



Market Research on Customers' Awareness, Opinion and Understanding of Ethical Labels in South Africa: Executive Summary

Just over 1700 Face-to-face interviews were conducted with the general South African population in seven metropolitan areas to measure awareness and understanding of ethical labels among consumers as well as their shopping habits as it pertains to Fairtrade, ethical and/or sustainable products.

South Africa's conscious consumers

Majority of South Africans are aware of environmental issues and will buy into green initiatives, but only if they offer functional benefits too. This may point to consumers experiencing budget constraints and placing value on a multitude of product attributes, to maximize their budget.

Four out of every five South African consumers interviewed hold retailers accountable for informing consumers about sustainability, and for stocking and displaying sustainable products. These consumers also feel ethically/ sustainably certified products are safer, can be trusted and provide peace of mind.

Three quarters of the consumers are willing to spend R5 more on a bottle of South African wine if the money is used to uplift the community and R5 more on a bag of coffee beans if it supports small scale farmers in Africa. Furthermore, four out of every five South African consumers feel government should do more to support small-scale farmers.

It was identified that these consumers are likely to compare brands of Rooibos and Wine based on Price; but Coffee is more likely to be compared based on Quality.

Awareness and openness towards ethical labels among consumers in South Africa

Awareness of terms and logos related to ethical or sustainable labels are at quite low levels among these South African consumers, and are generally higher among the White population and people with a higher income. Of the terms assessed (Fairtrade, Fairtrade Tourism, Marine Stewardship Council and Forest Stewardship Council), awareness of the term "Fairtrade" is the highest, however, the recognition of the Fairtrade logo is significantly lower than the recognition of the term. Conversely, the awareness of the Forest Stewardship Council logo is significantly higher than the recognition of the term.

A focus on Fairtrade

More than half of consumers interviewed are more likely to purchase a product if they see the Fairtrade logo, and a quarter are willing to purchase products with the Fairtrade logo regardless of cost.

Those consumers identified as being likely to purchase products carrying the Fairtrade logo are females, older than 50 years, from the Coloured population and living in the Western Cape or Northern Cape; as well as people willing to pay more for quality, and people familiar with the concept "environmentally friendly".

There is a noticeable decline since 2013 in the proportion of consumers who feel the Fairtrade logo and Fairtrade products are trustworthy, and different from products or brands that aren't certified, with the perception of the quality of Fairtrade certified products also having declined.

Six in ten consumers interviewed are eager to learn more about Fairtrade and the most appropriate communication channels for Fairtrade include television, newspapers, magazines and radio.

Increase trust for ethical labels

It is widely known that “the mislabelling of various products is common in South Africa and not only violates food regulations but also poses several economic, ethical as well as health challenge” Dr. Rob Davies (Minister of Trade and Industry). With this being widespread practice in South Africa and becoming more widely known, the result could be a decline in consumers' trust, paying less attention and being less aware of certain labels. Accurate information that is widely and easily attainable and understandable could encourage consumers to want to find out more and as a result become more perceptive of the labels.

Cadbury, which was well known for carrying the Fairtrade logo, pulled out of Fairtrade chocolate in 2016, which yielded some criticism for Cadbury and Fairtrade alike. This may have led to increasing the confusion among consumers, as to which labels represents the 'best' ethical standards and therefore which to trust.

Increase resonance of labels with consumers

An emphasis on how Fairtrade and other ethical labels are making a difference in people's lives will make the message more relevant to consumers and bring it closer to home. Videos and radio talk shows are an effective medium to use for people to share their stories. Consumers do not tend to read more than necessary when looking at labels, therefore a short quote as to 'how Fairtrade has changed my life' could be more impactful than four or more sentences explaining what the label means.