

WILLINGNESS TO PAY FOR FAIR TRADE PRODUCTS

(PARTIAL FINDINGS FROM PROJECT CZ.2.01.2014.221.011 "CONDITIONS FOR FAIR TRADE DEVELOPMENT IN THE CZECH REPUBLIC")

ABOUT THE PROJECT

The principal objective of Project CZ.2.01.2014.221.011 "CONDITIONS FOR FAIR TRADE DEVELOPMENT IN THE CZECH REPUBLIC" is to evaluate the influence of selected social conditions on the development of fair trade in the Czech Republic.

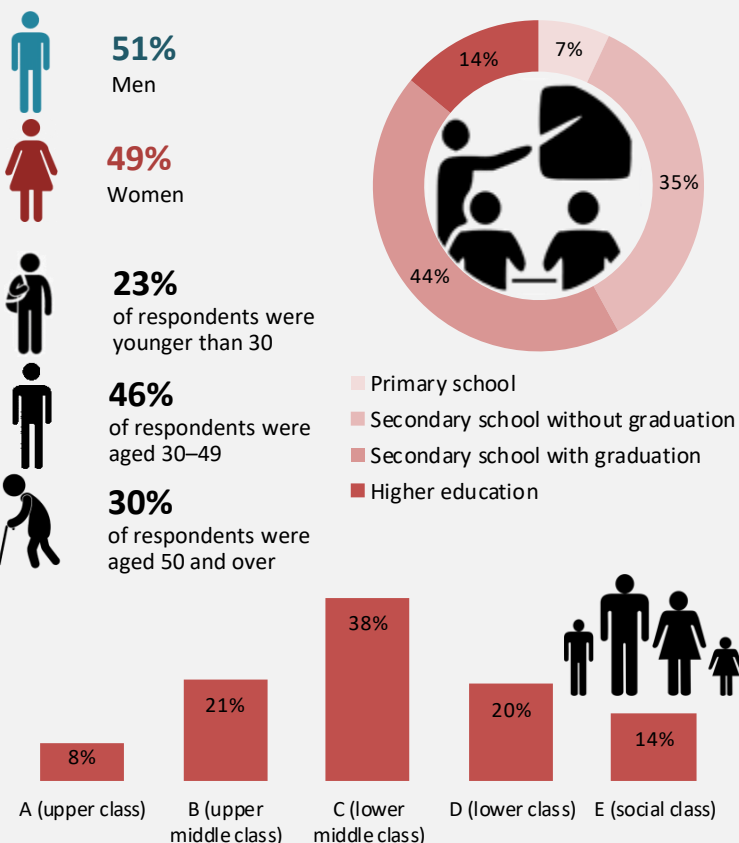
The partial objectives of the project include segmenting the public on the basis of interest in fair trade and on the attitudes to fair trade products; explaining how selected factors influence the likelihood of purchasing fair trade products; analysing the relationships between the awareness of fair trade products and purchasing behaviour; identifying and describing the effect of price on purchasing behaviour and modelling price sensitivity of selected citizen groups to fair trade projects.

METHODOLOGY

Data was collected by the independent Institute for Evaluations and Social Analyses (INESAN) among the general population in the Czech Republic in February 2014. Respondents were selected using the quota technique. The sample included people aged 18 to 64. The selection was designed using current data from the Czech Statistical Office. The sample represents the basic population in terms of gender, age, size of the place of residence, and region. Research data was obtained through in-person interviews between trained interviewers and respondents.

- 1,942** People approached
- 1,327** Respondents (sample size)
- 69%** Response rate (ratio of respondents to the number addressed)
- 24 min.** Average duration of one interview

SAMPLE DESCRIPTION



SUMMARY OF RESULTS

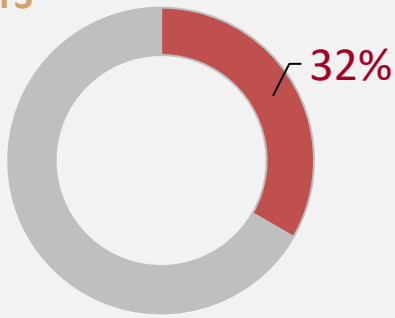
The respondents are willing to pay a higher price for a product especially if it reflects a higher quality of the product. Almost one-third of the respondents are willing to pay a higher price for the attributes of fair trade products, i.e., higher pay and a better working environment for the people in the production process, or product certification. This finding is also confirmed by the declared willingness to pay for fair trade products - almost one-third of the respondents (32%) are willing to pay a higher price for a fair trade product than for a standard product. The people willing to pay a higher price are more often women, middle-aged people, people with tertiary education and those who spend more than CZK 7,000 on food per month. The respondents who accept a higher price for fair trade products are willing to pay a price that is on average 8% higher than the price for standard products.

FACTORS LEADING TO THE ACCEPTANCE OF A HIGHER PRODUCT PRICE

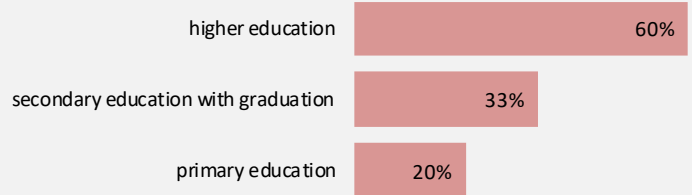


WILLINGNESS TO PAY FOR FAIR TRADE PRODUCTS

WILLINGNESS TO PAY A HIGHER PRICE FOR FAIR TRADE PRODUCTS THAN FOR STANDARD PRODUCTS

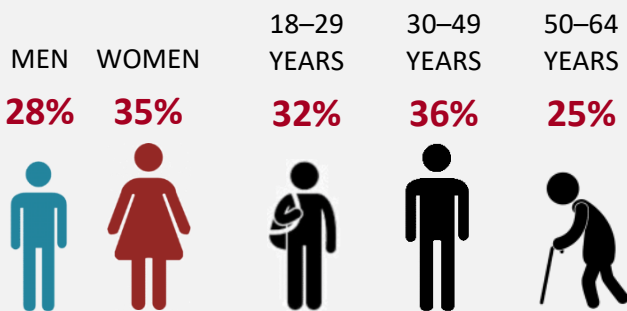


THE PEOPLE WHO ARE WILLING TO PAY A HIGHER PRICE FOR FAIR TRADE PRODUCTS ARE PRIMARILY WOMEN, RESPONDENTS AGED 30 TO 49 AND RESPONDENTS WITH TERTIARY EDUCATION.



32% OF RESPONDENTS

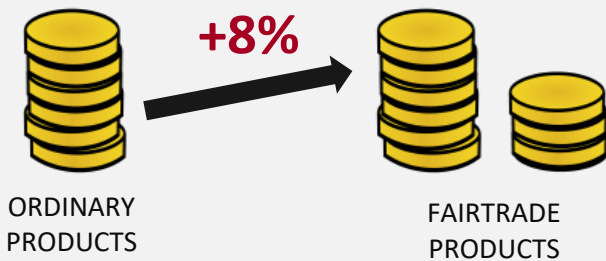
ARE WILLING TO PAY A HIGHER PRICE FOR FAIR TRADE PRODUCTS THAN FOR STANDARD PRODUCTS



THE WILLINGNESS TO PAY A HIGHER PRICE ALSO INCREASES WITH INCREASING MONTHLY FOOD SPENDING. 23% OF RESPONDENTS WITH MONTHLY SPENDING LOWER THAN CZK 4,000 ARE WILLING TO PAY A HIGHER PRICE; 40% OF RESPONDENTS WITH MONTHLY SPENDING OVER CZK 7,000 ARE WILLING TO PAY A HIGHER PRICE.



ACCEPTABLE PRICE INCREASE



8% INCREASE

THE RESPONDENTS WHO ARE WILLING TO ACCEPT A HIGHER PRICE WOULD PAY ON AVERAGE 8% MORE FOR FAIR TRADE PRODUCTS THAN FOR STANDARD PRODUCTS

THE RESPONDENTS WHO ACCEPT A HIGHER PRICE FOR THE PROPERTIES THAT DETERMINE THE NATURE OF FAIR TRADE PRODUCTS ARE MORE OFTEN WILLING TO PAY A HIGHER PRICE.

ABOUT THE INSTITUTE

The Institute for Evaluations and Social Analyses is the first research institute in the field of social sciences founded in the Czech Republic. It is an independent entity formed under the rules defined by the European Union (Article 1.3 (ee) of the Framework for State aid for research and development and innovation). The Institute is a research organisation under Act No. 130/2002 on the Support of Research and Development from Public Funds and is registered in the List of Research Organisations of the Research, Development and Innovation Council ("RVVI"). The objective of the Institute is to conduct fundamental research, applied research or experimental development and disseminate the results through teaching, publishing or technology transfer, with any and all profit reinvested in the above activities.

The core activities of INESAN are evaluations and social analyses.

The topics that INESAN focuses on include ethical behaviour, managerial studies, ICT, environment and social topics.

Thanks to its background in the methodology of applied social research, INESAN also processes surveys and methodological analyses. INESAN also provides expert services in creating methodological tools for evaluation, undertakes evaluations, participates in the preparation of tender documents, provides peer reviews of the individual documents related to evaluation and social research methodology.

The publications, expert reports and opinions issued by INESAN are not biased by the attitudes of donors and clients; they present the independent views of INESAN experts.

