

Assessing Public Support for Regulation for Fairer Trading Practices

June 2016 Report

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Project: 2891, GlobeScan®



Objectives & Methodology

- The key objective of the survey is to assess whether strengthening the UK's regulatory framework would be welcomed by the majority of UK consumers who want fairly traded, sustainable food and are at risk from the long-term impacts of unfair and unsustainable trade. This was achieved by looking at:
 - Awareness amongst consumers regarding the risks to the sustainability of food which is linked to low prices
 - Consumer desire for farmers to receive fair prices and willingness to pay more for their goods to ensure the sustainability and availability of their food for the future
 - Levels of concern about the conditions faced by those who produce food and how this would affect buying behaviour
 - Desire for government to do more to protect producers and ensure sustainability in food supply chains
- The research in the UK was conducted from 30th May 2016 to 6th June 2016 with 1,004 consumers via an online survey with an online consumer panel. Demographic quotas ensure that the sample is nationally representative as far as possible, with quotas applied to gender, age, region and education
- All figures in this report are given in percentages, unless otherwise stated. In charts, due to rounding of decimal places, displayed figures may not always add up to exactly 100%

Report Contents

Summary of key insights

Body of report

Consumer awareness of future food supply risks

Hypothesis tested:

- *There is low awareness amongst consumers of the risks to the sustainability of food which is linked to low prices*

Perceptions of government and business responsibility

Hypothesis tested:

- *Consumers want the government to do more to protect farmers and producers and ensure sustainability in food supply chains*

Consumer priorities and demand for action

Hypotheses tested:

- *Consumers want farmers to receive fair prices and are prepared to pay more for goods to ensure sustainability and availability of food for the future*
- *Consumers care about conditions faced by those who produce their food and this would affect buying behaviour*

Summary of Consumer Perceptions



Key Insights: Link between food sustainability and low prices

Hypothesis #1

There is low awareness amongst consumers of the risks to the sustainability of food which is linked to low prices

Conclusion

Consumers connect today's low prices with unsustainable food production but the link between these low prices and future food security is less clear

- Recognition of the risks of climate change and human rights violations to food supply chains is moderate, with just over half of consumers appreciating these issues (55% and 51% respectively)
- Nearly two-thirds (65%) believe that food produced in a responsible way is more expensive for consumers, indicating that consumers recognise a link between low prices and irresponsible food production today
- Looking forward, the link between current low prices and future availability of food is less clear to many – 43% of British consumers make this connection and the remaining majority either do not agree or are unsure

Key Insights: Consumer demand for government and business action

Hypothesis #2

Consumers want the government to do more to protect farmers and producers and ensure sustainability in food supply chains

Conclusion

British consumers strongly believe that both government and business can do more to ensure future food sustainability; government in particular is falling short of expectations

- Despite the uncertainty about the issue of future food sustainability, three quarters of consumers (74%) agree that we need to take steps to ensure food security for future generations
- Consumers believe that responsibility for future food sustainability is shared among companies, government and ethical labels. A very large majority believe that it is the responsibility of food companies (92%) to ensure food production is fair and sustainable while 85 per cent also believe government should take responsibility
- Perceptions of current contribution to food sustainability fall far short of these expectations; government in particular is not meeting consumer expectations as only 7 per cent think government is currently making a big contribution in this area

Key Insights: Willingness to pay more to ensure fair prices for producers

Hypothesis #3

Consumers want farmers to receive fair prices and are prepared to pay more for goods to ensure sustainability and availability of food for the future

Conclusion

Consumers recognise that farmers are currently underpaid and over half say they are willing to pay more for products produced ethically

- A majority of British consumers agree that both UK farmers and those in developing countries are underpaid for their produce (63% and 64% respectively)
- Over half are willing to pay more for products produced in a responsible and sustainable way; 58 per cent are prepared to pay more for food produced by people who are paid fairly and whose human rights are respected, while 53 per cent say they would pay more for food that does not damage the environment in the long term
- This support is higher among female consumers and younger consumers (aged 18-34). Women generally appreciate the issues and the need for change significantly more than their male counterparts
- Support for high prices is also higher among high-income households, but still over half (51%) of those in lower-income households are prepared to pay more

Key Insights: Concern about working conditions in food supply chain

Hypothesis #4

Consumers care about conditions faced by those who produce their food and this would affect buying behaviour

Conclusion

Consumers care about the conditions facing those who produce their food and believe that this should be a priority for the government

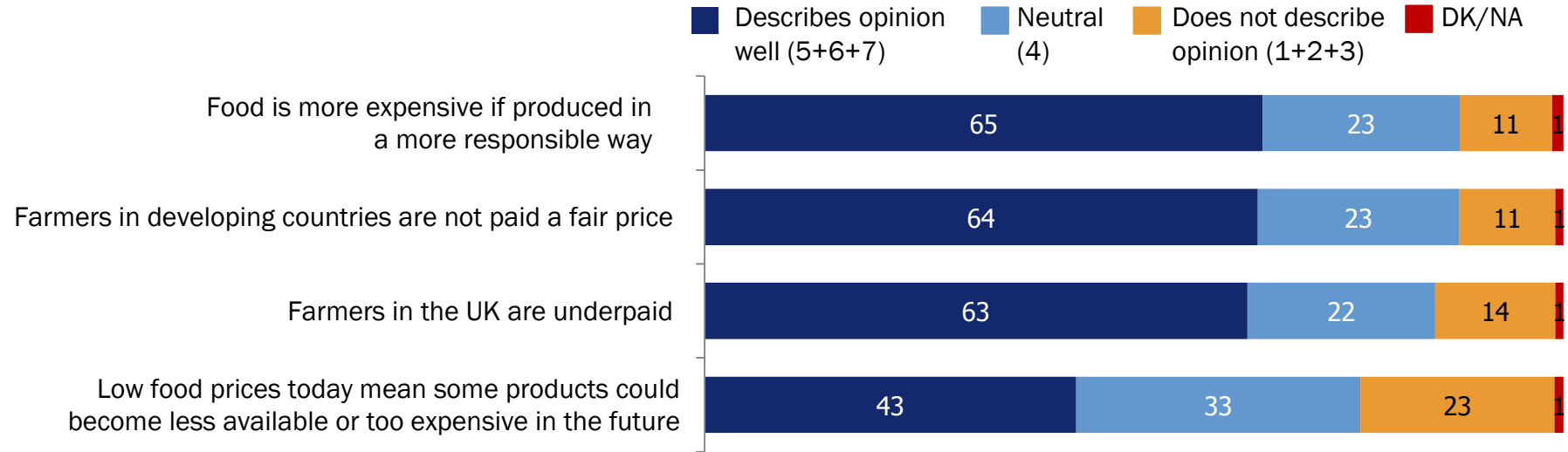
- When asked about the priorities of the government around food production, consumers believe that the avoidance of child and slave labour are the most important issues. These are followed by food safety and safe working conditions for producers, which are also considered to be key focus areas for government intervention
- Protections for farmers and workers are generally perceived to be more important priorities for government intervention compared to consumer protection on aspects like prices and ingredient disclosure
- Environmental protections, such as reducing the impacts of food waste and packaging for example, are less important to consumers

Consumer Awareness of Future Food Supply Risks



Consumers agree that farmers are underpaid but are not sure about the impact of low prices today on future food security

Perceptions of the pricing of products and payments for producers, UK, 2016



Demographics

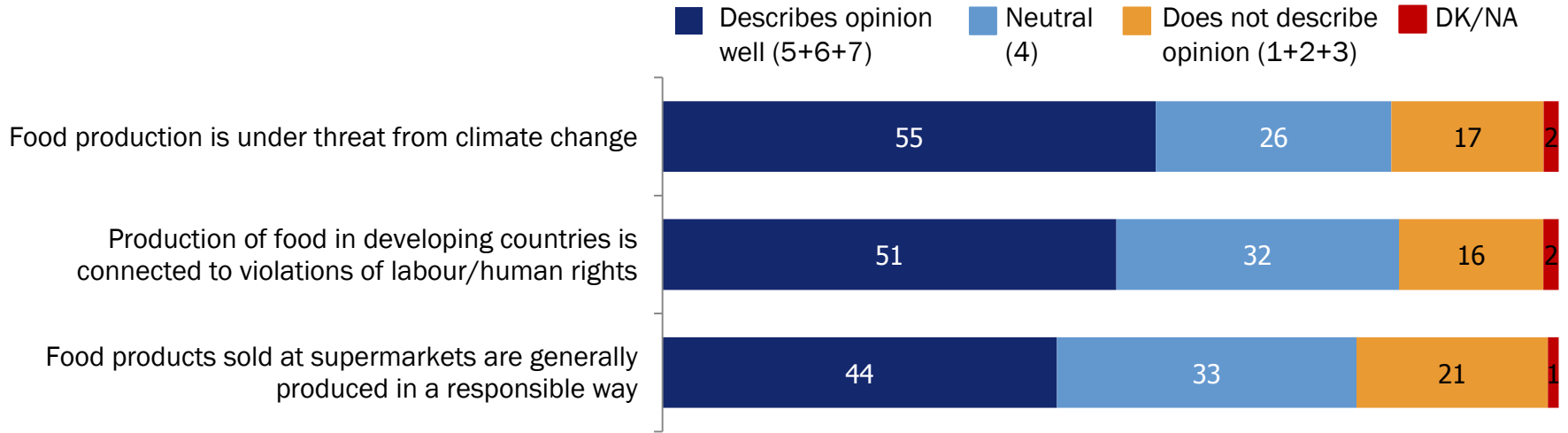
- Female consumers are significantly more likely to believe that farmers in the UK and developing countries are underpaid; 71% of females believe farmers in developing countries are not paid a fair price compared to 58 per cent of males.
- Across demographics, there is uncertainty about the implications of low food prices today, but younger consumers, those with more education, and females have a slightly more solid grasp of the long-term impact of low food prices meaning some products could become less available or more expensive in the future

Base: n=1004

Q1. How well does each of the following statements describe your opinion?

Just over half of consumers recognise that climate change and labour violations are risks to food production

Perceptions of current food production, UK, 2016



Demographics

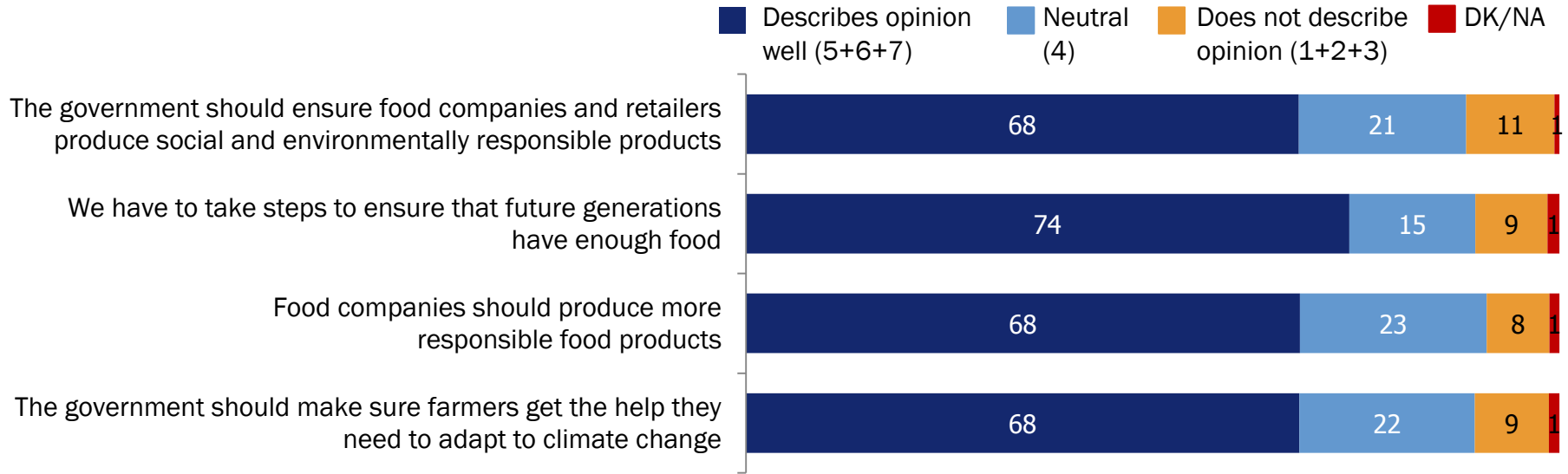
- Older consumers (55+) and those with lower incomes are less likely to connect production of food in developing countries with violations of labour and human rights. There are no significant differences between males and females
- When it comes to climate change, female consumers are significantly more likely to appreciate the threat to food production than men (62% compared to just 48%). Younger, higher-educated consumers are also more aware of the threat of climate change

Base: n=1004

Q1. How well does each of the following statements describe your opinion?

Three-quarters agree we have to take steps to ensure food security for future generations; most see a role for both government and business

Demand for change, UK, 2016



Demographics

- Reflecting their understanding of the issues, women are significantly more likely to see the need for change to the food system and are more likely than men to look to both food companies and government for action; 76% of females believe food companies should produce more responsible food products, compared to just 60% of men.
- Older consumers aged 55+ are particularly conscious of the need to take action to ensure food security for future generations (76% compared to 71% of those aged 18-34)

Base: n=1004

Q1. How well does each of the following statements describe your opinion?

Overall, female consumers are more in tune with the issues and the need for action compared to their male counterparts

Understanding of the issues and demand for change, demographic differences, UK, 2016

Gender			Age		
71% females	58% males	Believe that farmers in developing countries are not paid a fair price	62% 18-34s	69% 35-54s	62% 55+
46% females	41% males	Low prices today mean products could become less available or more expensive in the future	46% 18-34s	44% 35-54s	40% 55+
78% females	71% males	Agree that we have to take steps to ensure that future generations have enough food	71% 18-34s	74% 35-54s	76% 55+
76% females	60% males	Believe food companies should produce more responsible food products	69% 18-34s	69% 35-54s	66% 55+

Females are significantly more likely to appreciate the challenges facing food production than males. They are more likely to believe that both farmers in the UK and developing countries are underpaid. Females understand better the risk from climate change and they are more likely to look to both government and companies to take steps to support producers.

Differences by age group are more nuanced: older consumers are more likely to agree about the need for action for future generations, but younger consumers are slightly more likely to look to food companies to take these steps.

Base: n=1004

Q1. How well does each of the following statements describe your opinion?

Perceptions of Government and Business Responsibility



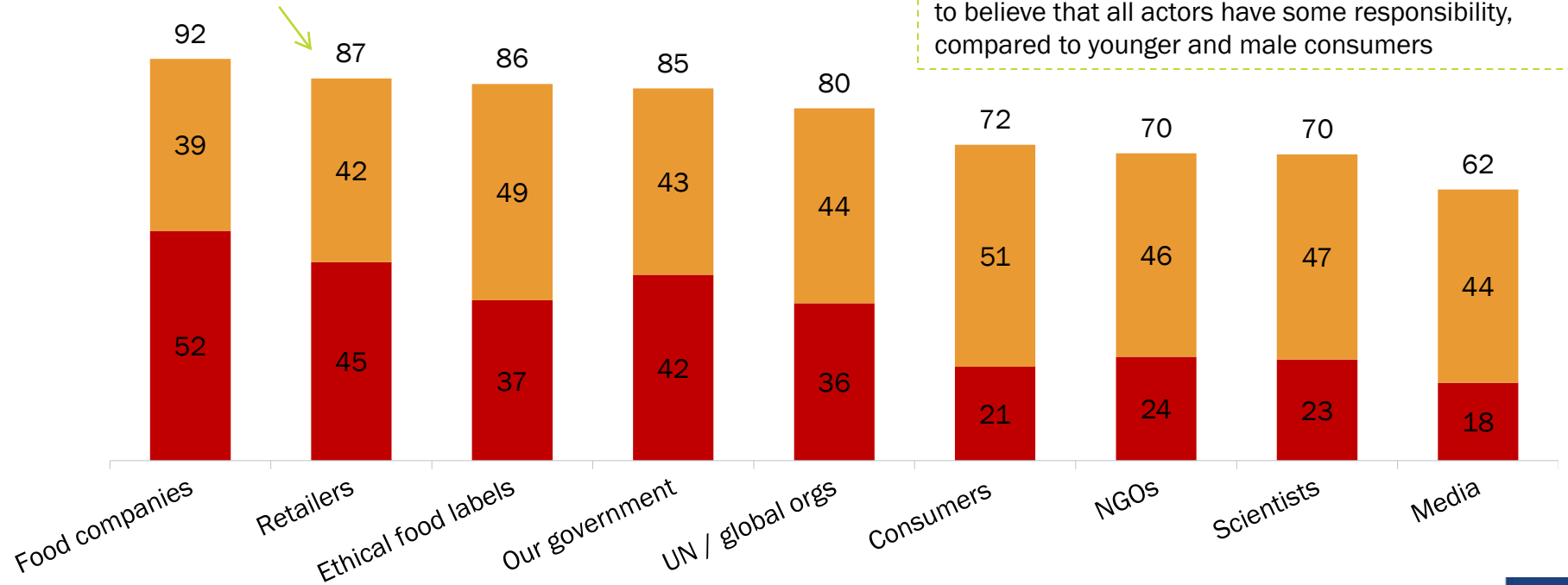
Consumers believe it to be the responsibility of business, ethical labels and the government to ensure sustainable food production

Responsibility to ensure sustainable production, UK, 2016

Women are more likely than men to believe that retailers have a great deal of responsibility (51% / 39%)

Great deal of responsibility Some responsibility

Older and female consumers are generally more likely to believe that all actors have some responsibility, compared to younger and male consumers

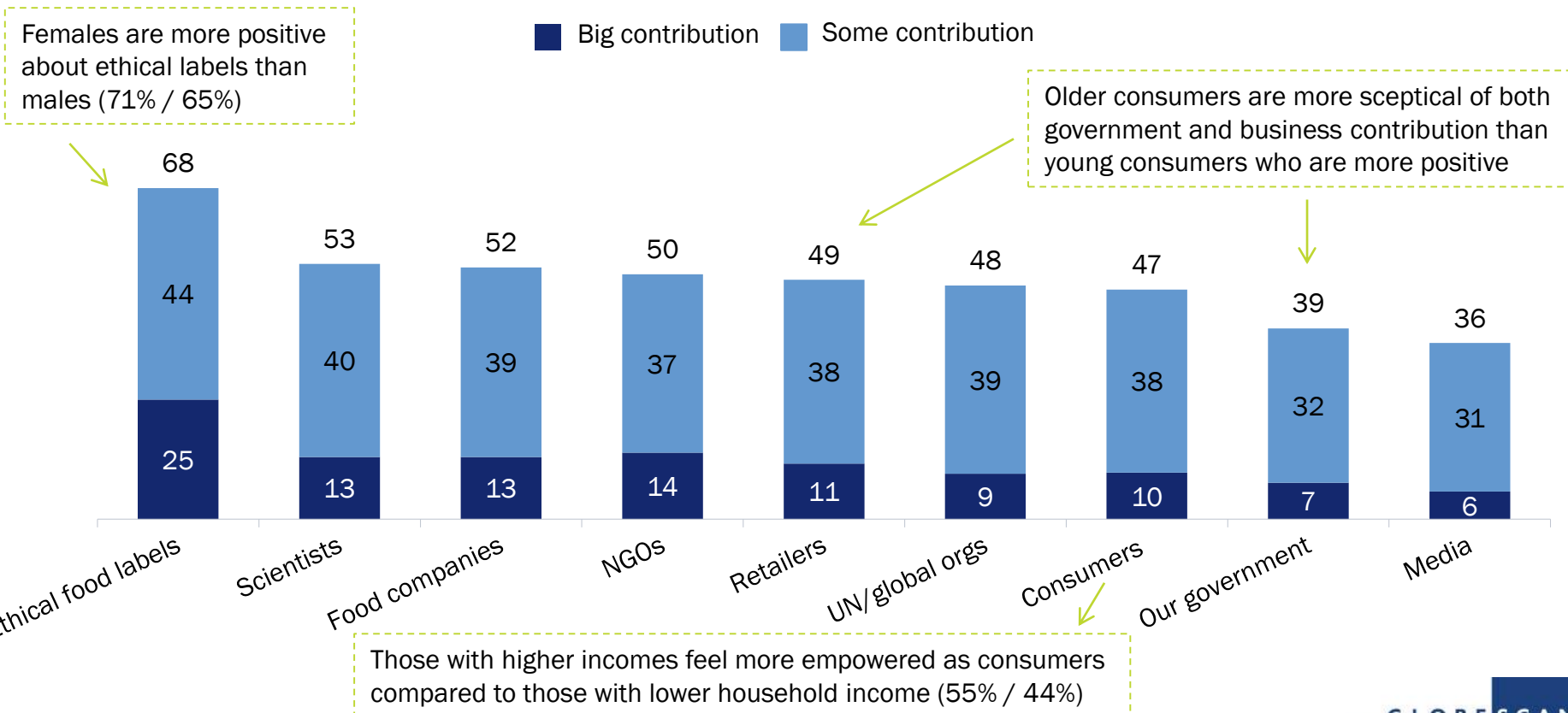


Base: n=1004

Q3. How much responsibility should each of the following have in ensuring that food is sustainably and fairly produced?

Labels are perceived to contribute most to sustainable food production; business fares moderately, while Government lags consumer perceptions

Current contribution to sustainable production, UK, 2016

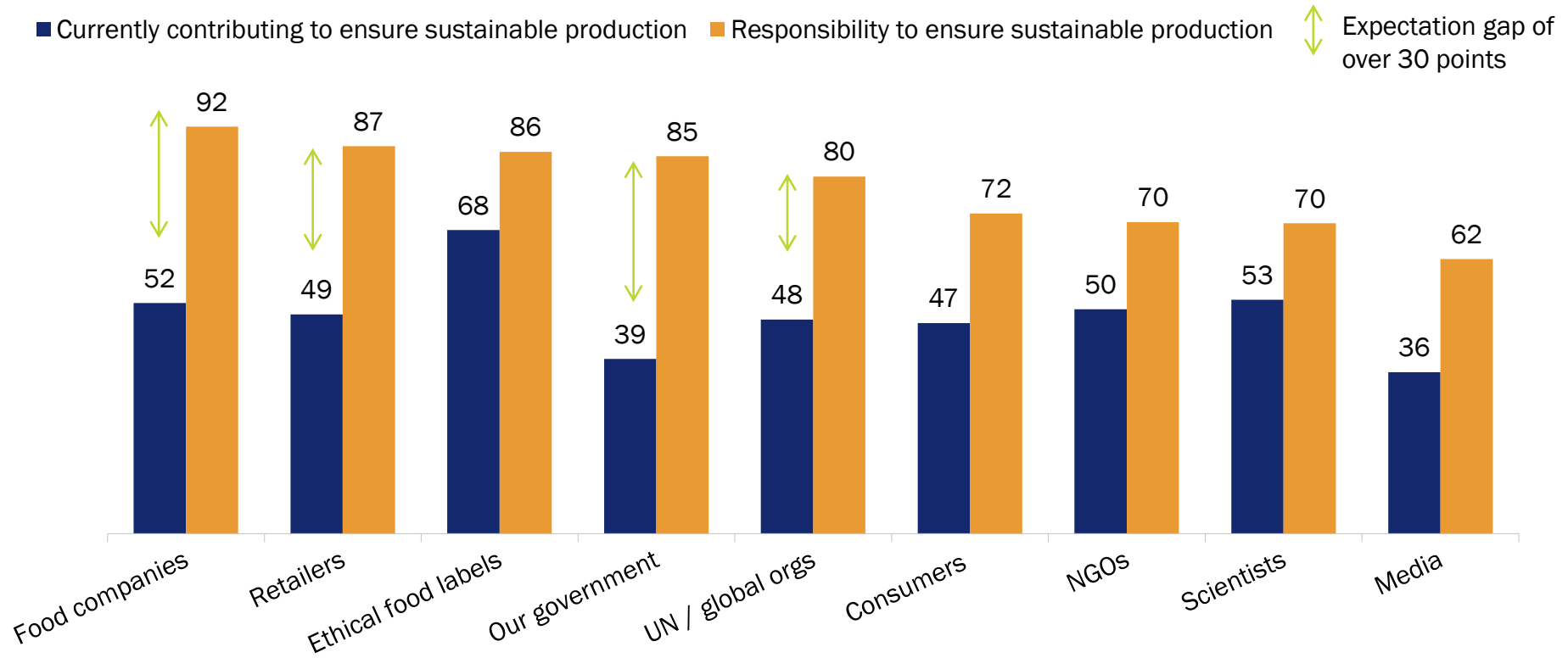


Base: n=1004

Q2. How much do you think each of the following are contributing to ensuring that food is sustainably and fairly produced?

There is a significant gap between expectations of food companies, retailers and government compared to perceived performance

Perceptions of current contribution vs responsibility to ensure sustainable production, UK, 2016



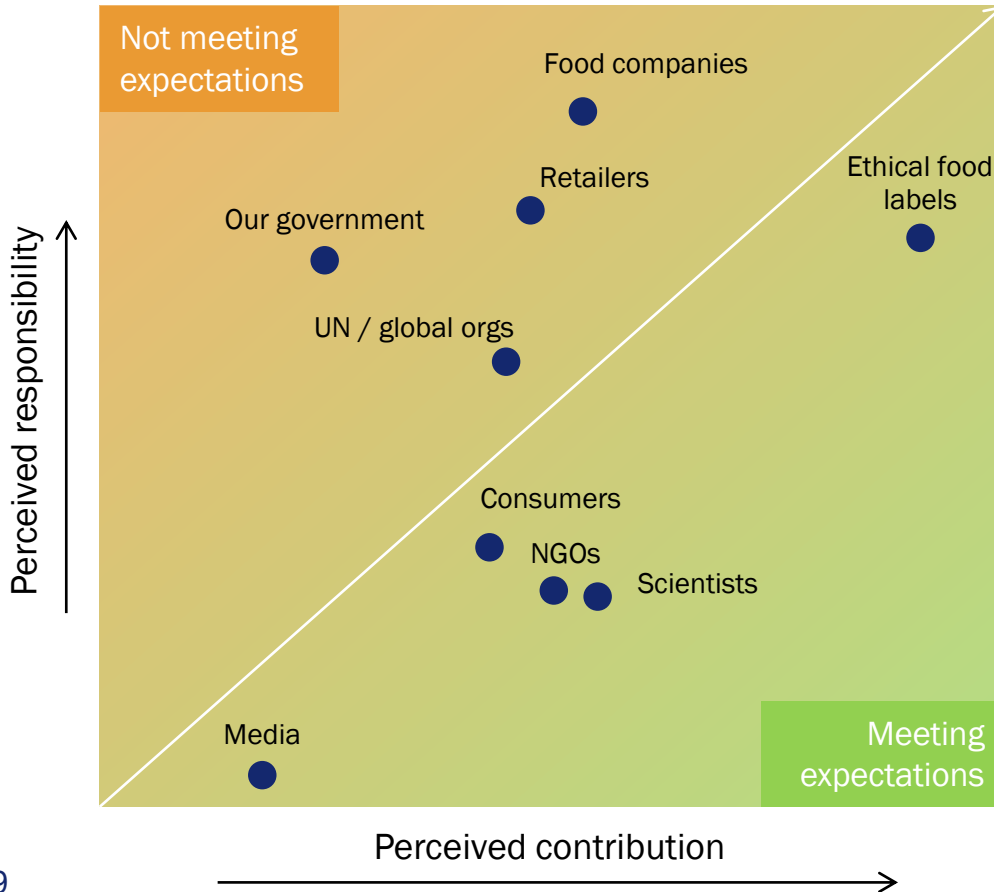
Base: n=1004

Q2. How much do you think each of the following are contributing to ensuring that food is sustainably and fairly produced?

Q3. How much responsibility should each of the following have in ensuring that food is sustainably and fairly produced?

Government and business are both expected to do more to ensure fair and sustainable food production

Perceptions of current contribution vs responsibility to ensure sustainable production, UK, 2016



The matrix shows that the UK Government is currently perceived to perform well below expectations in terms of contribution to ensuring sustainable food production.

Consumers also believe that business has a great deal of responsibility. Food companies and retailers are seen as contributing more than governments, at present, but they still fall below expectations.

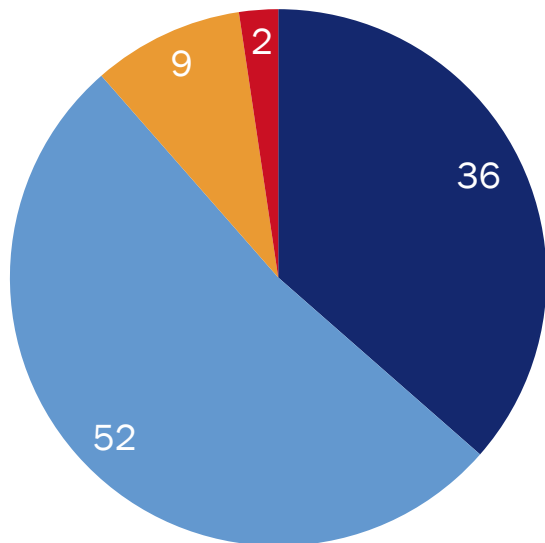
Ethical food labels are perceived to contribute the most and are meeting consumer expectations, alongside NGOs, scientists and consumers themselves.

Nearly nine in ten believe that there is at least some room for improvement in business and government action on food production

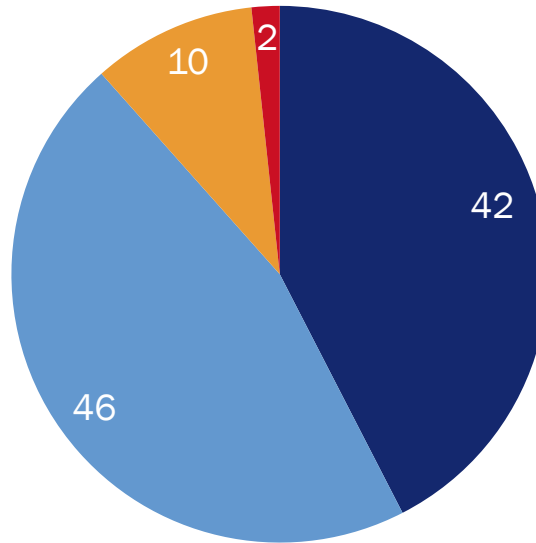
Room for improvement: business and government, UK, 2016

■ A lot of room for improvement ■ Some room for improvement ■ Very little room for improvement ■ No room for improvement

Food companies and retailers



Government



Older consumers (55+) are most likely to believe there is more room for both government and food companies to improve their performance on ensuring our food is produced in an environmentally responsible, fair and ethical way.

Males and females both believe there is room for improvement, but men are slightly less demanding than women who are more likely to say there is a lot of room for improvement.

Base: n=1004

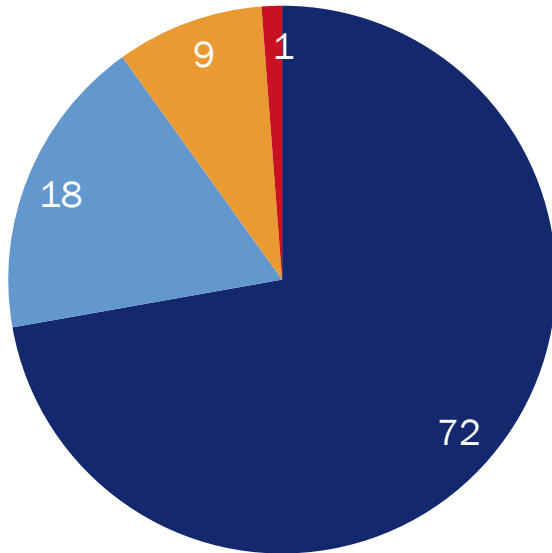
Q4. Do you think there is room for improvement in what food companies and retailers are doing to make sure our food is produced in an environmentally responsible, fair and ethical way?

Q5. Do you think there is room for improvement in what the government is doing to make sure our food is produced in an environmentally responsible, fair and ethical way?

Nearly three-quarters expect the government to ensure food is produced to high ethical and environmental standards

Consumer expectation of government intervention, Describes my opinion (5+6+7), UK, 2016

■ Describes opinion (5+6+7) ■ Neutral (4) ■ Does not describe opinion (1+2+3) ■ DK/NA



Women have higher expectations for the government to intervene to ensure food sustainability (78% compared to 66% of men).
Older consumers are also more expectant of the government: 75% of those aged 55+ compared to 67% of those aged 18-34.

Base: n=1004

Q7. How well does each of the following statements describe your opinion? I expect the Government to ensure that food is produced to high ethical and environmental standards

Consumer Priorities and Demand for Action



Which aspects of food production are most in need of regulatory protection, according to consumers?

The next two pages summarise the findings of an exercise to determine which aspects of food production and retail are the most important for the government to focus on.

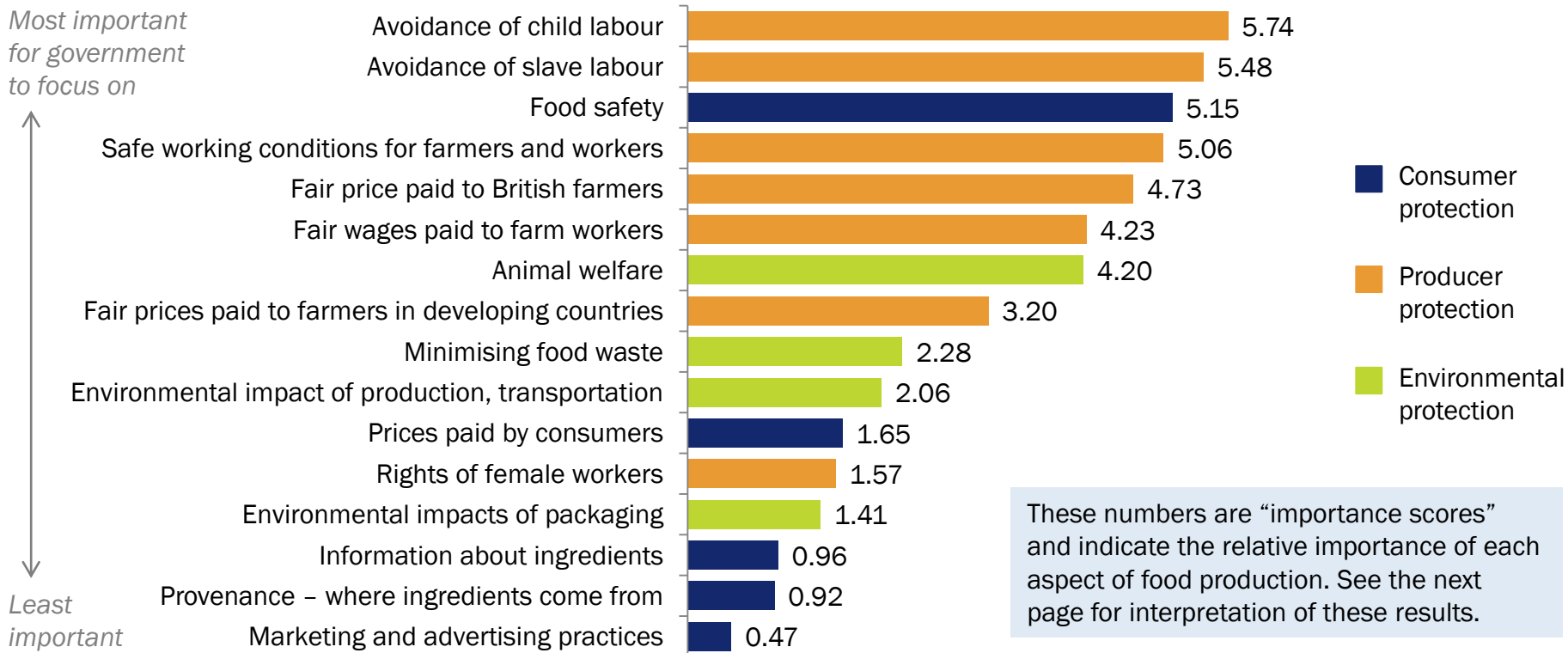
We asked consumers which aspects were most and least important for the government to focus on. The question is asked several times showing different aspects randomised in order to achieve a rigorous assessment of relative importance.

The attributes tested include a range of consumer aspects (such as food safety, prices paid by consumers, etc.), producer aspects (safe working conditions, fair prices for both British and developing country producers, etc.) and environmental aspects (environmental impact of packaging, animal welfare, etc.).

The responses were used to calculate the most and least important factors for the government to focus efforts on, using a maximum differentiation methodology. Importance scores have been calculated for each aspect indicating their relative importance on a scale between one and ten.

Consumers believe that producer protections should be government priorities, alongside food safety

Importance of different aspects of food production for the government to focus on, importance scores, UK, 2016



Base: n=1004

Q6. Now, based on your overall impression of food production and retail, which of the following aspects are most important for the government to focus on and which are the least?

Protections for producers feature strongly in the most important aspects of food production for government to focus on, according to consumers

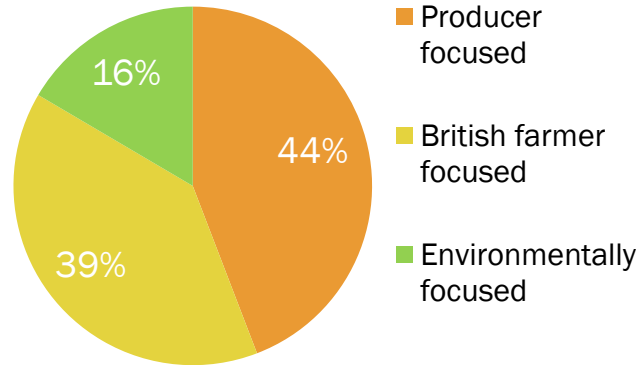
- Consumers believe that the avoidance of both **child labour** and **slave labour** are the most important aspects within food production for the government to focus on. **Food safety** is the next most important. All three of these areas are of course already subject to regulation and consumers believe these areas are the correct ones to focus on.
- Fair trade aspects such as a **fair wage for workers** and **safe working conditions** are also important to British consumers, ranking higher than some consumer protections such as the prices paid by consumers or provenance of ingredients – this is good news for Fairtrade.
- A **fair price for British farmers** also emerges as an important aspect for the government to look at.
- Interestingly, a **fair price to producers in developing countries** ranks lower than a fair price for British producers, indicating some concern for the prospects of local farming.
- The environmental side of food production is not as pressing, in terms of the need for government focus, compared to producer protections, according to British consumers. They see less need for government intervention to manage environment impacts such as **food waste** and **packaging**.
- Consumers also see less need for increased government intervention in regulating some consumer protections such as **prices** or **marketing practices**.

The results reveal three groups of consumers, who each believe government should focus on different aspects of food production

Environmental focus

The smallest group of UK consumers would like to see the government focus more on the environmental impacts of food, including production, transportation and packaging.

- Equal gender split
- More likely to be aged 35-54, compared to other groups (46%, compared to 37% on average)



Producer focus

A large segment of consumers believe that the priorities for government should be producer protections such as the avoidance of child and slave labour and safe working conditions for farmers and producers.

- More likely to female (54% to 46% male)
- More likely to be older, compared to other groups (37% aged 55+ compared to 34% on average)

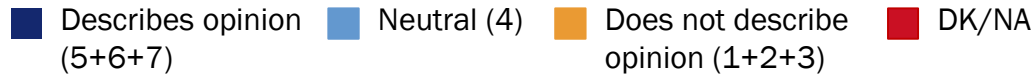
British farmer focus

Another significant proportion of consumers would like to see the government prioritise British farmers. For this group, fair prices paid to British farmers is the most important attribute for the government to focus on, within food production.

- Equal gender split
- Spread across age brackets

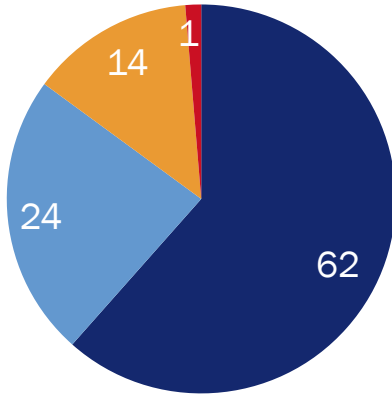
Approximately six in ten believe that government rules will ensure positive benefits for producers, consumers and the environment

Outcomes of changes in regulations, UK, 2016



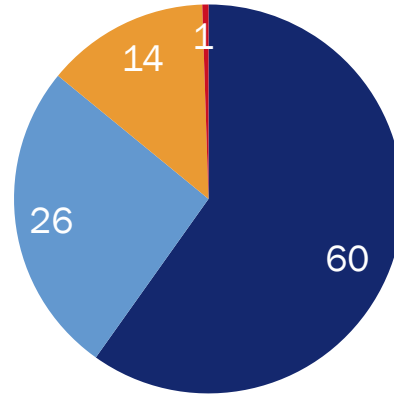
Government rules for higher ethical and environmental standards will...:

...ensure that the environment is protected for future generations



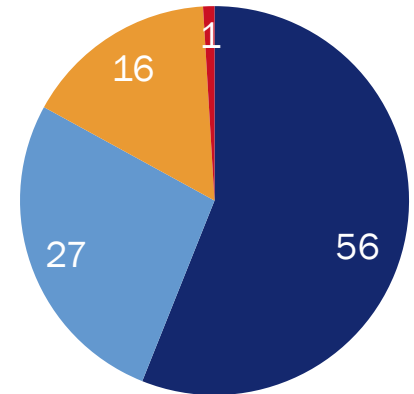
Environmental benefit

...ensure that future generations will have enough food



Long-term consumer benefit

...ensure that farmers receive fair prices



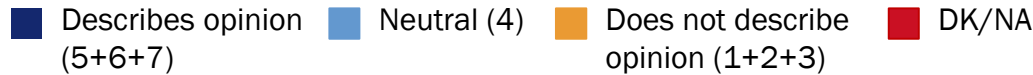
Producer benefit

Base: n=1004

Q7. How well does each of the following statements describe your opinion?

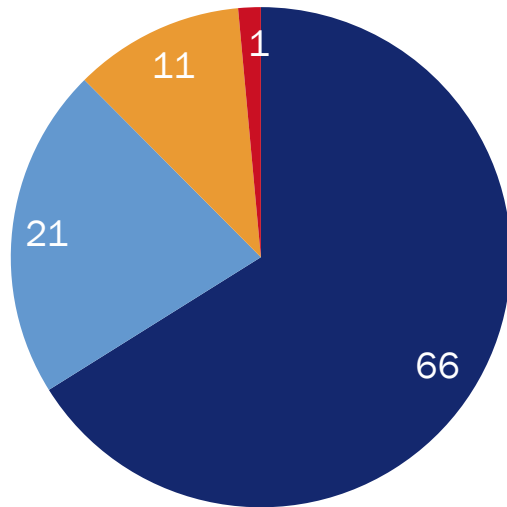
There is also some concern amongst consumers that government rules for higher standards would lead to higher food prices

Outcomes of changes in regulations, UK, 2016



Government rules for higher ethical and environmental standards will...:

...result in increased prices for food



Demographics

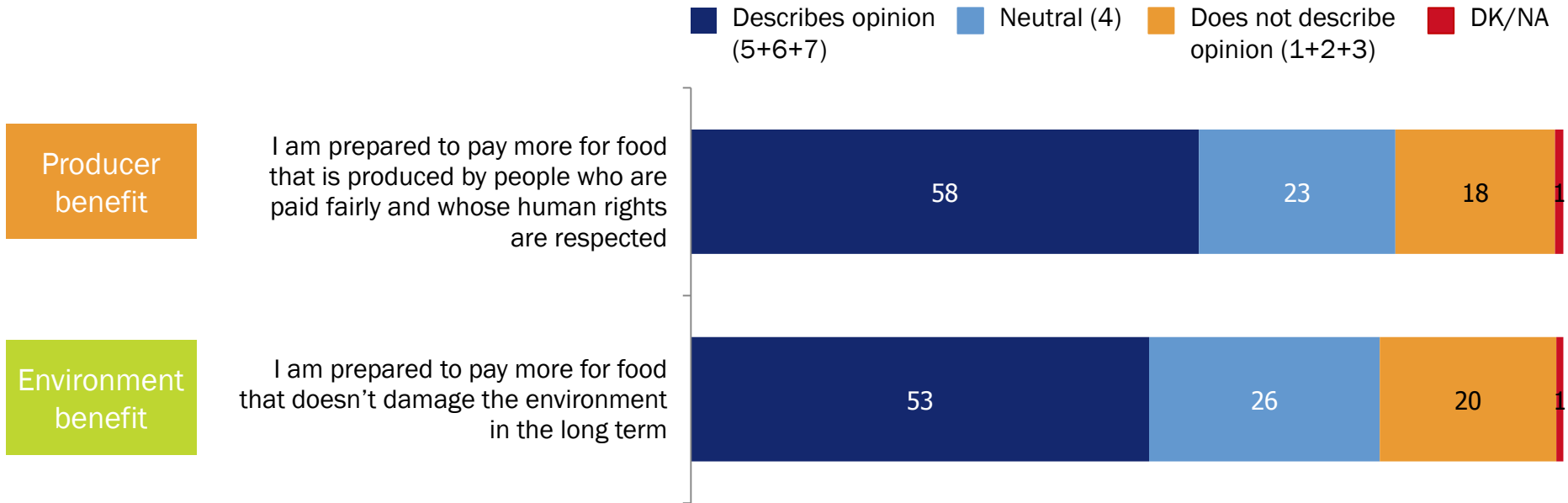
Female consumers are slightly more likely to believe that government rules will result in higher food prices for consumers, but the difference is not statistically significant (68% compared to 64% of male consumers).

Older consumers aged 55+ are significantly more likely than young consumers to foresee higher prices as a result of government rules for higher standards (69%, compared to 62% of those aged 18-34).

Those from lower-income households are less likely to believe that rules will result in increased prices compared to consumers from high-income households (60% compared to 70%, respectively)

Over fifty percent of consumers would be prepared to pay these higher prices, particularly where there are benefits for producers

Willingness to pay more for fairly produced food, UK, 2016



See the next page for demographic differences

Base: n=1004

Q7. How well does each of the following statements describe your opinion?

Females, younger consumers and those from higher-income households are more willing to pay more for fairly produced food

Willingness to pay more for fairly produced food, demographic differences, UK, 2016

Gender

63%

females

53%

males...

Females are significantly more likely to agree to pay more for food produced by people who are paid fairly, compared to their male counterparts

Age

62%

18-34

58%

35-54

55%

55+...

Young consumers are more open to paying more for ethically produced food: 62% of 18-34 year-olds compared to 58% of those aged 35-54, and 55% of those 55 and over

Income

70%

of those in higher income households

61%

of those in moderate income households

51%

of those in lower income households...



... would pay more for food produced by people paid a fair wage and whose human rights are respected

High-income consumers with deeper pockets (household annual income of £50,000 and above) are more likely to agree that they would pay more; half of those in lower-income groups (household annual income of under £20,000) would pay more

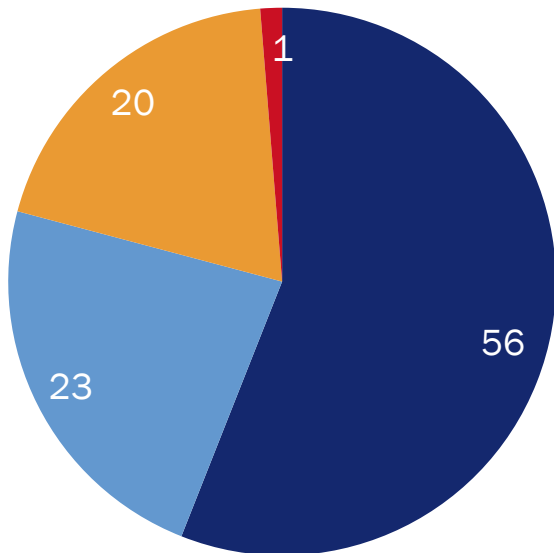
Base: $n=1004$

Q7. How well does each of the following statements describe your opinion? I am prepared to pay more for food that is produced by people who are paid fairly and whose human rights are respected

More than half would like to find out more about how their food is produced

Consumer appetite for more information, Describes my opinion (5+6+7), UK, 2016

■ Describes opinion (5+6+7) ■ Neutral (4) ■ Does not describe opinion (1+2+3) ■ DK/NA



Female consumers are more likely to want to find out more about how their food is produced (62% of females compared to 49% of males).

Younger consumers are slightly more interested than their older peers in finding out more about how their food is produced (58% of 18-34s compared to 53% of 55+).

Higher-income and higher-educated consumers are also more likely than other groups to want to know more.



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