

# Public *Affairs*

Mobilising action for Fair Trade Public Procurement



## Fair Trade awareness, availability and purchasing in Belgium

Oxfam-Wereldwinkels  
Research/Report: Lynn Geerinck



## Contents Table

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### **1. Objectives and methodology**

- a. Aim and background of the research
- b. Methodology
  - i. Research method and sample
- c. Structure

### **2. Results**

- a. Fair Trade
  - i. Awareness and reputation
    - 1. Concept
    - 2. Image
    - 3. Labels, organizations and benchmarks
    - 4. Products
    - 5. Distribution canals
  - ii. Purchasing behavior
    - 1. Products
    - 2. Reasons (not) to buy Fair Trade products
    - 3. Frequency
    - 4. Profile of the Fair Trade buyers
    - 5. Location of purchase
  - iii. Satisfaction

### **3. Fair Trade Town**

### **4. Conclusion** - Summary of the main findings and recommendations

## Objectives and methodology

### 1. Aim and background of the research

In the framework of the Public *Affairs* project, Oxfam-Wereldwinkels ('Oxfam-Wereldwinkels', further: OWW) has accepted the assignment to execute a research about the Fair Trade awareness and about the number of points of sale where Fair Trade products are accessible.

#### The mission<sup>1</sup> of OWW:

OWW is a democratic volunteer movement that strives for fair world trade and thus fights for everyone's right to a dignified existence. OWW is the main Fair Trade organization in Belgium.

- Through campaigns and activities, OWW raises public awareness about unfair trade.
- The organization urges governments and companies to do something about this injustice.
- By selling Fair Trade products the organization offers consumers a concrete alternative. The world shops sell food and handicrafts

This is facilitated by:

- A network of producers in the South
- A network of world shops and volunteers in Flanders
- Oxfam Fairtrade: a Fair Trade food products wholesaler
- National and international collaboration

#### Aim of the research

The aim of this research is to discover in detail the number of commercial places where Fair Trade products are accessible. And, resulting from that, we also gain insight in:

- The reputation of Fair Trade;
- Which organizations, benchmarks and products are associated with it;
- Which products are sold;
- Where these products are sold;
- The reasons why Fair Trade products are sold and why not;
- The profile of Fair Trade consumers.

A similar research has been done by BTC, the Belgian Technical Cooperation (BTC-CTB) in 2007, 2008 and 2009. Results can thus be compared over the years. Max Havelaar conducted research into the reputation of Fair Trade in 2008 and 2009.

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<sup>1</sup> Source: [www.oxfamwereldwinkels.be](http://www.oxfamwereldwinkels.be)

## **2. Methodology**

### Research method and sample

Several relevant Fair Trade organizations delivered important information in the light of this research. The questionnaire was not done on a structural basis. We made inquiries with relevant organizations and made a summary arises of existing research with regard to the topic of this.

## **3. Structure**

Many organizations in Belgium are conducting research to examine the reputation and awareness of Fair Trade products. The aim of this research is to bring this expertise together in order to get a total impression of the distribution of Fair Trade products. In this research we highlight some studies and data of Max Havelaar, the Trade for Development Centre, Fair Trade Towns (FTT) and Oxfam Fairtrade.

### Max Havelaar

Fairtrade Max Havelaar is an independent label for Fair Trade. This label is found only on products that comply with the international criteria for Fair Trade as specified by Fairtrade Labelling Organisations International (FLO). FLO standards group a number of economic, social and ecological criteria.

The Fairtrade Max Havelaar label offers the consumers important guarantees on the conditions under which products have been produced. The label proves that the farmers in the South receive a correct price for their crop and that the farm labourers work under good social circumstances. The production methods are environmentally friendly. To offer these guarantees, Max Havelaar makes sure that the whole supply chain of a product (from the farmer to the shop) is strictly controlled.

Within these chains, farmers, entrepreneurs and consumers all play their own role. Together they create opportunities for sustainable development in the South. Today, over 1,4 million farmer families are involved in this Fair Trade system.

(Source: [www.maxhavelaar.be](http://www.maxhavelaar.be))

### Trade for Development Centre

For more than fifty years, Fair Trade has been working primarily with the most disadvantaged populations of Southern countries, buying their products under conditions allowing for an economic, social and environmental development. It contributes to the movement of corporate social responsibility and to consumers' awareness.

To support this kind of trade, the Belgium Technical Cooperation created a program of Fair Trade generic promotion called « Fair Trade Centre » (FTC).

This centre had three main missions:

- Organize a Fair Trade Week every year

- Support producers organizations
- Establish a Fair Trade observatory in charge of carrying out studies and surveys

The growth of Fair Trade and Sustainable Trade and the rise of the concept “Aid for Trade” have led to the broadening of the Fair Trade Centre’s mission.

On the one hand, the evolution in thinking about aid, trade and development resulted in an Aid for Trade-strategy, approved by the Belgian Development Cooperation in 2008. On the other hand, the fast growth of Fair Trade and the further development of sustainable trade initiatives such as Rainforest Alliance, FSC (certification of sustainable forestry) potentially have a positive impact on the living conditions of producers and their communities.

The enlargement of the mission of the Fair Trade Centre is symbolized in the name change to Trade for Development Centre.

The Trade for Development Centre seeks to:

- Increase professionalism of smallholders in developing countries as well as improve their access to markets
- Disseminate information and increase people’s awareness of the various forms of Fair and Sustainable Trade and Aid for Trade
- Set up platform for exchange on issues of Aid for Trade, Fair Trade and Sustainable Trade

(Source: [www.befair.be](http://www.befair.be))

### Fair Trade Towns

Fair Trade Towns (FTT) wants to contribute to the dignified existence of smallholders in the South and sustainable producers in the North in a very concrete way. By means of 6 criteria, FTT anticipates to the question of and the offer of fair and sustainable products. This way we make people in whole Flanders aware of the story behind Fair Trade and local sustainable agriculture. Fair Trade Towns wants to contribute to a fair and sustainable consumption.

FTT is a campaign of four organizations. At the end of 2004, Max Havelaar, Oxfam-Wereldwinkels and Vredeseilanden launched the campaign FTT under the slogan ‘Ik ben verkocht’ (I am sold). Later, the umbrella organization of the Flemish North-South organizations 11.11.11, also entered the campaign. Through this campaign the four member organizations want to contribute to a behavioral change of various actors.

(Source: [www.fairtradegemeenten.be](http://www.fairtradegemeenten.be))

### Oxfam-Wereldwinkels / Oxfam Fairtrade

Oxfam Fairtrade (OFT) is a wholesaler in Fair Trade food products. The non-profit organization Oxfam-Wereldwinkels is the majority shareholder in the cooperative organization Oxfam Fairtrade. OFT purchases food products from producer groups in developing countries at Fair Trade conditions and sells these products through various distribution channels, such as world shops and supermarkets.

Next to advocacy and campaigning supporting the local world shops and the volunteers' movement is the task of Oxfam-Wereldwinkels. The distribution of Fair Trade food products is the task of Oxfam Fairtrade. Oxfam Fairtrade only sells products by producer organizations that are accepted and followed up by Oxfam-Wereldwinkels and / or are carrying the Fairtrade label.

(Source: [www.oxfamwereldwinkels.be](http://www.oxfamwereldwinkels.be), [www.oft.be](http://www.oft.be),

<http://www.oxfammagasinsdumonde.be/>)

# Results

## **Fair Trade**

### Awareness and reputation

Considering the reputation of the concept 'Fair Trade', BTC examined what Belgian citizens and consumers see as 'Fair Trade', whether they know the meaning of the concept, which brands, labels, organizations and products are linked to Fair Trade and whether they know where they can buy the Fair Trade products. Also Max Havelaar conducts its annual study of the reputation of Fair Trade. They work with two research organizations: GFK and TNS Dimarso. GFK uses for their research the shop bills of thousands of families. TNS Dimarso makes use of a inquiry with a selected audience via e-mail.

#### 1. Concept

Since 2001, Max Havelaar executes an annual research in cooperation with TNS Dimarso. The main goal of this study is to follow up the reputation of Fair Trade products. The results of 2009 learned that Fair Trade is mainly associated with fair prices (58%). More than one respondent indicates the direct trade as a characteristic of Fair Trade, 1% wrongly links Fair Trade to quality. The awareness of Fair Trade grows to 72% this year, thus the TNS Dimarso study of Max Havelaar.

BTC discovered that 86% of the Belgian citizens (from the age of 15) in 2009 already heard of the concept 'Fair Trade'. Compared to the same research in the years before (2007 and 2008), the product familiarity has not grown. The main noticeable element is that the citizens of Brussels are more acquainted with the concept. Over 95% of the population of Brussels heard about Fair Trade. This figure marks an increase, compared to 2008 (from 91% to 95%).

Despite these high numbers, only one out of ten people gave a correct description of the concept (BTC, 2009). 45% of the interviewees gave a vague description and one out of four gave a description that was not correct.

BTC also took into account the age of the interviewees. Compared to the total Belgian population, Belgian citizens of 55 or older are most familiar with the concept Fair Trade. The Max Havelaar study discovered that knowing Fairtrade Max Havelaar also increases with age and social class.

#### 2. Image

BTC found out that in general, 89% of the Belgians that are familiar with 'Fair Trade' have a positive attitude towards it. This is not new; in the previous years BTC found the same result. Furthermore, there are no significant differences in the marked positive image of Fair Trade with respect to age, sex, region, social class and living region.

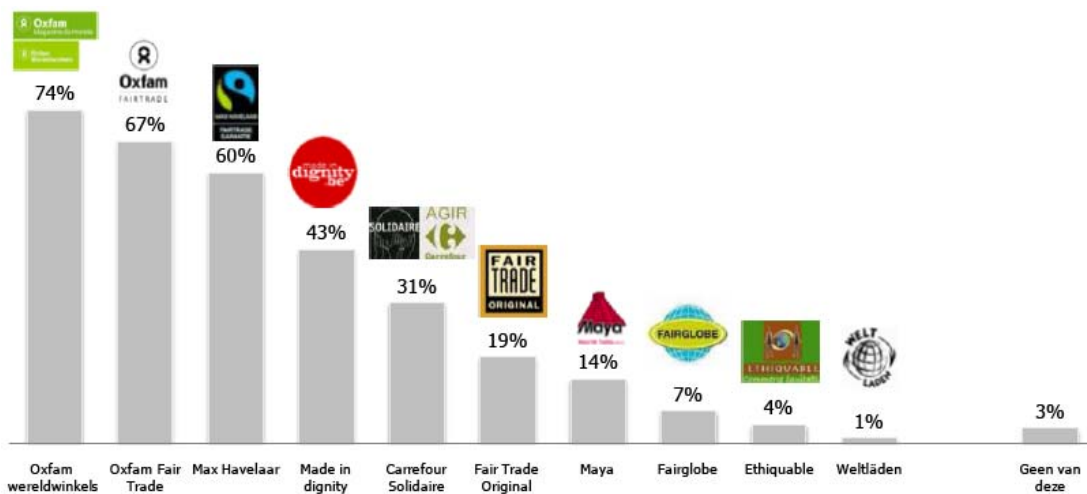
#### 3. Labels, organizations and brands

The question 'Can you name labels, organizations or brands that are linked to Fair Trade', was answered by more than half of the interviewees (53%) spontaneously with 'Oxfam-Wereldwinkels' or 'Oxfam Fairtrade', according to the BTC study. Compared to the years before, this is a serious gain for OWW (from 64% in 2008 to 74% in 2009). The study of Max Havelaar denies this,

as the researchers found out that despite the fact that Oxfam-Wereldwinkels is seen as the most known organization, it is less famous than in 2008.

'Max Havelaar' ranks third among the respondents who know 'Fair Trade' in the BTC-study. In total, 29% of the Belgian consumers link Max Havelaar to Fair Trade. This is a loss for Max Havelaar (from 67% in 2008 to 60% in 2009). Next to Max Havelaar and Oxfam (both Wereldwinkels and Fairtrade) hardly any other organization, brand or label is mentioned by the interviewees.

BTC also showed their interviewees some logos of different brands, labels and organizations. 'Made in dignity' and 'Carrefour Solidair' ranked fourth and fifth.



Although the fact that OWW rings a bell with most interviewees, it also loses a lot of product familiarity. The reason is the rising number of market players, compared to some years ago. Brands, like Carrefour Solidair, are coming up spectacularly.

The TNS Dimarso study of Max Havelaar discovered that of those interviewees that claimed to know a label, 49% spontaneously mentioned Max Havelaar. The name and the logo become more popular. Less than 5% mentioned only Fairtrade, Max Havelaar products or Fairtrade Max Havelaar. 63% of those who know the logo or the name of Max Havelaar, consider it to be a label. Almost three out of four people who know Max Havelaar are aware that the label offers economic guarantees. The reputation of the social aspect (20%) has been doubled compared to 2008 (10%). 11% of those who know Max Havelaar think that Max Havelaar guarantees a higher price. The ecological characteristics of the Fairtrade label, mentioned by only 6%, are less known.

#### 4. Products

Max Havelaar has 80 Belgian licensees and 60 foreign licensees in their system, with more than 1200 certified products.

Next to Fairtrade Max Havelaar other products are bought and sold under Fair Trade conditions set by Fair Trade organizations such as e.g. Oxfam-Wereldwinkels and Magasins du Monde-Oxfam.

## 5. Distribution channels

Where to buy Fair Trade products? The vast majority knows that these products are for sale in the Oxfam world shops.

Oxfam Fairtrade delivers its more than 209 registered products to at least 217 world shops, spread over Flanders. Oxfam-Wereldwinkels has over 7500 volunteers who run the shops. Furthermore, Oxfam-Wereldwinkels has five “wholesale centers” (*grootverbruikcentrales*), one per province, supplying specific customers such as restaurants, communities, schools, associations, companies or governmental departments. This implies that OFT does not have an exact overview over all its end consumers.

To serve all the end consumers in a client-friendly way, OFT has different distribution channels at its disposal – mainly organized on the basis of their geographical reach:

- Local large-scale: the world shops
- Provincial large-scale: the five centers, one per province
- National large-scale: Oxfam Fairtrade

Nowadays more and more OFT products are available in the large retailers. For instance: in Spar, Delhaize, Match, Carrefour, GB, Alvo, Bioplanet and Colruyt one can find many OFT products. Among smaller retailers, OFT is growing too. More and more independent traders (like organic and nature shops) made the decision to include Fair Trade products in their assortment. In some cases they are united in buying groups.

The supermarkets, such as Delhaize, GB, Match... are also known to 50% of the interviewees as places where Fair Trade products are available, according to the BTC study. Less known is that Fair Trade products can be bought in hypermarkets (Carrefour, Makro...) or hard discounters (Colruyt, Aldi, Lidl...).

Oxfam Fairtrade participates in a lot of fairs. This was, for example, their program for 2010 and what still is on the program:

Foire du Commerce équitable – Lille	Spar Retail – Leuven
Your Choice – Brussels	Winwin-bourse – Ghent
Valériane – Namur	Zoetwarenbeurs – Keulen
Bourse for the world shopkeeper – Ghent	Biofach Nürnberg
Bourse for collectivities – Ghent	Travel Market Bruges
Sial – Paris	Horecatel Marche-en-Famenne
Megavino – Brussels	Biovak Zwolle
Catering Expo – Ghent	

BTC marks also some significant differences:

- More Flemish people know the Oxfam world shops, most likely because there are a lot more of these shops in Flanders.
- Belgians from higher social classes are better informed about the fact that Fair Trade products are available in supermarkets, hard discounters and bio shops.
- Remarkable is the fact that young people more often think that Fair Trade products are accessible with detail traders (grocer etc.).

### Purchasing behavior

In the previous part of this report the focus was on the reputation of the Fair Trade concept and the various labels, organizations and brands. Now we will zoom in on the purchases of Fair Trade products. The following topics are discussed: which products does one buy, why does one buy Fair Trade products (or not), does one consider oneself as a loyal consumer of Fair Trade products, how often and where does one buy Fair Trade products?

#### 1. Products

Three quarters (74%) of the Belgians familiar with Fair Trade, claim to know some Fair Trade products as well, thus BTC. Compared to the total of all Belgian consumers, this means 63%. BTC also discovered that the best known Fair Trade product is coffee. Coffee is followed by fresh products, and then by chocolate. These findings are similar to those of the years before. Next to the indicated top three, the familiarity of the products falls back to an average 10%, for products such as wine, textile, other food, tea, honey and juices.

BTC confirms that six out of ten people who know Fair Trade also bought one or more products during the past year. Those above 55 buy more Fair Trade products (69%). Products that are more known, sell better. Coffee is therefore the product that people buy most often.



Concerning the Max Havelaar study of TNS Dimarso (2009), bananas are very important within Fair Trade: this product category has the highest market penetration, volume and value and is bought most often. Sugar on the other hand, attracts many Belgians but ranks third in value. Coffee has a stronger position. Chocolate is bought the least.

There is a potential to increase the volume per buying household by focusing on cross-selling within Fair Trade products as Fair Trade banana buyers and Fair Trade coffee buyers are in many cases unique buyers.



## 2. Reasons (not) to buy Fair Trade products

BTC also examined why people buy or do not buy Fair Trade products. More than four out of ten people bought these products because of the 'good cause'. The quality is reason number two, 'respect for the producers' ranks third and curiosity for these products is the fourth reason. Belgians do not buy the products because 'they do not think about it' (39%), because 'they find these products too expensive' (26%), 'they do not find the products in the shops they usually visit' (13%), or 'they rely more on familiar products' (10%), thus the BTC study.

The TNS Dimarso study for Max Havelaar on the other hand discovered that the accessibility of the products (25%) is the main reason not to buy Fair Trade products. The price (23%) is the second reason. This is especially important for young people (25-34 years old).

## 3. Frequency

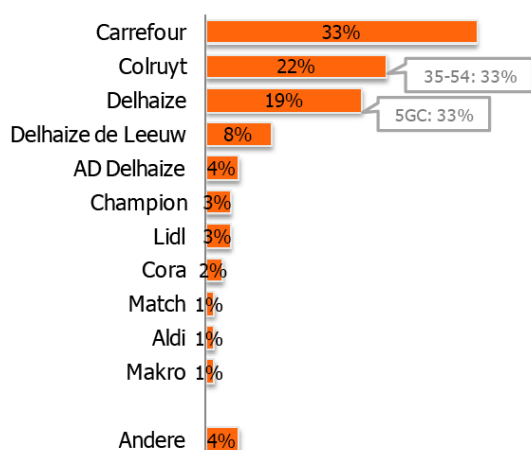
Most of the Belgian consumers do not habitually buy Fair Trade products, but do this sporadically. BTC also recognizes that the Belgian consumer of Fair Trade products reported four purchases of these products during the past three months. One out of three even bought five or more products.

## 4. Profile of the Fair Trade buyer

The Max Havelaar study (2009) found that the older households are still responsible for the success of Fair Trade. Middle-aged singles and households with youngest kid 6-12y became more important in 2009, when compared to 2009. Dutch-speaking Belgians are more familiar with the name Max Havelaar than the French-speaking.

## 5. Location of purchase

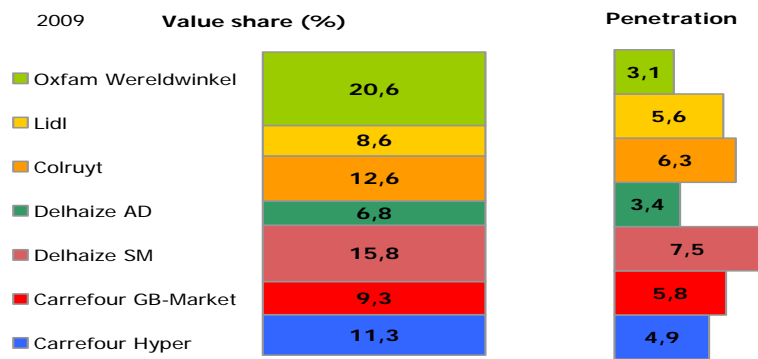
The supermarket seems to be the place to be for Fair Trade products, as more than half of the Fair Trade-buyers (52%) bought their products here – especially the Walloons and citizens of Brussels.



The same people state that they easily find the right products in the shelves (54%). Paradoxically, 33% of that same supermarket-buying group does not find the products easily.

The second place where people in the BTC study bought their Fair Trade products, is a shop specialized in this kind of products (eg. Oxfam-Wereldwinkels).

The Max Havelaar study of TNS Dimarso (2009) shows that even though Oxfam shows the lowest penetration, it has the largest value share. The Delhaize supermarket on the other hand has the highest number of buying households and ranks second.



The group of consumers buying Fair Trade products has increased for GB/Carrefour with about 16%; for Delhaize with 32%, voor Colruyt with 38% and for Lidl with 70%. Although not many Lidl clients buy these products, the difference with other supermarkets has decreased compared to the year before, according to the Max Havelaar study.

### Satisfaction

Almost every person who bought at least one Fair Trade product during the year of the BTC-investigation (2009) was satisfied (98%). 50% was even very satisfied.

Max Havelaar discovered that Fair Trade products keep attracting more Belgians. In 2007, there were 1.112.000 buying households, in 2008 1.249.000 (+137.000) and in 2009, there were 1.457.000 (+207.000). 73% remained the same as in the first investigation.

## Fair Trade Town

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The campaign Fair Trade Town is booming and important for Fair Trade business.



There are 203 candidate-Fair Trade Towns in Flanders, on a total of 308 towns. Of these 203 candidate-FTT, 83 have received their title. The organization expects to give the 100<sup>th</sup> title during the Week of the Fair Trade (September – October 2010).

The figures per province as per July 2010 are:

Provincie	Actief	FTGtitel
Antwerpen	53	29
Limburg	31	13
Oost-Vlaanderen	35	11
Vlaams-Brabant	41	14
West-Vlaanderen	35	18
Brussel	8	2
Totaal	203	87

According to the TNS Dimarso study of Max Havelaar one out of three interviewed Flemish people know the campaign Fair Trade Town. Half of them see the offering of Fair Trade products by the towns to their employees as the main component of the campaign. A quarter mentions that these towns engage themselves for Fair Trade.

## Conclusion

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Despite the fact that many people recognize the term 'Fair Trade', only 10% manages to give a correct definition. If the researchers explain the definition for them, over 85% of the interviewees declare that they know the concept. Knowing the products does not mean that people buy them. There is no strong tradition of buying Fair Trade products; people buy the products more in a sporadic way.

Most of the interviewed people spontaneously mention the name of 'Oxfam-Wereldwinkels' or 'Oxfam Fairtrade'. These two organizations can therefore be seen as the pioneers of the Fair Trade movement and awareness in Belgium. We noted that most people come in contact with Fair Trade through the world shops. This goes hand in hand with the fact that the recognition in other shops (supermarkets, hard discounters, etc) is growing. We saw that especially Carrefour Solidair is becoming more and more known. Also schools and media stimulate the booming of Fair Trade. Many schools, associations, companies, restaurants etc. are buying Fair Trade products through Oxfam Fairtrade and the "wholesale centers".

49% of the people who know a label mention Max Havelaar as the most known label. 79% recognizes the name. This is a rise compared to the year before.

Almost everybody has a (very) positive attitude towards Fair Trade. Products that are mentioned spontaneously are coffee, followed by fresh products and chocolate. Older people in general buy Fair Trade a little more often.

We have learned that it is almost impossible to discover in how many places Fair Trade products are accessible. Max Havelaar has 140 licensees (80 in Belgium and 60 internationally) and they deliver their 1200 products in so many other shops, canteens, schools, local governments etc. We do not have a view on their commercial data. Also Oxfam Fairtrade, the pioneer of Fair Trade products in Flanders, does not have an exact overview of all the places its products go to. The success of the FTT-campaign makes it almost impossible to count the numerous places where volunteer groups succeed to launch Fair Trade products. For every town in particular, one can find an overview on their personal page on the FTT-website<sup>2</sup>:

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<sup>2</sup> <http://www.fairtradegemeenten.be>

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This research has been developed within the Public Affairs - Mobilising action for Fair Trade Public Procurement project, co-funded by the European Commission. The contents are the sole responsibility of Oxfam-Wereldwinkels and may under no circumstances be regarded as the position of the European Commission.