THE RESPONSIBLE TRAVELLER:
A UK MARKET SEGMENTATION

INTRODUCTION

Research suggests that a significant segment of tourists could show interest in Fair Trade and sustainable holidays. ABTA (2012) finds that 50% believe their holiday should help the local economy and people (up from 47% in 2010) and that 54% say they seek a more authentic holiday experience. Fair Trade has been a buzzword for quite some time, and despite the recent economic downturn, European demand for fairly traded goods from developing countries (food, wine, clothing, crafts) is strong, according to a 2009 survey executed by GlobeScan and commissioned by FLO International (2009). Globally, consumers spent an estimated €3.4 Billion on Fairtrade products in 2009 - a 15% increase over the previous year. According to this same survey, 74% of German travellers favour hotels that employ local staff and guarantee good wages and working conditions; and 46% think it adds value to stay in an environmentally friendly accommodation establishment. Similarly, research in the UK shows that 71% of British consumers would like their travel to benefit local communities in the destination, while 80% of the Dutch want information on ethical issues in their travel information. TUI Travel PLC (2011) recently presented the findings of a study on tourist perceptions and behaviour around the subject of sustainable travel: 55% of all participants in the survey said that tour operating companies should be committed to fair working conditions at the destination and in hotels they do business with; 44% of all participants strongly agreed to the statement that "If a company offered a 'sustainable' holiday option, I would be very interested in booking this holiday trip"; and another 44% strongly agreed that "they have a better image of holiday companies that actively invest in environmental/social initiatives."

However, these findings are primarily based on intention (or attitude) and there is a need to identify *who* these potential responsible travellers are and *how* to convert this intention into action.

METHODOLOGY

This study has combined secondary data from the tourism industry with Fairtrade consumption and consumer profile data; as well as consumer segmentation done by South African Tourism. Finally, the Defra (2008) consumer segmentation model of general pro-environmental behaviour was used as a framework to overlay the data into "responsible travellers consumer profiles". These profiles were subsequently analysed using behaviour change techniques, in particular those used by Fairtrade in the past, in order to establish how to convert intention into action. Although consumer data pertaining to potential travellers to South Africa has been used, it is believed that it will also be applicable on other long-haul destinations (especially to developing countries).

A number of assumptions were made as follows:

- Segmentation is based on ***attitudinal*** differentiation and not demographics;
- Key attitudinal differentiation is the ***degree of social consciousness*** the person possesses and how it converts to buying behaviour;
- ***Education and worldliness*** are seen as a determinant for social consciousness;
- Household income does not necessarily impact attitude, but will determine the type of product consumed; as such - the segments have a descriptor of ***luxury and budget consumers***; and
- The segments which have no history whatsoever of ethical consumption were excluded.

THE SEGMENTATION FRAMEWORK

Defra's UK segmentation model of general pro environmental behaviours has 3 segments that have been found to have relevance when looking at possible demand for responsible tourism:

- **Cautious Participants** (14% of the UK population) This group of consumers is aware of the issues of the environment and fair trade and does care about their own personal consumption. They are likely to be home recyclers and act with the environment in mind, but they do not go out of their way to find fair and sustainable product.
- **Concerned Consumers** (14% of the UK population) are aware consumers that actively look for sustainable, environmentally friendly options when shopping and consuming. If there is a choice between a non-sustainable product and a sustainable one, they will actively choose to buy the sustainable one.
- **Positive Greens** (18% of the UK population) have a high willingness to do more. This is the best off and best educated segment. They are well researched and well versed on technical issues of sustainability and will ensure that the majority of their consumption is sustainable. They are also most likely to buy ethical and local products including local food and fair trade.

THE RESPONSIBLE TRAVELLER

Using the Defra segmentation model of general pro environmental behaviours as a base and subsequently layering in the secondary data analysed above, the following segments of responsible travellers have been identified (for full details, please refer to Annexure 1: Consumer Profiles):

- **Passive Social Consciousness** "I do a couple of things to help the environment. I'd like to do more……well, as long as I saw others doing it". Won't necessarily consider a sustainable travel option. Aware of carbon footprint of flights but do not internalise it as "their" responsibility but rather as just an additional expense. Would consider a sustainable travel product if it met all their needs and with no premium pricing. Travel is a reward and they don't want to feel guilty about it.
- **Concerned and Active Consumption** "I think I do a lot more that a lot of people. Still, going away is important, and I would find it hard to give that up. I wouldn't give it up so carbon offsetting would make me feel better". Travel is part of their life; they

are concerned about the carbon footprint of flying long-haul and will consider using a carbon offsetting programme. Will continue with green behaviour on holiday and will respect brands that support this (water wise, recycling, etc.). Becoming more aware of responsible treatment of staff in third world countries and will be vigilant of negative experiences

- **Fully Integrated into Lifestyle** "It is up to me to be more sustainable". Travel is fundamental to their lives as a way to expand their knowledge and worldliness. Seek an educational experience with new things, new frontiers - the quintessential pioneer. Budget = backpacker pioneer. Luxury = eco-warrior who will pay for a luxurious, educational, superior sustainable offering.

SECONDARY DATA ANALYSIS

OVERVIEW

ABTA (2012) reports growing demand for "adult gaps", as empty nesters and adults on career breaks immerse themselves in another culture - expected to drive demand for volunteering and learning breaks for adults and families. 10% of those aged 55-64 took more than four holidays abroad per year. The "backpacker brigade" is also important with one in ten under 24s taking more than four foreign holidays a year.

It may seem disappointing that only 22% say that sustainability is in the top 3 influencing factors for booking (Kuoni, 2012) The independent consumer magazine Which? (2011) similarly found that the political stability of the area visited, financial protection for the holiday, and the weather were the most important considerations when it came to booking a holiday. They were followed by the price of the holiday, the cost of living at the destination, the method of transport used, and choosing a company that practiced responsible tourism. But the interest is still there - nearly three quarters of travellers said that how their company behaves to local people in destinations is an important factor when it comes to booking their holiday. And the history of Fairtrade suggests that this concern about the local people can influence sales.

Consumers don't generally put sustainability issues high on the list of considerations when they buy food either. Nonetheless, strong percentages do want to buy fairly traded products and sales in the UK are now over £1.3b. Half of UK consumers say that they regularly purchase Fairtrade products at least once a month (Globescan, 2011).

PRICE

The main driver cited for buying Fairtrade products is to help producers. However, about a quarter of those not actively seeking Fairtrade products cite **price** as a barrier. Similarly, research shows price to be a barrier for sustainable holidays (Kuoni, 2011). However, ABTA found that 71% believes in getting good value for money but not necessarily the lowest price. There is some evidence that some tourists may be less price-sensitive when a completely sustainable product is offered. (Kuoni, 2011). This may hold particularly true in the luxury segments of the Responsible Traveller profiles. However, in the more mainstream segments, there is little indication that consumers are willing to pay a premium for a sustainable holiday. If a sustainable option is more expensive (e.g. as a result of an expensive certification process) it may be advisable for tour operators to absorb this premium in-house by lowering profit margins slightly. This can be used as a marketing tool for the tour operator; "xxx-certified products are more expensive due to the intensive audit process that they go through, however we have decided to absorb this premium in order to offer you the same good value as always".

AWARENESS & TRUST

We can learn by examining the factors present for Fairtrade food compared with sustainable tourism. Only 2 in 5 have heard of sustainable tourism (ABTA, 2012) whereas Which? (2011) found when they tested knowledge of sustainable food labels that the highest level of **awareness** was for the Fairtrade label at 82% - more than 8 in 10. Consumers also know what it stands for; 77% of those familiar with the Fairtrade Mark in the UK strongly associate it with helping farmers and workers in poor countries tackle poverty. Finally very high **trust** accompanies that awareness; 90% of UK consumers trust the Fairtrade Mark (Globescan, 2011). It is clear from the history of Fairtrade that awareness and trust were vital ingredients in its growth. The first three products were launched in 1994, accompanied by the support of well-known charities and mass membership organisations, consumer campaigns and celebrity endorsements. The first Fairtrade Fortnight was as early as 1995, with a producer visiting and touring. In 1997, catering products became available and the House of Commons gave it support. In 1998, several businesses began providing Fairtrade coffee for their staff. In 2000, churches and schools were targeted with action packs. By 2001 the retail value of annual Fairtrade sales reached £30 million - equivalent to £1being spent every second.

Given that sustainable tourism products are still in the early stages of their product life cycle, it is crucial to build awareness and trust in a similar way to what Fairtrade did in its early stages. For the Passive as well as the Concerned & Active Responsible Traveller, this may amount to basic information accompanied by personal stories (about people who are better off because of sustainable tourism) to make the subject less abstract, possibly together with a celebrity spokesperson. It is important to reinforce a positive message, rather than trying to make them feel guilty. Purchasing your holiday should be a positive experience, and making consumers feel guilty may even reduce the likelihood of them selecting a sustainable product by turning to a tour operator that is not pushing these messages. For the Fully Integrated Responsible Traveller, it is crucial to provide transparent information about the process and criteria used to deem a certain product sustainable. Quality assurance through third-party certification or rating is a useful tool, provided that the system is perceived as robust and reliable.

AVAILABILITY

Availability is relevant too. Fairtrade food has moved from being available only in specialist outlets (such as World Shops) to being prominently stocked by major supermarkets and coffee chains. Over 3,000 Fairtrade retail and catering products are available in the UK (Fairtrade Foundation, 2012). There have been iconic switches of well-known brands and supermarket ranges. In 2005, over 700 Fairtrade retail and catering products were available in the UK, up from 150 in 2003. By 2006 Retail sales of products with the Fairtrad Mark were estimated at £290m, up 46% from 2005, with growth coming across all product areas. A TNS (2007) public survey commissioned by the Fairtrade Foundation revealed that awareness of the Fairtrade Mark had risen to 57% of the adult population. Sales of Fairtrade certified products topped £500m. Default offers have played their part too. In 2008, the Co-op switched all of its Own Label hot beverages to Fairtrade. Tate & Lyle announce their commitment to convert 100% of its retail branded sugar to Fairtrade and Comic Relief committed major funding. In 2009 Cadbury Dairy Milk committed to going Fairtrade and. Starbucks rolled out their 2008 announcement to go 100% Fairtrade for all espresso-based coffees in the UK and Ireland. Sainsbury's completed conversion of all own-label roast and ground coffee to Fairtrade.

In tourism, availability is still one of the biggest problems. With so many different labels and certification schemes, none have a critical mass of supply and even if put together they only represent a fraction of the products available on the market. Until such time that the consumer does not need to compromise other requirements, sustainable products will remain a specialised niche. However, in order to increase supply there needs to be a clear indication from source markets that there is a demand. A classic chicken-and-egg situation! One strategy could be to use the demand for Fairtrade products as an indication for future demand for sustainable tourism products. Tour operators should select one or more certification or rating programmes to support, and encourage as many of their products as possible to adhere to these guidelines. This will not only increase supply of sustainable products, but will also encourage more products to operate sustainably thus affect positive change in destinations. Although using one programme would reduce confusion for the consumer, there may not be one that suits all destinations that the operator is selling. In order to secure buy-in, it is also crucial to engage the inbound partners in the process. In order to support smaller products, there may be a need to use CSR funds to assist them to adapt their operations. Another incentive might be to offer certified/rated products preferential positioning in brochures.

QUALITY

There is also an association in the consumers' mind with **quality**. Which? (2011) found that sustainable food was associated more with retailers perceived as offering higher quality. Retailers have found it worthwhile to offer default Fairtrade. 83% of UK consumers, say that they look to companies they deal with to help in reducing poverty through the way they do business (Globescan, 2011). ABTA research also suggests that companies who invest in making their business better for the environment stand to gain a competitive edge with 19% of consumers saying that they are prepared to pay more for a holiday with a company that has a better environmental and social record. 55% said they chose a product/ service in 2011 based on a company's responsible reputation (Co-op, 2011).

With the exception for the Fully Integrated Responsible Travellers, who may respond positively to a dedicated brochure/section for sustainable products (any printed material should obviously be produced in accordance with strict environmental criteria in mind), it is important to signal to consumers that sustainable tourism is not a "niche" but rather "a different way of doing business" and that their requirements in regards to quality will not be compromised by selecting a sustainable product. This can be achieved by listing sustainable products in the main brochure (together with a mark to indicate its certification/rating) rather than making them hard to access and increase the perception that these product are "only for tree-huggers and green warriors" by listing them separately. The sustainability mark can then be communicated as an added benefit rather than a need for compromise.

WILLINGNESS TO SWITCH

Although habit is a barrier, there may be a consumer **willingness to switch** in the right circumstances. If a Fairtrade option were available alongside non-labelled alternatives, 59% of UK consumers says they would prefer to buy Fairtrade bananas, 48% would prefer to buy Fairtrade sugar, 42% would prefer to buy Fairtrade chocolate, 42% would prefer to buy Fairtrade dried fruit and nut, 40% would prefer to buy Fairtrade tea, 39% would prefer to buy Fairtrade coffee, 37% would prefer to buy Fairtrade flowers, 33% would prefer to buy Fairtrade cotton products and 22% would prefer to buy Fairtrade wines (Globescan, 2011). Companies taking sustainability initiatives can help increase sales – as B&Q realised after introducing a whole range of new eco-products, and M&S witnessed during its 'One Day Wardrobe Clear-Out'. Staying ahead of consumers pays off – pre-empting what will matter to them in the future allows businesses proactively to anticipate and address key issues – as Waitrose did with its fish-sourcing practices more than 12 years ago (BITC, 2011).

This reinforces the importance if listing sustainable products in the main brochure. Drawing from the above, if given the choice between two similar products of which one has a sustainability certification/rating it is likely that the Responsible Traveller will select the sustainable product. Communication is also crucial, and as mentioned above a positive message that reinforces the benefits a sustainable product can deliver will underpin this.

LESSONS LEARNED

It seems that key factors are awareness and trust, availability, perceptions of quality and to some extent price. Certification is one route to awareness and trust and is relevant to both consumer skepticism and the positive green consumer's responsiveness to information. Consumer trust in Fairtrade is at an all-time high in the UK (90%) and 76% in the UK believe independent certification is the best way to verify a product's ethical claims (Globescan, 2011). Labelling also overcomes feelings of disempowerment with an achievable step.

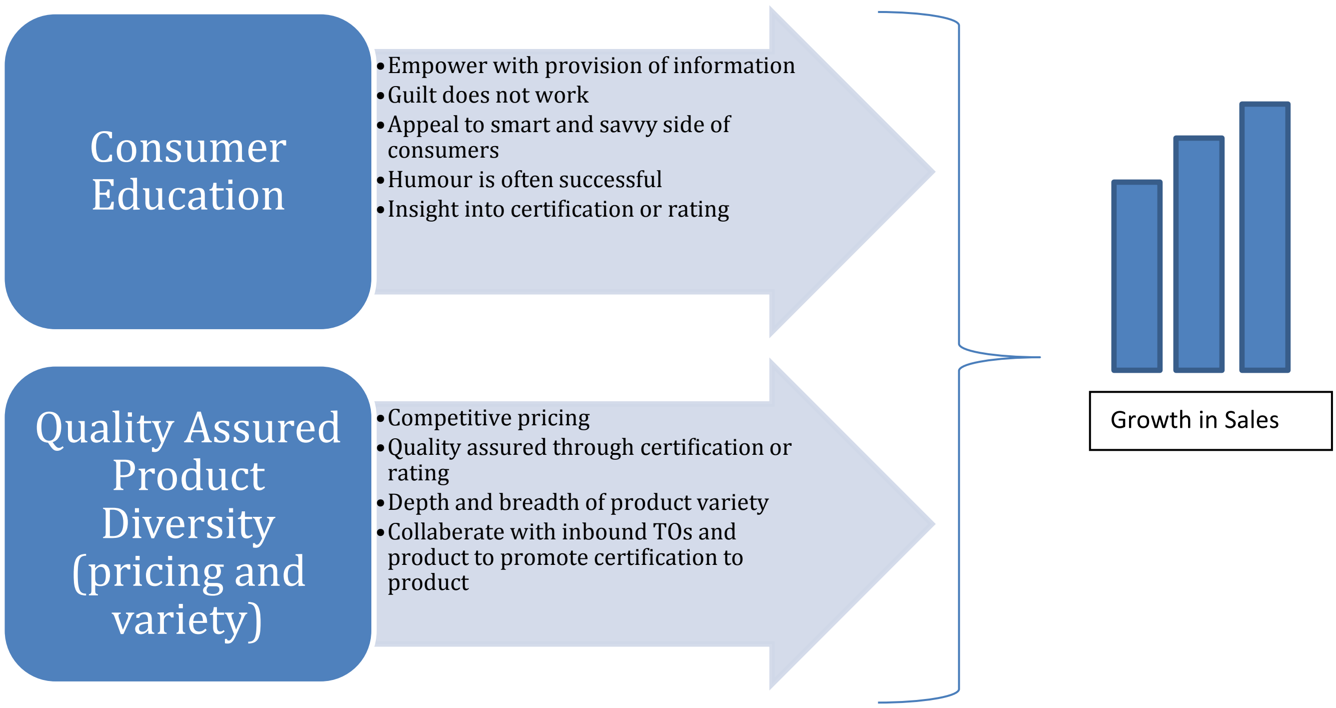
Company switches, copying the history of Fairtrade, would help to increase both **availability and awareness**. Showing consumers that a business has put its own house in order is especially important for cautious participants but consumers generally expect companies to behave responsibly. 95 % of consumers feel it is important that all companies treat producers and suppliers fairly and practice Fairtrade. Tour operators should select one or more certification/rating programmes and actively work to increase supply by encouraging products to participate. Sustainable products should be listed in the main brochure, to make them readily available.

Communication is crucial. Sustainable behaviour can results in the 'feel good factor' alleviate guilt or provide a sense of altruism and some social currency. Making it personal, for example with stories and photos of individuals and communities that are better off because of sustainable tourism, makes the benefits real and engages the emotions. Liking sustainability to benefits for the individual can be persuasive: for example, free range chickens are healthier so taste better. Fair Trade and sustainable holidays mean more interaction with the local culture – more authenticity.
Consumers are much more likely to act if they can relate to an issue and it resonates with them. Getting examples of ethical tourism out there helps make sustainable behaviour the

norm - especially important for cautious participants. It can make people feel part of something. Working with influential individuals helps make sustainable tourism aspirational and ‘cool’, while working with people’s sense of identity – whether as ‘fashionable’ or ‘conscientious’. Fairtrade was launched with the support of celebrities.

However, most Responsible Travellers are still not prepared to pay a higher **price** for a sustainable product. In addition, it is important to emphasize that a sustainable product is not a compromise when it comes to **quality**. Ensuring that sustainable products are competitively priced (even if that may require a slightly lower profit margin) and listed in the main brochure is important. If a reduction in margin is necessary, the tour operator can use this as a positive marketing message.

BEHAVIOUR CHANGE PROCESS



BIBLIOGRAPHY

- ABTA (2012) ABTA Travel Trends Report 2012
- BITC (2011) Influencing Consumer Behaviour: A Guide for Sustainable Marketing [http://www.bitc.org.uk/resources/publications/influencing_consumer.html]
- Co-op (2011) Ethical Consumerism report
- Defra (2008) A Framework for pro-environmental behaviour
- Fairtrade Foundation (2012) [http://www.fairtrade.org.uk/products/default.aspx]
- FLO International (2009) Fairtrade flows against economic tide. [www.fairtrade.net]
- Globescan (2011) Global survey shows UK leads the way on Fairtrade
- Kuoni (2011) Is there demand for sustainable tourism? Lucerne University of Applies Sciences and Arts
- Kuoni (2012) Kuoni Travel Trends Report 2012
- South African Tourism (2010) Marketing South Africa in the UK
- TNS (2007) 7 Million Farming Families Worldwide Benefit as Global Fairtrade Sales Increase By 40% and UK Awareness Of The Fairtrade Mark Rises To 57% [http://www.fairtrade.org.uk/press_office]
- TUI Travel Plc (2011) Sustainable Development Report 2011
- Which (2011) Which? Travel Survey [http://www.which.co.uk/publications/magazines/which-travel/]