

Ethical product trends in South Africa 2013

Customized Research conducted by Nielsen
for BTC, the Belgian Development Agency
November 2013



BTC TRADE FOR DEVELOPMENT



Agenda

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A photograph of a smiling man in a purple beret and a checkered shirt, standing in a coffee plantation. He is holding a branch of a coffee tree with green cherries. The background is filled with lush green coffee plants.

Background



Business Objectives



- Understand the South African consumer concerning their awareness and perceptions on ethical products
- Comprehend how consumers shop and base their product decisions on
- Recognize the gap in the market between current and interested consumers as well as how to effectively market to these consumers
- It is for this reason that the research was conducted in order to evaluate and assess their market and consumer investment



Objectives

- 1 Awareness and understanding levels of sustainability**
- 2 Knowledge of ethical labels and certification systems**
- 3 Price and quality perceptions and expectations**
- 4 Trends, interests and concerns of consumers related to ethical products**
- 5 Consumer profiles of current, potential and uninterested or indifferent consumers**
- 6 Potential growth areas in the market for small-scale farmers**





Current Market

Consumers believe that food prices will continue to hike.

- *More categories are now being scrutinized to get the best value for money*

In the last decade the population of South Africa grew by **7 million**
(between 2001 & 2011)

Population 1996	Population 2001
40,5 million	44,8 million

8 out of 10 people
were black African

Total population
51 770 560

Average age **25** ↑

The indicated average spend on groceries and fresh produce appears to be on the increase.

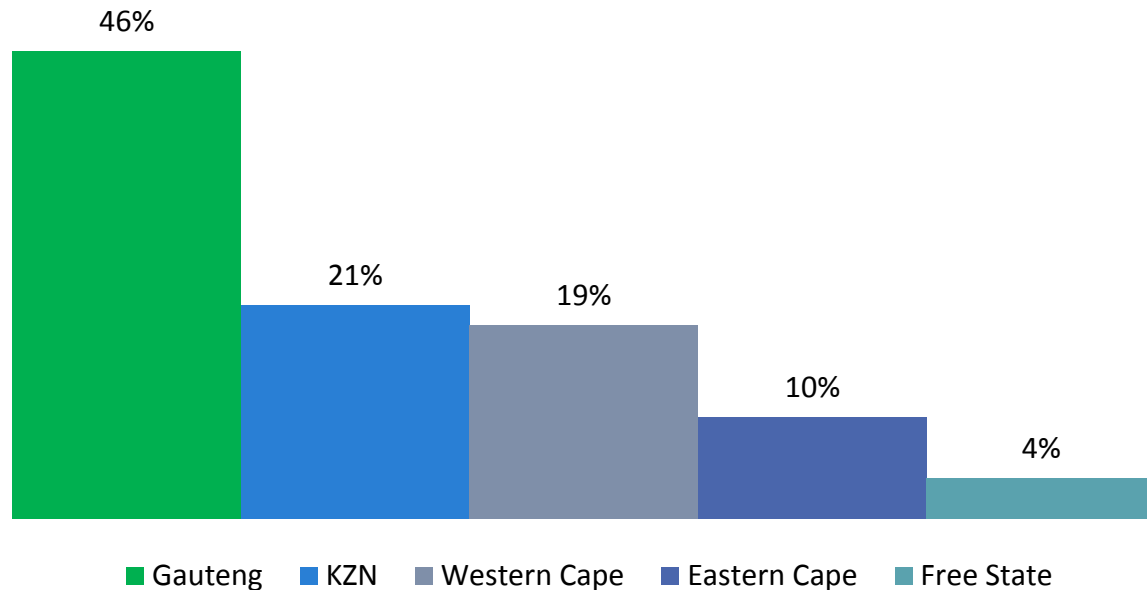
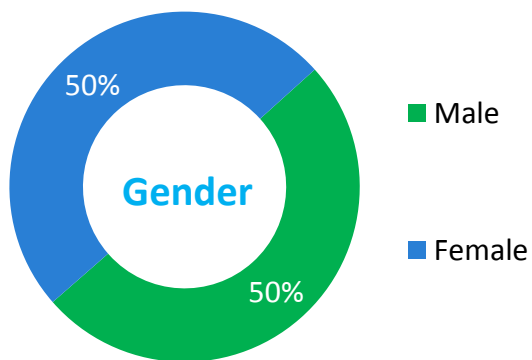
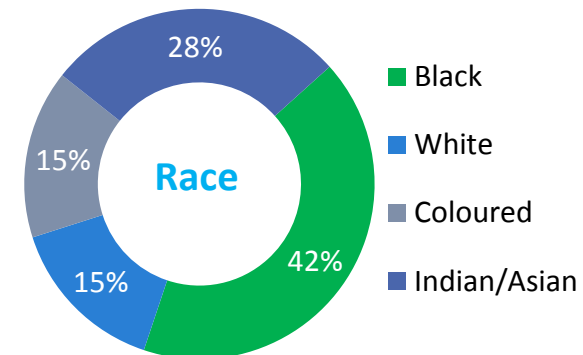
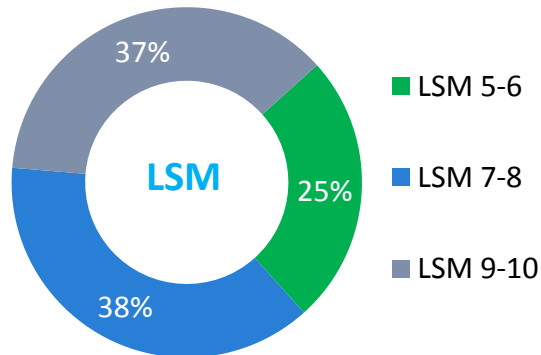
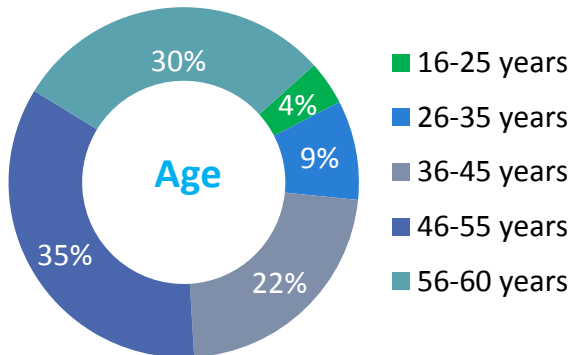
- *The increase in spend is higher than food inflation, indicating an increase in amounts purchased*

In order to cope with increased food prices, shoppers indicated that they cut down on luxury spend and now actively look for specials to get the most for their money.

- *Consumers are becoming more price conscious in order to cope with the shrinkage of their disposable income. Consumers indicated they will purchase less expensive foods like meats and luxury items*



Demographic Breakdown





Executive Summary





Sustainability: awareness and understanding

The South African population is not well informed regarding what sustainability entails. Current belief is that it centers around environmental conservation only. Low association with economic growth is apparent.

- Most people are neither aware of sustainability nor what sustainable products entail.
 - Sustainability is mainly associated with environmental conservation.
 - *This might be due to broad media coverage on our impact on the environment and the importance in sustaining the earth to ensure a future for the next generation.*
- There is a strong belief that we as individuals should do more to preserve our environment as well as ensure better working conditions for everybody.
 - *However, there is also strong evidence to indicate that this is not a priority and under the current economic environment, managing personal expenses and getting more for their “buck” will take prevalence over supporting fair trade and sustainability projects.*
 - *South Africans seem to have a short term view of surviving the current, rather than investing in a better future for all.*

Moving forward: Educating people on the personal and societal benefits of supporting sustainable practices would be the first step in growing the Fairtrade user base.

Knowledge of ethical labels and certification systems

In general the average South African has very little knowledge of ethical labels and other certification systems.



- Proudly South African enjoys the highest saliency and is generally correctly linked to the PSA logo.
 - *This label has a number of influential partners in the government, para-statal, labour union and private sector which they have utilized to build brand credibility.*



- Awareness of Fairtrade is low but those who are aware of this label correctly linked it to the Fairtrade logo thus the quality of awareness is high.



- *A large proportion of those aware of the brand have used Fairtrade products, however there is not a clear understanding of whether the logo presence motivated brand purchasing or whether the brand purchasing resulted in increased awareness of the logo.*



Moving forward: Increase awareness of the Fairtrade proposition as well as products endorsed by Fairtrade. Recommended information sources: TV - SABC, Radio - Metro FM, Newspaper s- Huisgenoot & Drum, Community newspapers

Expectations: Fairtrade

South Africans showed increased interest in the Fairtrade proposition once the ideals were defined.


- The Fairtrade proposition resonated well with the audience.
 - *The general expectation seems to be that these products should be clearly indicated in-store with the logo visible on the pack.*
 - *However there is no clear indication as to whether consumers would replace their current brand preferences with Fairtrade products.*
 - *The brand perceptions of the product that Fairtrade is linked with will also play a role in whether consumers will purchase it.*
 - *If the brand is already highly regarded and well positioned in terms of price, the Fairtrade logo is likely to increase purchases of the product; if not, the Fairtrade logo's equity might currently be too weak to improve consideration of an unknown brand.*



Moving forward: Having the Fairtrade logo on a product currently will have limited benefits for small market players. Increasing the saliency of the Fairtrade brand will automatically help increase credibility of linked small players. Similarly, if Fairtrade establishes a link with a well established brand, then that would automatically help the Fairtrade label increase its equity.

Expectations: Fairtrade price & quality


Fairtrade products are believed to be unique in terms of quality and enhancing living and working conditions.

- Even though future purchase propensity is fairly high there are early indications of a group of rejecters.
-  Fairtrade products enjoys high quality associations but some people believe that this would come at a premium price.
 - *Even though people indicated that they would be willing to pay more for this brand, this indication should be approached with a level of skepticism as most brand choices are based partially on price.*
 - *Any price increase considered for these products should be carefully investigated and decisions made must ensure that the product is not priced outside of the consideration set of the consumer in the given category.*

Moving forward: Understand the price elasticity of the product within the category and identify the ideal price point as well as the points at which the product would be rejected based on price. The premium added to a product by introducing the Fairtrade logo will be dependent on the brand's current positioning as well as the category in which it plays and will differ from product to product.

Ethical products: trends interests & concerns

Purchasing ethical products is not seen to be a priority for most South Africans.

- There is a general concern that these products are the same as all other products but at a higher price.
 - *There is some questioning on the credibility of some endorsement logos.*
-  Considering community enhancement and environmental conservation is not top of mind when people make product purchases as well as holiday decisions.
 - *This could be due to the lack of awareness of what they can do to make a difference or to the belief that if they support these organizations they would not be able to afford the product/holiday.*

Moving forward: Establishing credibility is essential to grow equity as an ethical label. Ways of doing this include educating people on the work that Fairtrade does and how it impacts the lives of others - but also what the indirect impact would be for all South Africans.



Consumer profiles: Current users

Current users

Who am I?

Represented by Black, Coloured and White groups but skewed towards Coloured.

78% of current users fall in LSM 7 - 9

Mainly aged between 18 -44

Highest prevalence in Western Cape, followed by Gauteng

What are my interests and hobbies?

More than 50% of these users enjoy sports like soccer, rugby and swimming.

They also enjoy reading books, newspapers and magazines

Opportunities.

This group consists of individuals who have a decent income. They feel it is important to support sustainable products in order to contribute to the general well being of all South Africans. Keep them loyal by ensuring that your products are easily available across multiple categories. Do not disappoint them with poor product performance or misleading ideals.

Media usage habits

How do I use the internet?



Daily internet browsing, More than 80% use Google. 67% also use Facebook.

Don't make use of the internet for business, banking or emails.

Social media

More than 50% make use of Facebook and 43% use Whatsapp.



TV & Radio



Most watched TV channels are SABC 1, 2 and 3 and eTV.

More than 30% listen to Heart FM. Other radio stations include Metro FM and KFM

Print Media

Almost 30% read the Cape Argus and Cape Times newspapers. 19% also read local community newspapers



Huisgenoot and Drum are the most popular magazines with 20% usage



Consumer profiles: Potential users

Potential users

Who am I?

Mainly Black individuals
With almost 50% falling into LSM 6 and LSM 7

Mainly aged between 18 -44
Almost 50% of these users reside in Gauteng

What are my interests and hobbies?

20% of these users enjoy reading.
Other hobbies include watching TV, playing soccer or football and listening to music

Opportunities:

Even though this group is not currently using Fairtrade products they do feel a sense of social responsibility and would be open to try the products. Increase awareness and education of both the logo and Fairtrade proposition to ignite interest. Ensure that logo's are clearly visible on pack to entice trial and easily available in modern trade outlets to ensure inclusion in consideration set. This group should be the focus in terms of encouraging trial.

Media usage habits

How do I use of the internet?



Daily internet browsing, Almost 50% use Google and 21% also use Facebook.

Although they like listening to music they do not use YouTube for this

Social media

More than 30% use Facebook and Whatsapp for social media

TV & Radio

Most watched TV channels are SABC 1, 2 and 3 and eTV. 12% also watch international soccer games on Supersport 3
Almost 30% listen to Metro FM



Print Media

Almost 30% read the Daily Sun. 14% also read local community newspapers



Huisgenoot, Drum, Bona and You are the most popular magazines with more than 10% readership



Consumer profiles: Rejecters

Rejecters

Who am I?

Almost 70% are Black individuals
With more than 35% of them falling into LSM 6
Mainly aged between 18 -34
Almost 50% of these users reside in Gauteng

What are my interests and hobbies?

Almost 20% of these users enjoy reading.
They also like watching TV and playing Soccer / Football

Opportunities.

This group is generally very skeptical towards ethical endorsements in general. They do not have a lot of disposable income and feel that these products would not be value for money. They are generally also not willing to pay more for quality or healthy products and rarely read product labels. The effort and investment required to convert these would not justify the return. At this stage we would not recommend focusing on this group.

Media usage habits


How do I use of the internet?



Daily internet browsing, Almost 50% use Google and 25% also use Gumtree.

17% of users also like using the internet for facebook


Social media

More than 80% use Facebook and Whatsapp for social media. Almost 50% also use Google + 

TV & Radio

Most watched TV channels are SABC 1, 2 and 3 and eTV.
12% also watch Cricket and Motorsport on Supersport 2
Almost 20% listen to Lesedi FM and Umhlobo Wenene FM

Print Media

More than 20% read local community newspapers and  16% read the Daily Sun.

Drum is their favorite magazine with more than 30% of users reading this magazine. They also read Bona magazine

A vibrant outdoor market scene in a developing country. In the background, a large mosque with a tall, orange-tiled minaret and a square tower stands under a cloudy sky. The foreground is a bustling market with people, including women in colorful patterned dresses and children. Stalls are set up with various goods, including baskets of red tomatoes and white onions. The ground is reddish-brown dirt. A semi-transparent blue banner with white text is overlaid across the middle of the image.

“Sustainability” unpacked



“Sustainability” unpacked

Summary

The South African population is not well informed regarding what sustainability entails. Current belief is that it centered around environmental conservation only.



A large proportion of our society does not view sustainability as a priority

South Africans feel it is important to conserve the environment....



..and improve working conditions,

..and that it is mainly the individual's responsibility to make it happen.

Economic growth has a relatively weak association with sustainability

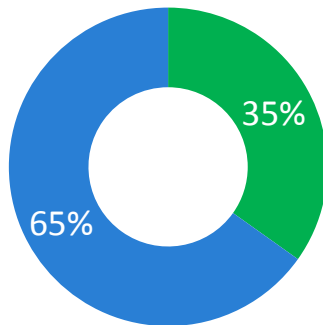




How is “Sustainability” understood?

Sustainability Awareness

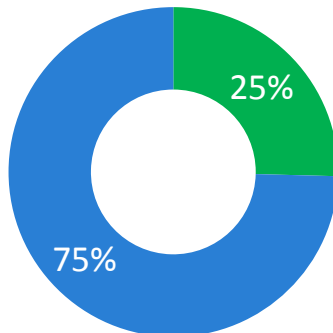
■ Yes ■ No



Awareness of both sustainability and sustainable/ethical products is low, with understanding of sustainability centering around the environmental factor only

Sustainable/ Ethical Products Awareness

■ Yes ■ No



What is understood by the term “sustainability”

- Re-usable resources
- Environmental conservation
- Looking after current resources and saving for future use
- Looking after the planet

What is important to sustain?

Economic growth has the weakest association with sustainability, with respondents ranking protecting the planet and alleviating poverty higher

'Using natural resources wisely'



Environmental conservation

73%

Alleviating poverty

69%

Economic growth

56%

Sustainability formally defined

Sustainability was **defined** as:
the potential for maintaining the well-being of the planet and its people in
the future

When we talk about sustainability we often refer to:

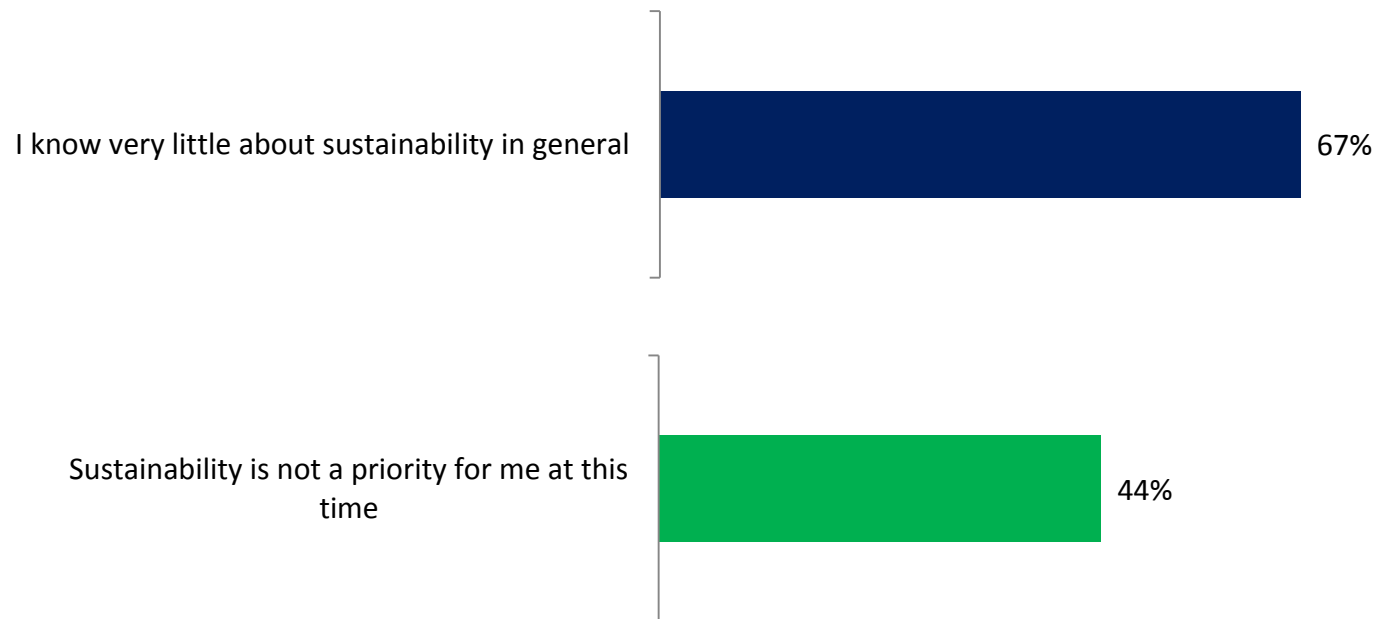
1. **Environment**: recycling, protecting biodiversity and ecosystems, not wasting water, using renewable energy, and using natural resources wisely.
2. **Social**: alleviating extreme poverty, providing access to education and health and decent working and living conditions.
3. **Economic**: growing the economy while taking into account the social and environmental aspects above-mentioned.



Understanding of definition

Top two box scores: Strongly agree & agree

Two thirds of respondents acknowledge they know very little about sustainability, while almost half don't see it as a current priority

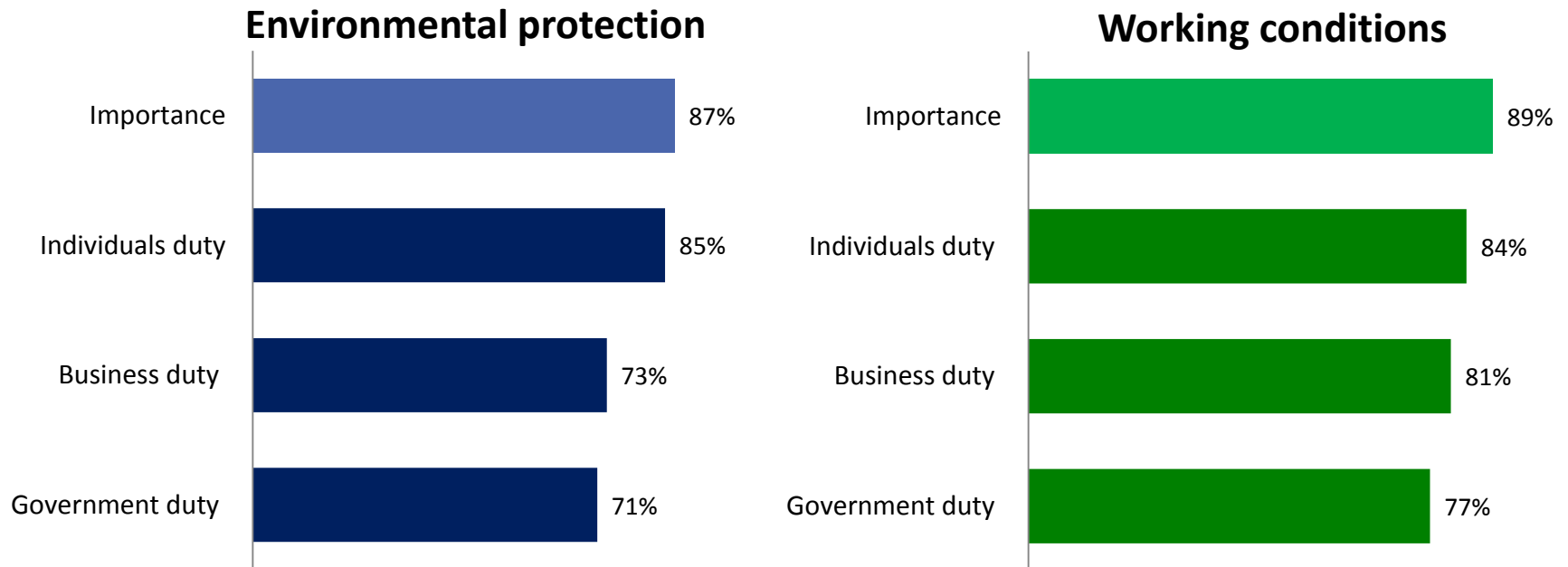




Understanding of definition

Top two box scores: Strongly agree & agree

Environmental protection and working conditions are of equal importance, with the onus on the individual to protect the environment and ensure decent working conditions



“Sustainable product” unpacked



“Sustainable product” unpacked

Summary

Even though South Africans believe that it is easy to understand what is meant with sustainable products, their brand associations indicate that it is largely associated with well known brands and companies probably driven by company social responsibility initiatives rather than product compliance parameters.

People are generally not aware of the organizations who endorse sustainable products



..with the exception of proudly South African which enjoys high saliency...

..and who is seen as the forerunner in encouraging sustainability.

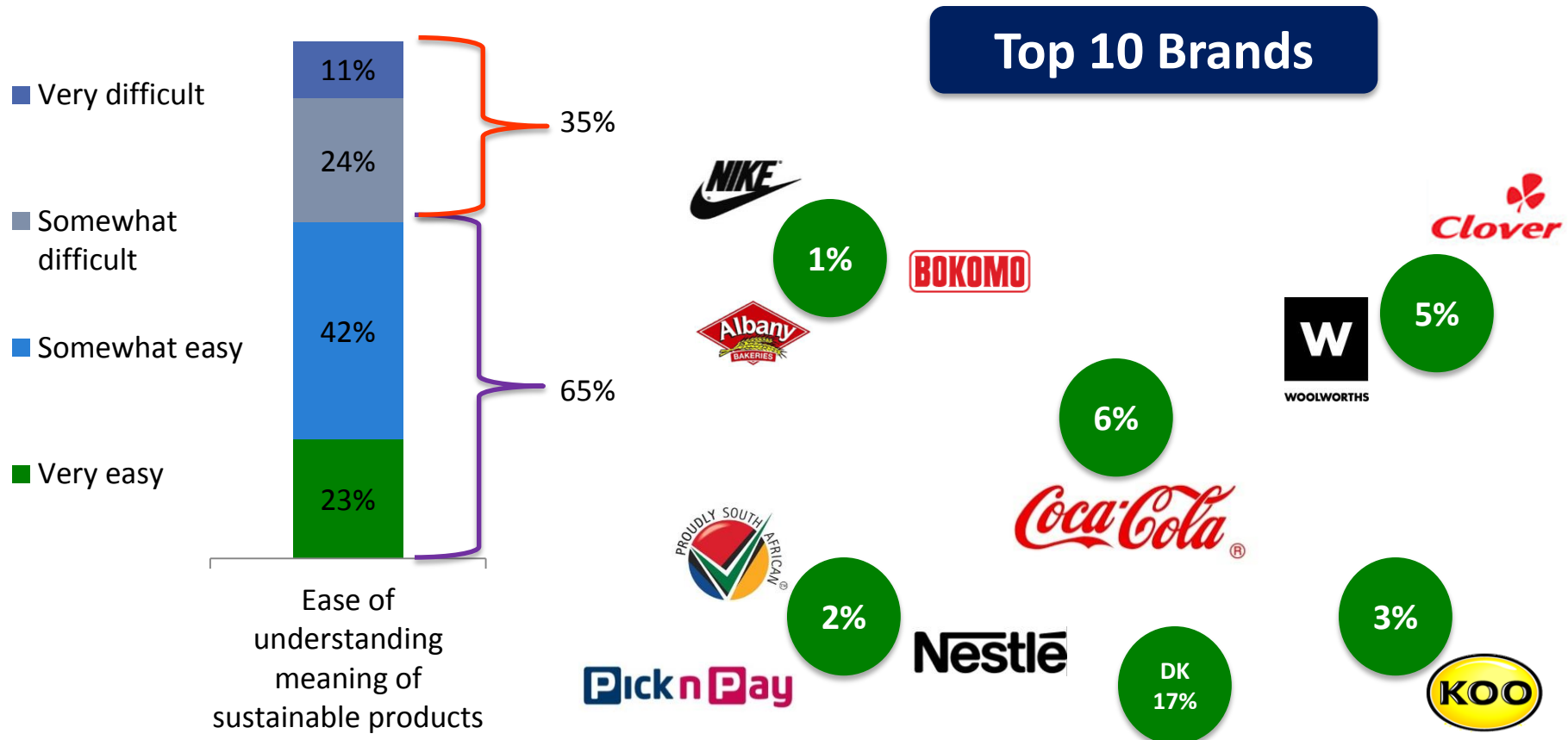
Consumers feel that sustainable products should be available in the modern trade channels specifically Supers and Hypers

Having these products in-store and promoting them would reflect favourably on retailer perception

Saliency on these products should be driven in store with clear logo markings on and near the products as well as via the above the line channels of TV, radio and print

What is a sustainable product?

Most respondents say it's easy to understand what is meant by a sustainable product, with mainly consumer packaged goods brands top of mind when thinking of sustainability



Base: n=1507

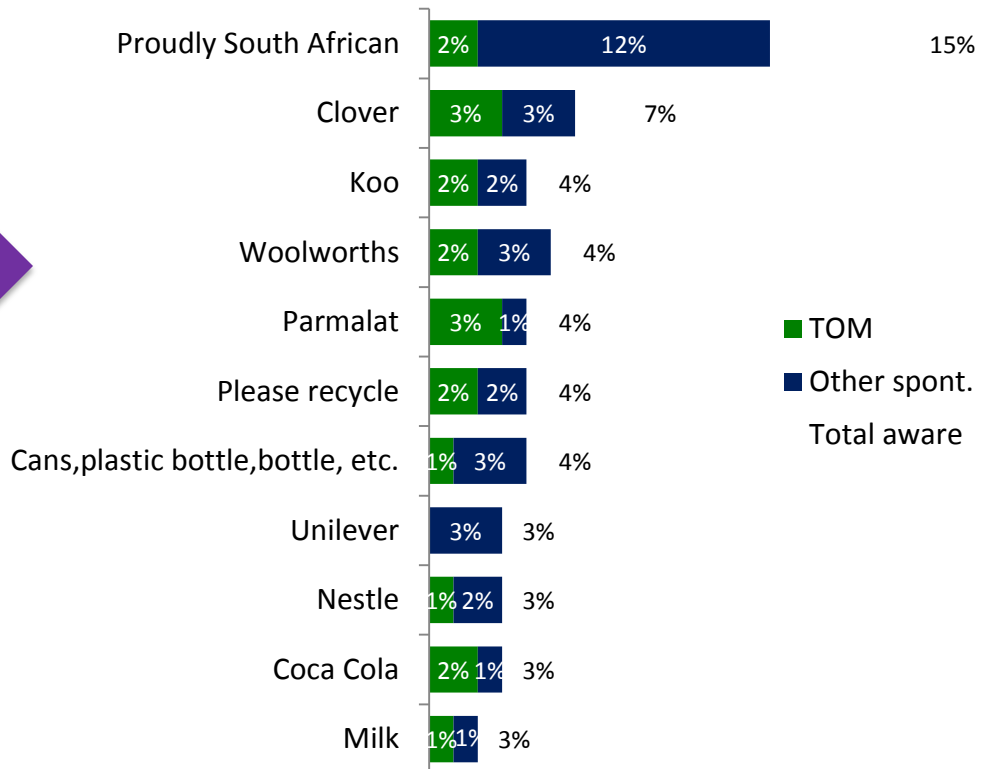
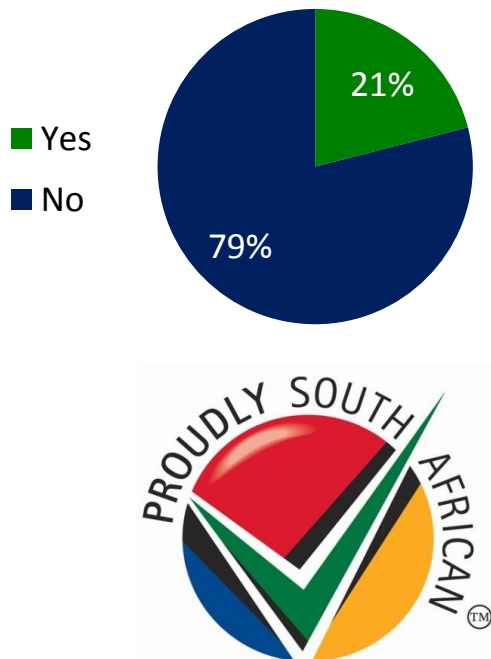
Ref: Q9 How easy is it for you to understand what is meant by a sustainable product? Q10. Can you tell me which ONE brand comes to your mind when you think of Sustainability?



Who endorses sustainable products?

Respondents see Proudly South African as the forerunner of endorsements specifically dedicated to sustainability

Awareness of endorsement labels





“Sustainability products” defined

Sustainable/ Ethical Products are those that comply with the ideas set out with that of sustainability (as was explained earlier) and are often certified by organisations that set those standards of sustainability.



What is a “sustainable product”?

Agree that sustainable products are products that:

Helps to support small-scale farmers	80%
Safer for me and my family	78%
Benefits the local community where it was produced	78%
Respects and protects the environment	77%
Higher quality	76%
Respects and protects the rights of workers	74%
Product that fits my lifestyle	73%
I aspire to buy this type of product	72%
Uses sustainable and ethical production methods	72%
Preferred type of product	71%
Better value for money	68%
Made using organic ingredients	64%
Worth paying more for	63%
Easy to identify on shelf	60%
I go out of my way to buy this type of product	54%
More expensive	52%
Difficult to find	50%
Not available where I shop	41%

Top 2box



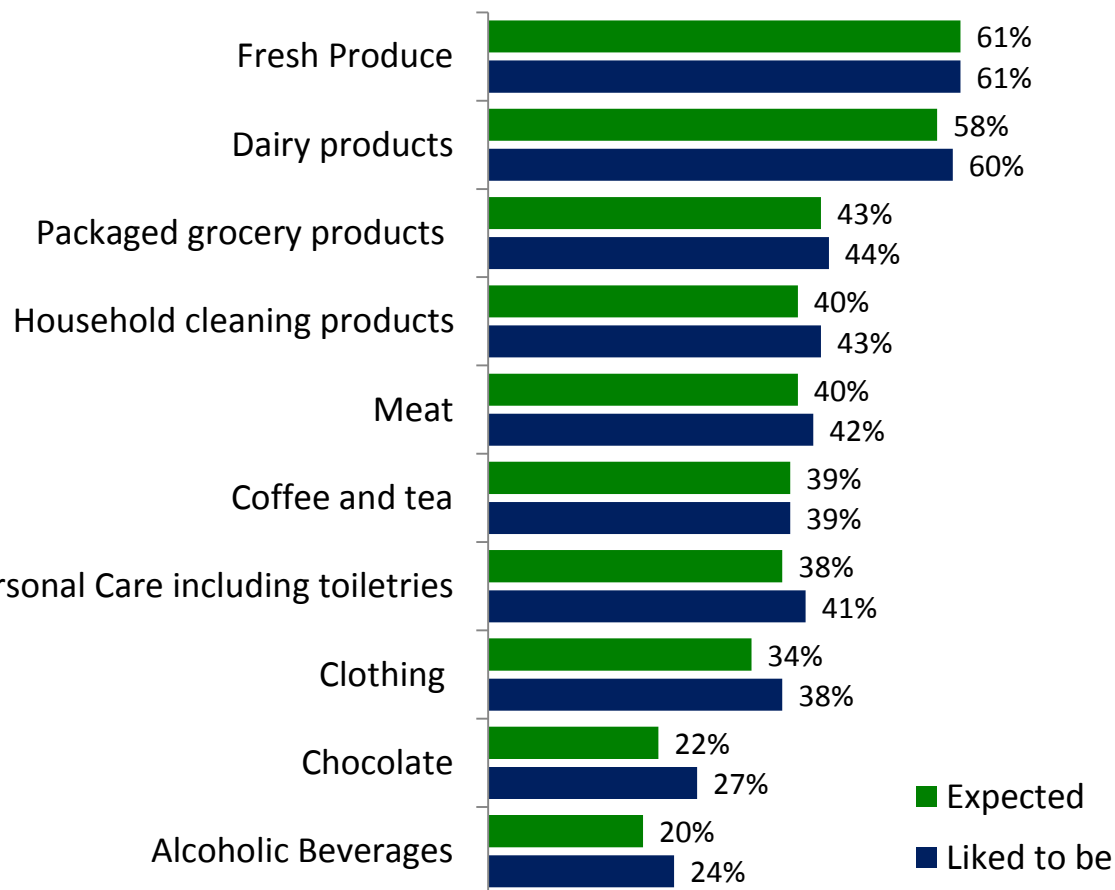
Positive outlook on what the manufacturers who get sustainably certified can achieve through their products

Base: n=1507

Ref: Q14I am going to read out a list of statements that people have made about manufacturers, products and brands. For each statement I read out please tell me on a scale from 1 to 5, one being strongly disagree and 5 is strongly agree, the extent in which you agree or disagree for products which have been ethically/ sustainably certified . There are no right or wrong answers - we just want to know what you think.

Sustainable product expectations

Across all types of products, respondents would most expect to be able to buy sustainable or ethical products in Supermarkets or Hypermarkets



Tier 1	
Supermarkets	85
Hypermarkets	57
Tier 2	
Vegetable Vendor / Vegetable Cart / Fruit & Veggie Shop / Pick Up Vendor	28
Health specialty stores	25
Butcher / Butcher Not In Open Market	24
Department Stores	21
Cash & Carry / Wholesalers	20

Base: n=1507

Ref: q13a. What kind of products, if any, would you expect to be sustainable or ethical? Q13b. What kind of products would you like to be ethical/ sustainable?. Q13c. Where would you most expect to be able to purchase sustainable or ethical products?

A photograph of a wind farm. In the foreground, there is a lush green field of crops, possibly wheat. In the middle ground, a dense line of green trees separates the field from the wind turbines. Several white wind turbines are visible, with the largest one on the right side of the frame. The sky is a deep blue with scattered white clouds. A dark blue horizontal band is overlaid across the middle of the image, containing white text.

Are businesses supporting
sustainability?



Business vs sustainability

Summary



Even though south African businesses are seen to be on the right track, South Africans feel that there is still **room for improvement** in sustainable reporting measures and supporting local communities and small scale farmers

There is a general feeling amongst the population that retailers **can do more** to enable and encourage the sale of sustainable products





Businesses currently

Top two box scores: Strongly agree & agree

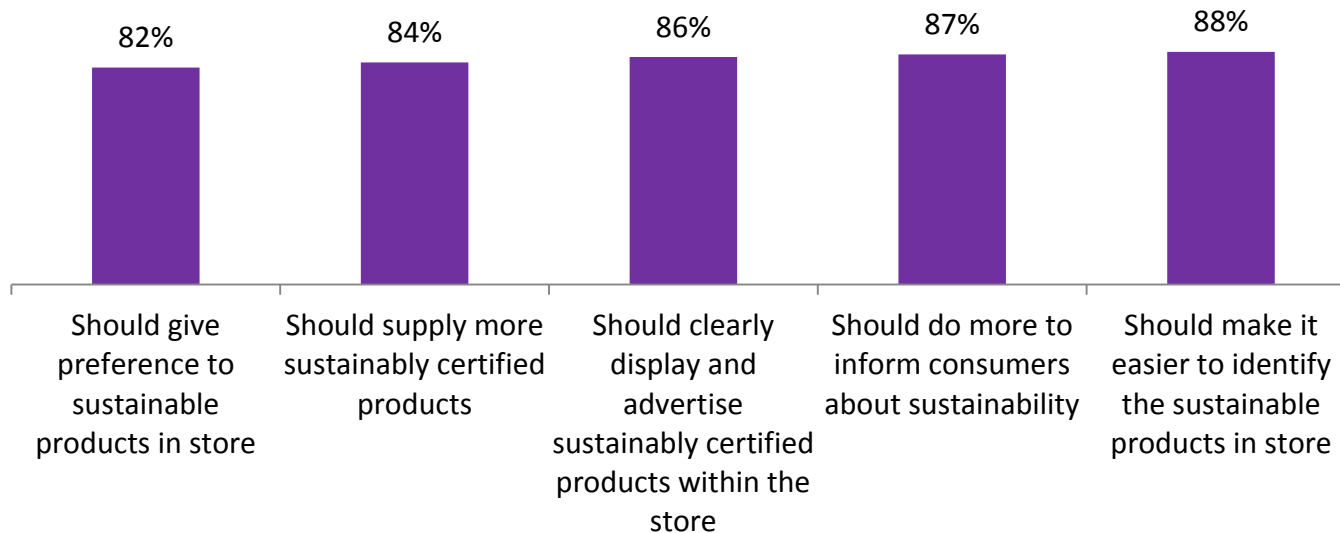
SA businesses are seen to be on the right track, but there is still room for improvement in sustainable reporting measures and supporting local communities and small scale farmers





Retailers currently

Top two box scores: Strongly agree & agree




Respondents feel retailers should be doing a great deal more to enable and encourage sales of sustainable products



Base: n=1507

Ref: Q5: Rate the extent you agree or disagree with the statements

The background of the slide is a close-up photograph of green leaves and thin branches, likely from a tree or shrub. The leaves are vibrant green and have a visible vein pattern. The branches are thin and dark. The overall image has a soft, natural feel, suggesting a connection to nature and sustainability.

How do sustainability associations
affect consumer behaviour

A person with long dark hair in a ponytail, wearing a white long-sleeved shirt and dark trousers, is seen from behind walking down a supermarket aisle. They are pushing a silver metal shopping cart filled with various items, including bags of chips and other packaged goods. The shelves on both sides are stocked with a variety of products, including bags of snacks, canned goods, and fresh produce like tomatoes and leafy greens. The floor is a light-colored, polished surface. A semi-transparent dark blue rectangular box is overlaid on the center of the image, containing the text "General shopping behaviour" in white.

General shopping behaviour



General shopping behaviour

Summary



Trade in South Africa is split between **modern and traditional trade** with a slight skew towards modern trade.

Females are the main grocery decision makers. They have an average of **4** retail stores in which they do grocery shopping and frequent them on average **6 times** a month.



Shopping is an enjoyable activity that involves active decision making where **price and product parameters** are compared.

Inflation as well as health issues will have an escalating effect on purchasing behaviour.

Retailing in South Africa

STORE FORMATS

TRADITIONAL/
INFORMAL TRADE

MODERN TRADE

SHARE OF THE
PIE*

45%

55%

SHOPPING STYLES





Females are the drivers of shopping choices

REPERTOIRE



She visits

4 stores

In a month for grocery purchases

INTERACTION OPPORTUNITIES

1-2 TIMES A WEEK

Garage shops

TWICE A WEEK

Supermarkets/
hypermarkets

ONCE EVERY 2 DAYS

Spaza shop



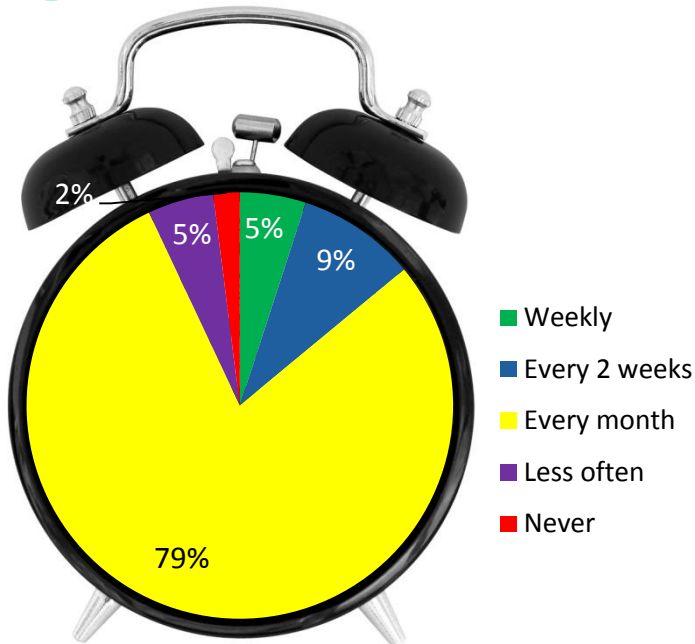


Shops are frequented regularly

Shoppers are in a grocery store on average 6 times in a month.



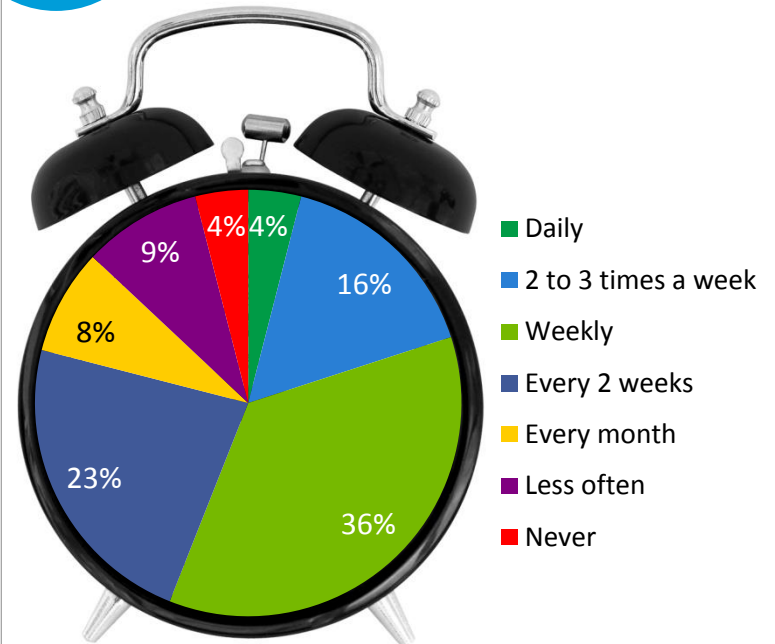
MAIN GROCERY SHOP



On average, a shopper will do their main grocery shop twice a month.



REGULAR TOP UP SHOP



Top up shopping occurs more regularly with an average of four to five times a month.

Shopping is an involved process



71% are price conscious



37% actively look for promotions



84% plan but buy additional



90% feel customer service is important



81% enjoy doing grocery shopping



How do you shop?

Top two box scores: Strongly agree & agree

Less than a fifth of respondents are willing to go out of the way to find sustainable products in-store, or put effort into purchasing them

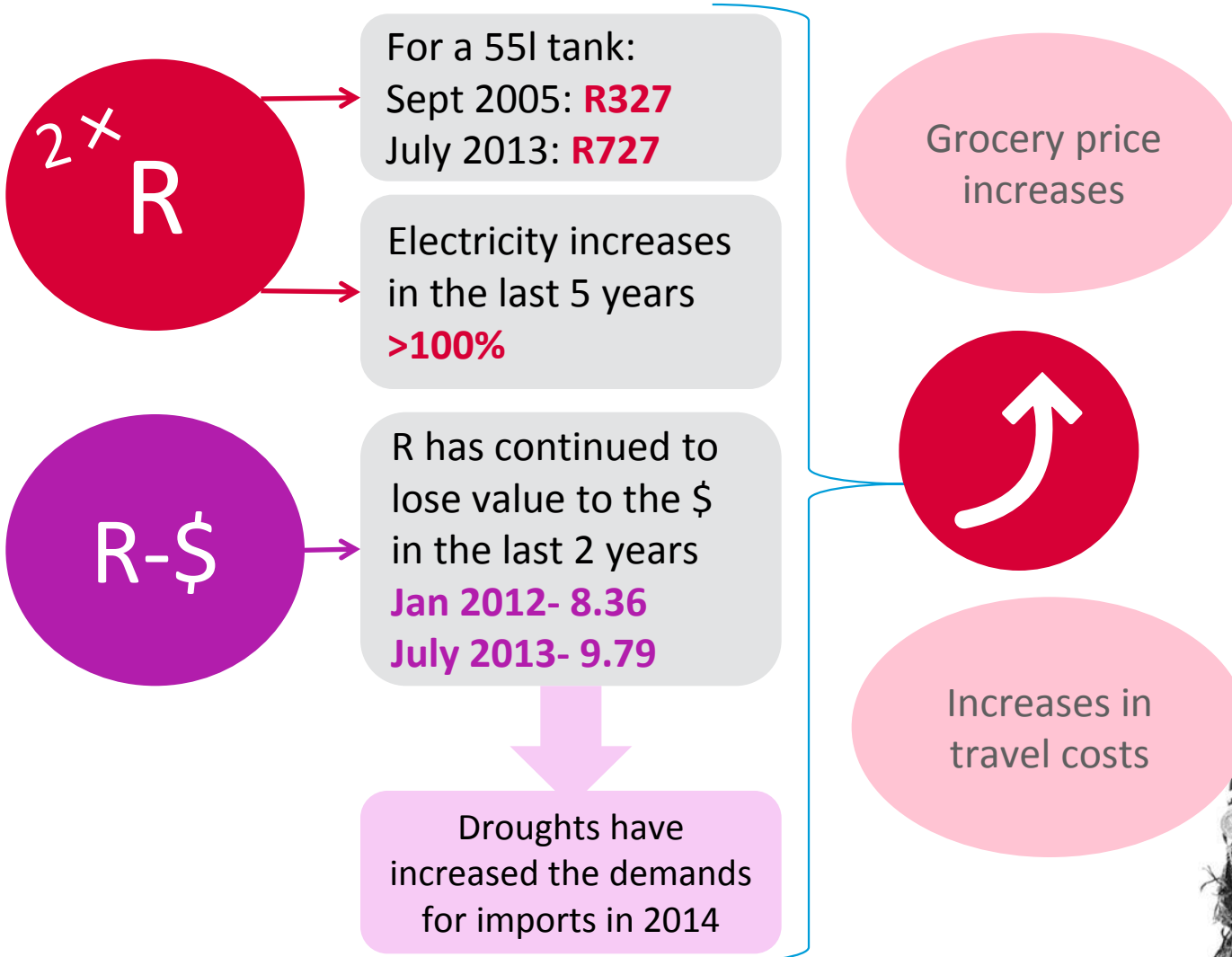


Base: n=1507

Ref: Q8: Rate how each statement regarding the products you shop for best applies to you



Rising expenses





..are guiding purchase behaviour



85% put in effort to buy groceries at the lowest prices - meet the budget

50% cut down on luxury categories

1 in 4 buy in bulk to get lower prices

1 in 5 downgrade to cheaper brands

Decrease in retailers included in repertoire - save on travel costs

Health risks are affecting behaviour

Estimated **10% (5,26mil)**
HIV positive

Amongst 15- 49 year olds
15.9% HIV positive



6% (3.5 mil) currently
diagnosed with type 1 or 2
diabetes

Estimated additional **5 mil**
pre-diabetic





Effect on behaviour



Lifestyle changes affect not only the sick individual but the **household** as well

Awareness campaigns encourage healthy living amongst the greater **community**

“PERISHABLES CONTINUING TO ACCOUNT FOR GREATER SHARE OF SPEND ACROSS ALL HOUSEHOLDS. GROWTH FOR LSM 5+6 DRIVEN BY PERISHABLES PURCHASING.”

SHOPPER GRAPHICS BASKET SIZING



Is retailer/product choice based on sustainability associations?



Product/retailer choices and sustainability

Summary



Retailer choice is not driven by sustainability but rather associations with low prices or value for money.

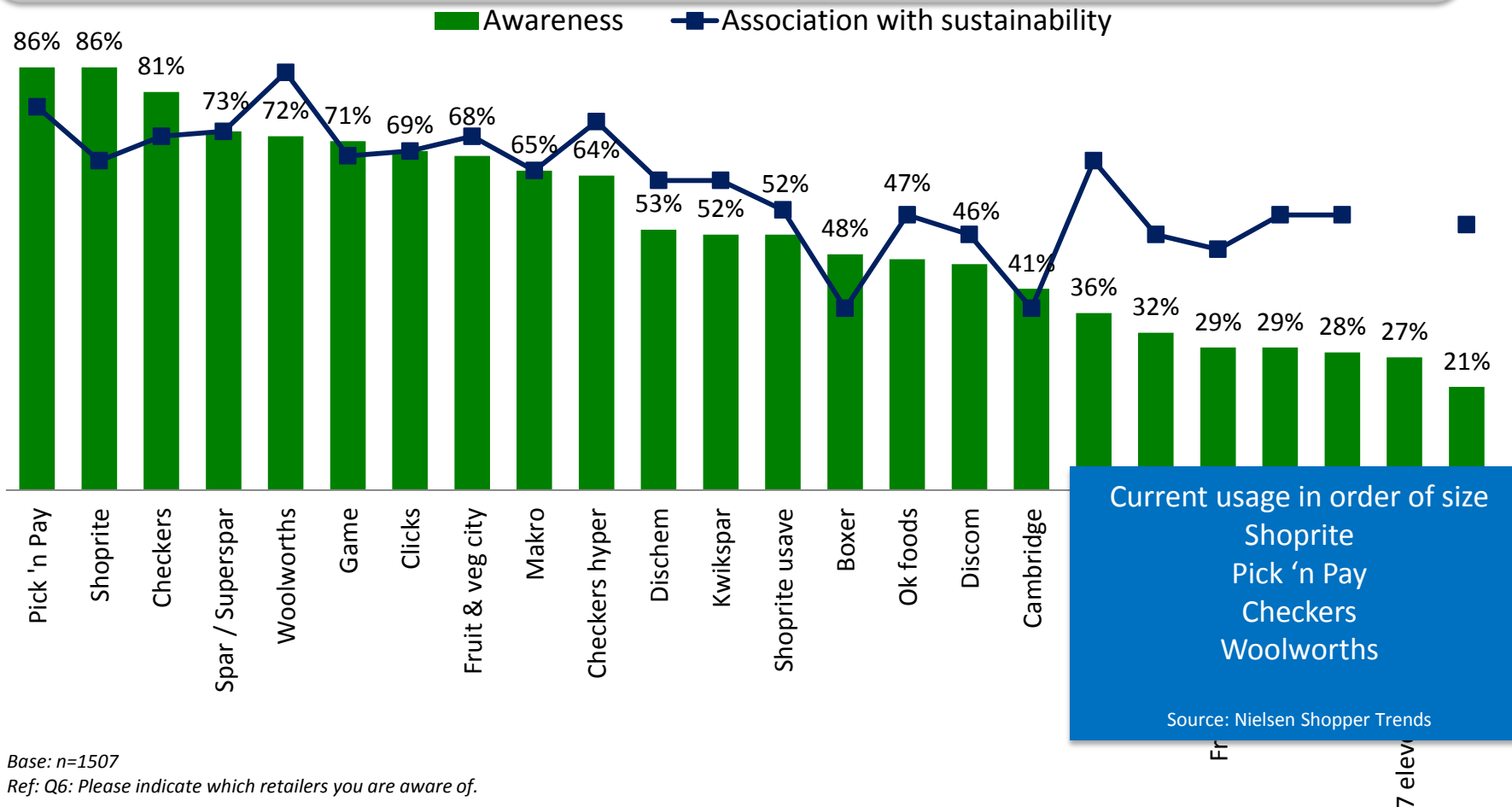


Currently brand choices in main categories are driven by **quality, price and brand**
- sustainability is not a driver.



Retailer awareness

Woolworths is the retailer most associated with supplying sustainable products in-store. Sustainability is not a big driver to retail choice as the most preferred retailers are outscored in terms of sustainability by some niche players like Woolworths and Food lovers market

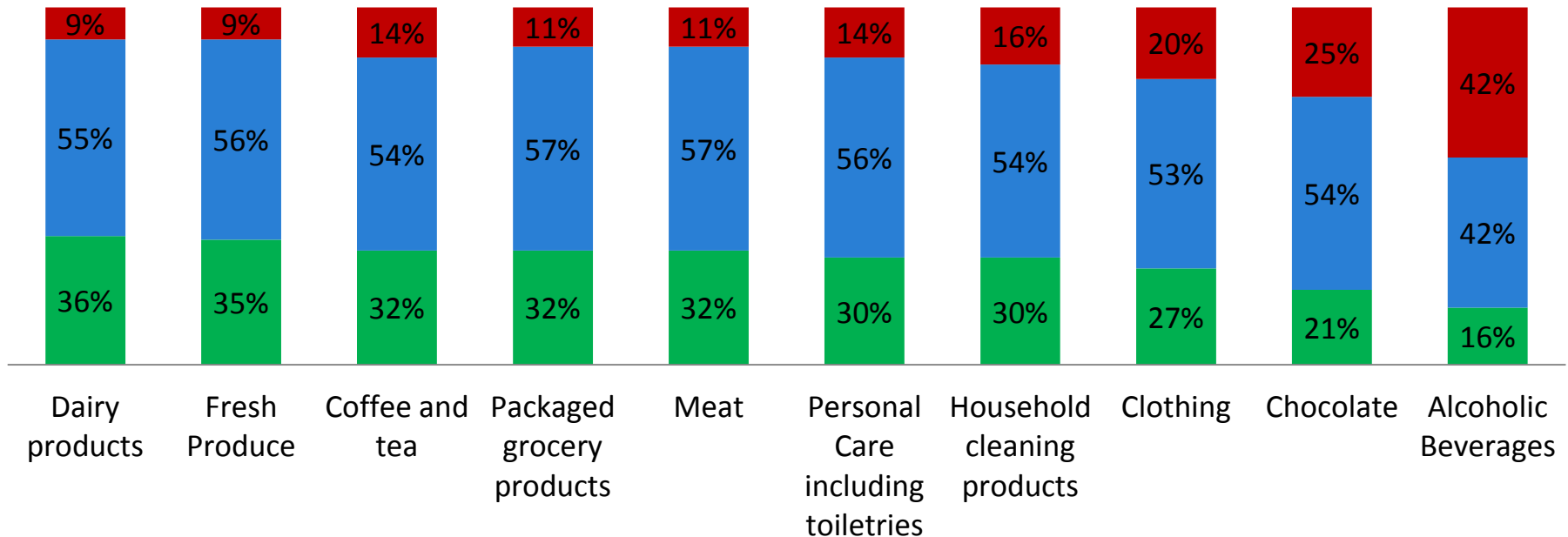




Sustainability affecting product preference

Perishables and food products are more likely to be purchased based on sustainability.

- I do not care to buy products in this category that are sustainable
- I would like to purchase products in this category that are sustainable
- I purchase products in this category that are sustainable



Category purchase behaviour



Tea



Rooibos



Coffee



Wine



Chocolate



Sugar

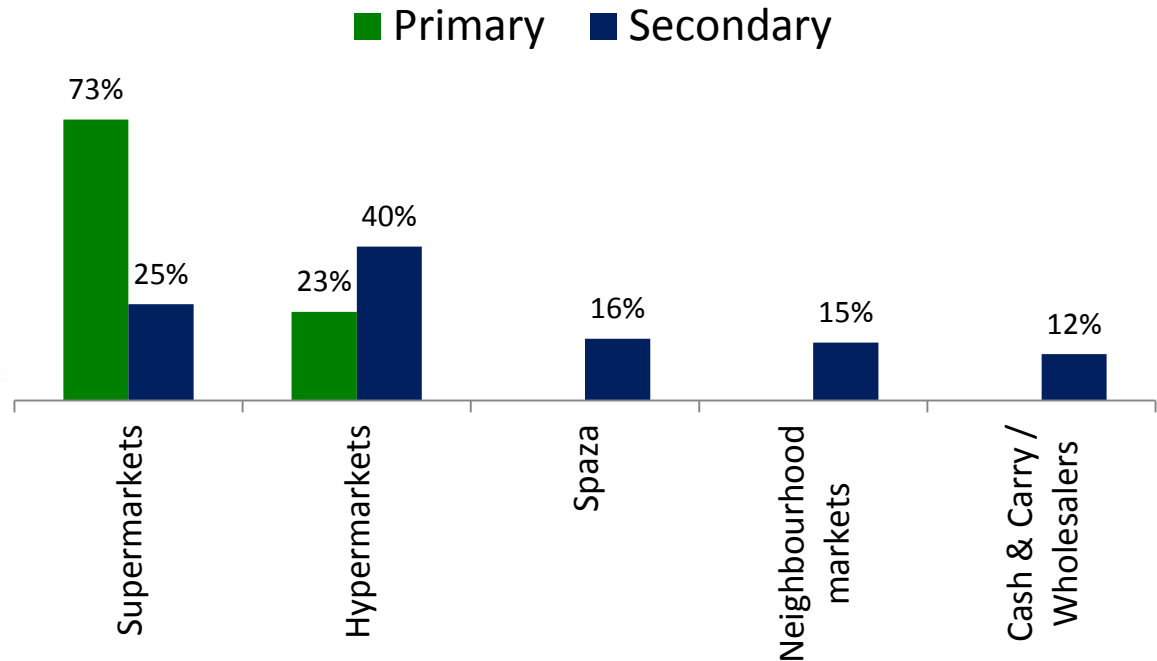
- All of these categories are frequently purchased mainly from modern trade channels
- The main purchase drivers are quality, brand and price with sustainability being a fairly low trigger to purchase.

Category purchase behaviour: Tea

Purchased from: top 5 channels



Average purchase
frequency:
Once a week



Base: n=1507

Ref: Q41: I am going to read out a list of types of products or services. For each please tell me how frequently, if at all, you purchase that type of product or service for yourself or your family. Q42. When shopping for (MENTION CATEGORY) where do you primarily buy these products?

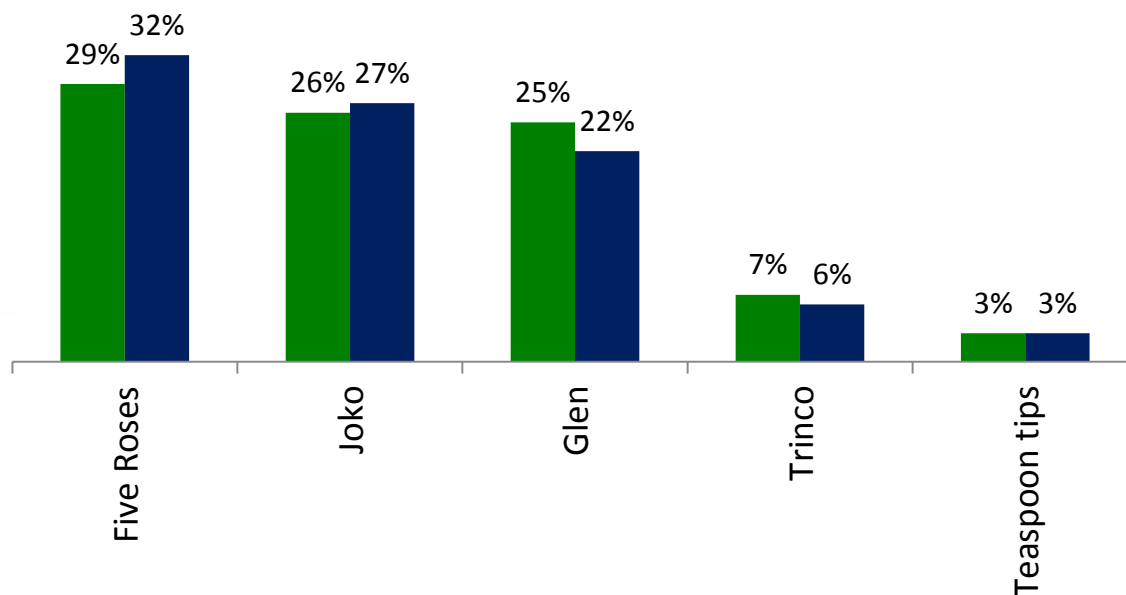
Category purchase behaviour: Tea



Average purchase
frequency:
Once a week

Brand preferences: top 5

■ Preferred ■ Recommended



Base: n=1507

Ref: Q43. Which brand of (MENTION CATEGORY PURCHASED) is the ONE brand or provider you prefer? Q44. And which brand of ... (MENTION CATEGORY PURCHASED) is the ONE brand or provider you would recommend?

Category purchase behaviour: Tea



Average purchase
frequency:
Once a week

Purchase drivers

Quality	8
Price	7.35
Brand	7.24
Taste	5.51
Convenience	4.58
Availability	4.58
Sustainably certified products	3.94
Value-for-money	3.94
Trust in the brand	3.58
Organic	3.32
Status	2.95

Most Important



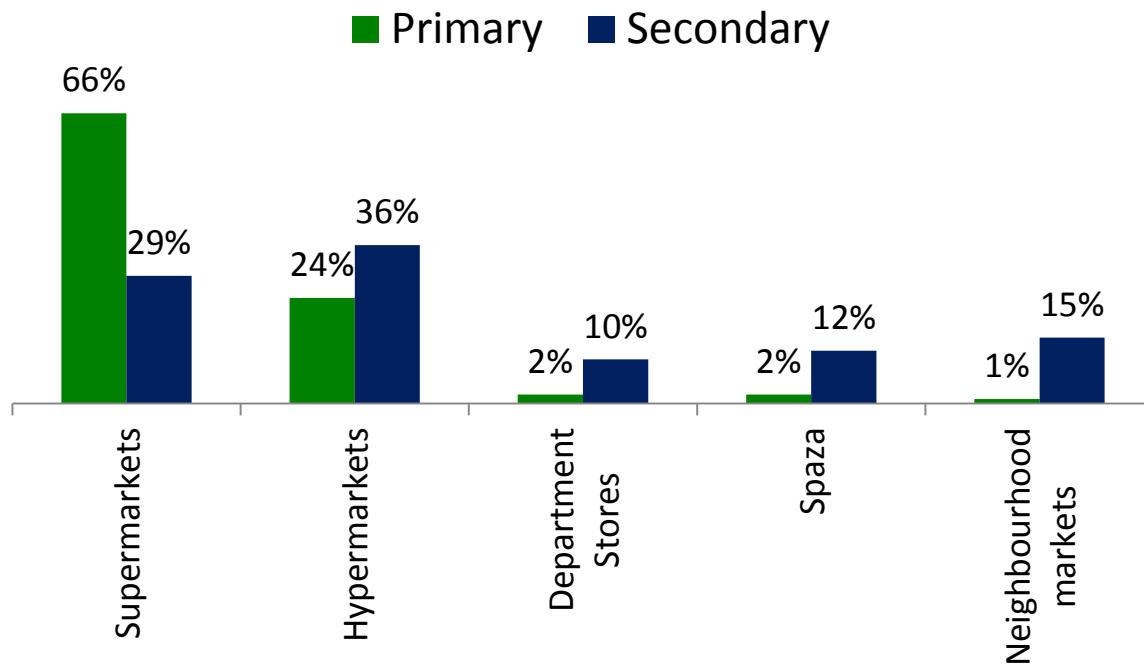
Least Important

Category purchase behaviour: Rooibos



Average purchase frequency:
Twice a month

Purchased from: top 5 channels



Base: n=1507

Ref: Q41: I am going to read out a list of types of products or services. For each please tell me how frequently, if at all, you purchase that type of product or service for yourself or your family. Q42. When shopping for (MENTION CATEGORY) where do you primarily buy these products?



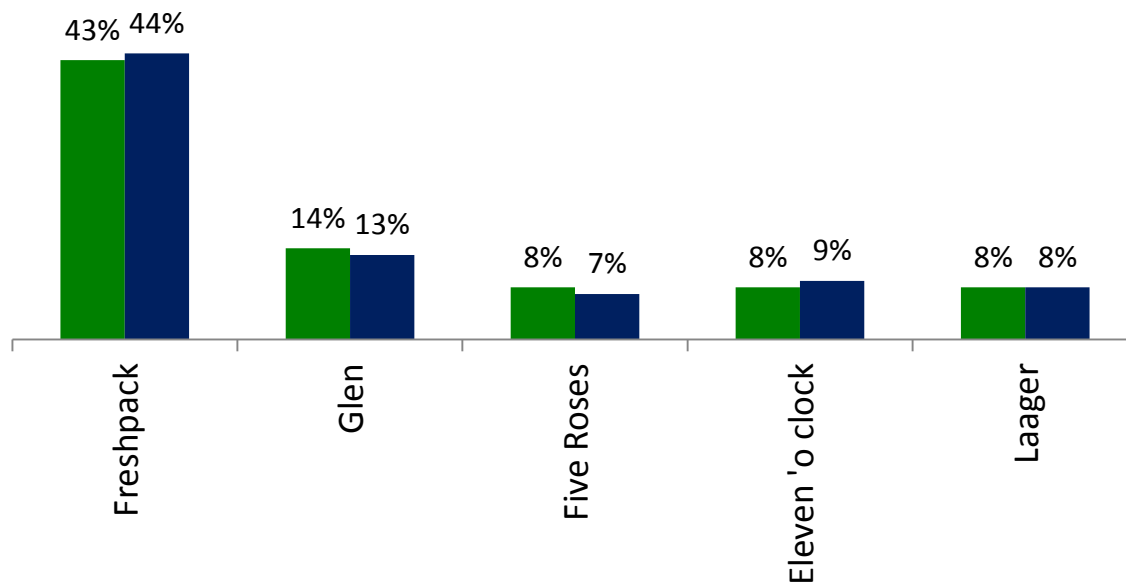
Category purchase behaviour: Rooibos



Average purchase frequency:
Twice a month

Brand preferences: top 5

■ Preferred ■ Recommended





Category purchase behaviour: Rooibos



Average purchase
frequency:
Twice a month

Purchase drivers

Quality	7.61
Price	7.32
Brand	6.89
Taste	5.36
Convenience	4.66
Availability	4.5
Sustainably certified products	4.25
Value-for-money	3.89
Organic	3.64
Trust in the brand	3.52
Status	3.37

Most Important



Least Important

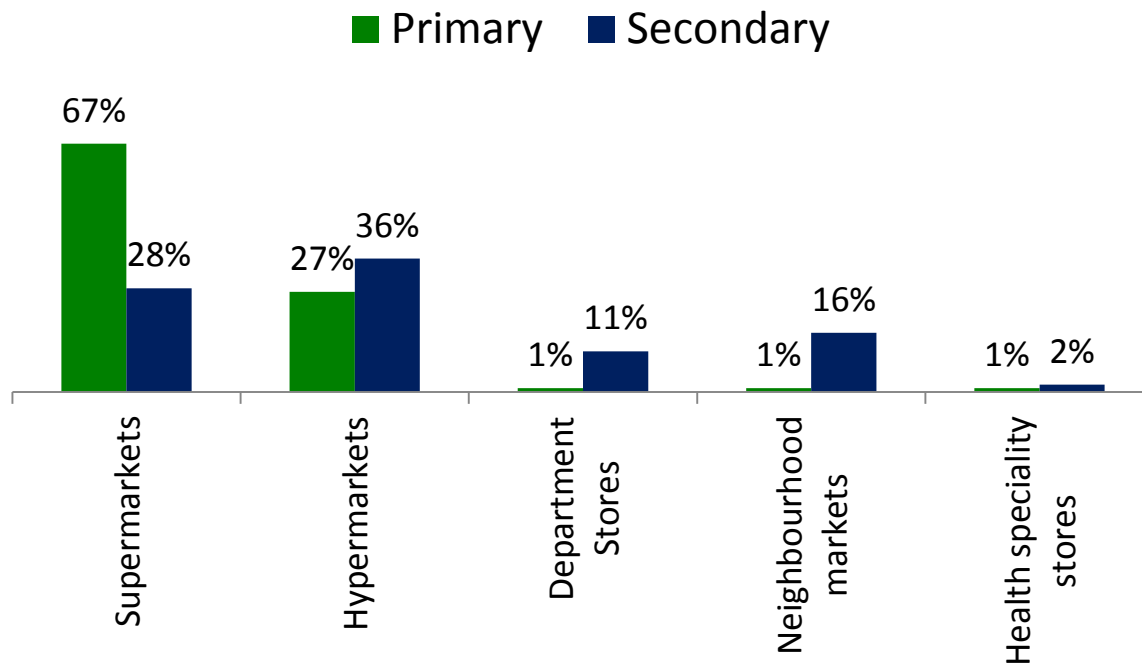


Category purchase behaviour: Coffee



Average purchase frequency:
Three times a month

Purchased from: top 5 channels



Base: n=1507

Ref: Q41: I am going to read out a list of types of products or services. For each please tell me how frequently, if at all, you purchase that type of product or service for yourself or your family. Q42. When shopping for (MENTION CATEGORY) where do you primarily buy these products?

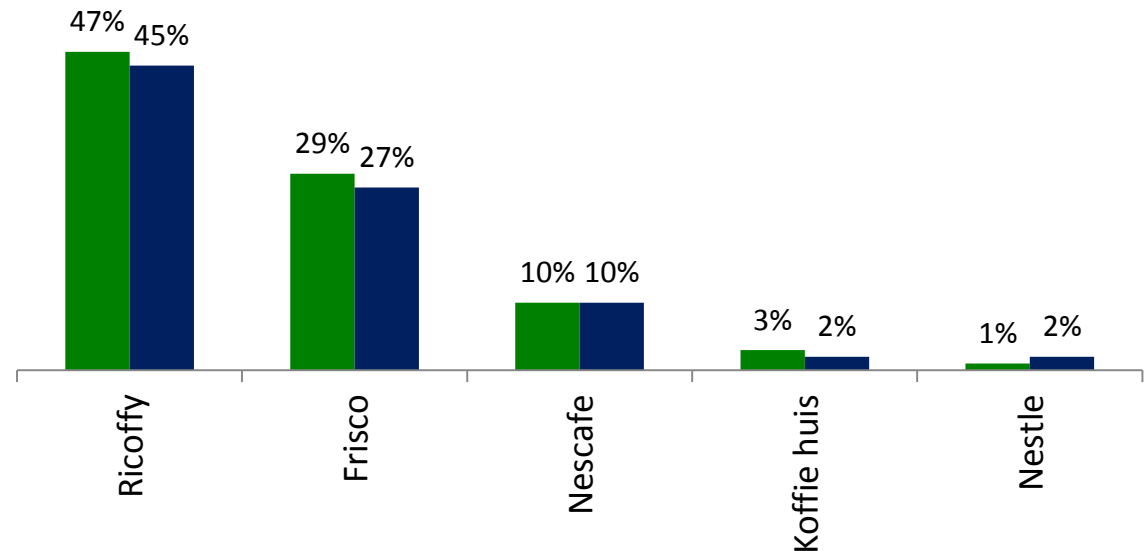
Category purchase behaviour: Coffee



Average purchase frequency:
Three times a month

Brand preferences: top 5

■ Preferred ■ Recommended



Base: n=1507

Ref: Q43. Which brand of (MENTION CATEGORY PURCHASED) is the ONE brand or provider you prefer? Q44. And which brand of ... (MENTION CATEGORY PURCHASED) is the ONE brand or provider you would recommend?



Category purchase behaviour: Coffee



Average purchase
frequency:
Three times a
month

Purchase drivers

Quality	7.58
Price	7.19
Brand	7
Taste	5.45
Convenience	4.7
Availability	4.46
Sustainably certified products	4.14
Value-for-money	4.02
Organic	3.68
Trust in the brand	3.52
Status	3.27

Most Important



Least Important



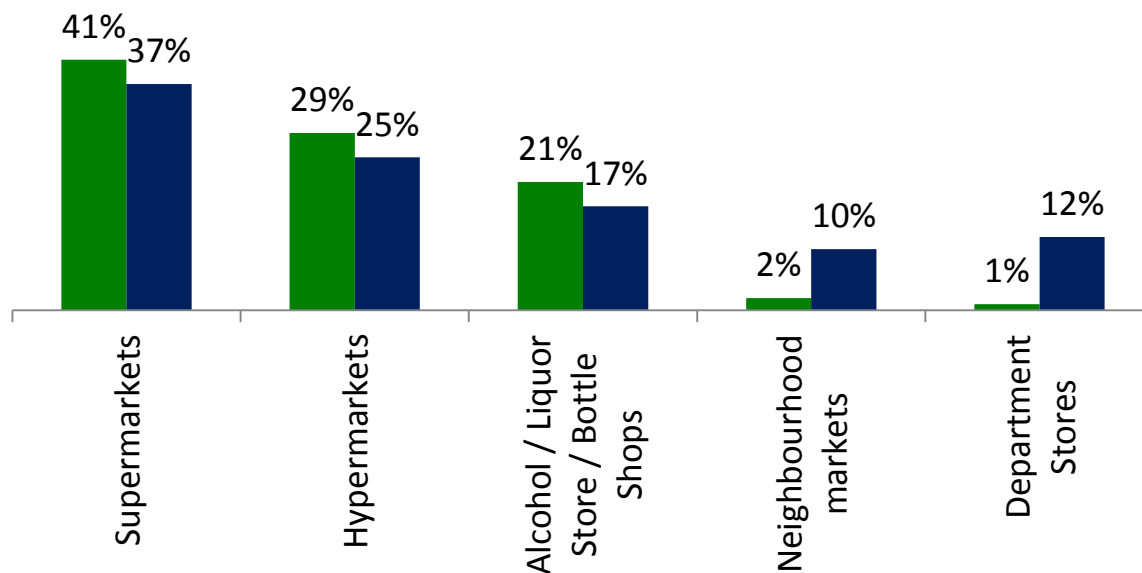
Category purchase behaviour: Wine



Average purchase frequency:
Once a month

Purchased from: top 5 channels

■ Primary ■ Secondary





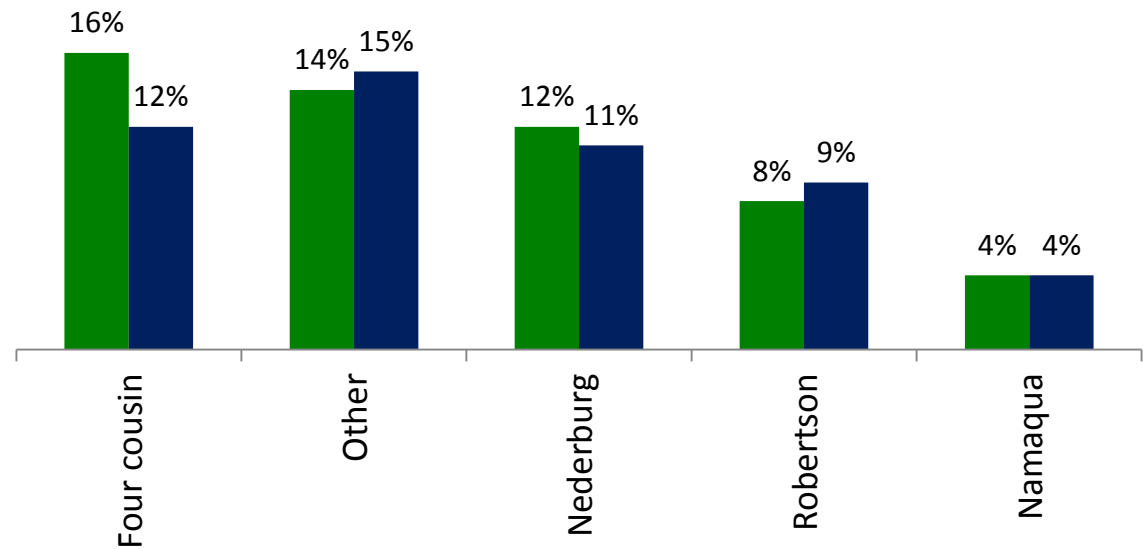
Category purchase behaviour: Wine



Average purchase frequency:
Once a month

Brand preferences: top 5

■ Preferred ■ Recommended





Category purchase behaviour: Wine



Average purchase frequency:
Once a month

Purchase drivers

Quality	7.44
Price	6.96
Brand	6.76
Taste	5.44
Convenience	4.98
Availability	4.54
Value-for-money	4.09
Sustainably certified products	4.06
Organic	3.68
Status	3.58
Trust in the brand	3.48

Most Important



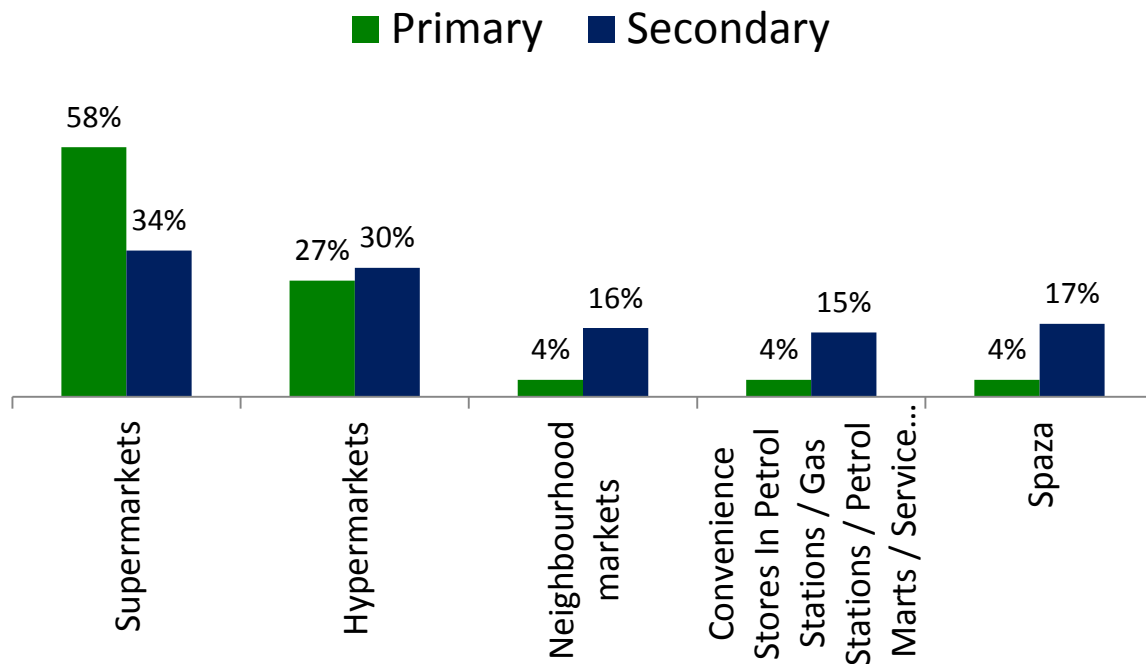
Least Important

Category purchase behaviour: Chocolate



Average purchase frequency:
Twice a month

Purchased from: top 5 channels



Base: n=1507

Ref: Q41: I am going to read out a list of types of products or services. For each please tell me how frequently, if at all, you purchase that type of product or service for yourself or your family. Q42. When shopping for (MENTION CATEGORY) where do you primarily buy these products?



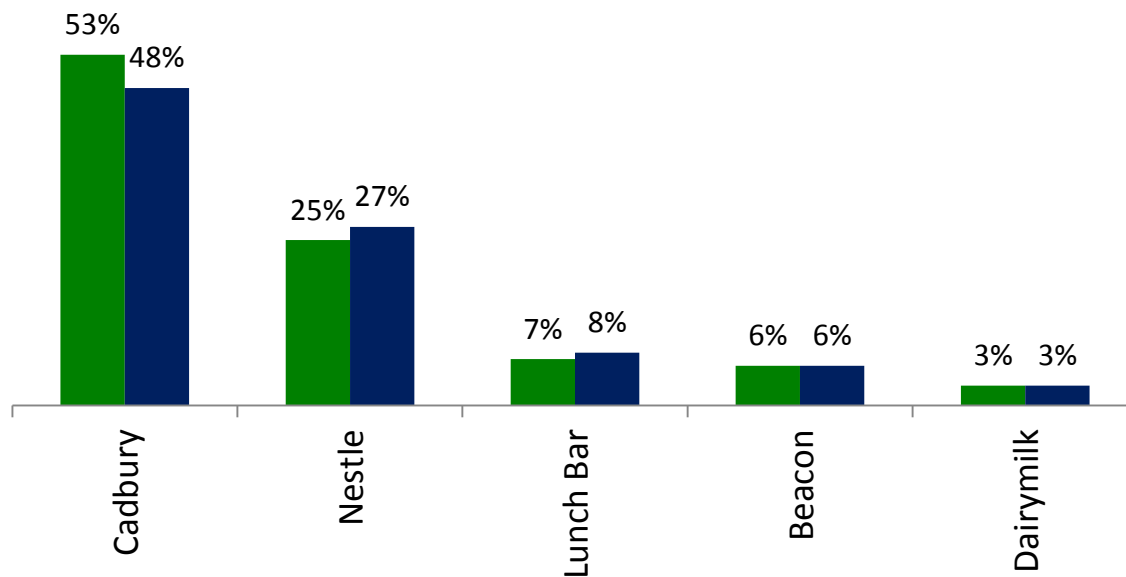
Category purchase behaviour: Chocolate



Average purchase frequency:
Twice a month

Brand preferences: top 5

■ Preferred ■ Recommended





Category purchase behaviour: Chocolate



Average purchase frequency:
Twice a month

Purchase drivers

Quality	7.41
Price	7.11
Brand	7.07
Taste	5.69
Convenience	4.65
Availability	4.48
Sustainably certified products	4.02
Value-for-money	3.95
Trust in the brand	3.79
Organic	3.45
Status	3.38

Most Important



Least Important

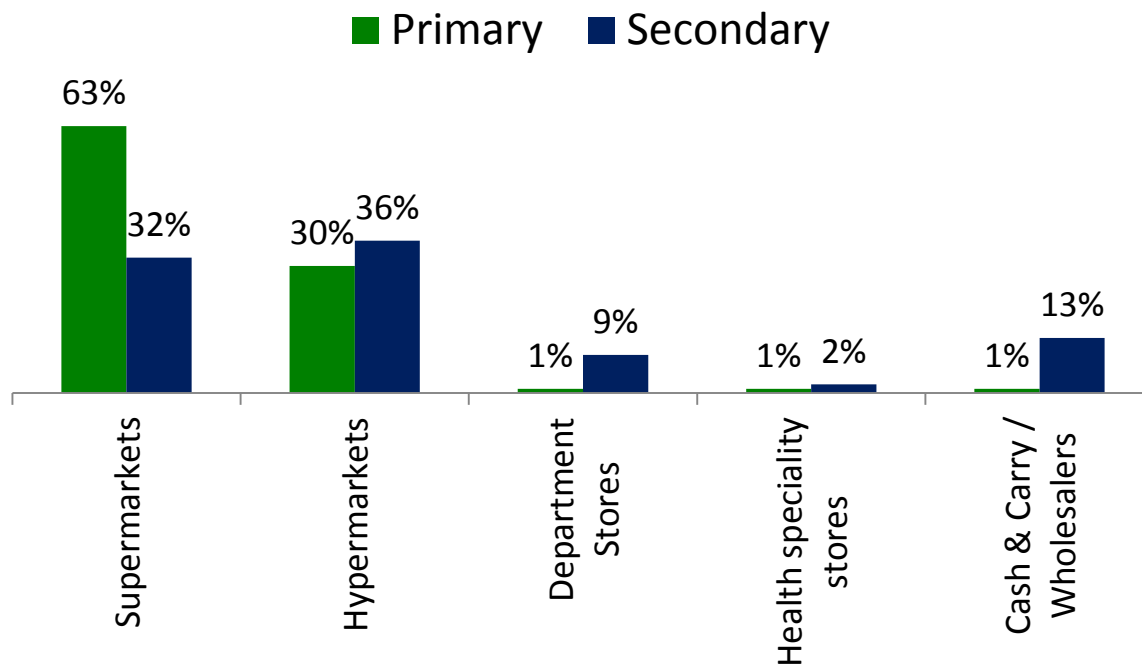


Category purchase behaviour: Sugar



Average purchase frequency:
2 – 3 times per week

Purchased from: top 5 channels



Base: n=1507

Ref: Q41: I am going to read out a list of types of products or services. For each please tell me how frequently, if at all, you purchase that type of product or service for yourself or your family. Q42. When shopping for (MENTION CATEGORY) where do you primarily buy these products?



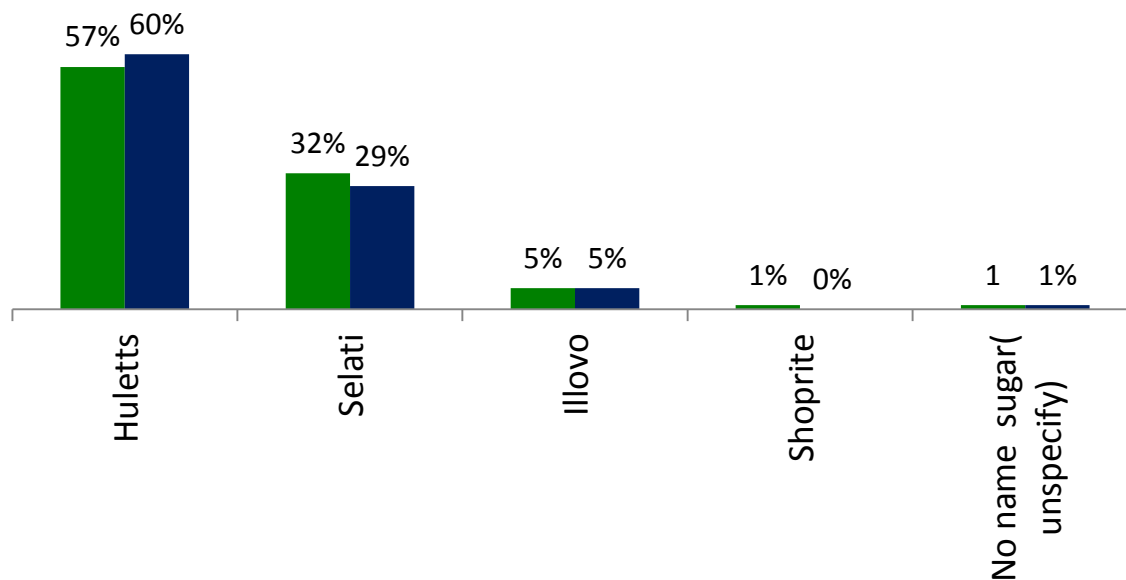
Category purchase behaviour: Sugar



Average purchase frequency:
2 – 3 times per week

Brand preferences: top 5

■ Preferred ■ Recommended





Category purchase behaviour: Sugar



Average purchase frequency:
2 – 3 times per week

Purchase drivers

Quality	7.43
Price	7.21
Brand	6.85
Taste	5.17
Convenience	4.75
Availability	4.43
Sustainably certified products	4.25
Value-for-money	4.06
Organic	3.74
Trust in the brand	3.73
Status	3.39

Most Important



Least Important

A collage of several hands, belonging to people of different ethnicities, holding large quantities of cocoa beans. The hands are arranged in a circular pattern, with the beans filling the palms. The background is a soft-focus image of more hands and beans, creating a sense of community and shared labor. The overall tone is warm and positive, emphasizing the human element of fair trade.

Fairtrade's role in sustainable trade

Fairtrade & sustainability

Summary

Proudly South African enjoys the highest overall awareness with WWF at a distant second.

The salience for Fairtrade is low, however the quality of awareness is high as the logo enjoys a high accurate link to the brand



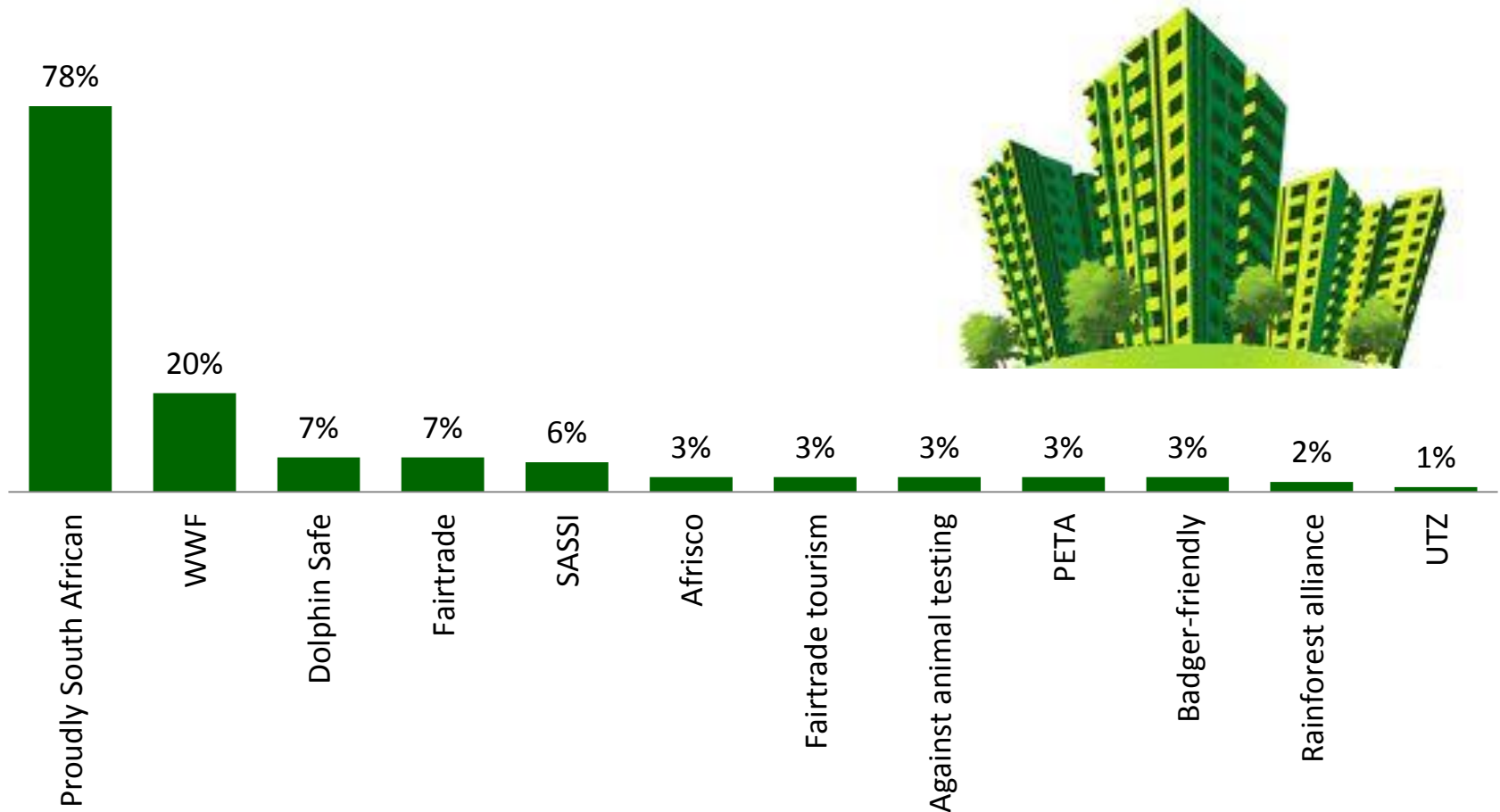
After the Fairtrade concept was introduced there was an **increased interest** in exploring the Fairtrade proposition further.

The proposition resonated well with the audience who thought that Fairtrade would be able to deliver on the stated objectives.



Organisation awareness

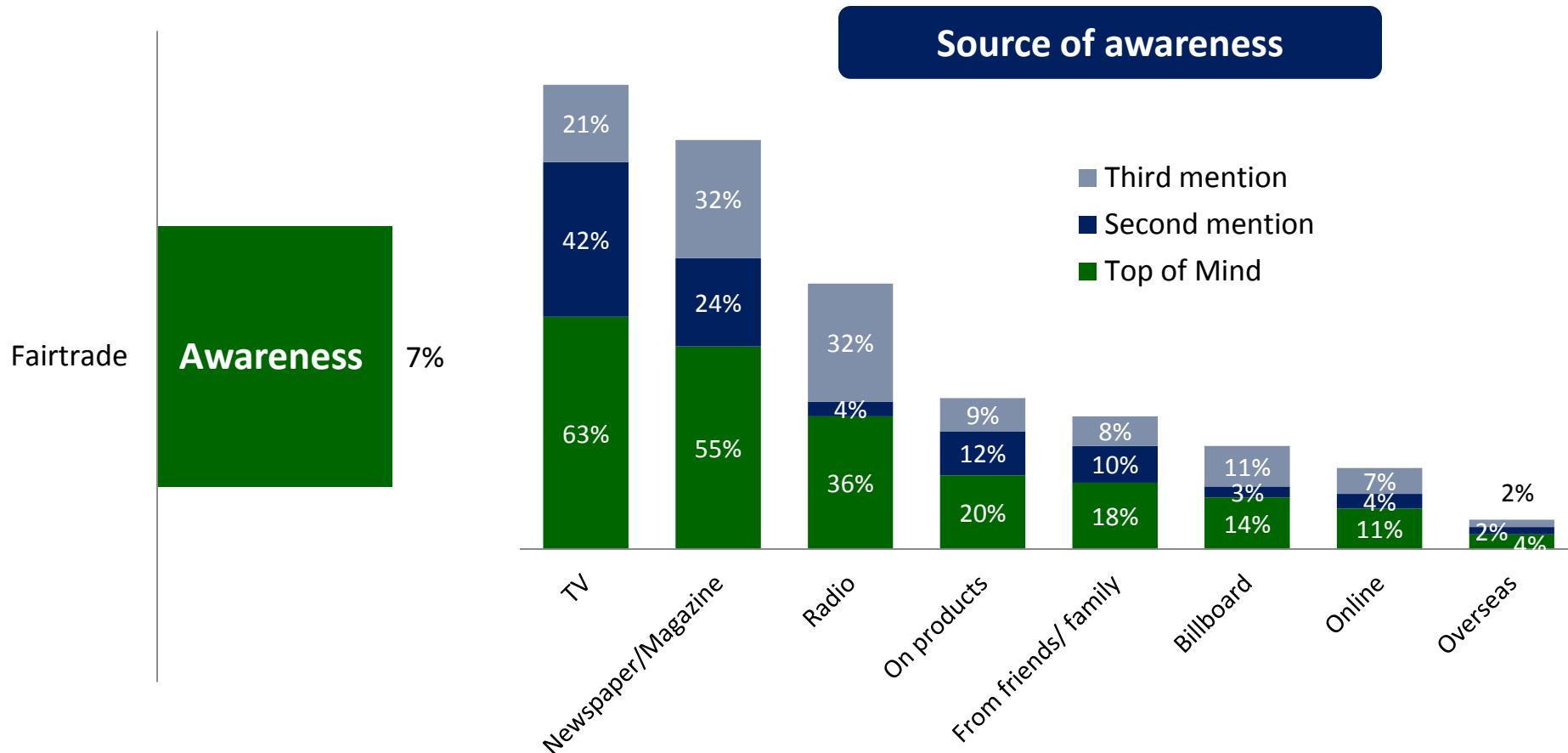
Proudly South African enjoys the highest overall awareness with WWF at a distant second. The salience for Fairtrade is low.





Organisation awareness

Awareness was mainly due to television exposure and to some extent print and radio.



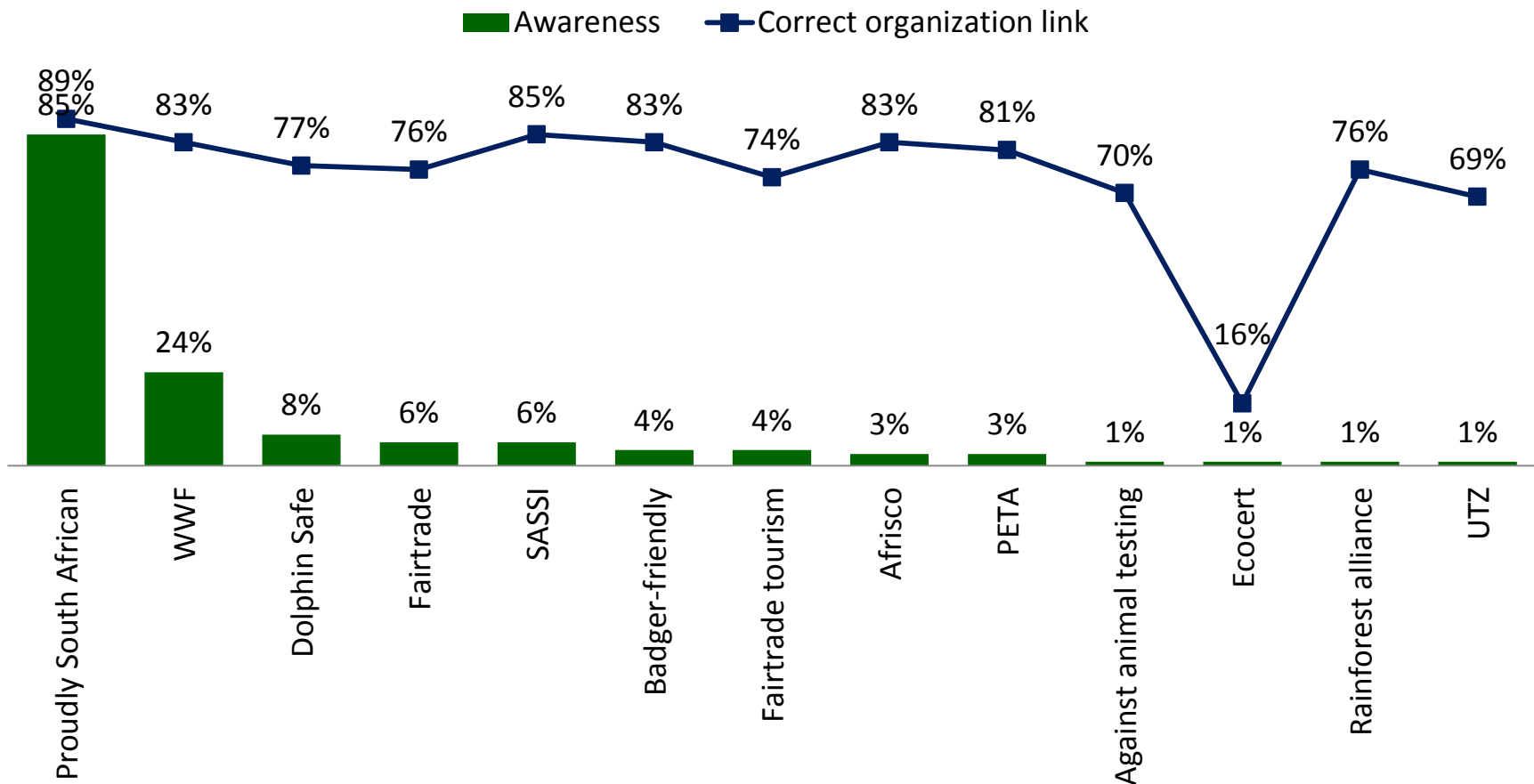
Base: n=1507 Ref: Q22: Which of these sustainability endorsing organisations are you aware of.

Base: n= 140 Ref: Q23: where did you come to know about Fairtrade



Logo awareness & recognition

Logo awareness was low across most organizations with the exception of Proudly South African. However brand linkage was high amongst those aware.



Base: n=1507 Ref: Q19: Which of these logos do you recognize or ever seen

Base: n= 102 Ref Q20: What do u associate with this logo Q21: which of the logos do you associate with the organisation



Logo free association

Recognition

Proudly SA
85%



Recognition

WWF
24%



Recognition
Dolphin Safe
8%



Recognition
Fairtrade
6%



Recognition
SASSI
6%



Association

Made in SA
54%

Association
Protection of
the animals
35%

Association
It protects the
dolphin
36%

Association
Farming
20%

Association
Save the fish
20%

“Fairtrade” defined

Fairtrade is a certification whose main aim is to promote more **equality and sustainability** in the farming sector.

A product that carries the Fairtrade logo has met the strict **Fairtrade Standards**, which focus on improving labour, living and trading conditions for farming communities and on promoting a way of farming that doesn't harm either people or the environment.

Fairtrade creates more opportunities for those farming communities who have been **economically disadvantaged** or marginalised by the conventional trading system.

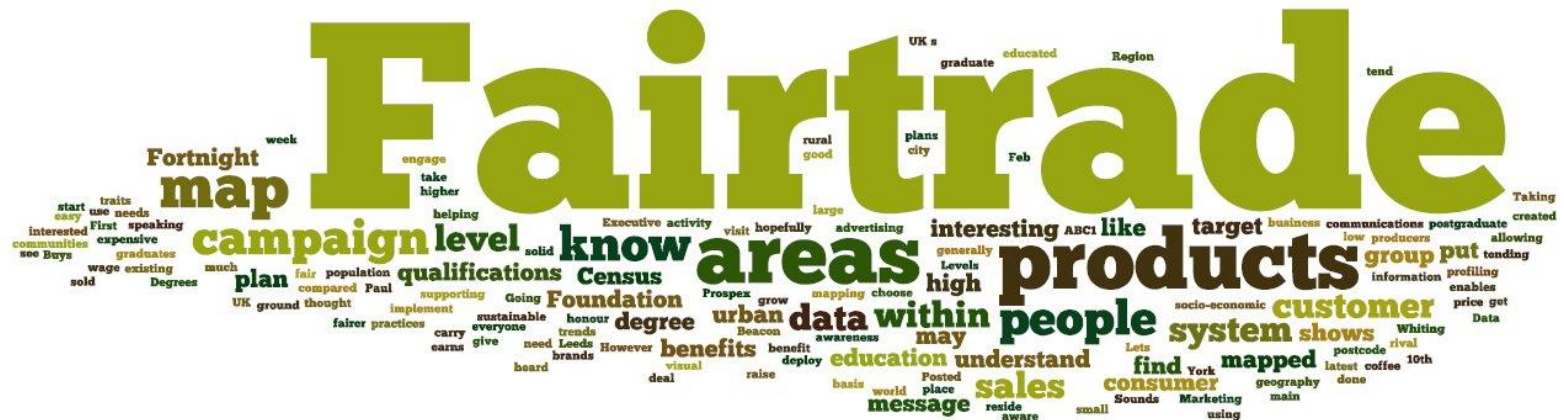
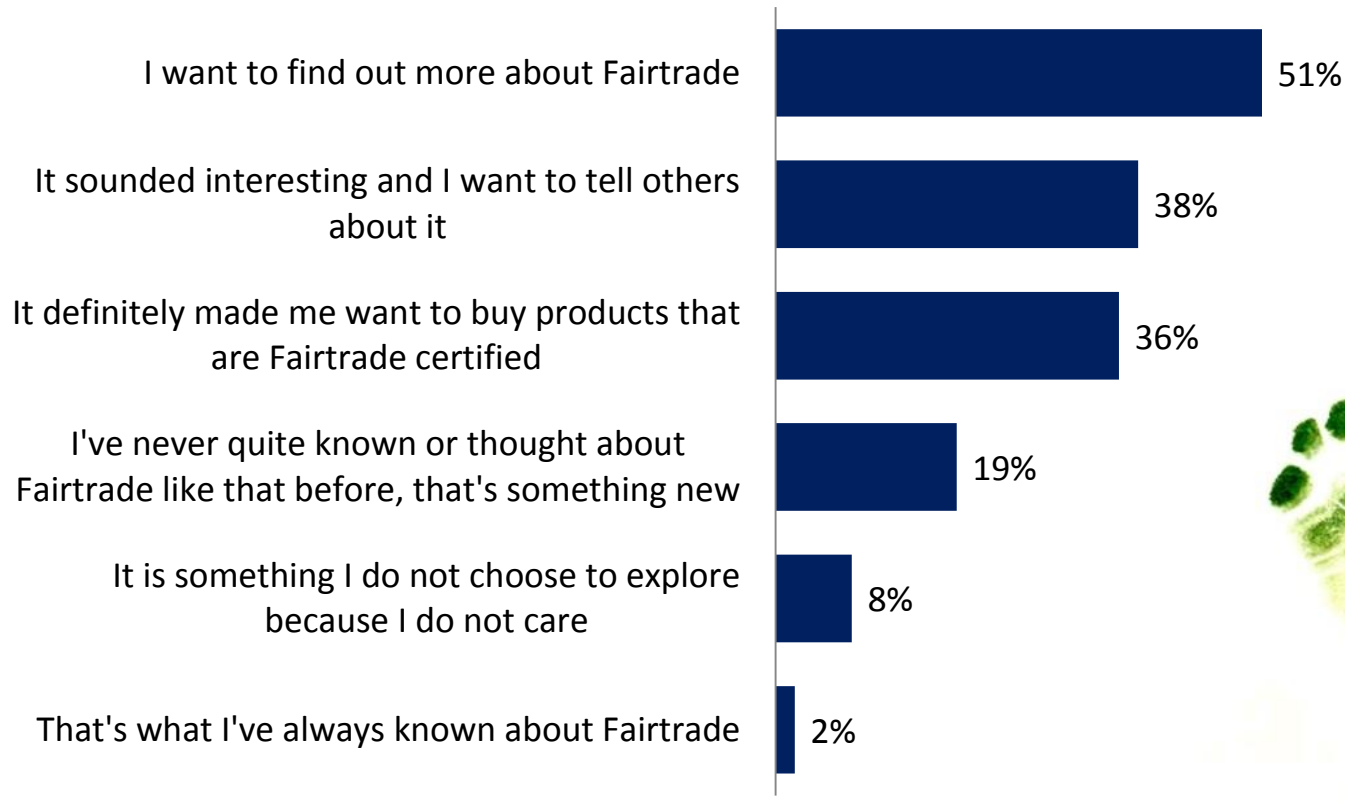


Image association after definition

After concept clarification half of the respondents were interested in exploring the Fairtrade offering further.

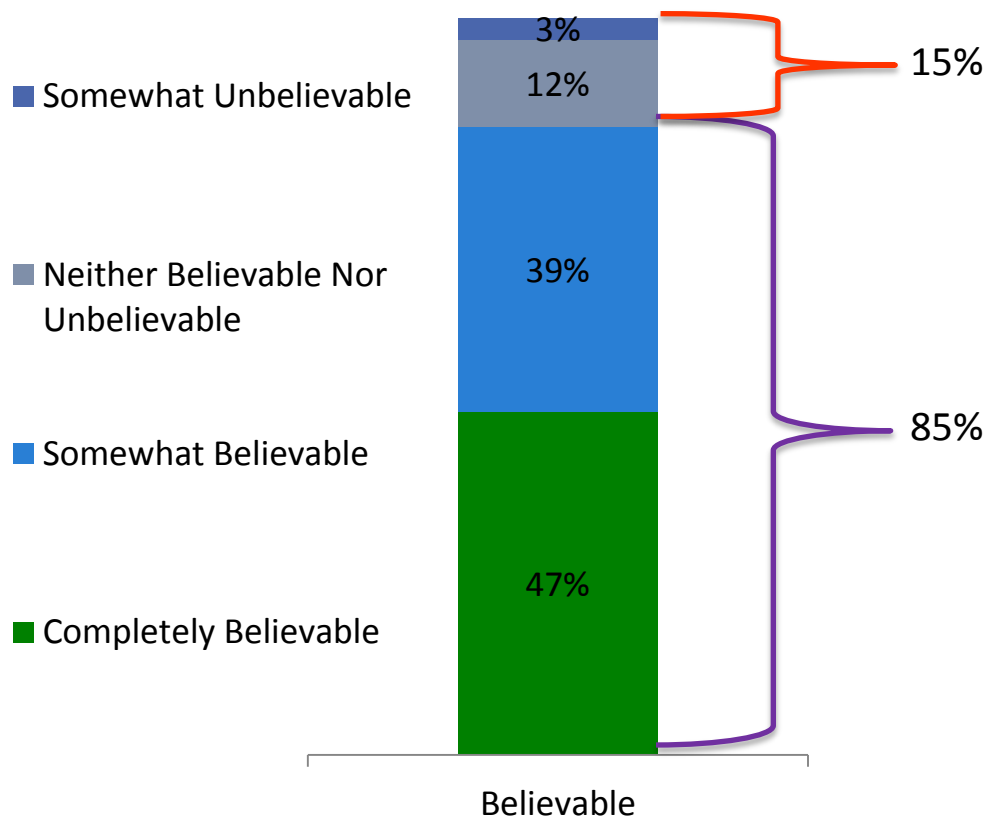


Base: n=1507

Ref: Q24: Thinking about the definition I have just given you, which of these statements comes closest to the way you feel about Fairtrade? Please choose all that apply.

Beliefs about Fairtrade

Consumers believed that Fairtrade could deliver on its proposition.





Fairtrade Products



Fairtrade products

Summary



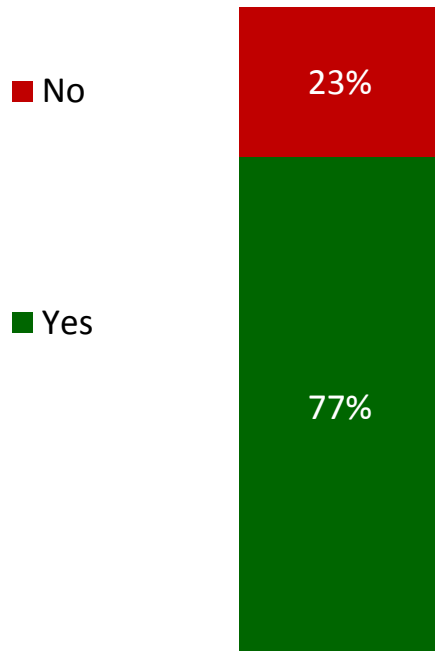
- Fairtrade products are believed to be different in comparison to others especially in terms of quality and enhancing living and working conditions.
 - Future purchase propensity is fairly high - however there is a group of rejecters.
 - Fairtrade products are believed to be of a higher quality, however some people expect this to equate to a more expensive product.
- General consensus is that people would be willing to pay more for Fairtrade products and would be more likely to consider a product if the logo is clearly visible



Fairtrade certified product relevance

Generally the Fairtrade products are believed to be different in comparison to others especially in terms of quality and enhancing living and working conditions.

Are Fairtrade products different?



All the same

No reason

No Interest

I am not familiar with the brand

No Reason

It looks after the environment

High quality

To improve small business

It is safe

affordable

Improve lives

Logo

Improve working conditions

approved / certified / guaranteed

Quality tested

It is fair

Sustainable

SABS standards

Made in South Africa

Stamp / labelled / sign

Healthy

It improves the labour

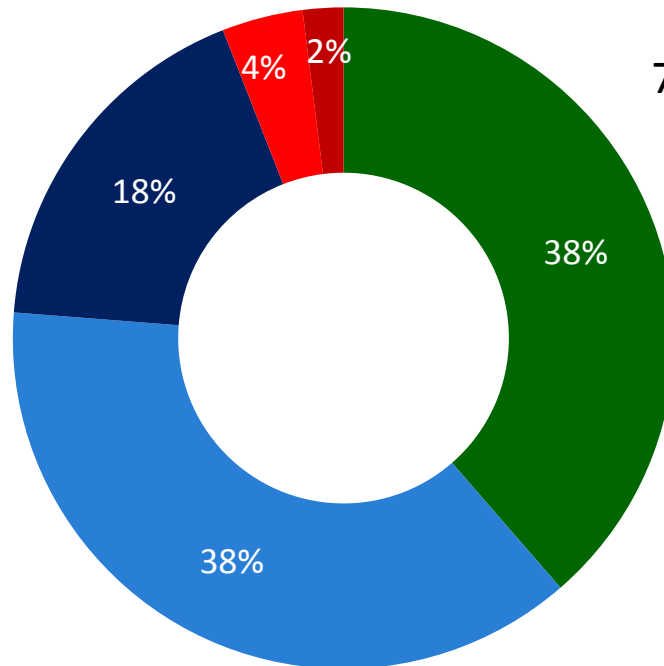
Base: n=1507

Ref: Q25a Would you consider a product or brand that is Fairtrade certified to be different from products or brands that aren't certified? Q25b In what way is the Fairtrade certified product different? Q25c. . Why do you say that?



Fairtrade product consideration

Future purchase propensity is fairly high - however there is a small group of rejecters.



76%

■ Definitely would buy

■ Probably would buy

■ Might or might not buy

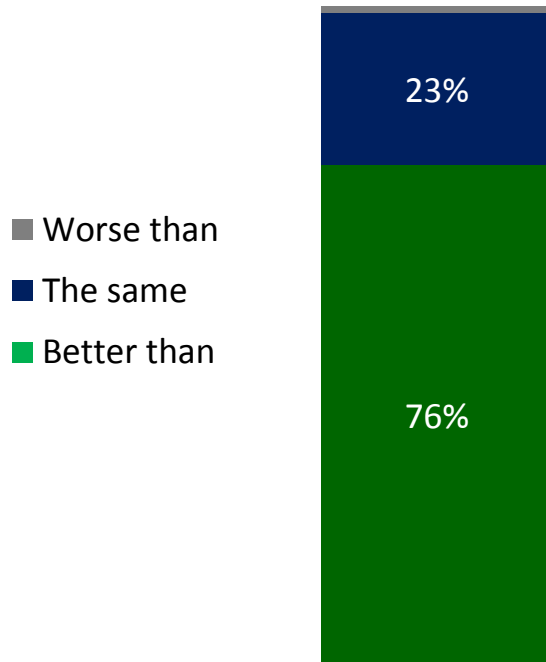
■ Probably would not buy

■ Definitely would not buy

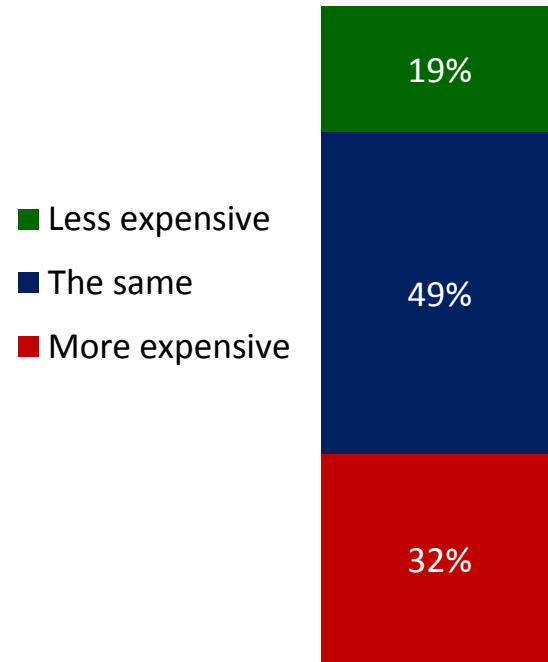
Fairtrade compared to other products

Fairtrade products are believed to be of a higher quality however some people expect this to equate to a more expensive product.

Fairtrade quality is....



Fairtrade price is....

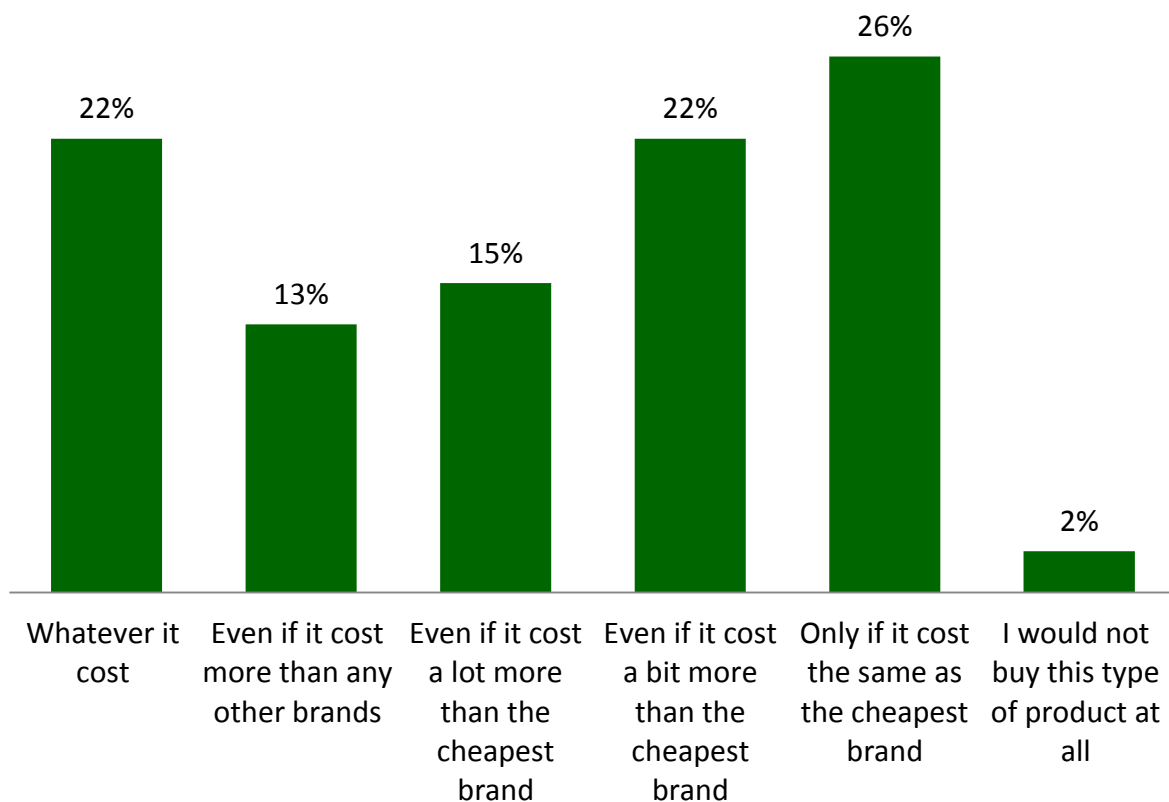




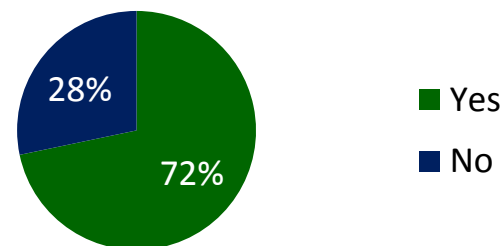
Willingness to pay

General consensus is that people would be willing to pay more for Fairtrade products

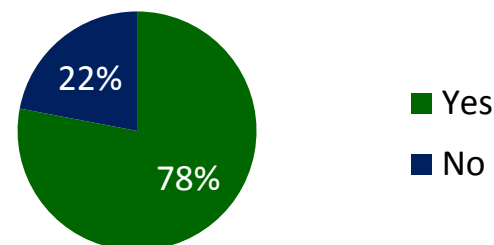
Willingness to pay for Fairtrade products



Willingness for R1 extra for Fairtrade wine



Willingness to pay R1 for Fairtrade coffee



Base: n=1507 Ref: Q29 Assuming Fairtrade products were available where you shop, how much would you be willing to pay for such brands?

Base n= 1450 Ref: Q30 Would you be willing to pay an extra R1 for a bottle of South African wine Base n= 1507 Ref: Would you be willing to spend an extra R1 on a packet of coffee

Influence of the Fairtrade logo

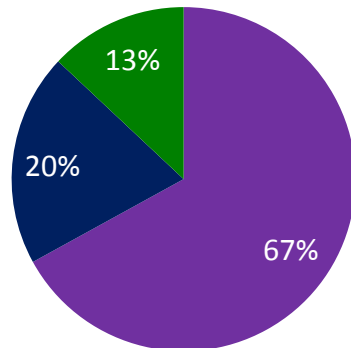
Generally people would be more likely to purchase the product if the Fairtrade logo is visible

Likelihood of purchasing a Fairtrade product

■ More likely

■ Less likely

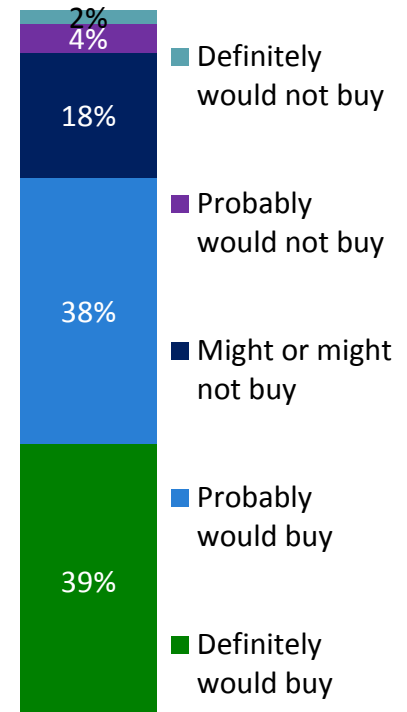
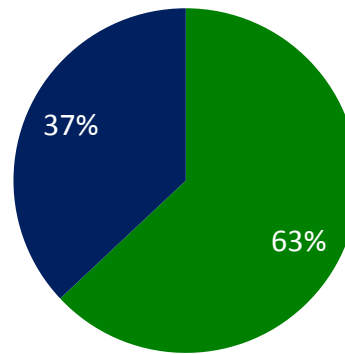
■ It will not affect my decision to purchase the product



Those aware who currently purchasing Fairtrade products

■ Yes

■ No



Future purchase intent

Base: n=1507

Ref: q25. How likely are you to purchase a product if you see the Fairtrade logo on it? q26. Are you currently supporting Fairtrade, which is buying products that carry the Fairtrade logo? (Base: Those aware of Fairtrade n=140)

q28. Assuming that a Fairtrade certified product was available in the store where you regularly shop, which phrase best describes how likely you would be to buy this product in the next 12 months?

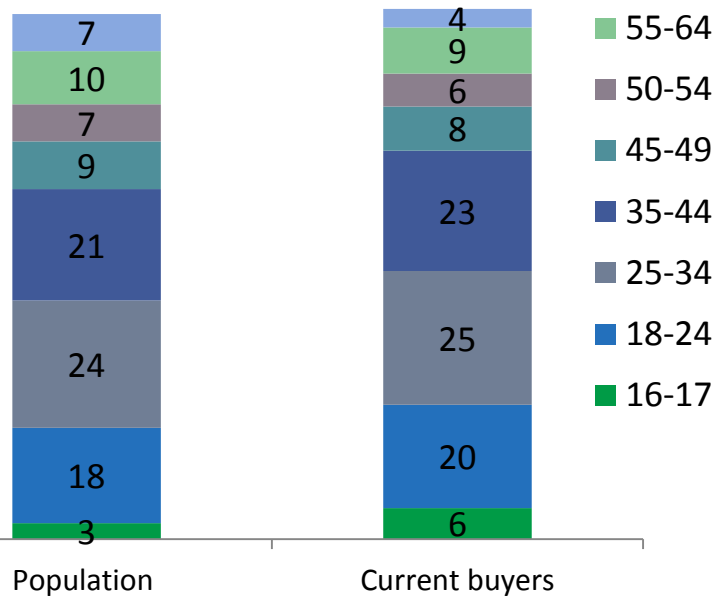
A close-up photograph showing several hands of different skin tones holding a large quantity of cocoa beans. The beans are in various stages of processing, showing shades of orange, yellow, and brown. The hands are arranged in a circular pattern, with the palms facing upwards, creating a sense of unity and shared labor. The background is slightly blurred, focusing attention on the hands and the beans.

Fairtrade's user profiles

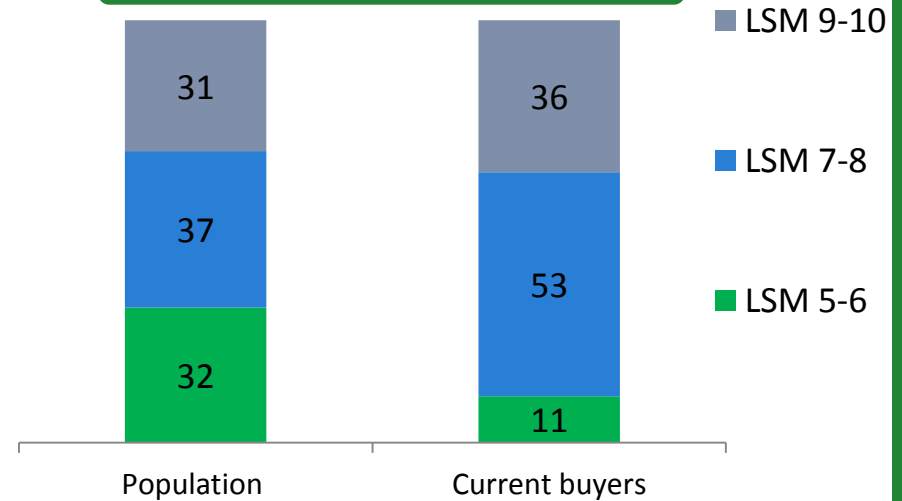


Current Users

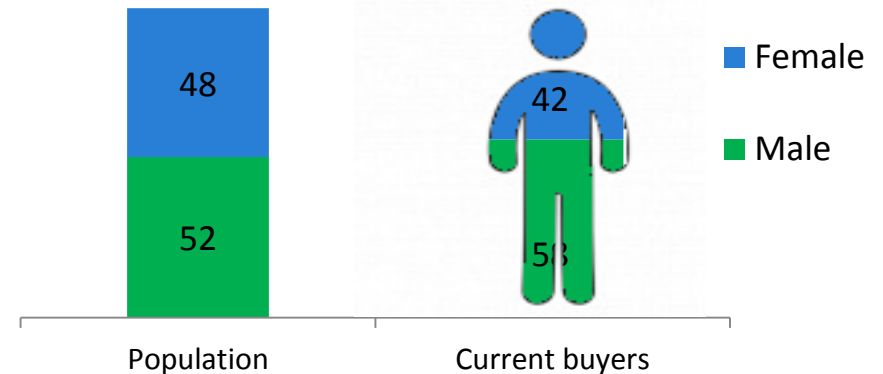
Age



LSM



Gender

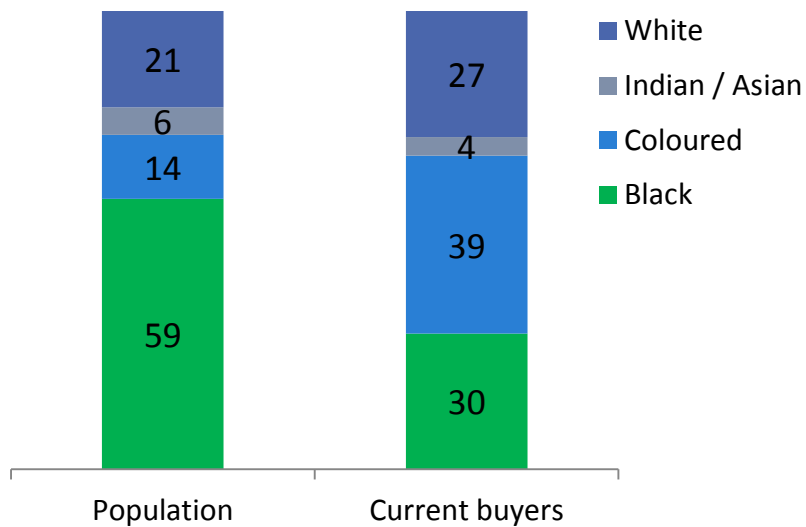


In comparison to the total population, Current users are skewed towards 16-44year olds and the upper LSM households of 7+

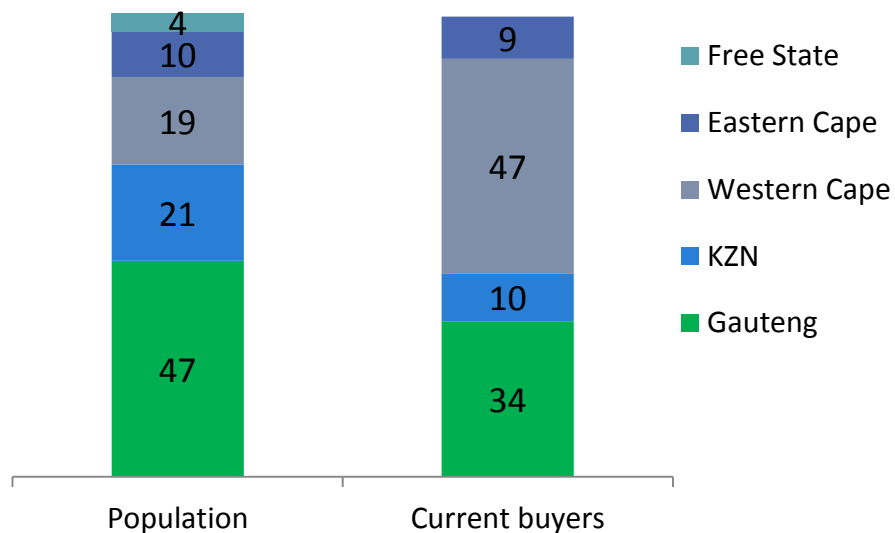


Current Users

Race



Region



Current users are skewed towards the coloured and white population groups residing primarily in Western Cape



Consumer profiles: Current users

Current users

Who am I?

Represented by Black, Coloured and White groups but skewed towards Coloured.

78% of current users fall in LSM 7 - 9

Mainly aged between 18 -44

Highest prevalence in Western Cape, followed by Gauteng

What are my interests and hobbies?

More than 50% of these users enjoy sports like soccer, rugby and swimming.

They also enjoy reading books, newspapers and magazines

Opportunities.

This group consists of individuals who has a decent income. They feel it is important to support sustainable products in order to contribute to the general well being of all South Africans. Keep them loyal by ensuring that your products are easily available across multiple categories. Do not disappoint them with poor product performance or misleading ideals.

Media usage habits

How do I use the internet?



Daily internet browsing, More than 80% use Google. 67% also use Facebook.

Don't make use of the internet for business, banking or emails.

Social media

More than 50% make use of Facebook and 43% use Whatsapp.



TV & Radio



Most watched TV channels are SABC 1, 2 and 3 and eTV.

More than 30% listen to Heart FM. Other radio stations include Metro FM and KFM

Print Media

Almost 30% read the Cape Argus and Cape Times newspapers. 19% also read local community newspapers

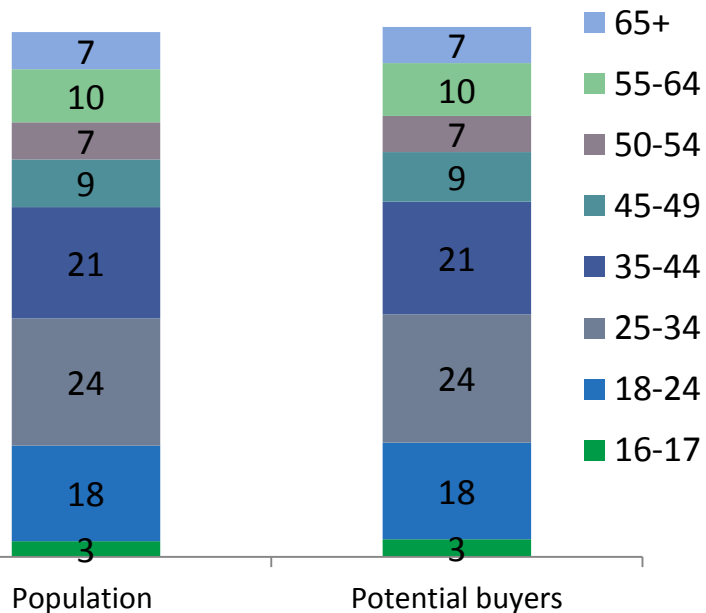


Huisgenoot and Drum are the most popular magazines with 20% usage

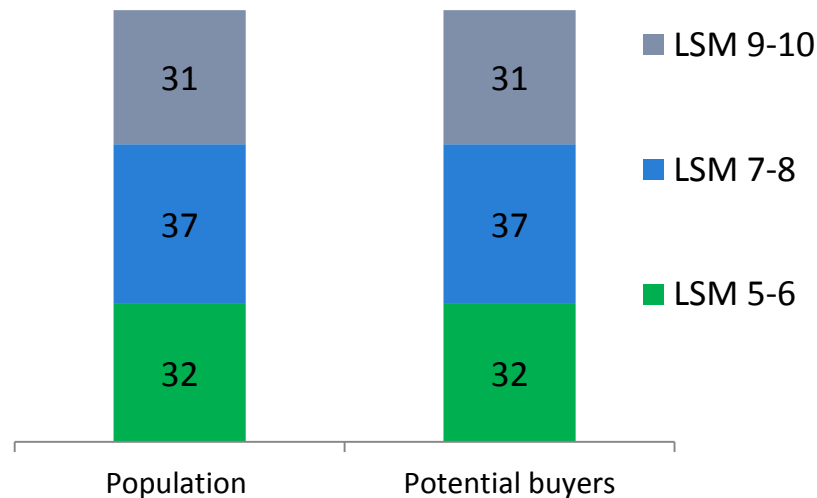


Potential Users

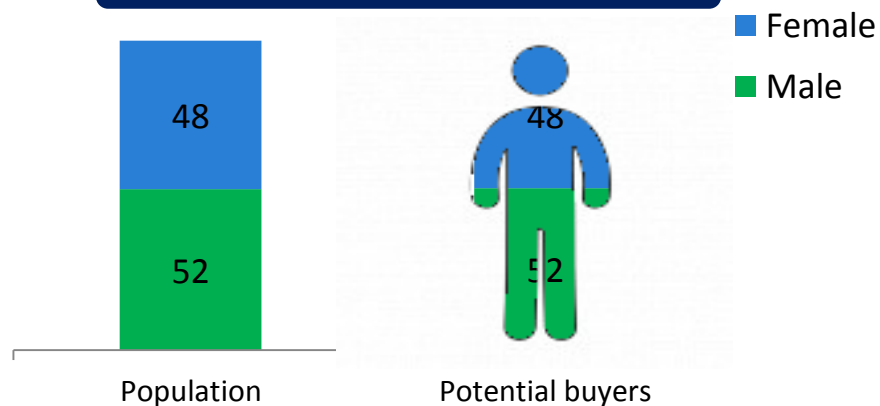
Age



LSM



Gender

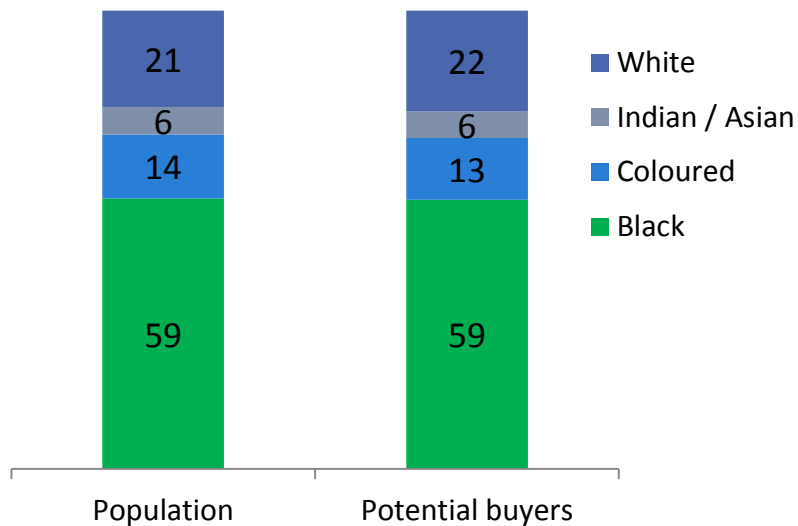


This user group closely resembles the population profile, indicating that the potential users come from all walks of life.

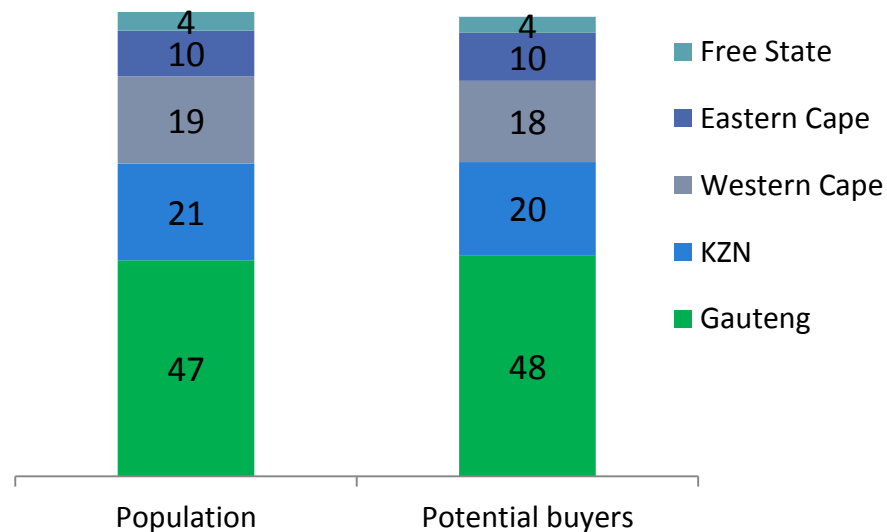


Potential Users

Gender



Region





Consumer profiles: Potential users

Potential users

Who am I?

Mainly Black individuals
With almost 50% falling into LSM 6 and LSM 7

Mainly aged between 18 -44
Almost 50% of these users reside in Gauteng

What are my interests and hobbies?

20% of these users enjoy reading.
Other hobbies include watching TV, playing soccer or football and listening to music

Opportunities:

Even though this group is not currently using Fairtrade products they do feel a sense of social responsibility and would be open to try the products. Increase awareness and education of both the logo and Fairtrade proposition to ignite interest. Ensure that logo's are clearly visible on pack to entice trial and easily available in modern trade outlets to ensure inclusion in consideration set. This group should be the focus in terms of encouraging trail.

Media usage habits

How do I use of the internet?



Daily internet browsing, Almost 50% use Google and 21% also use Facebook.

Although they like listening to music they do not use Youtube for this

Social media

More than 30% use Facebook and Whatsapp for social media

facebook

TV & Radio

Most watched TV channels are SABC 1, 2 and 3 and eTV. 12% also watch international soccer games on Supersport 3
Almost 30% listen to Metro FM



Print Media

Almost 30% read the Daily Sun. 14% also read local community newspapers

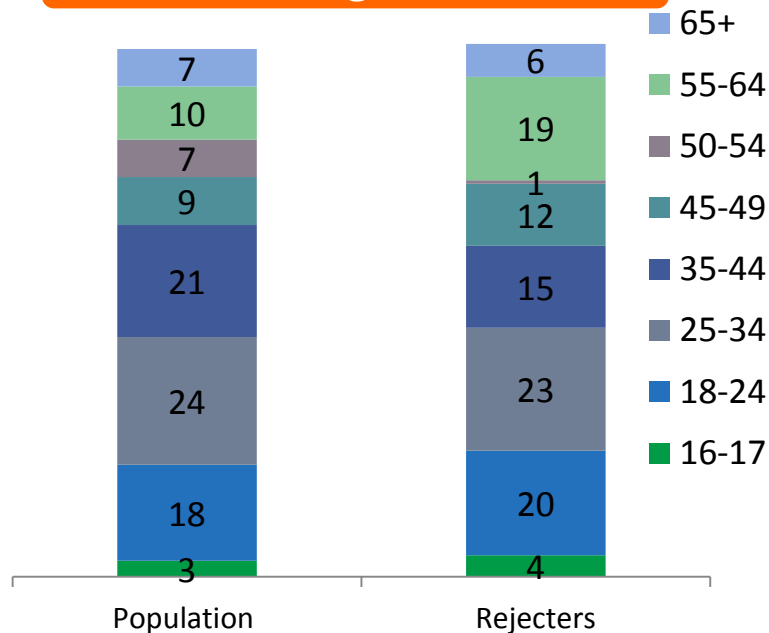


Huisgenoot, Drum, Bona and You are the most popular magazines with more than 10% readership

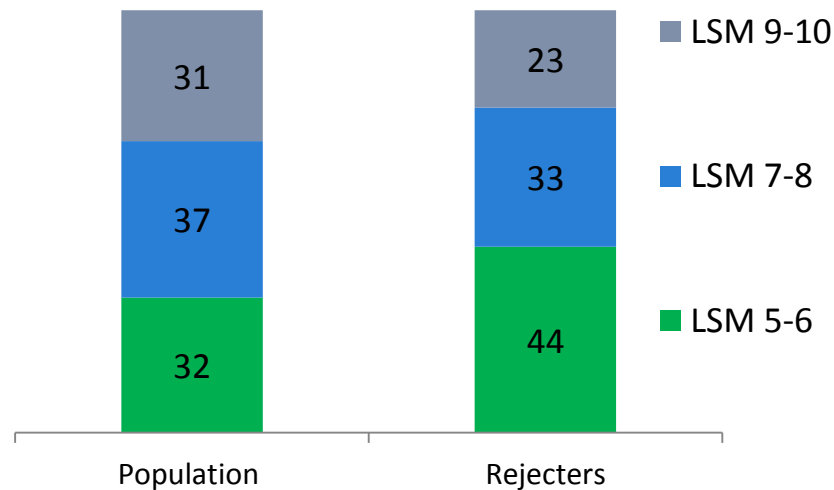


Rejecters

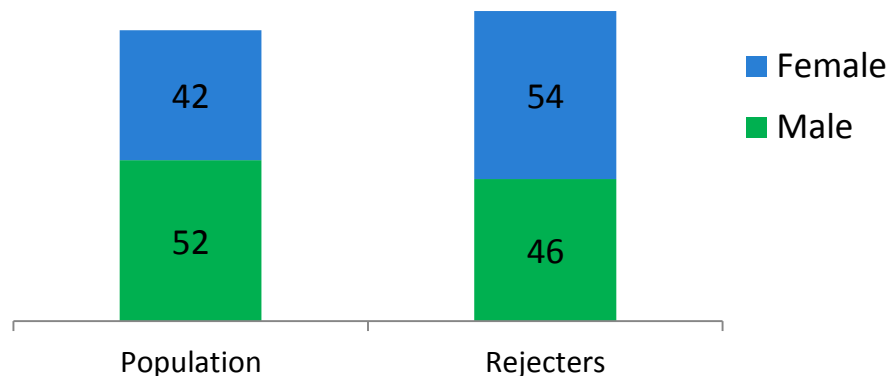
Age



LSM



Gender

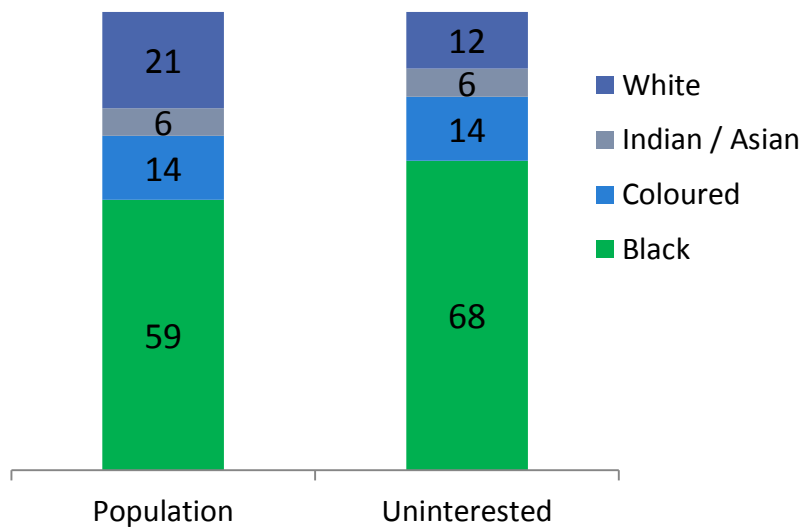


Rejecters are skewed towards the more mature age groups of 45-64 and females within the lower LSM 5-6 Households.

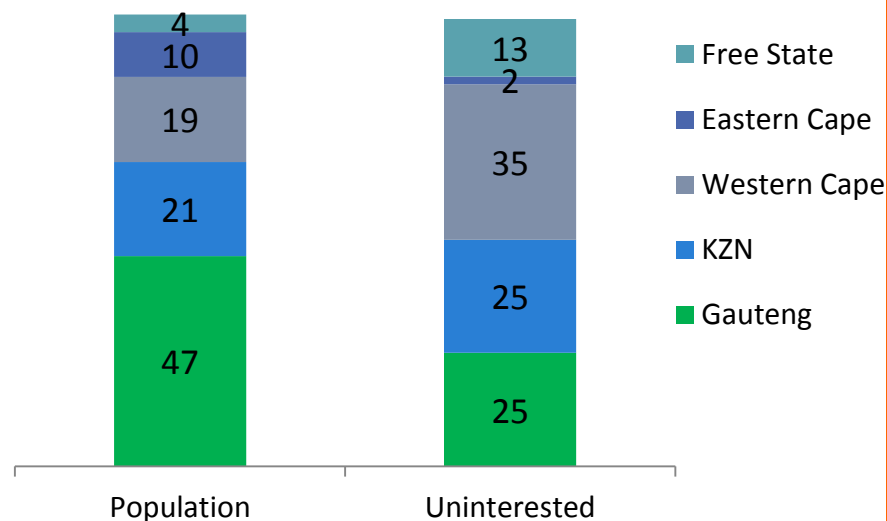


Rejecters

Race



Region



Rejecters are skewed towards the black population group residing in Free State and Eastern Cape



Consumer profiles: Rejecters

Rejecters

Who am I?

Almost 70% are Black individuals
With more than 35% of them falling into LSM 6
Mainly aged between 18 -34
Almost 50% of these users reside in Gauteng

What are my interests and hobbies?

Almost 20% of these users enjoy reading.
They also like watching TV and playing Soccer / Football

Opportunities.

This group is generally very skeptical towards ethical endorsements in general. They do not have a lot of disposable income and feel that these products would not be value for money. They are generally also not willing to pay more for quality or healthy products and rarely read product labels. The effort and investment required to convert these would not justify the return. At this stage we would not recommend focusing on this group.

Media usage habits

How do I use of the internet?



Daily internet browsing, Almost 50% use Google and 25% also use Gumtree.

17% of users also like using the internet for facebook

Social media

More than 80% use Facebook and Whatsapp for social media. Almost 50% also use Google +



TV & Radio

Most watched TV channels are SABC 1, 2 and 3 and eTV.
12% also watch Cricket and Motorsport on Supersport 2

Almost 20% listen to Lesedi FM and Umhlobo Wenene FM

Print Media

More than 20% read local community newspapers and 16% read the Daily Sun.



Drum is their favorite magazine with more than 30% of users reading this magazine. They also read Bona magazine

The image is a composite of two photographs. The top photograph shows a rugged mountain range with sharp peaks under a cloudy sky. The bottom photograph shows a winding asphalt road cutting through a vast field of bright yellow flowers, likely rapeseed. A line of tall, dark trees stands on the right side of the road, and a small car is visible in the distance on the road. A dark blue horizontal band is superimposed over the middle of the image, containing the text "Fairtrade Tourism" in white.

Fairtrade Tourism



Fairtrade tourism

Summary

Going on holiday is an extravagance which few South Africans can afford.

As it is a significant expense, **money considerations** is a big influencer in holiday destinations.

Fairtrade practices and community upliftment comes as a nice extra but is **not seen as a necessity** when choosing a destination.



Fairtrade tourism is **unknown** among the South African population.

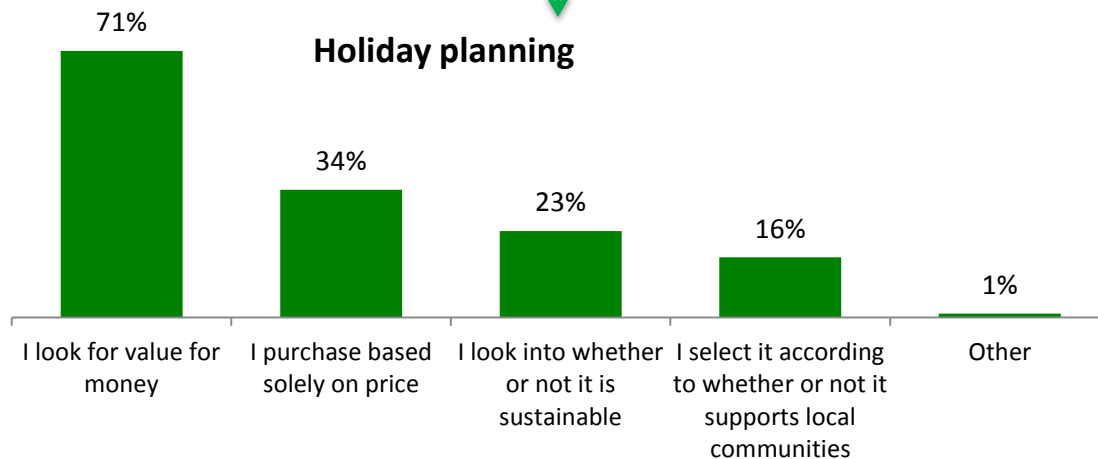
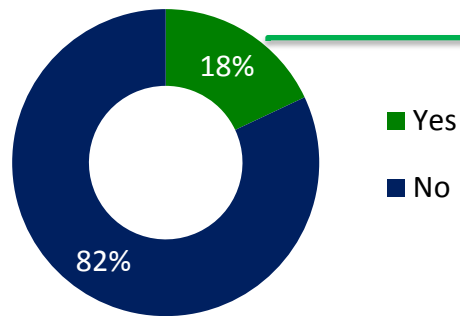
Once introduced to the concept South Africans associated it with **environmentally friendly** and fun holidays thus missing or disinterested in the community upliftment message.



General holiday trends

Money considerations is a big influencer in holiday destination considerations. Fairtrade and community upliftment comes as a nice extra but is not seen as a necessity when choosing a destination.

Took a holiday in the past year



When choosing a destination

Engages in fair and responsible tourism which includes fair working conditions and fair wages for their employees



39%



61%

Benefits local communities and economies



48%



52%

Base: n=1507

Ref: Q33 Have you gone on a holiday in the past year?, Q34 When planning your holiday, which of these statements applies to you? (Base : Those respondents who have gone on a holiday in the past year n=290) Q35 When selecting a holiday, do you look into whether or not your destination, place of stay and way of travelling etc.

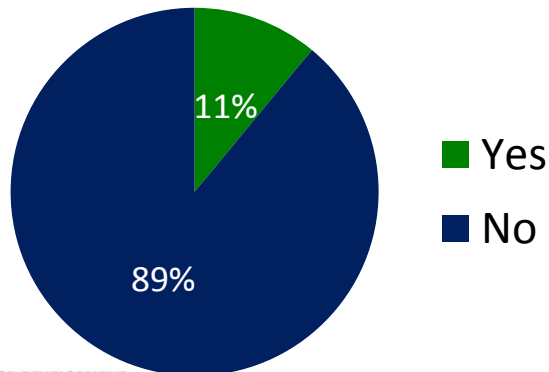


“Fairtrade tourism” defined

Fairtrade tourism refers to the fact that travellers are assured that their holiday benefits local communities and economies, and that the business is operated ethically and in a socially and environmentally responsible manner, but they will also have a more fulfilling holiday experience.

This includes fair wages & working conditions, fair purchasing and operations, equitable distribution of benefits and respect for human rights, culture and the environment.

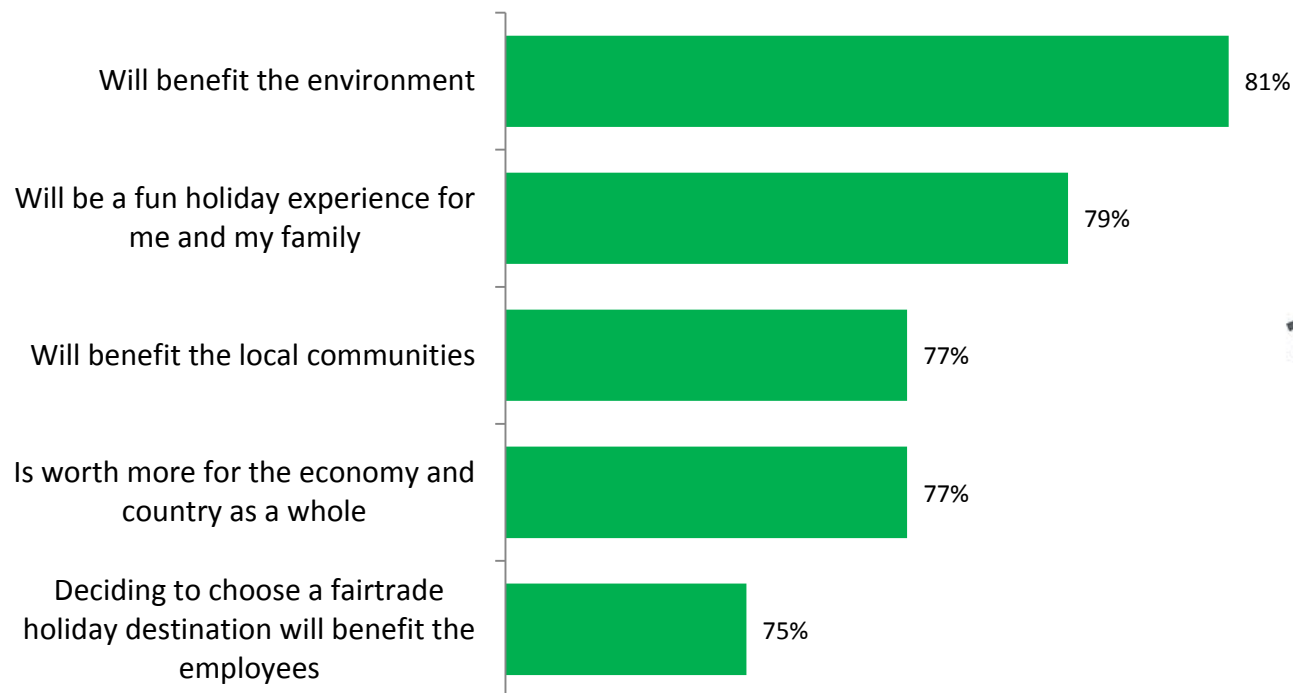
Fairtrade Tourism awareness



Associations with Fairtrade tourism

Top two box scores: Strongly agree & agree

Fairtrade tourism is generally unknown and is mainly associated after exposure to the concept to environmental sustainability.



Base: n=1507

Ref: Q36 I am going to read out a list of statements about Fairtrade tourism in South Africa. For each statement I read out please tell me on a scale from 1 to 5, one being strongly disagree and 5 is strongly agree, the extent in which you agree or disagree.



Handicraft & Small Scale Farming



Handicraft & small scale Farming

Summary

Handicraft purchase penetration is low amongst the general South African population.

Even though South Africans would purchase these from local communities the driver is likely to be more price as opposed to a conscious contribution to sustainability

South Africans feel that small scale farmers are more likely to compete in the vegetable and fruit produce farming industry. In this regard they would like to see more retailer support of small scale farmers and shown an interest in being educated on the small scale farming products currently available.

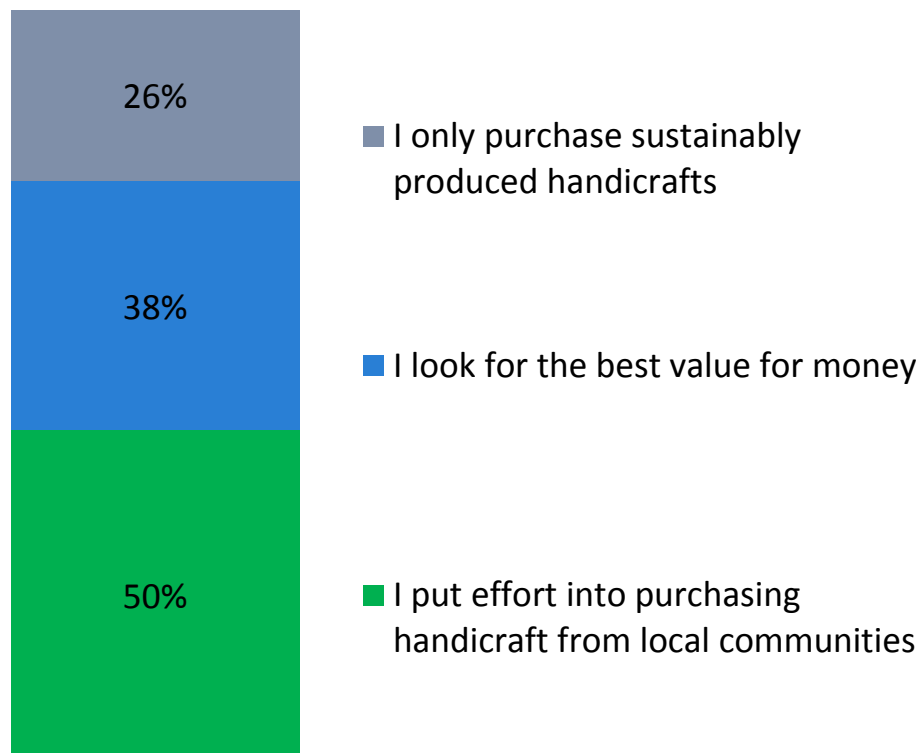
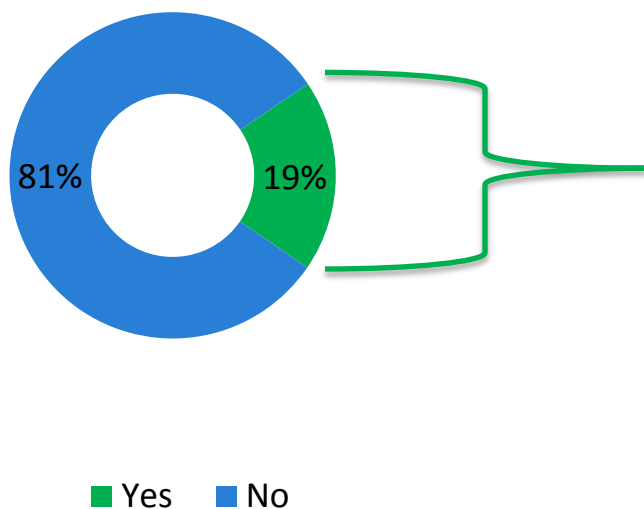




Community handicraft

Handicraft purchasing is low and not necessarily driven by sustaining the community.

Purchased in the past year





Small scale farmers

Small-scale farming and farmers defined :

Family operations with small plots of land and that do not employ external labour beyond their household. Small-scale farmers usually join cooperatives so that they can access the wider economy.

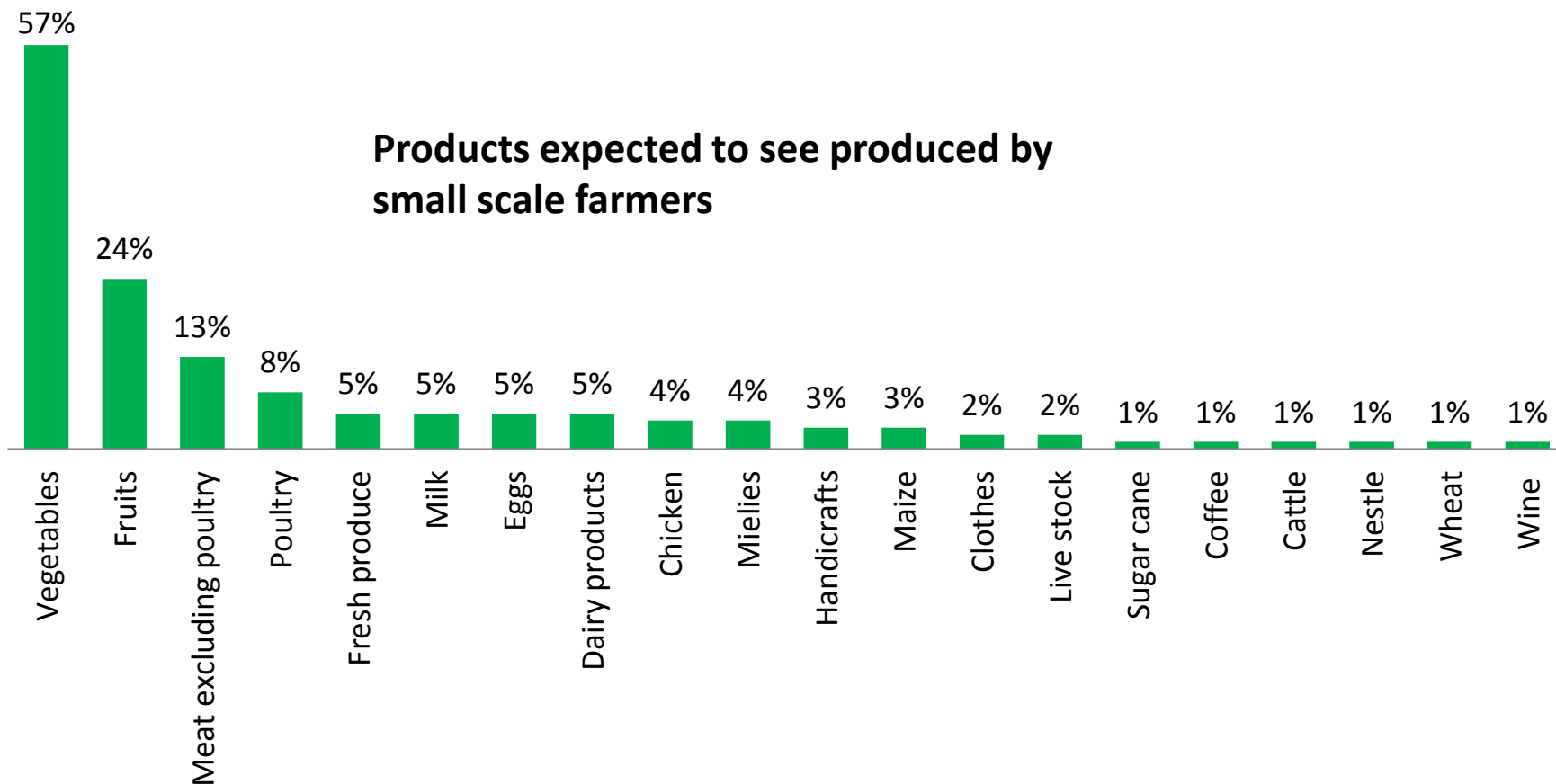




Small scale products

Small scale farmers are believed to be more able to play in the vegetable and fruit produce farming sector.

Products expected to see produced by small scale farmers





Small scale products

Top two box scores: Strongly agree & agree

South Africans indicated that they would like to see more retailer support of small scale farmers and shown an interest in being educated on the small scale farming products available.



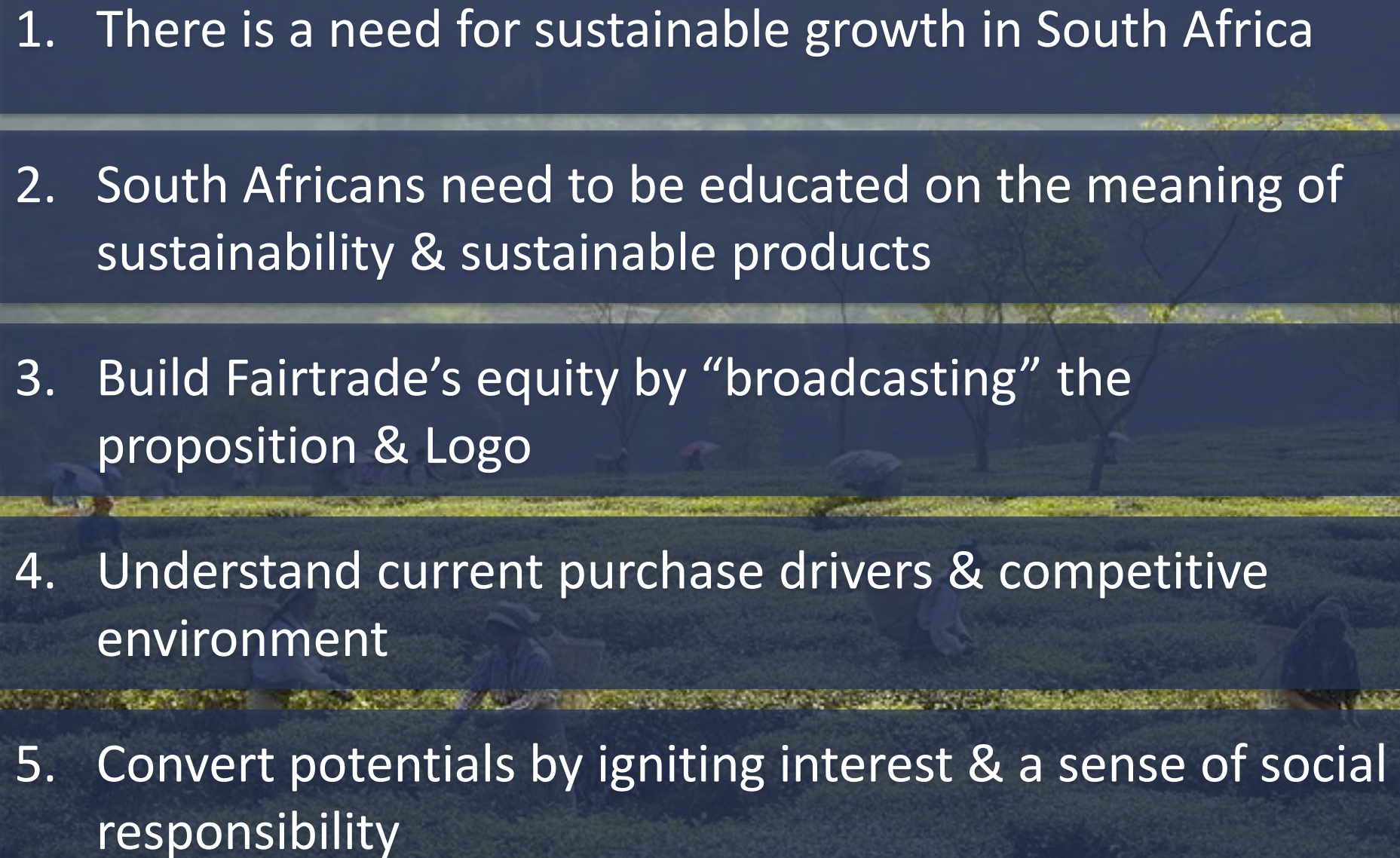
Base: n=1507 Ref: Q38a: Which kinds of products, if any, would you expect to see produced by small-scale farming communities?

Base: n= 1507 Ref: Q38b:Rate in which agree or disagree on the statements regarding small scale farmers



In Conclusion



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- A background image of a tea plantation with rows of green tea bushes in the foreground and several workers in the middle ground. Some workers are wearing hats and holding baskets, likely harvesting tea leaves. The background is slightly blurred, showing more trees and a hazy sky.
1. There is a need for sustainable growth in South Africa
 2. South Africans need to be educated on the meaning of sustainability & sustainable products
 3. Build Fairtrade's equity by "broadcasting" the proposition & Logo
 4. Understand current purchase drivers & competitive environment
 5. Convert potentials by igniting interest & a sense of social responsibility

Thank you



BTC TRADE FOR DEVELOPMENT

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