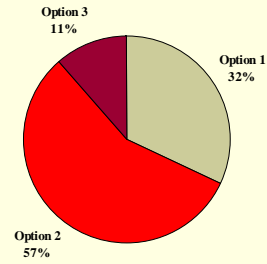
- Option 1: all FT products are gathered in a separate shelf or department, apart from the 'normal' products
- Option 2: the FT product is put on the same shelf with other products belonging to the same product category
- Option 3: the FT product is put together with the products of the same brand

## Attitude towards FT products - other results

### Belgian sample

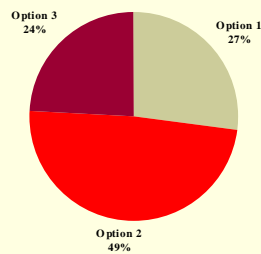


### Oxfam sample

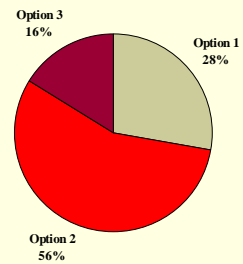


## Attitude towards FT products - other results

### Dutch speaking respondents



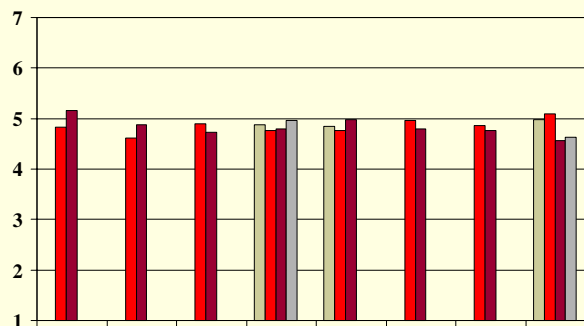
### French speaking respondents



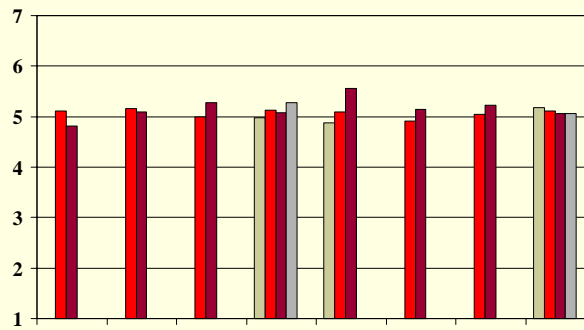
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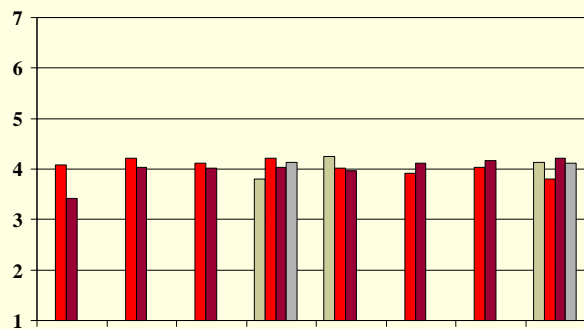
## Attitude towards FT shops – Staff professionalism



## Attitude towards FT shops – Shop soberness



## Attitude towards FT shops – Shop unfamiliarity



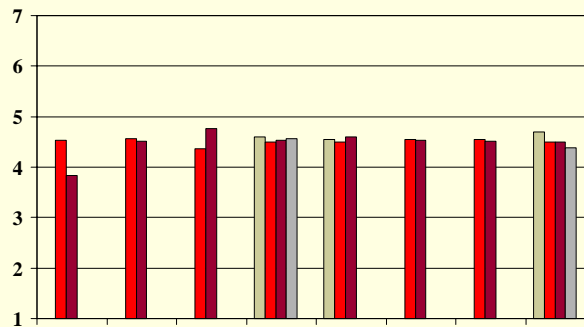
## Attitude towards FT specialty shops - conclusion

- 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

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## Fair Trade Buying intention



## 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

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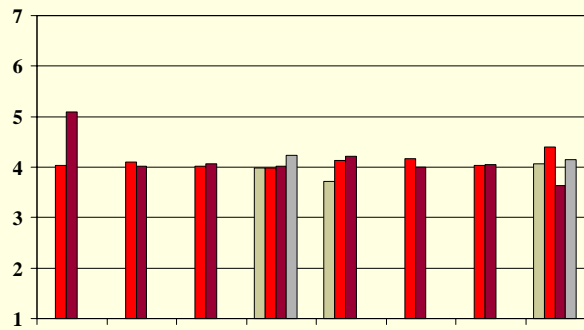
- Respondents could be stimulated to buy more FT products if:
  1. They are able to buy the FT products in a normal supermarket
  2. There is a wider assortment of FT products available
  3. There are more formal guarantees that state the fact that Third World people are getting better out of the Fair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

## The survey – results

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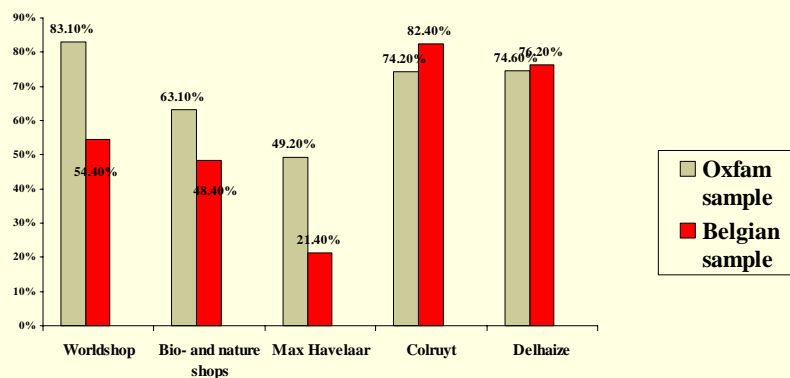
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## Fair Trade Buying behaviour



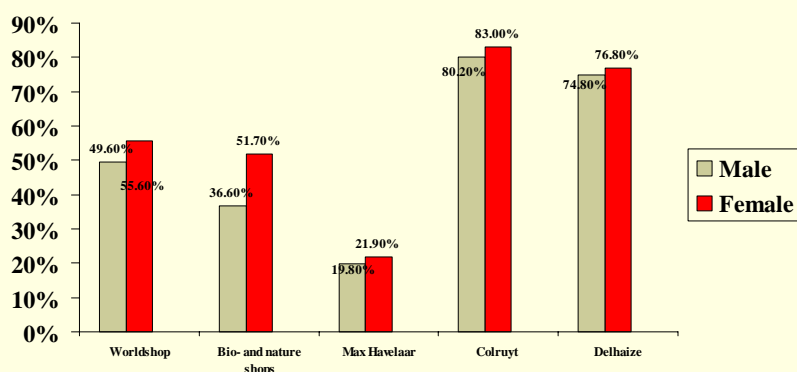
## FT buying behaviour – other results

Where did you already buy Fair Trade products?



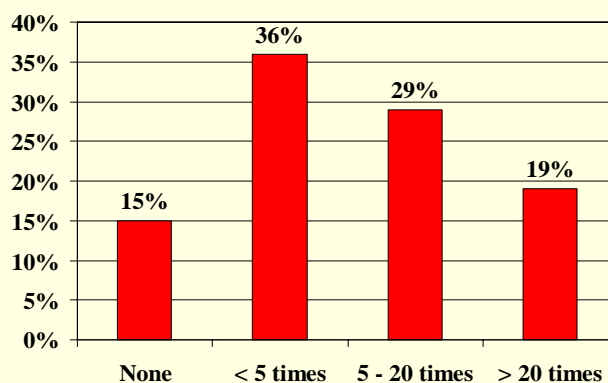
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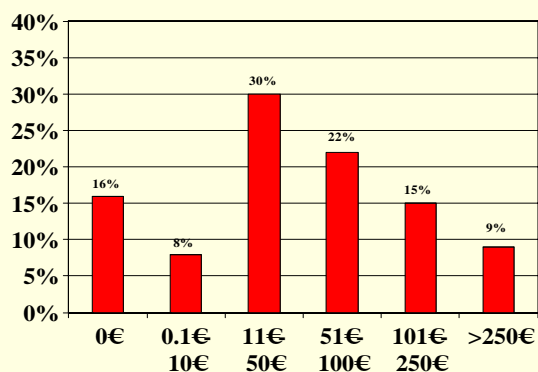
## FT buying behaviour – other results

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



## FT buying behaviour – other results

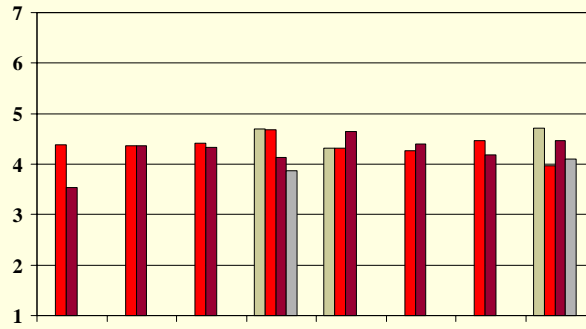
During the last year, how much money did you spend on FT products?



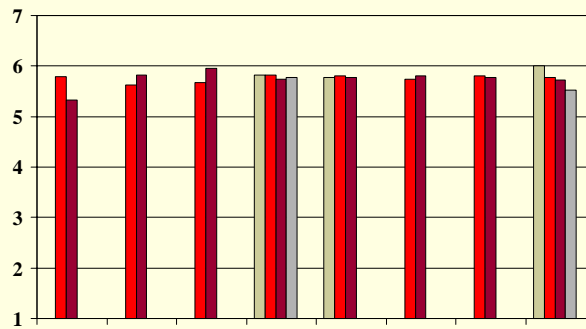
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- ➔ **Fair Trade information**
  - **Lack of information quality, Lack of information quantity**

## FT information – Lack of information quality



## FT information – Lack of information quantity



## Fair Trade information and communication - conclusion

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- 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

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- 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

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- 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)