CONSUMER SEGMENTATION FAIR TRADE TOURISM: NETHERLANDS

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Content

1. INTRODUCTION

Various sources provide insights into a possible interest for Fair Trade and responsible holidays for Dutch consumers. While travel to developing countries remains popular despite the financial crisis, we need to identify more accurately exactly who these people are and how to convince them to buy responsible and Fair Trade tourism to destinations like South Africa.

A report from SNV in 2009 called The *Market for Responsible Tourism Products* gives us some useful insight, as does the NBTC-NIPO Research from 2010 that looked into the demand for and attitudes to responsible tourism in The Netherlands. Long haul travel attitudes and support for philanthropy and charities also reveal Dutch consumers care a lot more about impacts in developing destinations than the travel industry may realise.

The last few years have seen a tremendous push by the ANVR and a group of front-runner tour operators in responsible tourism development in the Dutch travel industry. The Travelife certification system for Tour Operators has recently certified the first 4 Dutch tour operators with the GSTC Recognised sustainable tourism label (Travelife, 2013). The Netherlands is now leading the world in this respect and later this year several other Dutch tour operators will follow suite.

By 2015 twenty Dutch tour operators will be Travelife certified following a 3rd party audit. In 2013 all Dutch ANVR members (tour operators and travel agents) will complete the Travelife training and do the exam (ANVR, 2013). This will mean Dutch consumers will be confronted with many more responsible tourism choices. In addition to this, communication by travel companies about the impacts on destinations will be greatly improved and increased over the next years.

The use of responsible tourism certification and labels can help consumers make informed holiday choices, which is something the consumer currently struggles with, even if their intentions are good.

An ample supply of responsible tourism options can also influence purchasing behaviour. Two thirds of Dutch people indicate they would like to adopt a more sustainable lifestyle and that the provision of the right information at the right time would be a great help in the decision making process. By only offering responsible tourism products, travel companies will make the sustainable option the easiest one to go for (Schuttelaar, 2012). This could be the ‘supermarket’ effect of responsible tourism, which has also worked very well for Fairtrade.

2. METHODOLOGY

The aim of this study is to establish clear target segments and behaviour change techniques that can assist tour operators and travel agents (as well as FTTSA clients in SA) to sell Fair Trade Tourism in the Dutch market. Combining secondary data on ethical and Fairtrade consumerism with consumer segmentation research done by South Africa Tourism Netherlands and recent responsible tourism studies, the study analyses resources and identifies target segments for Fair Trade Tourism in The Netherlands. The Motivation Mentality model was used as a framework to segment consumers.

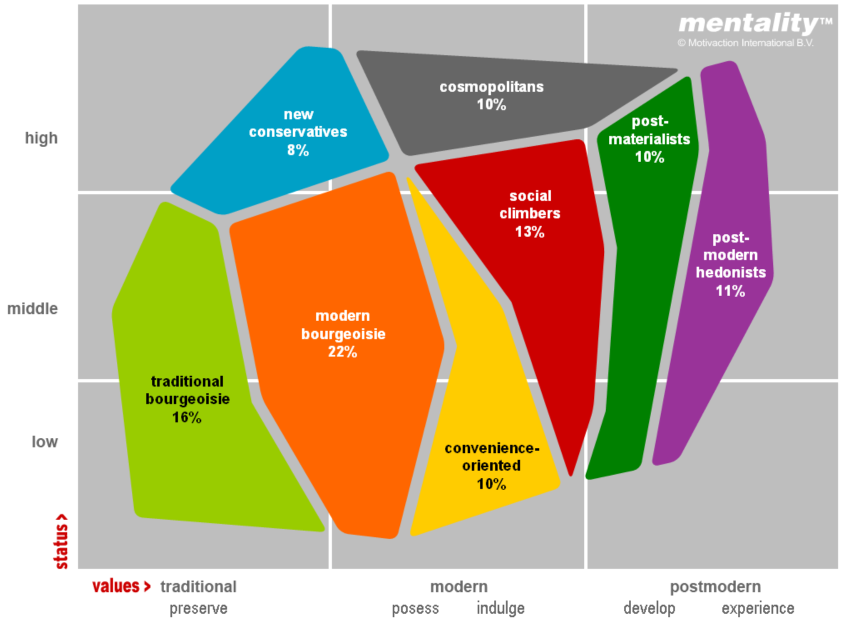
A number of assumptions were made:

- Segmentation is based on attitudinal differentiation and not demographics;
- Key attitudinal differentiation is the degree of social consciousness that 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 that have no history whatsoever of ethical consumption were excluded.

3. THE SEGMENTATION FRAMEWORK

Motivaction's Mentality™ model groups people according to their attitudes towards life. Eight social milieus have been identified in the Netherlands, defined on the basis of personal views and values that lie at the heart of people's lifestyles. People from the same social milieu share values with regard to work, leisure time and politics, and demonstrate similar ambitions and aspirations. Every milieu has its own lifestyle and consumption patterns, which are expressed in concrete behaviour.

Mentality milieus in the Netherlands



Source: http://www.motivaction.nl/en/node/1154

In relation to sustainability, Motivaction identifies 3 levels of engagement: high, medium and low.

Sustainability Level	Mentality Milieus	Characteristics
Low	Convenience-orientated, Post Modern Hedonists and Modern Bourgeoisie	Strong focus on here and now, like convenience, own interests are central, hedonistic and materialistic, not worried about environment.
Medium	New Conservatives	Are worried about environment, want to live sustainably, involved in their local neighbourhoods, feel responsible for society.
High	Post Materialists, Cosmopolitans, Traditional Bourgeoisie	Same attitude as Medium Sustainable level but want to consciously consume ethically, will pay more for organic and local produce, are actively involved global citizens.

Source: http://www.motivaction.nl/

Sustainability at home does not always equate to sustainability on holiday in developing destinations. The Traditional Bourgeoisie may, at first glance, seem like a good group to target for responsible tourism but this group is, in fact, very traditional and tied to their home environment. They are unlikely to travel long haul, have a limited budget, do not like change or trying new things and do not have a very internationalist outlook. Their world is very small and sustainable behaviour is very much linked to the fact that they follow the rules of local and national government. They are sustainable because they feel obliged to be, not because they believe in it.

Three milieus are suitable for Fair Trade Tourism segmentation: the New Conservatives, Post-Materialists and the Cosmopolitans.

New Conservatives: 8% of the population The liberal-conservative social top layer that embraces technological development and resists social and cultural innovation.		
Ambitions Hold onto traditional standards and values Protect social status	*Society and politics* Hierarchical Critical Interested in politics and history	*Work and performance* Gives them their identity Takes precedence over private life
Lifestyle Art and culture Frugal Risk averse Value etiquette	*Social relationships* Hierarchical Family relationships play a central role	*Socio-demographics* More women than men More elderly More people with a higher educational level More people with higher income

Post-Materialists: 10% of the population Socially critical idealists, interested in personal growth, make a statement against social injustice and defend the environment.		
Ambitions Self-development Show solidarity and be socially engaged Attention for non-material values	*Society and politics* Socially and politically engaged Reflective and critical Demonstrate solidarity and tolerance International interests	*Work and performance* Not a central motive Seek balance between work and private life Make a contribution to society
Lifestyle Work according to a plan and principles Not focused on consumption and enjoyment Frugal Art and culture	*Social relationships* Individualistic Partners have their own group of friends	*Socio-demographics* More women than men Often higher age class More people with a higher educational level All income levels

Cosmopolitans: 10% of the population Critical citizens of the world who integrate post-modern values such as growth and experience with modern values such as success, materialism and enjoyment.		
Ambitions Social success Personal growth Socially engaged	*Society and politics* International orientation Socially and politically engaged Tolerant	*Work and performance* Central motive Ambitious Improving income Gives them their identity and status
Lifestyle Consumption-oriented Materialistic and technology-minded Impulsive and adventurous Status-conscious, value etiquette Art and culture	*Social relationships* Networkers Gravitate towards like-minded people	*Socio-demographics* Just as many men as women More young people More people with higher income

4. THE RESPONSIBLE TRAVELLER

Based on the sustainability levels above and the secondary data analysed, 3 out of the 8 milieus emerged as suitable for identifying segments of Fair Trade and responsible travellers. However, these milieus still vary greatly in travel styles and preferences when we look at age, budget and sustainability: the New Conservatives and Cosmopolitans both like luxury travel as opposed to the Post Materialists who will probably quite enjoy budget travel.

The New Conservatives place less importance on sustainability in comparison to the Post Materialists and Cosmopolitans. There is also a difference in age: the Post Materialists are younger (up to 45) and the New Conservatives and Cosmopolitans are older (45 and older, the baby boom generation). The younger Post Materialists are students and young professionals whereas the older members are young families. Many of these may in fact be single families.

SEGMENT	**RT Importance**	**Budget**	**Age**
New Conservatives	Middle	High	Old
Post Materialists	High	Low	Old
Cosmopolitans	High	High	Young

The secondary data analysis clearly shows that the older group of consumers are more engaged in sustainability and are travelling more. It therefore makes sense to target them for responsible tourism. The challenge for the future will lie in the ability to engage the younger generations and switch them to responsible travel. Based on the Motivaction segmentation model in relation to sustainability and the analysed secondary data, the following responsible traveller segments can be identified:

The **Luxury Lover** is from the New Conservative milieu and falls into the category of a traditional luxury traveller who enjoys multi-generational travel. The Luxury Lover will be familiar with and occasionally purchase Fair Trade and organic produce, support charities and is generally a good sustainable citizen. Responsible tourism purchasing will need to be made as easy as possible for this group. Sustainability, for them, is a nice-to-have when quality and availability are good, not a need-to-have for now. They fall into the category of Cultural Creative citizens who subscribe to the values but who do not put it into practice on a day-to-day basis.

RT Segment	Travel Style
Luxury Lover (New Conservative)	The Luxury Lover appreciates traditional luxury travel and will never skip a holiday. Time is precious to them and travel choices will need to tick all their boxes as well as give them something to brag about when they get home. They will often be travelling with their family (inter-generational travel). The Luxury Lover will appreciate it if their luxury holiday choices also benefited local people and protected the environment - but they will not be looking for responsible tourism deliberately during the planning stages.

The **Social Explorer** is based on the Post Materialist milieu and represented by an older traveller. Original Cultural Creative's, they are very conscious, experienced and independent travellers who will appreciate lots of information and detail about responsible tourism. These conscious consumers have been supporting Fair Trade since it first was introduced, support charities, volunteer, buy organic and are very socially responsible citizens at home. They are comfortable paying more for sustainable products and services and actively seek them out.

RT Segment	Travel Style
Social Explorer (Post Materialist)	The Social Explorer is an older, independent, socially engaged traveller with an open-minded attitude to the developing world. They are experienced older travellers, can organise themselves and are looking for meaningful connections with local people. They travel to learn and gain new insights. Responsible tourism experiences are what they are looking for, as knowing that their holiday does good will make them feel they have contributed to a better world. They will appreciate opportunities to visit and support local projects. They may be travelling solo or with a partner/friend, don't mind roughing it for a bit and will appreciate experiences that allow them to live like a local.

The **Critical Cosmopolitan** comes from the Cosmopolitan milieu and tends to be younger (young families with kids, students and young professionals) and fit into both luxury and budget style travel with a strong interest in experiential and adventure travel. They are conscious consumers, support charities and will buy Fairtrade and organic products as much as possible. They are very aware of environmental and social impacts and can be considered critical consumers who are looking for good causes to support, both at home and abroad. The older Critical Cosmopolitan belongs to the Cultural Creative group whereas the younger Critical Cosmopolitan may still fit into the category of Cultural Creatives who opt in and out of sustainability. Price is more of a barrier to them.

RT Segment	Travel Style
Critical Cosmopolitan (Cosmopolitans)	The Critical Cosmopolitans enjoy both budget and luxury experiences in new places and knowing that their holiday benefits others. The idea that they can 'kill two birds with one stone' sits well with them. Responsible tourism products that are certified will be their preferred choice. Although this group appreciates luxury, they will be looking for the more quirky and boutique accommodation and tour providers. The younger travellers in this group will enjoy back/flash packing and volunteering. Families travelling with their young children will want responsible fun family activities and adventures.

5. SECONDARY DATA ANALYSIS

5.1 OVERVIEW

According to Marketresponse there are currently approximately **2 million Dutch consumers that actively strive for a sustainable lifestyle**. These Cultural Creative's have a common set of values: they worry and care about the planet, want to live sustainably, reject mass production, choose quality over quantity and purchase products with minimal negative impact. They are prepared to pay more for sustainable products, enjoy travel, volunteer, read, enjoy art and culture, care about others and are idealistic. They have an active social life, can be found in all layers of Dutch society and are spread over the country. They form roughly 15% of the population but, alongside this group, there is another group of consumers (12%) that subscribe to the values of the Cultural Creative's but who do not yet put it into practice in everyday life. Marketresponse expects the **group of Cultural Creative's to grow to around 25-30% of the population in the coming years** (Marketresponse, 2012).

Duurzaamheidskompas 2012 points out that the **financial crisis has only made Dutch consumers more aware of the need for sustainable consumption. It is important to note that a large part of the responsibility for achieving this is placed on the**

government and businesses. The government needs to facilitate sustainable development and lead by example (Duurzaamheidskompas, 2012).

The Dutch have been familiar with Fairtrade for a long time. In 1988 Max Havelaar was launched as the first Fairtrade label under the initiative of the Dutch development agency Solidaridad. The first 'Fairtrade' coffee from Mexico was sold into Dutch supermarkets branded "Max Havelaar," named after a fictional Dutch character that opposed the exploitation of coffee pickers in the Dutch colonies in Indonesia. Dutch consumers can now find Fairtrade products in a wide range of shops and supermarkets and are also able to support Fairtrade by buying Fair Trade Original products in Wereldwinkels, which are shops that sell Fair Trade products such as crafts. In 2011 NCDO did research into who buys Fairtrade and why:

Who buys Fairtrade?	Singles, more often than not over 50, families with higher incomes, often living in the west and in big cities, middle class, well-educated, usually in a good job.
Why buy Fairtrade?	Support local producers/farmers in poor countries, support Fairtrade, and support a good cause in times of crisis, quality of product.
Why not buy Fairtrade?	Don't take notice of Fairtrade, too expensive, can't find products where I shop.

According to SNV, even though ***Dutch travellers are interested in responsible tourism products and destinations, only a few key Dutch travel companies are offering responsible tourism products*** *(SNV, 2009). There are currently two Dutch tour operators selling Fair Trade holiday packages and many others selling individual Fair Trade certified accommodations and activities. However,* ***availability and price are still an issue, which*** *is a shame due to the fact that several tour operators are willing to help create a 'supermarket' effect providing there is more choice of Fair Trade Tourism products. Dutch consumers certainly appear to be interested in these types of holidays.*

5.2 AVAILABILITY AND DEMAND

Dutch consumers have noticed a larger choice of sustainable products in Dutch supermarkets and appreciate the lead companies have taken in achieving this.

Currently, 70% of consumers say that they think it is normal for supermarkets to broaden their sustainable range of products and actively promote them (Duurzaamheidskompas, 2012). A great example of this is the leading Dutch supermarket, Albert Hein, which in 2009 started selling all eco, organic and Fairtrade products under one umbrella brand called 'Puur and Eerlijk' (Pure and Fair). This proved to be a huge success and has helped them to sell 'sustainable' products to a large group of 'conscious' consumers who were generally not prepared to pay much more for these types of products. More products are being added to the brand every year (ANVR, 2010).

Just like in many other European countries, **Fairtrade is booming and sales are soaring year on year in The Netherlands**. The total volume of sales of Fairtrade products in 2011 went up by 20% and represents a total retail value of €147 million (Max Havelaar, 2011). In 2011 53.3% of Dutch consumers bought one or more Fairtrade products which is an increase of 12%. Research also shows they are buying Fairtrade products more often and in larger quantities. The success is largely due to increased availability in supermarkets (NCDO, 2010). In the first half of 2012 Dutch consumers spent € 1 billion on organic produce which is 23.4% more that in the same period in 2011. Compared to the UK, the Dutch market for organic food is comparatively stronger and market share is increasing year on year (3%).

This is partly due to:

- Motivation: Dutch people think eating organic contributes to a better world whereas the British consumer eats organic because it is hip thanks to TV chefs like Jamie Oliver. Dutch consumers are more like German consumers in this respect.
- Price: Dutch food production is highly efficient and cheap so organic food is affordable to many consumers. Prices in the UK are considerably higher and with the crisis hitting the UK harder, consumers are going for the cheapest food options.
- Supply: Dutch consumers can find organic produce in supermarkets as well as specialist shops called 'natuurvoedingswinkels' . Also many mainstream Dutch food brands now have an organic product included in their ranges (Unox soup for example). In the UK organic product ranges have been 'pulled' from supermarkets since the crisis (Trouw Groen, 2012).

5.3 RESPONSIBLE TOURISM DEMAND AND AVAILABILITY

The financial crisis has not curbed the desire to travel to far flung destinations either. A recent article in Oneworld magazine illustrated how booming business is and identified what is selling well with tour operators. The tour operators also gave useful insights into types of travellers and the experiences they are looking for: adventure, experiential, individual and back/flash packing. The travel preferences correspond nicely with the Fair Trade Tourism consumer segments Social Explorers and Critical Cosmopolitans.

Long Haul Travel Survives the Crisis

Round-the-world travel and overland expeditions seem to be in hot demand, also the possibility to build your own trip rather than buying a complete package. Baby boomers with money and time especially are looking for round-the-world travel experiences. Backpacking and adventure travel also remain popular.

*Tour operators **Shoestring and Koning** Aap (both now Travelife Certified) hardly notice there is a crisis on. Their YourWay2GO product, which allows customers to build their own trip, is growing in popularity. Custom-made travel is in demand and people prefer to travel individually. Usually they tend be older, have permanent work or are on a good pension. The crisis does not really affect them as much.*

*Adventure Travel Company **Djoser** is also successfully selling their group itineraries. The company feels that adventure travel remains popular because it provides a unique experience to people and it is less about consumption. Customers are prepared to pay for those experiences and will not economise so quickly on them. Djoser is seeing a lot of growth in family travel, especially divorced parents love group adventure travel: kids can hang out together and parents can share responsibilities. Popular destinations are South Africa and Kenya.*

Dutch consumers spent €12.3 billion on travel in 2011 and the ANVR predicts that growth will be very slow over next 15 years or so (5% to 2020). The adventure travel industry should be able to do well as long as the baby boomers stay financially and physically healthy.

*Adventure Travel Company **Baobab** points out that booking habits have changed somewhat and the trend is now towards cheaper 15-day itineraries rather than 27-day dream holidays. Baobab has noticed that people in their 20's and 30's are struggling financially. Their family holidays are selling very well and this group of customers seems to be growing. These customers are looking for an experience and a real meeting. Baobab feels these types of travellers will travel anyway and they have even gone so far as to revive their old format of overland travel, which is in high demand. People are looking for once-in-a-lifetime experiences.*

The older customer is fickle and not loyal to one travel company in particular. They are constantly looking for new experiences and are critical. As they are busy working on ticking off a bucket list of destinations, they prefer trips that combine several countries (Oneworld, 2012).
Source: http://www.oneworld.nl/lezen/trend/verre-reis-overleeft-de-crisis

Motivaction and NRC Media published *Tourism Insight* in December 2012. This publication gives a great deal of information on Dutch travel preferences and segments.

The report stresses **travel companies will need to vastly improve how they communicate to travellers and show greater insight into traveller segments.** The report confirms that the Dutch will continue to travel even in times of financial crisis. A total of 3.8 million Dutch consumers over the age of 13 (28% of the population) are very interested in travel.

They are, however, **more critical of holiday offerings and, as a result, tour operators will need to try and cater for increased interest in experiential travel and individually tailored trips**. The **desire to travel stems from a desire to develop oneself and to learn more about other cultures and people**.

There is therefore a preference for cultural, adventure and long haul travel. They are **interested in the environment and sustainability but they have not put it high on the agenda of priorities.** This is particularly relevant in relation to long haul travel, as not flying would make their travel options far too limited.

Finally NRC Media and Motivaction give some marketing tips for travel companies and travel agents:

- Make use of magazines, newspapers and the Internet to reach these travel enthusiasts.
- Communicate the truth.
- Play up to the sense of status this group has.
- Offer exclusivity.
- Mention the benefits: highlight what is in it for the traveller (NRC Media, 2012).

NBTC-NIPO Research from 2010 looked into the demand for and attitude towards responsible tourism in The Netherlands.

It revealed that **7.2 million Dutch people over the age of 18 think it is important that sustainability is part of their holidays**. Older people (55+) place more importance on sustainable holidays than the 35-44 year old group.

Sustainability is not top of the ranking when it comes to decision making: things like attractiveness of the destination, value for money, quality of accommodation, weather, price, safety and security and customer service come before *people* issues such as good living and working conditions and *planet* issues such as care for the environment.

An interesting observation is that *people* issues take precedence over *planet* issues in decision-making. **53 % of Dutch travellers feel it is their responsibility to ensure the sustainability of their holiday**. Next in line are: the accommodation provider (33%), the tour operator (23%), the destination (21%), the transport provider (18%), the government (18%) and then the travel agency (9%) (NBTC-NIPO, 2010).

5.4 DEMAND FOR RESPONSIBLE TOURISM TO SOUTH AFRICA

In June 2012, Cape Town Tourism (CTT) hosted a marketing insight session on the Dutch market.

Cape Town Tourism's Dutch representative Anneli Bronkhorst shared some useful information :

Responsible Tourism and Fair Trade accreditation are increasingly critical for Dutch travellers who often make tourism product buying decisions based on these principles. Multigenerational travel is on the increase, with Cape Town seeing an increase in Dutch families travelling with children. She recommends:

- Providing **value for money** by offering "cheap and chic". Dutch travellers are known to shop around for the best value. Flights from Holland to South Africa are expensive so getting as much as possible for your money in the destination has become even more important. Dutch people are also very interested in cheaper accommodation options like guesthouses and B&B's.
- Be **original and authentic** in offering travel experiences to the Dutch – they are seasoned travellers with high awareness of Cape Town and South Africa.
- **Themed travel packages and itineraries**, products offering hiking and cycling trials, food/gourmet, 'expected with the unexpected' etc. appeal to the Dutch.
- Offer **real contact with local people and true experiences**: a 'home-from-home' feeling.
- Offer **sustainable** experiences: Dutch are looking for Fair Trade properties and activities. However, communicate clearly what this means as consumer is becoming more skeptical if it is 'fake' or 'real'.
- **Free internet access**, as well as access to technology and mobile apps, is very important (Cape Town Tourism, 2012).

Traveller segments to South Africa can be roughly split out into an older and a younger group:

Name	**Age**	**Travel Interests**	**Travel Awareness**
Next Stop South Africa	41-60	Culture, cuisine, nature, romantic, wildlife, golf, wellness and soft adventure	Destination for repeaters, well prepared, exclusive, booking by travel agent and flexible traveler
Wanderlusters	26–40	Backpacking, self-drive, culture, nature, romantic, beach, active, sports, adventure, discovering wellness, nightlife and relaxation	Destination for repeat visiting and value for money

Source: http://www.capetown.travel/uploads/files/Industry_Session_13_June.pdf

The Travelife rollout in The Netherlands will certainly boost responsible tourism offerings by tour operators and travel agents. In its Vision for the Future document, the ANVR has set some clear targets for sustainable tourism products such as transport, accommodation and excursions/activities. Certification will play a big *part in this process: by 2025 50% of Dutch travellers will be staying in accommodation with a sustainability label recognised by the Global Sustainable Tourism Council such as FTTSA or Travelife and going on excursions or activities which follow international guidelines and Codes of Conduct, ensuring a positive contribution to people, wildlife and nature in destinations.*

Communication to travellers on how to make positive contributions to destinations plays another essential role and will help increase demand for responsible tourism (ANVR, 2013). In fact, by nudging the travel industry into the right direction, the consumer is automatically nudged in this direction too. The 'supermarket' effect in responsible tourism may be just around the corner.

5.5 PRICE

The price of sustainable products is still an important reason for why people end up buying a cheaper non-sustainable option: **71% of Dutch consumers base their purchase decision on price even though they were aware that a low price comes with negative consequences** such as child labour, low wages for workers and negative impacts on the environment. The reason they choose on price is because they feel life is already expensive enough and doubt the sustainability claims of some products. **Sustainability becomes more attractive when there is a real advantage for the consumer**. Even though 6 out of 10 consumers dislike the idea that products involve child labour or low wages, only 1 in 10 sometimes feel guilty when buying a cheap product (Duurzaamheidskompas, 2011).

Sustainability in products is especially important when it leads to cost-saving or other personal benefits to the consumer. This effect has been compounded by the financial crisis (Dossier Duurzaam, 2012).

Almost half of Dutch consumers (48%) think that the **price difference between Fairtrade and regular products is too high** and 76% said they would buy more Fairtrade when it is on special offer. At the same time 49% recognise that the **higher price is an indication of a fair price**. 72% feel Fairtrade products contribute to a better world (NCDO, 2011).

The 2012 Nielsen study identified Global, Socially-Conscious consumers around the world and revealed that **The Netherlands had the lowest concentration of consumers willing to pay more for products and services from socially-responsible companies**. Only 21% said they would pay more. This needs to be read in context to Europe as a region, which scored low with 32% in comparison to Asia Pacific with 55% and the Middle East and Africa with 53% (Nielsen, 2012). It seems developing regions in the world are far more generous. So do the Dutch really live up to their stingy reputation? Not everyone agrees.

In a study by Gielissen in 2010 called '*How Consumers make a Difference'*, he looked into why Dutch consumers buy socially responsible products at an above market price.

Gielissen discovered **Dutch consumers are willing to pay 10% more for socially-responsible products such as Fairtrade coffee, organic meat and free range eggs.** He also revealed that the reason other consumers are not buying these products is because they have not been well enough informed, which he blames on weak sales strategies by companies. Consumers often indicated they bought socially responsible products for moral reasons and that they will go out of their way to find those products. **They feel responsible for contributing to a solution for sustainability and to Fair Trade**. These types of consumers are generally more engaged in society and are used to informing themselves about all sorts of issues. Gielissen noted **that many consumers who are not buying socially responsible products are less engaged and informed and would therefore benefit from getting more information about socially responsible products** (Gielissen, 2010).

The responsibility of **awareness as to how prices are formed is important** for businesses too. Not many consumers understand how price is determined for products but they do understand and are aware of the negative consequences of low prices. The vast majority of consumers find this unacceptable. They would be **willing to pay more for sustainable products if they were informed about how the price is determined and what happens with the premium they pay for a sustainable product**. If consumers can be guaranteed that money is going to producers in developing countries they would be prepared to buy these products. **Any improvements related to 'People' would justify paying more**. Almost half of consumers said they sometimes wonder whether producers actually manage to make ends meet or make a profit when low prices are paid (Duurzaamheidskompas, 2011).

Travel companies are very rarely transparent about pricing structures of holidays and engaging in better communication on where the money goes and who benefits from it, would help distinguish Fair Trade holidays from regular holidays. Popular trends and destinations do not necessarily motivate Dutch travellers to go somewhere but ***price is indeed a dominant factor in the decision making process****. They also look for* ***top quality and great value for money*** *(SNV, 2009). However, the Dutch import promotion agency CBI points out that compared to other European source markets, the Dutch are more interested in non-traditional, emerging destinations (40% in 2010) and when they visit, 63% consider* ***experiencing local culture, lifestyle and traditions far more important than low prices or value for money*** *(CBI, 2012). This presents a window of opportunity for Fair Trade Tourism products and holiday packages, which can be perceived as more expensive but in fact, offer great value for money, guarantee the money is going to right people and provide meaningful interactions with local people.*

5.6 AWARENESS & TRUST

MVO Nederland reports in *Blik op MVO 2012* that **Dutch consumers want sustainable products and services but are becoming more critical**. Year on year the market for sustainable products is growing although it currently still only represents 5% of overall consumption. More and more Dutch consumers are buying organic food and hybrid cars for example. They are becoming **increasingly more sceptical about the sustainability claims of companies, however**. There is confusion as to what sustainability means and **74% consumers indicate there is not enough information about sustainable products**. Meeting minimal sustainability criteria is no longer a Unique Selling Point for businesses: **Dutch consumers see sustainability as a responsibility for companies and they simply expect companies to operate in an environmentally and socially responsible manner** (MVO Nederland, 2012).

In 2009 **85% of the Dutch population felt it was important that companies operate sustainably**. They associated brands that offer quality, long-life and Fair Trade with being sustainable but assumed that companies and brands that do not communicate sustainability or provide transparency on sustainability are not operating in a sustainable manner. The highest scoring sustainability labels were Max Havelaar and Fair Trade Original (Duurzaamheidskompas, 2009). The Gielissen study indicated that there is a real need to get people thinking about the social problems that these types of products and brands want to tackle and where they can buy them.

He suggests **companies selling socially responsible products cooperate more effectively to raise awareness about the workings of Fair Trade by using documentaries and other media channels**. The social-responsible characteristic of the product certainly adds value for the customer but factors like perceived quality and availability should be equally important. He also recommends more research into social-responsibility standards for consumer products and legislation for producers demanding supply chain responsibility and minimum level of animal welfare (Gielissen, 2010).

In Fair Trade Tourism, the social problem of the labour conditions of tourism workers is a key element and this message should therefore be actively communicated to tourists looking to book a trip to South Africa. The Fair Trade Tourism label is a useful tool in communicating about and raising awareness of social impacts of tourism as well as assuring travellers they are choosing wisely. The knowledge and trust already prevalent in the Fairtrade label can be tapped into.

8 out of 10 Dutch people know the Max Havelaar Fairtrade label. 86% have regularly or occasionally seen the label in 2011. The **level of trust in the label is high** (85%) and 62% of consumers believe **3rd party certification is the best way to verify a product** (Globescan, 2011). By contrast, trust in food labels is shrinking. Marketresponse conducted research in 2011 and found that almost 75% of Dutch consumers are

confused about the many labels and logos available on food products. 24% indicated they do need and look for labels when shopping but only 30% trust them even though 85% think it is good that labels exist. Consumers felt that food labels were too similar, there were too many of them and it was not clear what they stood for. The labels did not give enough information and were in fact confusing. Labels should become more uniform and give concise, clear information to help consumers make sustainable food choices (Marketresponse, 2012).

Awareness of sustainable travel labels among Dutch consumers is still low due to the much-debated sustainable tourism label jungle that currently exists around the world. From a B2B point of view labels such as Travelife and FTTSA will prove useful, but, for sales staff from travel companies it may be easier and more productive if the companies operated along similar lines to supermarket Albert Hein, with their 'Puur en Eerlijk' brand. Some Dutch travel companies are already doing this; for example TUI Netherlands uses a little green tree icon next to sustainable accommodation options and explains the various 'green' labels elsewhere in their brochure. The Fair Trade Tourism label may not be initially recognised by consumers but the concept is easily explained by tapping into the high level trust and knowledge that already exists about Fairtrade among the Dutch public.

5.7 PEOPLE, PURPOSE AND PHILANTHROPY

The financial crisis and banking scandals appear to have helped shift consumers' attention to impacts on People as well as our Planet. The 2012 Maatschappelijk Imago Monitor (MIM) from SE Consultancy and Motivaction revealed that **Dutch consumers increasingly expect companies to do more towards tackling greed, fair income distribution, poverty and support for marginalised groups** (MIM, 2012).

In the Price section earlier we discovered consumers are open to messages about *people* and possibly prepared to pay more for products and services that benefit *people*. **Consumers are also increasingly interested in companies that support good causes**. The Edelman Goodpurpose Study in 2012 underlined the increasing importance of **Purpose as a purchase trigger for global consumers when quality and price are deemed equal**. In the last 18 months the relevance of Purpose as a purchase factor has risen by 43% in The Netherlands (Edelman, 2012).

Dutch consumers like supporting a good cause and are very generous to charity. GfK Verein conducted a study in Europe on the topic of charity and donations in 2011 which revealed that the **Dutch are the most generous in Europe when it comes to making donations to charities**. Two thirds of Dutch citizens donate compared to only 1 in 5 Germans (GfK Verein, 2011). The Netherlands also ranks well in the CAF World Giving Index 2012 where it boasts a score of 53%. This means that, on average, **at least half the Dutch population is taking part in at least one of the three**

behaviours – donating money, volunteering time and helping a stranger – on a monthly basis (CAF, 2012).

Country	Region Ranking	World Giving Index Ranking	World Giving Index Score	Donating Money	Volunteering Time	Helping a Stranger	World Giving Index Five-year Score
Netherlands	1	6	53%	73%	34%	51%	54%
Germany	4	34	38%	43%	22%	50%	43%

Source: http://www.cafonline.org/PDF/WorldGivingIndex2012WEB.pdf

When it comes to donating to and supporting developing countries, the Dutch have a long history of development aid. In 2011 NCDO reported that the attitude towards development cooperation is still mostly positive despite the financial crisis putting pressure on budgets. A **majority of Dutch people (64%) feel it is (very) important to support people in poor countries with their development**: the problems are too big for developing countries to face on their own and solving poverty is in fact in the best interest of developed nations too. 75% of Dutch people have contributed to development cooperation in the past year. They did this in many forms. The most popular were: donating clothing/shoes (40%), money donations (37%), taking part in a lottery (36%) and finally buying Fairtrade products (31%) which are becoming increasingly popular. **Motivation to donate rests on wanting to contribute and support other people less fortunate.** (NCDO, 2011).

The travel industry can make use of the notion that purchasing Fair Trade Tourism is a way of donating to a good cause. The Fair Trade Tourism holiday packages sold by TravelUnique and TUI Netherlands go one step further and actually contribute to a separate Fair Trade Tourism Fund. However, all Fair Trade Tourism certified businesses in South Africa could be considered worthy causes in their own right and this could be used during sales as a purchase trigger.

The Dutch do not only support big aid agencies but are starting up **more and more private initiatives in development cooperation**. This behaviour usually follows time spent in a developing country. Current estimates run between 6400 and 15000 small private charities, usually run entirely by volunteers. The reasons for Dutch people doing this reveal that **besides a genuine desire to help and a sense of responsibility, there is also something in it for them: personal satisfaction about achieved results, increased knowledge, social relations and personal growth** (SCP, 2012). Once again, it is made clear, becomes that there has to be something in it for the consumer.

Dutch travellers are explorers, travelling to developing countries more often; **so that they can learn and interact with local people** (SNV, 2009). NCDO conducted research into travel to developing countries and found that 1 in 5 Dutch people travel to poor or emerging destinations. **Contact with local people is large part of the holiday and many express an interest in 'authentic' experiences.** Three quarters say they make contact with local people such as hospitality staff and drivers and one quarter will go for more 'authentic' experiences and eat in a local person's house or take a slum tour (NCDO, 2011). Meeting South African locals has been a primary consumer engagement focus South African Tourism Netherlands for 2012 as Dutch travellers are demanding to experience "a day in a life of a South African local". Recognising this demand in 2012, a revolutionary interactive community platform was created called www.mijnzuidafrika.nl to constantly connect Dutch travellers to South African locals (Cape Town Tourism, 2012).

The People element of travel is currently not highlighted sufficiently by travel companies when it comes to sustainability. The interest is certainly there, and, in a service industry like tourism, it is the interaction with local people that can make or break a trip. Just like in other industries the initial focus has been on implementing Planet measures which save the travel company money but do not really get noticed or 'felt' by the traveller. This is a shame as it is the People impacts that could provide a successful way into engaging consumers with responsible tourism and creating opportunities for them to support local people and projects. Fair Trade Tourism in particular has a very definite Purpose, aiming to improve the working and living conditions of tourism workers. Travel companies and travel agents need to communicate more clearly and use this as a selling point. Considering the desire of Dutch consumers to support worthy causes, there seems to be an opportunity to highlight the fact that their holiday can 'kill two birds with one stone'.

5.8 WILLINGNESS TO SWITCH

In 2010 Dutch consumers expressed a desire to live more sustainably in their personal capacity and a clear **need for companies to facilitate this lifestyle by making it easier to make sustainable and healthy choices**. They said they would recommend and buy sustainable brands over non-sustainable ones and would be prepared to pay more. In relation to tourism consumers mentioned that the travel industry should not trade with countries that violate human rights (40%) and cooperate in initiatives to reduce litter (34%). **Communication on sustainability to interested parties as well as advice to consumers on how to be more sustainable, were also mentioned as things the travel industry should do** to help nudge responsible tourism in the right direction (Duurzaamheidskompas, 2010). Travel companies will need to provide practical tools to travellers to help them become responsible travellers.

The good news is that **7.8 million Dutch people are somewhat or certainly willing to change their travel behaviour**, which provides hope for the future. Most willing is the older generation of travellers (55 -64). **NBTC-NIPO research on demand for responsible tourism from 2010 revealed that the P for People is important.**

RT ISSUE	Number of NL consumers	% of NL consumers
1.No child labour	6.7 million	55
2. Good working and living conditions	6.3 million	52
3. Increase use of sustainable energy	6.1 million	50
4. Conservation of nature and plant and animal species	5.7 million	47
5. Waste reduction	4.8 million	40
6. Fair Trade with local people	4.8 million	40
7. Prevention of air pollution	4.3 million	36
8. Reduction of CO2 emissions	4.0 million	33
9. Preservation of local culture and heritage	3.1 million	26
10. Prevention of water scarcity	2.7 million	22
11. Make use of local and organic produce as much as possible	2.3 million	19
12. Give 'something' back to the community	1.6 million	13
13. No use of pesticides	1.5 million	12

Source: http://www.nbtcniporesearch.nl/nl/Home/Article/duurzaamheid-en-vakanties.htm

It is clear, however, that *Planet* **measures prevail when taking action**: looking after the natural environment (76%), separating waste (67%), saving water (53%), staying in sustainable accommodation (34%), booking the holiday with sustainable tour operator (28%), travelling on sustainable transport (24%), hiring a local guide (18%) and supporting local projects (17%). Most support lies with the *Planet* actions like choosing sustainable accommodation, looking after nature while on holiday, choosing destinations with a 'green' image, choosing destinations closer to home, not flying and also selecting holiday packages with a sustainability label (NBTC-NIPO, 2010).

It seems consumers are no different to companies in this respect and, with a bit of help from the travel industry, they could be nudged into purchasing holidays that benefit People. Travel companies and travel agents rarely communicate topics such as no use of child labour and good working/living conditions for tourism workers to consumers, but they are clearly topics that concern travellers very much and can sway them during the decision-making process.

6. LESSONS LEARNED

Responsible behaviour and purchasing at home does not necessarily equate to responsible holidays, but, just like in the organic food and drink and Fairtrade movements, a lot depends on industry to make it easy and clear for consumers to understand.

A unique challenge lies in the ability to engage younger consumers in sustainability. The older generation seems to be on track already and ready to target. Over the next few years the travel industry in The Netherlands will have to **increase responsible tourism operations, supply and communication** considerably due to the targets set by the ANVR. **Certification** will play its part in this journey, but another important role involves communication and education. Labels and logos can be useful tools in this process but will need to be explained clearly.

Critical consumers want to know what is being sold, where the money is going, who benefits from it, what impacts there will be in destinations and how they can support projects and local people. **Price and quality** are important but far more important is **value for money** and the opportunity to experience something truly unique and authentic, which includes **meaningful interactions with local people**.

A **holiday that supports** others may be worth paying a bit more for, providing the traveller returns with a better understanding, life lessons, new skills, new friends and great stories to tell family and friends. Fair Trade Tourism as a concept can easily be explained and sold by tapping into the great level of knowledge and trust that is already present among Dutch public. The 'People' and 'Purpose' elements of Fair Trade Tourism should be used as a purchase trigger.

7. BEHAVIOUR CHANGE PROCESS

Behaviour change in tourism is a tricky process and a large part of the responsibility lies with the industry whether they like it or not. Some travel companies will insist that there is not enough demand and that people do not want responsible tourism.

The first simple steps are usually easy to take, but a combination of strategies is necessary if the travel industry is to successfully change tourist behaviour. The process involves identifying the barriers such as price, availability, mistrust in labels and quality as well as increasing the knowledge of the negative impacts of tourism among consumers. Behaviour change will not happen overnight but rather unfold in stages, and needs to be constantly initiated by the supplier.

The following actions by the travel industry could form part of a behaviour change process among travellers:

7.1 CONSUMER EDUCATION

- Dial up the *People* benefit and impact from responsible tourism. Personal stories, like the ones on the FTTSA postcards, provide glimpses into the life of a tourism worker for a FTTSA certified business and could help communicate social impacts of tourism and be used as a sales tool. The great selling point of Fair Trade Tourism is that, in comparison to Fairtrade agricultural products, it allows travellers to meet and interact with the tourism workers they are supporting. The consumer can get up-close-and-personal.
- Provide detailed education and information on destination impacts of tourism. Use trip notes and information via social media and website. Consumers need practical tools to help them become responsible travellers.
- Dial up credibility of third party certification to overcome scepticism to sustainability claims. Tap into the level of knowledge and trust that already exists about Fair Trade in general.
- In some cases it may be useful to cooperate with an NGO or another like-minded organisation to raise awareness on a responsible tourism issue in a destination. TUI Netherlands took a bold step a few years ago by no longer offering elephant trekking excursions to customers in SE Asia. They did this in cooperation with the Dutch division of the WSPA and created a special website to educate tourists.

7.2 PRODUCT

- Ensure Pricing is competitive and transparent. Explain why a responsible holiday may cost a fraction more and where the money goes.
- Ensure good availability, quality and choice of product so it becomes easier for consumers to switch to responsible tourism products. Work with inbound partners that also support certified and responsible tourism products.
- Reach out to the younger generation of travellers: kids and grandkids of the Luxury Lovers, kids and students in the Critical Cosmopolitans. They could be your customers for a long time. A good example of an itinerary aimed at students and/or younger independent traveller is the Fair Trade Travel Pass.
- Dial up experiential components and personal growth opportunities for travellers. Project visitation and volunteering opportunities will appeal to Social Explorers and the students/young professionals in the Critical Cosmopolitan group.
- Create responsible tourism or Fair Trade Tourism blocks that can easily be built into itineraries.
- Create holidays with a Purpose or an opportunity for Philanthropy.
- Explore cause-related or social marketing strategies to enable consumers to support good causes and projects through their holidays.

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