Exploring supermarket loyalty card analysis to identify who buys fairtrade

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Exploring supermarket loyalty card analysis to identify who buys fairtrade

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The aim of this paper is to show how supermarket loyalty card data from a panel of over 1.7 million shoppers can be analysed to provide insights to profile the fairtrade shopper in order to enhance making targeted marketing decisions. The paper demonstrates the huge marketing potential that loyalty-card-based shopper segmentation can bring to objectively describe who buys fairtrade products, compared to profiling shoppers through a claimed/reported behaviour data-set. A paired-samples t-test is used to test the degree of appeal of fairtrade tea, coffee, chocolate, drinking chocolates, banana and sugar categories in Tesco to life-stage and lifestyle shopper segments in terms of their retail sales values over 104 weeks. The results show that analysing loyalty cards based on actual behaviour provides a more detailed picture of how specific fairtrade food product categories appeal to the various life-stage and lifestyle shopper segments.

Keywords: loyalty card data; ethical shopper; market segmentation; fairtrade; cross shopping

Introduction

The fairtrade success story has featured prominently the fairtrade shopper as the key factor driving the exponential growth in retail sales (Nicholls and Opal 2008; Bowes 2011). Massive increase in the variety of fairtrade products on the market within the past two decades has been reported (Fairtrade Foundation UK 2006–2010; Davies 2007). However, there is limited understanding of the profile of the fairtrade shopper (Nicholls and Opal 2008). On the basis of existing fairtrade statistics (see Fairtrade Foundation UK 2006–2010), the outstanding performance of the fairtrade market and the increased recognition of the fairtrade mark (awareness) could be accepted. But the research evidence around the area of fairtrade shopper attributes and segmentation (Moore 2004; Golding and Peattie 2005; Wright and Heaton 2006; Nicholls and Opal 2008) reported contrasting characteristics of the fairtrade shopper in the UK. The evidence based on the existing literature does not show that fairtrade appeals considerably to any particular shopper segment.

The introduction of fairtrade into supermarkets (mainstreaming) has been accompanied with many people buying fairtrade products (TNS Worldpanel 2006; Davies 2007; Nicholls and Opal 2008; Globescan 2009; TNS CAPI 2009), and it is very likely that the attributes of the traditional fairtrade shopper have changed. Therefore, applying descriptors of the traditional fairtrade shopper segment prior to the introduction of fairtrade into supermarkets to develop any form of marketing strategy or social policy...
could be misleading and ineffective. Despite the fact that the fairtrade shopper has been a major stakeholder driving retail sales, the characteristics of a typical fairtrade shopper is not well defined. Therefore, it is important to find out who actually buys fairtrade products in order to attain a current, objective and comprehensive profile of the fairtrade shopper to ensure that they are appropriately targeted for sustained growth.

The paper is structured into four sections. The next section covers the background to the research, including an overview of the extant literature on fairtrade market segmentation and profile. Theoretical framework and the research hypotheses are then presented. This is followed by the research methodology, data description and discussion, and statement of findings. Conclusions drawn are presented, followed by research limitations and areas for further research.

**Fairtrade**

The fairtrade concept is about ensuring trading arrangements that empowers all stakeholders with a range of benefits that the conventional international trade model does not guarantee (Nicholls and Opal 2008). It is described as a consumer-driven phenomenon, underpinned by growth of ‘ethical’ consumption that translates into ‘better prices, decent working conditions, local sustainability, and fair terms of trade for farmers and farm workers’ in the developing world (Strong 1996; Nicholls 2002; Jones et al. 2008; Fairtrade Foundation UK 2009).

The fairtrade market has seen significant growth across Europe, North America and Japan over the past decade (Fairtrade Foundation UK 2006–2010; Nicholls and Opal 2008). Global retail sales of fairtrade certified products exceeded 2.3 billion euros (£1.6 billion) in 2007 (Fairtrade Foundation 2008). The growth is accounted for by both increased market size and the introduction of new fairtrade products into existing and new markets (Fairtrade Labelling Organisation [FLO] 2008). The UK fairtrade market has grown significantly in terms of retail sales value and the variety of fairtrade products on the market within the past two decades (Davies 2007).

Over a decade, fairtrade retail sales in the UK increased from £16.7million in 1998 to over £800 million in 2009 (Fairtrade Foundation UK 2010; Bowes 2011). From the very few fairtrade products on the market in the mid-1980s, there were over 300,000 fairtrade certified products on the UK market by October 2009 (Fairtrade Foundation UK 2009). TNS Worldpanel (2006) shows that Tesco had 26.7% share of the fairtrade market in the UK, followed by Sainsbury (22.6%), The Co-operatives (19.1%), Asda (10.9%), Waitrose (9.1%), Morrisons (6.5%) and Somerfield (3.0%). Despite the positive contributions of all stakeholders including fairtrade authorities, non-commercial supporters such as religious groups, campaigners, fund-raisers, fairtrade cities and towns, universities and colleges, producers, importers/suppliers, manufacturers and retailers (Tallontire 2000; Davies 2007; Doherty and Trachell 2007; Fairtrade Foundation UK 2009; Fairtrade Labelling Organisation [FLO] 2009), the fairtrade shopper has been described as the key stakeholder driving retail sales (Bowes 2011).

**The fairtrade shopper**

An overview of the extant literature shows that empirical research on the fairtrade shopper has not kept pace with the dramatic growth in retail sales and increased public awareness and recognition of the fairtrade mark. Academic research in this area is scanty and findings on the few existing studies report contrasting profiles of the fairtrade shopper.
The fairtrade shopper or consumer is a key player and the driving force behind the growth in fairtrade food product marketing. According to Moore (2004), the people most willing to pay a premium between 10% and 18% for fairtrade products were women of the middle- and upper-middle managerial and professional classes (AB1 consumer group). Cowe and Williams (2000) described the fairtrade consumer as the affluent professionals between 35 and 55 years of age, well educated, metropolitan, mainly South-East people with a sense of power as consumers. A survey commissioned by Fairtrade Foundation in the UK also reported that the AB1 consumer segment, which is characterised with a high level of education and affluence, was most likely to buy fairtrade products (Fairtrade Foundation/MORI 2004).

Conversely, Nicholls and Opal (2008) suggested that there is an emerging fairtrade consumer segment among younger age groups. On the contrary, Wright and Heaton (2006) also reported that UK consumers drawn from AB1 group were the least associated with interest in fairtrade products. These findings contradict most of the survey reports commissioned by the Fairtrade Foundation and other interested agencies in the UK. Judging from the above, the evidence supporting the position that a particular consumer segment is solely responsible for fairtrade purchases is not sustainable. This highlights a challenge to clearly work out who buys fairtrade food products. In the niche marketing era, it was very easy to find out who actually buys fairtrade food products but placing fairtrade products in supermarkets may have resulted in the introduction of new demographic segments that are not being treated any differently.

Whereas Moore (2004) and Fairtrade Foundation/MORI (2004) indicate the typical fairtrade shoppers belong to the AB1 demographic segment consisting of the middle- and upper-middle managerial and professional classes in the UK, Nicholls and Opal (2008) point to an emerging fairtrade shopper segment among younger age groups.

Despite adopting a mass marketing approach, the fairtrade industry seems to assume that it is the same people who used to buy at church who are buying at supermarkets. But it could be that placing fairtrade products in supermarkets has resulted in the introduction of new demographic segments that are not being treated any differently, because of the assumption that they are buying fairtrade products for the same reason as the people who bought at church. Notwithstanding the significant role of the fairtrade shopper in driving retail sales, research understanding on the attributes of the supermarket fairtrade shopper is limited.

**Fairtrade shopper segmentation**

Market segmentation as a strategic marketing tool matches a target market with a distinctive marketing strategy (Boote 1981; Bennett 1995; Dibb and Simkin 2001), and this important principle underpins market segmentation studies. Reviewing the existing literature shows that the bases employed in segmentation studies towards profiling the fairtrade shopper include:

- Shoppers’ ethical stands and level of activism (Bird and Hughes 1997; Newholm 1999; Cowe and Williams 2000; Nicholls and Opal 2008; Globescan 2009);
- Importance consumers attach to fairtrade (Context Marketing 2010);
- Shoppers’ willingness to pay fairtrade premiums (De Pelsmacker, Driesen, and Rayp 2005); and
- Socio-demographic factors (Cowe and Williams 2000; Fairtrade Foundation 2003; Globescan 2009; TNS CAPI OmniBus 2009; Context Marketing 2010).
Demographic factors, purchasing frequency, sales value and volume of purchases, and other product-related features such as price and taste are common shopper attributes covered in literature (Cowe and Williams 2000; Fairtrade Foundation 2003; Globescan 2009; TNS CAPI OmniBus 2009; Context Marketing 2010). Three key shopper segments identified across the existing strand of fairtrade segmentation studies are: (1) a group of people who buy fairtrade products always, (2) a segment that sometimes buy fairtrade products and (3) a segment that does not buy fairtrade products at all. Key demographic factors highlighted across the segmentation strand of literature include income, gender, age and level of education. However, age (Bird and Hughes 1997; Nicholls and Opal 2008; Context Marketing 2010) and income (De Pelsmacker, Driesen, and Rayp 2005; TNS CAPI 2009) were the most common factors found to influence shopper preference and attitudes towards fairtrade products.

The relationship between key demographic factors and consumer willingness to buy fairtrade products has been researched under four thematic areas: (1) shoppers’ ethical stands and level of activism; (2) importance consumers attach to ethical fairtrade label; (3) willingness to pay fairtrade premiums; and (4) socio-demographic profiling. A common feature of fairtrade shopper segmentation studies is that they have focussed on describing the socio-demographic factors of fairtrade shoppers and their attitudes and preferred product-related attributes, and not on values and behaviour (see Bird and Hughes 1997; Newholm 1999; Cowe and Williams 2000; Nicholls and Opal 2008).

Cowe and Williams (2000) found education, income level and age as important demographic factors influencing consumers’ willingness to buy fairtrade products. This finding was collaborated by TNS CAPI OmniBus (2009), which reported UK consumers’ willingness to pay for fairtrade products is influenced by shopper awareness and attitudes towards the fairtrade mark and products as well as age, social class and regional location.

Bird and Hughes (1997) suggested that the ethical stands of the UK consumer directly influenced fairtrade purchasing behaviour. Thus, on the basis of their ethical stands, three segments were identified as ethical consumer (23%), semi-ethical consumer (56%) and selfish consumer (17%). These findings and their corresponding characteristics confirm the position that fairtrade purchases are driven by ethics. Such ethics-driven findings are supported by a Globescan (2009) study that suggested some consumers buy to either reward or punish businesses on the basis of their social and environmental responsibility.

Other academics such as Newholm (1999) reported that both internal and external factors such as attitudes, personality, peer and reference group influence, and competitive marketing attractions inform consumer willingness to pay for fairtrade products. This is an important study that brought a different perspective to fairtrade shopper segmentation studies because it points out that shoppers express different attitudes such as boycotting fairtrade alternatives, purchase fairtrade products or restrict their fairtrade purchasing to specific cases. The study expanded on existing insights for a better understanding of fairtrade shoppers by pointing out that there are other ways by which people supporting the fairtrade concept put into action their beliefs, and do not only reflect this in purchasing fairtrade products.

Among other findings, De Pelsmacker, Driesen, and Rayp (2005) found that consumers’ willingness to pay a price premium for fairtrade coffee is predicated on coffee attributes (label, brand, blending, package and flavour). The study also found that out of the five attributes (label, brand, blending, package and flavour) the brand was the most important feature to consumers, followed by flavour and fairtrade label. This finding raises a debate about whether the growth in retail sales value of fairtrade products has more to do with consumers’ loyalty to individual product brands than awareness of or interest in
fairtrade. Therefore, holding the presumed position that all fairtrade purchases are driven
by ethics may not represent all fairtrade purchases.

It is worth noting that the review of the extant literature did not find a common
descriptor for a typical fairtrade shopper. Another key observation from the literature is
that new segments apart from the traditional AB1 demographic group of well-educated
individuals between 35 and 55 years of age (Fairtrade Foundation/MORI 2004; Moore
2004) have emerged (Wright and Heaton 2006; Nicholls and Opal 2008). Some of the later
surveys commissioned by the fairtrade industry indicate that fairtrade has attracted a broad
section of shoppers cutting across all age and socio-demographic groups (Globescan 2009;
TNS CAPI 2009) and there is little differentiation from UK averages. These findings
suggest that due to the increased awareness of the fairtrade mark among the general public
in the UK, fairtrade appeals equally to all age groups and socio-demographic classes
(Globescan 2009; Fairtrade Foundation UK 2011).

Despite the insight gained through the limited literature on fairtrade shopper
segmentation, all findings are based on arguably methodologically weak foundations.
Whilst most studies in the area of fairtrade shopper segmentation used claimed/reported
behaviour to identify fairtrade shopper segments (see e.g. Cowe and Williams 2000),
research commissioned by fairtrade authorities utilised routine surveys and in some cases
complemented them with focus group interviews (Fairtrade Foundation 2003; Globescan
2009; TNS CAPI OmniBus 2009). Generally, pre-defined researcher-imposed descriptors
were used to describe opinions, perceptions and attitudes of relatively small-scale panel of
shoppers. Such methodology leads to questioning the integrity of the data collected on the
basis of claimed behaviour (Doran 2009). This presents a major weakness in this area of
research because an ethical issue like fairtrade is hugely influenced by social desirability
effects (Chatzidakis, Hibbert, and Smith 2007; Doran 2009). Meanwhile, segmentation
based on actual behaviour data is yet to be explored in the segmentation strand of
literature.

The fairtrade shopper has been the driving force behind the significant retail sales
growth, but such remarkable progress has occurred with limited research understanding of
who the fairtrade shopper is. The existing academic literature has also drawn conclusions
based on weak methodological foundations. Therefore, it is our contention that fairtrade
retail sales value may after all be growing without any careful targeted marketing. Hence,
more work needs to be done to find out who actually buys fairtrade food products by using
actual behaviour data.

Research questions
The literature review showed appreciable gaps in the existing fairtrade shopper
segmentation and profile literature which can be bridged through segmentation based on
actual behaviour data, by analysing loyalty card data-sets. It is not obvious from the
literature review that the growth being experienced by fairtrade is a result of increased
knowledge about the fairtrade shopper, and may after all be growing without any careful
targeted marketing. Segmenting the fairtrade market based on actual behaviour data does
not only give currency to academic literature in this area but it is also a unique means of
providing a comprehensive and objective profile of the supermarket fairtrade shopper.

This background shows there are potential marketing insights to be gained for
developing targeted marketing strategy by using objective market segmentation procedure
to profile the fairtrade shopper. This implies that such marketing insights could facilitate
the development of a customer/shopper-orientated marketing strategy by precisely
working out who buys fairtrade products through segmentation based on actual behaviour data. Life-stage and lifestyle segmentation based on actual behaviour data, among others, has served as an effective market differentiation tool for leading retailers such as Tesco (Dunnhumby 2011).

Previous studies have used various forms and combinations of life-stage and geo-demographic factors as distinguishing features for fairtrade shopper segmentation (Bird and Hughes 1997; Fairtrade Foundation/MORI 2004; Moore 2004; Nicholls and Opal 2008; Globescan 2009; TNS CAPI 2009).

Based on the above discussions, the following research questions are set:

Question 1: Do fairtrade food products appeal equally to all life-stage segments?
Question 2: Do fairtrade food products appeal equally to all lifestyle segments?

In order to address these research questions, the degree of appeal of fairtrade products will be measured using sales values accrued to life-stage and lifestyle segments from the loyalty card data-set of Tesco over two years. The same analysis was carried out on the conventional alternatives to the selected fairtrade food products to cross-check whether the trends observed within the fairtrade categories are a unique case or similar to trends within conventional products. Lastly, sales accruing to both fairtrade food products and their conventional alternatives were compared to check whether the relative appeals of these two categories are significantly different. The next section presents in detail the research methodology and data analysed to address the research questions.

Method
A paired-samples t-test was used to test the degree of appeal of fairtrade tea, coffee, chocolate, drinking chocolates, banana and sugar categories, as well as of the conventional alternatives to these fairtrade products in Tesco to life-stage and lifestyle shopper segments in terms of sales value over 104 weeks. These fairtrade products were selected because they are known as traditional fairtrade products and constitute about two-thirds of the fairtrade food retail sales (Fairtrade Foundation UK 2010). Paired-samples t-test is deemed the most appropriate statistic to use because the loyalty card data samples come from different shopper segments that have been matched on retail sales value, which in the case of this research is the variable of interest.

Data
Using loyalty card data for comparing means of fairtrade retail sales with the paired-samples t-test among shopper segments has the advantage of being looked at from both aggregated and disaggregated levels. The main advantage of the loyalty card data used for this research was that it was collected on a comparatively large scale (Tesco, UK – 1.7million shoppers), over a relatively long period (104 weeks). Because the loyalty data can be disaggregated down to sales trends for different shopper groups at all regional levels, it lends itself to segmentation based on actual behaviour data that highlight purchasing trends beneath the headline figures.

The loyalty data-set for this research covers weekly retail sales for fairtrade banana, tea, coffee, chocolate, drinking chocolate and sugar for 104 weeks (from 9 November 2009 to 24 October 2011). Tesco was selected for its market leadership position in the UK food retail industry, as it has 30.7% market share of the total grocery retailing market in the UK (Kantar Worldpanel 2010).
The data for paired-samples $t$-test is sourced from Dunnhumby Ltd. This database consists of retail sales data from a panel of 17 million UK supermarket shoppers. The dataset captures weekly purchasing data from all Tesco supermarkets in the UK. Tesco is among the top three grocery supermarkets chains in the world and the grocery market leader in the UK. This important data-set is obtained through the Clubcard loyalty scheme. The loyalty scheme covers about 80% of total sales in Tesco stores across the UK. At the data collection stage for this research, the sample size employed in the database was 10% of the total population of loyalty cardholders, which was equivalent to 1.7 million shoppers. Dunnhumby (2010) cited the Citigroup’s independent research that indicates that as Tesco operates across all store formats, appeals to all shopper demographics and reaches 40% of UK households, its loyalty card data-set is representative of the UK shopper.

Apart from the Tesco loyalty card data being representative of the UK shopper, it captures aggregated and disaggregated-level data which makes it possible to analyse a single product or a group of products created by the researcher. In a similar vein, individual fairtrade products categories were analysed for this research. The loyalty card (Clubcard) application form is the source of data for the Dunnhumby database. Clubcard applicants provide details about themselves. Typical personal details provided are name, sex, address, telephone and email contact details; household details such as the number of people in the household, the date of birth of the applicant, ages of other household members and dietary needs. The shopper details gathered through the Clubcard application form are used to segment the market on the bases of life-stage, lifestyle, region and geo-demography.

Tesco employs market segmentation strategy to serve targeted segments from the lower-income bracket with value products, through the middle with own label/brand, to the upper-income bracket segment with finest products. The data provides insight into shopper’s behaviour based on actual purchasers’ answers to the following questions regarding over 265,000 product items in their stores around UK: (1) what is bought, (2) what it is bought alongside, (3) when it is bought, (4) who it is bought by and (5) where it is bought. Felgate Felgate, Fearne, and Di Falco (2011) used the Dunnhumby data-set to assess the effectiveness of beef promotions across shoppers groups in the UK. Garcia (2011) also used Dunnhumby loyalty card data to profile fairtrade shoppers as a means to define the attributes of buyer sample employed to assess information search and involvement in purchase decision process.

The database allows for the analysis of weekly data on key sales measures for all products sold in Tesco for a period of up to two years. For the purpose of this research, the sales measure used was the retail sales value accruing to life-stage and lifestyle shopper segments for fairtrade banana, tea, coffee, chocolate, drinking chocolate and sugar, and their respective conventional counterparts. The fairtrade retail sales data for the six fairtrade food categories and the conventional alternatives were arranged by sales accruing to shopper life-stage and lifestyle segments.

Dunnhumby provides for five life-stage and three lifestyle shopper segments respectively. Therefore, 30- and 18-panel data-set for life-stage and lifestyle shopper segments for the six fairtrade products (banana, tea, coffee, drinking chocolate, chocolate and sugar) were created for the research data analysis. Equal numbers of data-sets were created for life-stage and lifestyle shopper segments for conventional alternatives of the chosen fairtrade products as well. The five distinctive life-stage segments are young adults (aged 20–39 years), young families (all children under 10 years), older families (at least one child over 10 years), older adults (aged 40–59 years) and pensioners (adults over 60 years with no children).
Lifestyle shopper segments are: (1) less affluent (price-conscious shoppers likely to be on a lower income, shopping for value), (2) mid-market (mainstream shoppers, typically purchasing mid-price brands) and (3) up-market (affluent shoppers who enjoy luxury products and premium brands). The paired-samples t-test is carried out on all the panel data-sets for the six selected fairtrade product categories and the conventional alternatives. The objective behind comparing fairtrade and conventional products’ trends is to find out whether fairtrade results produced by comparing mean retail sales of the selected shopper segments are a unique case or similar to trends within conventional alternatives to fairtrade. Another reason for comparing at a statistical level fairtrade with conventional product was to examine their relative appeal to shoppers within Tesco. Results from the two sets of analysis (life-stage and lifestyle) for both fairtrade products and the conventional counterparts, and the conclusions drawn on the findings are presented in the next section.

Results and discussion

The results of the research are presented in three sets of tables showing the differences in means for aggregated fairtrade products retail sales results (Tables 1 and 2), disaggregated fairtrade products categories retail sales (Tables 3 and 4) and disaggregated conventional alternatives retail sales (Tables 5 and 6) of fairtrade banana, chocolate, drinking chocolate, coffee, sugar and tea. Only results that are significant at least at 5% significance level are reported in Tables 1–6.

Aggregated results: fairtrade products

Overall, the results for comparing aggregated retail sales means of fairtrade food products accruing to life-stage and lifestyle shopper segments show that all the t-statistics are significant at 1% significance level. Table 1 reveals that the differences in means of fairtrade retail sales among young adults including students, young families, older families, older adults and pensioners are statistically significant. Therefore, fairtrade does not appeal equally to all life-stage shopper segments.

The results presented in Table 1 further show that whilst some shopper segments reflect high appeal (young and older families), others exhibit a low level of appeal (pensioners and young adults). The differences in the retail sales means of young families in comparison to the other four shopper segments are positive and also significant. Older families also show similar trends in the mean differences comparison with older adults, pensioners and young adults, and the only exception is the comparison with young families. The mean differences between older adults and pensioner shopper segments are positive and significant, but its means comparison with young and older families rather shows negative but significant effects.

On a spectrum spanning high to low appeal, the results in Table 1 reveal fairtrade having most appeal to young families, followed by older families, then older adults, pensioners and young adults including the student segment that has the least appeal. Thus, three distinctive categories of appeal to fairtrade are evident from the results (see Figure 1). Young and older families are in the high-appeal category, older adults in the medium-appeal group and pensioners and young adults including students in the low-appeal category.

The trend captured in Figure 1 is an indication that price could be a key determinant of fairtrade purchasing behaviour. Table 2 shows that there is a significant difference
between the fairtrade retail sales means among lifestyle shopper segments (less affluent, mid-market and up-market). The magnitude of the $t$-values in Table 2 shows an increasing trend as the affluence gap between the paired samples increases from 5.629 to 48.797 to 69.438. The results show that fairtrade appeals most to affluent shopper segments than less

<table>
<thead>
<tr>
<th>Life-stage shopper segments (Group 1 and Group 2)</th>
<th>Weekly mean sales value (£) (Group 1)</th>
<th>Weekly mean sales value (£) (Group 2)</th>
<th>$t$</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairtrade sales young adults including students – fairtrade sales young families</td>
<td>126,053</td>
<td>216,721</td>
<td>−36.8**</td>
<td>0.00</td>
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<tr>
<td>Fairtrade sales young adults including students – fairtrade sales older families</td>
<td>126,053</td>
<td>208,133</td>
<td>−29.9**</td>
<td>0.00</td>
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<tr>
<td>Fairtrade sales young adults including students – fairtrade sales older adults</td>
<td>126,053</td>
<td>137,866</td>
<td>−10.0**</td>
<td>0.00</td>
</tr>
<tr>
<td>Fairtrade sales young adults including students – fairtrade sales pensioners</td>
<td>126,053</td>
<td>169,448</td>
<td>−22.6**</td>
<td>0.00</td>
</tr>
<tr>
<td>Fairtrade sales young families – fairtrade sales older families</td>
<td>216,721</td>
<td>208,133</td>
<td>11.5**</td>
<td>0.00</td>
</tr>
<tr>
<td>Fairtrade sales young families – fairtrade sales older adults</td>
<td>216,721</td>
<td>137,866</td>
<td>39.7**</td>
<td>0.00</td>
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<tr>
<td>Fairtrade sales young families – fairtrade sales pensioners</td>
<td>216,721</td>
<td>169,448</td>
<td>24.0**</td>
<td>0.00</td>
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<td>Fairtrade sales older families – fairtrade sales older adults</td>
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<td>33.4**</td>
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<td>169,448</td>
<td>19.5**</td>
<td>0.00</td>
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<tr>
<td>Fairtrade sales older adults – fairtrade sales pensioners</td>
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<td>169,448</td>
<td>−35.1**</td>
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</table>

Note: Group 1 and 2 refer to the paired samples compared.

**Significance at $p < 0.01$.

Table 2. Paired-samples $t$-test results for comparing the means of aggregated fairtrade retail sales per lifestyle segments.

<table>
<thead>
<tr>
<th>Lifestyle shopper segments (Group 1 and Group 2)</th>
<th>Weekly mean sales value (£) (Group 1)</th>
<th>Weekly mean sales value (£) (Group 2)</th>
<th>$t$</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairtrade sales less affluent – fairtrade sales mid-market</td>
<td>202,103</td>
<td>322,545</td>
<td>−48.7**</td>
<td>0.00</td>
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<tr>
<td>Fairtrade sales less affluent – fairtrade sales up-market</td>
<td>202,103</td>
<td>332,670</td>
<td>−69.4**</td>
<td>0.00</td>
</tr>
<tr>
<td>Fairtrade sales mid-market – fairtrade sales up-market</td>
<td>322,545</td>
<td>332,670</td>
<td>−5.62**</td>
<td>0.00</td>
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</tbody>
</table>

Note: Group 1 and 2 refer to the paired samples compared.

**Significance at $p < 0.01$. 

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### Table 3. Paired-samples t-test results for comparing the means of disaggregated fairtrade retail sales per life-stage segments.

<table>
<thead>
<tr>
<th>Life-stage shopper segments (Group 1 and Group 2)</th>
<th>Banana (Weekly mean sales (£))</th>
<th>Chocolate (Weekly mean sales (£))</th>
<th>Drinking chocolate (Weekly mean sales (£))</th>
<th>Coffee (Weekly mean sales (£))</th>
<th>Sugar (Weekly mean sales (£))</th>
<th>Tea (Weekly mean sales (£))</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young adults including students – young families</td>
<td>(22959:37912)</td>
<td>(669:1364)</td>
<td>(28705:55673)</td>
<td>(7642:10414)</td>
<td>(2292:3035)</td>
<td>(3578:4469)</td>
<td><strong>34.1</strong></td>
</tr>
<tr>
<td></td>
<td>-34.1**</td>
<td>-25.1**</td>
<td>-27.1***</td>
<td>-14.8**</td>
<td>-13.1**</td>
<td>-17.7**</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>25.1</strong></td>
<td><strong>27.1</strong></td>
<td><strong>24.2</strong></td>
<td><strong>15.8</strong></td>
<td><strong>11.2</strong></td>
<td><strong>3.3</strong></td>
<td></td>
</tr>
<tr>
<td>Young adults including students – older families</td>
<td>(22959:33743)</td>
<td>(669:1494)</td>
<td>(28705:54099)</td>
<td>(7642:11312)</td>
<td>(2292:2931)</td>
<td>(3578:2931)</td>
<td><strong>27.1</strong></td>
</tr>
<tr>
<td></td>
<td>-30.4**</td>
<td>-27.9**</td>
<td>-24.2**</td>
<td>-15.8**</td>
<td>-11.2**</td>
<td><strong>3.3</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-12.1**</td>
<td>-27.5**</td>
<td>-30.3**</td>
<td>-11.0**</td>
<td>-15.2**</td>
<td>-32.6**</td>
<td></td>
</tr>
<tr>
<td>Young families – older families</td>
<td>(37912:33743)</td>
<td>(1364:1494)</td>
<td>(55673:54099)</td>
<td>(10414:11312)</td>
<td>(3035:2931)</td>
<td>(4469:2931)</td>
<td><strong>27.3</strong></td>
</tr>
<tr>
<td></td>
<td>27.3**</td>
<td>5.4**</td>
<td>6.3**</td>
<td>-8.3**</td>
<td><strong>3.8</strong></td>
<td><strong>7.6</strong></td>
<td></td>
</tr>
<tr>
<td>Young families – older adults</td>
<td>(37912:23921)</td>
<td>(1364:881)</td>
<td>(55673:29237)</td>
<td>(10414:10217)</td>
<td>(3035:2505)</td>
<td>(4469:4920)</td>
<td><strong>11.0</strong></td>
</tr>
<tr>
<td>Young families – pensioners</td>
<td>(37912:27845)</td>
<td>(1364:1290)</td>
<td>(55673:40519)</td>
<td>(10414:10091)</td>
<td><strong>11.4</strong></td>
<td><strong>8.1</strong></td>
<td><strong>46.6</strong></td>
</tr>
<tr>
<td></td>
<td>33.9**</td>
<td>18.7**</td>
<td>25.6**</td>
<td>2.0*</td>
<td><strong>11.4</strong></td>
<td><strong>8.1</strong></td>
<td><strong>46.6</strong></td>
</tr>
<tr>
<td></td>
<td>30.7**</td>
<td>22.5**</td>
<td>23.7**</td>
<td>9.1**</td>
<td><strong>9.2</strong></td>
<td><strong>10.2</strong></td>
<td><strong>14.3</strong></td>
</tr>
<tr>
<td></td>
<td>17.4**</td>
<td>7.2**</td>
<td>13.2**</td>
<td>10.8**</td>
<td><strong>13.5</strong></td>
<td><strong>8.8</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-16.0**</td>
<td>-16.8**</td>
<td>-54.4**</td>
<td><strong>25.0</strong></td>
<td><strong>13.5</strong></td>
<td><strong>8.8</strong></td>
<td></td>
</tr>
</tbody>
</table>

Note: Weekly mean sales for the paired samples compared are in brackets and t-values are in italic.

**Significance at $p < 0.01$ and only significant results were reported.
Table 4. Paired-samples $t$-test results for comparing the means of disaggregated fairtrade retail sales per lifestyle segments.

<table>
<thead>
<tr>
<th>Lifestyle shopper segments</th>
<th>Weekly mean sales (£) for paired samples (Group 1 and 2) and $t$-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Banana</td>
</tr>
<tr>
<td></td>
<td>$-56.4^{**}$</td>
</tr>
<tr>
<td></td>
<td>$-51.4^{**}$</td>
</tr>
<tr>
<td></td>
<td>$-17.4^{**}$</td>
</tr>
</tbody>
</table>

Note: Weekly mean sales for the paired samples compared are in brackets and $t$-values are in italic. **significance at $p < 0.01$. Only significant results were reported.
Table 5. Paired-samples *t*-tests results for comparing the means of disaggregated retail sales.

<table>
<thead>
<tr>
<th>Life-stage shopper segments</th>
<th>Weekly mean sales (£) for paired samples (Group 1 and 2) and <em>t</em>-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young adults including</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>244.8</strong> <strong>262.6</strong> <strong>37.8</strong> <strong>56.8</strong> <strong>78.7</strong> <strong>43.9</strong></td>
</tr>
<tr>
<td>Young adults including</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>30.1</strong> <strong>49.9</strong> <strong>33.9</strong> <strong>55.5</strong> <strong>61.5</strong> <strong>40.8</strong></td>
</tr>
<tr>
<td>Young adults including</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>5.6</strong> <strong>19.7</strong> <strong>11.3</strong> <strong>35.1</strong> <strong>11.2</strong> <strong>28.8</strong></td>
</tr>
<tr>
<td>Young adults including</td>
<td></td>
</tr>
<tr>
<td>students – pensioners</td>
<td><em>(404709:463204)</em> (1157:603) (626892:904173) (224426:329833) (176445:292393)</td>
</tr>
<tr>
<td></td>
<td><strong>10.2</strong> <strong>17.9</strong> <strong>38.2</strong> <strong>37.6</strong> <strong>41.4</strong></td>
</tr>
<tr>
<td>Young families – older</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>124.2</strong> <strong>0.5</strong> <strong>9.1</strong> <strong>16.7</strong> <strong>13.5</strong></td>
</tr>
<tr>
<td>Young families – older</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>72.3</strong> <strong>68.4</strong> <strong>48.2</strong> <strong>84.0</strong> <strong>39.3</strong></td>
</tr>
<tr>
<td>Young families – pensioners</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>56.5</strong> <strong>63.8</strong> <strong>14.4</strong> <strong>22.4</strong> <strong>44.0</strong></td>
</tr>
<tr>
<td>Older families – older</td>
<td></td>
</tr>
<tr>
<td>adults</td>
<td><em>(583776:384271)</em> (4111:673) (63022:29404) (1003179:798211) (379620:243815) (279838:220475)</td>
</tr>
<tr>
<td></td>
<td><strong>52.1</strong> <strong>58.0</strong> <strong>34.3</strong> <strong>54.1</strong> <strong>75.1</strong> <strong>34.4</strong></td>
</tr>
<tr>
<td>Older families – pensioners</td>
<td><em>(583776:462204)</em> (4111:603) (63022:32982) (1003179:904173) (379620:329833) (279838:292393)</td>
</tr>
<tr>
<td></td>
<td><strong>33.1</strong> <strong>54.9</strong> <strong>18.5</strong> <strong>18.5</strong> <strong>5.6</strong></td>
</tr>
<tr>
<td></td>
<td><strong>-35.4</strong> <strong>3.8</strong> <strong>-19.3</strong> <strong>-33.1</strong> <strong>-54.3</strong> <strong>-44.0</strong></td>
</tr>
</tbody>
</table>

Note: Weekly mean sales for paired samples compared are in brackets and *t*-values are in italic. **significance at *p < 0.01. Only significant results were reported.**
Table 6. Paired-samples t-test results for comparing the means of disaggregated retail sales.

<table>
<thead>
<tr>
<th>Life-stage shopper segments</th>
<th>Banana</th>
<th>Chocolate</th>
<th>Drinking chocolate</th>
<th>Coffee</th>
<th>Sugar</th>
<th>Tea</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-62.4**</td>
<td>61.3**</td>
<td>-16.5**</td>
<td>-79.2**</td>
<td>-10.8**</td>
<td>-53.6**</td>
</tr>
<tr>
<td></td>
<td>42.6**</td>
<td>64.5**</td>
<td>47.6**</td>
<td>9.3**</td>
<td>96.5**</td>
<td>11.9**</td>
</tr>
<tr>
<td></td>
<td>78.4**</td>
<td>44.8**</td>
<td>37.0**</td>
<td>70.5**</td>
<td>92.4**</td>
<td>43.4**</td>
</tr>
</tbody>
</table>

Note: Weekly mean sales for paired samples compared are in brackets and t-values are in italic.

**significance at \( p < 0.01 \).
affluent counterparts, and therefore, does not appeal equally to all lifestyle shopper (less affluent, mid-market and up-market) segments. Therefore, level of affluence is a key determinant of fairtrade food product appeal.

**Disaggregated results: fairtrade products**

The results presented in Tables 3 and 4 show that the aggregated data-sets, like those presented in Tables 1 and 2, do not always reflect the trends beneath the headline figures. Table 3 shows that unlike the clear-cut trends shown at the aggregated level for the differences in means across life-stage shopper segments, there are significant exemptions to the general trend that fairtrade appeals to most young and older families, and to a lesser extent to older adults, pensioners and young adults including students. The disaggregated results in Table 4 also confirm minor differences in trends for lifestyle shopper segments (less affluent, mid-market and up-market).

Details presented in Table 3 shows that five out of the six fairtrade products (banana, chocolate, drinking chocolate and sugar) appeal considerably more to young and older families, and to a lesser extent to older adults, pensioners and young adults including students. On the other hand, fairtrade tea appeals most to pensioners and older adults but appeals to a lesser extent to young and older families and young adults. It is common knowledge that older adults and pensioners have a higher consumption rate for tea compared to young and older families and young adults. If this suggestion should offer a useful explanation for the fairtrade tea results, then fairtrade coffee should have also shown a similar degree of appeal, which as per the results in Table 3 is not the case.

A cursory observation at average price per unit for tea and coffee show that average price ranges over the 104-week period of the analysis were: (1) £1.33–£2.11 for fairtrade tea and £2.20–£3.46 for fairtrade coffee and (2) £2.07–£2.93 for conventional tea and conventional coffee £2.11–£3.04 (Dunnhumby 2011). Perhaps, price differential offers a more plausible explanation for the pensioner shopper segment’s preference for fairtrade tea and not coffee, bearing in mind that older adults and pensioners are price-sensitive shopper segments.

The aggregated results discussed earlier showed a categorical trend that fairtrade appeals most to the affluent shopper segments than the less affluent shopper segments. However, in the case of the disaggregated data results shown in Table 4, only fairtrade banana, coffee, sugar and tea appeals more to the up-market shopper segment. Fairtrade chocolate and drinking chocolate did not show a higher appeal to affluent shopper segment. These two fairtrade chocolate products categories rather appeal most to the mid-market shopper segment than up-market segment. This is another piece of evidence supporting the need to go beyond headline figures that is evident from analysing aggregated data-set, to investigate the trends behind them with disaggregated data-set. Contrary to the trends from aggregated results, there is no significant difference between

![Figure 1. Decreasing order of appeal of fairtrade products to life-stage shopper segments.](image-url)
the retail sales means of mid-market and less affluent shopper segment in terms of fairtrade sugar and tea appeal (see Table 4).

**Disaggregated results: conventional alternatives fairtrade products**

To confirm whether the findings from the analysis of the retail sales means among fairtrade life-stage and lifestyle shopper segments were exclusive to the fairtrade product category or not, further analysis was undertaken to compare differences in retail sales means of shopper segments for conventional alternatives to the six fairtrade food products analysed. A comparison of the results presented in Table 5 to that of Table 3, and Table 6 to that of Table 4 reveals there is a considerable variability in appeal of fairtrade products and their respective conventional counterparts to life-stage and lifestyle shopper segments. Differences in the retail sales means of the paired samples occur not just in terms of varying magnitudes of the *t*-values but also in the directions of appeal.

Notable pairs that are different in terms of directions of appeal according to Tables 5 and 3 are: (1) the appeal of fairtrade and conventional banana to young adults–older adults segments; (2) fairtrade and conventional chocolate to young adults–older adults, young adults–pensioners, young families–older families and older adults–pensioners; (3) fairtrade and conventional drinking chocolate to young adults–older adults, young adults–pensioners, young families–older families and young families–older adults; (4) fairtrade and conventional coffee appeal to older adults–pensioners; (5) fairtrade and conventional sugar appeal to older families–pensioners; and (6) fairtrade and conventional tea appeal to young adults–older families, young families–older adults and older families–older adults.

A comparison of Tables 6 and 4 shows more pronounced differences in the retail sales means of the lifestyle shopper segments for fairtrade and conventional alternatives in terms of both magnitude and directions. A total of 14 out of 18 pairings representing approximately 67% of the paired lifestyle shopper samples show an opposite degree of appeal in terms of direction. Specifically, less affluent and mid-market shopper segments’ retail sale means comparisons show significant differences in the opposite direction of appeal to fairtrade and conventional chocolate, sugar and tea product categories. For example, whereas fairtrade chocolate appeals most to the mid-market segment, conventional chocolate appeal most to less affluent shopper segment.

Whilst fairtrade banana appeals considerably to the up-market segment, its conventional alternative appeals most to less affluent shopper segment. In addition, the comparison of results in Table 6 and 4 show that fairtrade and conventional banana, drinking chocolate, coffee, sugar and tea appeal less to affluent shopper segment relative to the up-market shopper segment. However, conventional banana, drinking chocolate, coffee, sugar and tea appeal rather considerably to less affluent shopper segment relative to up-market shopper segment. Comparing Tables 6 and 4 further show opposite direction of appeal of mid-market and up-market paired lifestyle shopper segments to fairtrade and conventional banana, coffee, sugar and tea.

Table 7 shows that, overall, conventional fairtrade alternatives significantly appeal far more to shoppers than fairtrade alternatives. In terms of ranking of the differences in appeal across the six product categories, the results indicate that sugar recorded the highest relative appeal, followed by coffee, then banana, tea, chocolate and drinking chocolate, the least. The results in Table 7 further indicate that although fairtrade has experienced a phenomenal growth in retail sales and consumer awareness, it still lags behind in conventional alternatives in terms of shopper appeal. This assertion is in agreement with
the suggestion that despite fairtrade’s strong appeal to UK consumers, it still accounts for less than 1% of the total grocery sales (Bowes 2011).

The findings emanating from these sets of comparisons are a clear indication that both fairtrade and conventional products alternatives appeal differently to life-stage and lifestyle shopper segments. Hence, fairtrade and conventional food shoppers exhibit distinct shopping behaviours and are therefore different groups of shoppers and by extension would have different characteristics and profiles, and ought to be treated differently.

**Conclusion**

The main purpose of this paper was to demonstrate how supermarket loyalty card data can be analysed to generate unique empirical segmentation based on actual behaviour data insights to profile the fairtrade shopper in order to enhance making targeted marketing decisions. Attempts in academic research to profile the fairtrade shoppers have relied on claimed/reported behaviour mainly based on smaller data samples over relatively short periods. Through analysing loyalty card data-set at the aggregated level for fairtrade, on one hand, and at the disaggregated level for fairtrade and conventional alternatives, on the other, this paper has demonstrated that segmentation based on actual behaviour data insights based on loyalty card data leads to objective profiling of the typical fairtrade shopper. The aggregated fairtrade food products’ data-set produced statistically significant differences in retail sales means representing their appeal to life-stage and lifestyle shopper segments. Noting the fact that the loyalty data-set is based on actual shopper purchasing behaviour, the aggregated results represent an objective understanding of fairtrade food shopper characteristics.

Unlike the aggregated data-set results on fairtrade retail sales means differences that were categorical that fairtrade appeals most to affluent young and older families, the disaggregated loyalty card data-set results have provided us with a more detailed insight into the degree of appeal across life-stage and lifestyle shopper segments among specific fairtrade products. The disaggregated results have given a more comprehensive insight into fairtrade appeal trends beneath the headline figures. It has shown that there are significant exemptions to the general trends of appeal reported on the aggregated results that fairtrade appeals most to wealthy, young and older families. The findings of this paper further support the need to go beyond the headline figures to investigate the trends behind them by demonstrating that contrary to aggregated results trends, fairtrade tea appeals most to pensioners and older adults, and fairtrade chocolate and drinking chocolate

<table>
<thead>
<tr>
<th>Group 1 and 2 (Conventional compared to fairtrade products)</th>
<th>Means</th>
<th>t</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional versus fairtrade banana (2521421: 146928)</td>
<td>71.85</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Conventional versus fairtrade chocolate (10705: 5695)</td>
<td>27.03</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Conventional versus fairtrade drinking chocolate (217705:208960)</td>
<td>3.25</td>
<td>0.002</td>
<td></td>
</tr>
<tr>
<td>Conventional versus fairtrade coffee (4333759:49817)</td>
<td>105.05</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Conventional versus fairtrade sugar (1574963:13804)</td>
<td>110.94</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Conventional versus fairtrade tea (1260858: 23202)</td>
<td>68.72</td>
<td>0.000</td>
<td></td>
</tr>
</tbody>
</table>

Note: Weekly mean sales for paired samples compared are in brackets.

*Significance at $p > 0.05$.  

Table 7. Paired-samples $t$-test results for comparing weekly mean sales (£) for paired samples (Group 1 and 2) $t$-value and significance.
appeals considerably to mid-market shoppers. In addition, this paper enables us to see the
differences between shopper segments in terms of how they respectively appeal to
fairtrade products and their conventional alternatives.

One of the key findings of this paper is that there is considerable variability in the
appeal of fairtrade food products to life-stage and lifestyle shopper segments. By looking
at the lack of differentiation among UK averages reported by various surveys
commissioned by the fairtrade industry (Globescan 2009; TNS CAPI OmniBus 2009),
this is a significant finding. The significance of this finding is premised on the fact that it
demonstrates the potential of market segmentation technique to facilitate effective
targeted marketing. Furthermore, it is an important finding because it is based on actual
behaviour data, which are free from the biases associated with insights produced from
analysing claimed/reported data such as social desirability bias (see Doran 2009).

Another key finding of this paper is that despite the insight gained by analysing the
aggregated fairtrade products retail sales loyalty data, disaggregated data provide a more
profound understanding of how different shopper groups respond to specific fairtrade food
categories. This illustrates the point that aggregated level data-set at best points to a
narrow overview of the phenomenon being studied and disaggregated level data provide
profound insight into trends beneath the headline figure, and this could be crucial for
formulating targeted marketing strategy. The results that led to this finding also suggests
the possibility that different results may be observed from aggregated and disaggregated
data, but the latter is more useful for marketing strategy.

The research has also demonstrated considerable variability in the appeal of fairtrade
products compared to the appeal of their conventional alternatives to life-stage and
lifestyle shopper segments. Such contrasting appeal of fairtrade versus conventional
product portfolios is an indication that fairtrade appeals to a different constituency of
shoppers across the life-stage and lifestyle shoppers segments, which are not the same as
those with considerable preference for conventional alternatives. This finding brings into
sharp focus the argument given by the fairtrade industry to support mainstreaming strategy
that since about three-quarters of the general public in the UK are aware of the fairtrade
mark, everyone can buy fairtrade products. It is therefore prudent to continue the
implementation of mass marketing strategy (mainstreaming). On the basis of the above
findings, would it not be a better option for the fairtrade movement to try and find out those
shopper segments that fairtrade appeals to most, who are willing and can afford to pay for
what they care about, rather than continuing mainstreaming and selling to everybody by
adding to the market as many fairtrade products as possible?

The findings of this paper also contribute to fairtrade literature on fairtrade market
segmentation. Existing literature has not found common descriptors for the typical
fairtrade shopper (see e.g. Fairtrade Foundation/MORI 2004; Moore 2004; Wright and
Heaton 2006; Nicholls and Opal 2008). Also, surveys commissioned by the fairtrade
industry have suggested little or no differentiation from the typical supermarket shopper
(see Globescan 2009; TNS CAPI 2009). This research found significant differences in
fairtrade appeal between affluent young and older families and the other shopper
segments. Thus, on the basis of life-stage and lifestyle segmentations, the typical fairtrade
shopper is best described as the affluent young and older families.

The paper also makes a methodological contribution to market segmentation research.
The findings of this paper make an important contribution to our understanding of the
characteristics of the supermarket fairtrade food shopper through analysing the differences
in the means of retail sales accruing to life-stage and lifestyle shopper segments
using actual behaviour data-set, which has not been used previously for this objective.
The results have shown that there is a unique shopper segment for fairtrade food products, but there are exceptional cases, and the fairtrade movement needs to understand these trends in order to implement targeted marketing strategy.

The fairtrade market in the UK has recorded over £1 billion in retail sales value by the close of 2011, and it is clear from this paper that much of the sales are attributable to the sales accruing to affluent young and older families’ shopper segments without any targeted marketing strategy. These findings are made possible through analysing actual shopper data which are available to leading fairtrade supermarket retailers in the UK. It is imperative for the fairtrade movement to begin to appreciate the fact that the argument for following a mass marketing strategy is fundamentally weak, especially in the light of these findings. There is a need for the movement to explore the enormous opportunities inherent in objectively working out who buys fairtrade through analysing actual behaviour data – loyalty card panel data is a good example. As the aggregated retail sales continue to grow, the current mass marketing strategy would seem to be working. However, targeted marketing yields the best results for a particular product category, and fairtrade would not be an exception. Implementing a targeted marketing strategy through effective fairtrade shopper segmentation based on actual behaviour data will not only offer fairtrade retail sales reward, but also provide invaluable understanding of marketing issues surrounding the fairtrade shopper that is critical for long-term marketing strategy. Indeed, the growth of fairtrade products sales can be due to an extension of the market to new segments instead of an increased penetration in the actual segments. Therefore, it is prudent for the fairtrade industry to consider together a mass marketing strategy with more targeted strategies.

**Limitations and areas for further research**

The research presented in this paper has limitations. The analysis examines only the six major fairtrade food categories within one retail supermarket. The market segmentation was done on the basis of two demographic factors, life-stage and lifestyle. Other demographic factors such as level of education, geo-demographic factor like regional distribution and product-related attribute like price are all possible bases to further segment the fairtrade market. These variables could provide meaningful insights into effective target marketing. Further research can be undertaken to examine the appeal of other fairtrade food apart from banana, tea, coffee, chocolate, drinking chocolate and sugar as well as non-food categories. Such a study will enable us to ascertain whether the typical fairtrade food shopper is the same across all other fairtrade categories, and is also likely to reinforce the advantages of disaggregated data over aggregated data and claimed data-sets. Researching to understand why fairtrade food products appeal significantly to affluent families can also be insightful. Having answers to such a ‘why question’ could prove very useful for any marketing communication strategy aimed at building shopper loyalty and/or behaviour change.

**References**


