

# Brits lead in per-head spend on fair-trade products

From its humble beginnings in the 1950s, fair-trade has developed into a global movement. A new report by independent market analyst Datamonitor, 'The Next Step in The Ethical Consumer Revolution', reveals fair-trade sales across Europe, the US, Australia & New Zealand and Japan have experienced double digit growth since 2002.

"Ethical consumerism will increasingly come to the fore as people shop for products they feel akin to politically, ethically and aesthetically, says Nick Beevors, consumer market analyst at Datamonitor and the report's author.

"Consumers will choose brands that are actively making a difference in a transparent and trustworthy manner. This is reflected by the double-digit growth of 15.7% (between 2007-2012), which Datamonitor forecasts for fair-trade purchases over the next five years, in the 11 countries covered in the report."\*

## Brits' spend per head on fair-trade products outstrips that of the rest of Europe, the US, Australia & New Zealand and Japan

Worth £455.3m, the US has the largest fair-trade market of the regions covered.

In Europe, the UK remains the largest market for fair-trade products with a value of £395m (£6.50 per capita) in 2007, followed by France and Germany with a value of £152m (£2.50 per capita) and £99m (£1.20 per capita) respectively. By 2012, Datamonitor expects the UK market for fair-trade goods is to exceed £800 million.

Meanwhile with per capita expenditure at 50 pence and under, consumers in Italy, Spain, New Zealand and Japan spend the least on fair-trade goods.

Across all countries, Beverages account for the largest share of fair-trade product sales. In the UK for example, fair-trade coffee and tea have become hugely popular and are widely available in many supermarkets and coffee shops.

## Growing environmental concerns fuel growth

Environmental concerns represent the most important issue in ethical consumption today, helping to drive the growth of ethical markets such as fair-trade. Consumers are becoming more concerned with how their actions are affecting the world around them, even eclipsing general concerns about society, economic and animal cruelty issues.

Catastrophic natural disasters in the western world, such as hurricane Katrina in the US, drought in Australia and floods in the UK, are increasingly attributed to climatic change and as the threat becomes more 'real' to western consumers, the trend will become increasingly important. "Consumers are most concerned about climate change not just in an altruistic

way regarding the fate of nature, but as genuine concern for human life and importantly, their own quality of life,” says Beevors.

As ethical and environmental consciousness grows, so too will certain types of buying behaviour. This is reflected by the growth of key product segments, notably fair-trade and organic consumption. As more businesses adopt more ethically sound policies, transparency and trust will become an increasingly important currency as manufacturers attempt to cool a potential consumer backlash to 'greenwashing' in the search for clear, honest and effective environmental benefits.

Beevors concludes:

“Fair-trade products meet both social and environmental standards set by the group, creating a fair deal for producers and minimal environmental impact. Another important driver of fair-trade purchases is the perceived authenticity, detail and overall sense of provenance associated with such products. Consumers increasingly want to become engaged with issues such as origin and production details. Fair-trade labelling is something that gives them a degree of confidence over these issues.”

Table 1: Fair-trade overall product sales by country, 2007, (£m)			
	2007 (£m)	2007 per capita (£)	CAGR 02-07
France	152.4	2.5	30.1%
Germany	98.9	1.2	25.6%
Italy	29.0	0.5	16.1%
Netherlands	32.6	2.0	9.9%
Spain	1.9	>0.1	184.3%
Sweden	15.6	1.7	60.2%
<b>UK</b>	<b>395.3</b>	<b>6.5</b>	<b>44.0%</b>
US	455.3	1.5	15.9%
Australia & New Zealand	7.4	0.3	83.4%
Japan	3.7	>0.1	31.9%
Source: Datamonitor		DATAMONITOR	

Datamonitor's report *The Next Step in The Ethical Consumer Revolution*, offers a consumer insight driven understanding of ethical consumerism. It analyzes the ethical attitudes and behaviours of European, Asian and US consumers and ultimately offers actionable recommendations for industry players going forward.

*\*France, Germany, Italy, Netherlands, Spain, Sweden, UK, US, Australia & New Zealand, Japan.*

For more, visit: <https://www.bizcommunity.com>