Chocolate Consumer Survey 2018

CONSUMER SUSTAINABILITY PERRCEPTIONS IN COCOA AND CHOCOLATE PRODUCTION

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Executive Summary

As an alliance advocating for change in the cocoa value chain, it is essential for Farmgate Cocoa Alliance to advocate for transparency and accountability. To do so, the entire value chain, from bean to bar, must have access to clear and accurate information that is reflective of the current context. Often, consumers in this value chain are unaware of where their end products are coming from, with limited insights and knowledge regarding the origins of their chocolate and cocoa products. Therefore, Farmgate Cocoa Alliance conducted a consumer survey in May of 2018, attracting a total of 86 respondents.

The main objective of the research was '*To understand consumer perception of and demand for sustainable cocoa products',* targeting chocolate/cocoa product consumers in high-income countries. A total of thirteen questions were developed, and the survey facilitated using online platform, Google Forms, whereby all responses were received digitally.

The questions were focussed on the following topics:

- Consumer buying habits for cocoa-products in general
- Consumer perceptions of cocoa production
- Consumer awareness of sustainability issues in cocoa
- Consumer buying habits related to sustainable cocoa products
- Consumer expectations and perceptions of sustainability certification
- Consumer buying behaviour changes in case of no proven sustainability impact

The survey was live for one month and four days, attracting 86 respondents mainly from Europe, North America and Australia.

The results indicated that the majority of respondents (79.1%) were aware of sustainability issues in cocoa, with issues such as 'Low Income', 'Environmental Degradation' and 'Child Labour' the issues most commonly known among respondents. The majority of respondents (73.3%) also indicated that they try to buy sustainable cocoa and chocolate products, with buying certified/labelled products as the most popular action to do so (57.1%). Those respondents who did not try to buy sustainable cocoa/chocolate products indicated that this was due to a variety of reasons, including not knowing what products were sustainable, not having confidence in the impact of sustainable products or such products not being available to them.

Respondents who purchase certified/labelled products indicated that they do so to support farmers in receiving a better income, for social benefits in cocoa communities and to protect the environment. Interestingly, 83.3% of respondents indicated that they would not continue buying a certified/labelled product if it were shown to have no impact on sustainability.

The results in general show that there is awareness of sustainability challenges at consumer level, and that this indicates the success of previous and existing consumer campaigns in communicating key issues in the cocoa value chain. The results also indicate that consumers are willing to change their buying behaviour depending on the integrity of sustainable / certified cocoa and chocolate products, however there is still a significant consumer group that does not engage with buying sustainable products, indicating that campaign efforts must be continued and sustainable products made transparent and available.

Specific to Farmgate Cocoa Alliance, the results show positive response from consumers in terms of demand for sustainability, which should be used to enhance lobbying and advocacy efforts in the value chain to call for a more transparent, accountable and sustainable value chain from bean to bar.

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Introduction

Farmgate Cocoa Alliance is committed to bringing change to the cocoa sector by initiating stakeholder commitment and cooperation on key sustainability issues using a Bottom-Up Approach.

At present, there is a major disconnect between consumers of cocoa-products and the producers of the raw material, cocoa. Therefore, consumers are often unaware of how cocoa is produced and therefore the major sustainability challenges that are facing it. In the past, NGOs and CSOs have undertaken campaigns to bring these issues to consumer level, for example, campaigns to end child labour in cocoa production. Although this has resulted in improved consumer awareness of sustainability issues in cocoa, there is often confusion among buyers about what sustainability is and what the issues really are. To better understand this disconnect and to gauge consumer perceptions and expectations for sustainability, in this case related to cocoa products such as chocolate, FCA will conduct a consumer survey addressing this.

This data will be collated and used to support FCA campaigns and activities, to provide the perspectives, expectations and demands of consumers with regard to sustainability of cocoa-products. As an alliance, linking consumers and producers is also an important focus, hence the execution of surveys, campaigns and activities to bring consumers closer with farmers in cocoa producing countries, and to lobby for a more transparent and accountable cocoa value chain.

Survey Objectives

To collect data from consumer level, an online survey will be set up and distributed using online platforms. The survey will focus on the following:

Main Objective:

To understand consumer perception of and demand for sustainable cocoa products

In addition to this main objective, the following sub-topics will be addressed in the survey to ensure that the results cover multiple topics:

- Consumer buying habits for cocoa-products in general
- Consumer perceptions of cocoa production
- Consumer awareness of sustainability issues in cocoa

- Consumer buying habits related to sustainable cocoa products
- Consumer expectations and perceptions of sustainability certification
- Consumer buying behaviour changes in case of no proven sustainability impact

Target Group

Chocolate / Cocoa Product Consumers in High-Income Countries

The survey is targeted at consumer level in cocoa-product consuming countries, particularly those in western countries such as European nations and the USA.

Within this geographical target, the target group includes all consumers of cocoa products such as chocolate, regardless of age, education status or other. By targeting a wide demographic, a range of consumers can provide input and provide a more accurate reflection of consumer perceptions and opinions.

Purpose of Results

To provide data that can be used as supporting information in the FCA Bottom-Up Poll, reflecting consumer-level demand for sustainable cocoa products

The data collected in the consumer-level survey will be used as supporting information for FCA campaigns and materials to present consumer perceptions of sustainability in cocoa. Such materials may be presented to other value chain stakeholders or included in documents such as the FCA Bottom-Up Poll.

Survey Questions

The following questions have been developed to be included in the survey, covering the aforementioned topics relevant to consumers.

1) In which region do you live?

Europe / Australia / North America / South America / Central America / Africa / Asia

2) How often do you buy chocolate or cocoa products?

Daily / Weekly / Every other week / Monthly / Rarely / Special Occasions Only / Never

3) How do you think cocoa is produced?

Plantations (large scale) / Small-holder farming (<2ha) / Don't know

4) Are you aware of any sustainability issues related to cocoa?

Yes / No

4a) Which?

Environmental Degradation/ Child labour / Slavery / Low Income / Market access / Gender Inequality

5) Do you try to buy sustainable cocoa or chocolate products?

Yes / No

5a) Why don't you buy sustainable cocoa products?

I am not interested in sustainability / They are too expensive / I don't think that they make real impact / I don't know which products are sustainable

6) If yes, how do you do this?

Buy certified products / Buy premium chocolate brands / Research brands and initiatives

6a) Why do you buy products with these labels / certificates?

To protect the environment / For social benefits in cocoa communities / To ensure the origin can be traced / For better quality / I like the brand / To give farmers a better income

6b) If buying certified or labelled products, where do you expect the premium paid for it to go?

To certification organization / to charity or non-profit / to cocoa farmers / to governments / other

6c) How do you know the cocoa in certified products is sustainable?

I trust the certificate or label / I research the origin / I don't know

6d) If a certified cocoa product was shown to have no sustainability impact at farmer level, would you continue buying that product?

Yes / No

7) What issue is most important to you when buying sustainable cocoa/chocolate products?

Farmer income / Environment / Child & Forced Labour / Gender Inequality / Product Quality / Product Branding / Other

The survey therefore covers consumer habits as to sustainable cocoa products, as well as their perceptions of sustainability certificates, and why they do or don't buy products marketed as being sustainable. In addition, the questions focus on the key sustainability issues that consumers are aware of and which of these motivates them to purchase sustainable products. Many questions also offer an 'other' option whereby respondents are able to enter their own answer if they do not feel a fitting one is already listed.

Proposed Methods & Materials

The survey was set up using online platform, Google Forms, whereby responses were given digitally and anonymously by respondents.

A draft survey was developed using the Google Forms platform and reviewed by the Farmgate Cocoa Alliance team. The reviews led to the addition of questions 4a, 5a, and 6c. In addition, a small introduction to the survey was added, as shown in Box 1.

> *Dear Sir/Madam,*
>
> *Thank you for agreeing to take part in this short survey, taking approximately 3 minutes. The following questions focus on your perceptions and expectations of sustainability in cocoa products such as chocolate. Your answers are entirely anonymous and will be used to support our campaigns and efforts to develop a cocoa sector that is economically, environmentally and socially sustainable, from the production of cocoa beans to the sale of products such as chocolate.*
>
> *For more information about Farmgate Cocoa Alliance, please click here:*
>
> *www.cocoa-alliance.org*

Box 1 Survey Introduction used on Google Forms Platform

The survey was live during the period of 01/05/2016 to the 04/06/2018. During this time, the survey was distributed over the following platforms:

Table 1 Survey Distribution Overview

Platform	Remarks	No. Posts
Facebook	FCA and WCFO accounts used to maximise audience	3
Twitter	FCA and WCFO accounts used to maximise audience	6
Linkedin	FCA and WCFO accounts used to maximise audience.	3
Website	Posted on FCA website to attract visitors on the site	N/A

The survey was posted via these channels on multiple occasions, as indicated in Table 1. On the 04/06/2018, the survey was closed to responses and the results analysed, as included in the next section.

Results

The survey was run for a total of 4 weeks during the month of May, attracting a total of 86 responses.

Question 1 - In which region do you live? (86 responses)

The respondents were predominantly from Europe (74.4%), with the next largest groups being based in North America (9.3%) and Australia (5.8%).

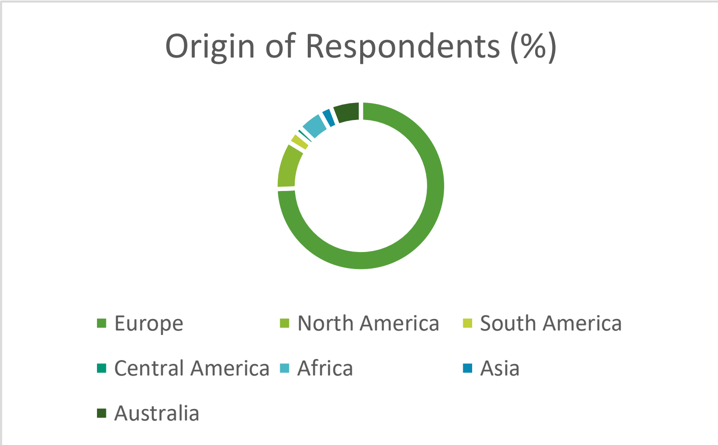

Figure 1 Origin of Survey Respondents Q1

Question 2 - How often do you buy chocolate or cocoa products? (86 responses)

Of the respondents, the most common buying habit for chocolate and cocoa products was weekly, with 38.4% selecting this option. ‘Every 2 weeks’ and ‘Monthly’ were the next most common options, at 23.3% and 19.8% respectively. The remaining votes were shared between ‘Daily’ and ‘Rarely’ at 9.8% each.

Question 3 - How do you think cocoa is produced? (86 responses)

The majority of respondents for this question selected ‘Small scale plantations (<2ha)’ as their answer, at 52.3%, indicating that consumers are aware of smallholder agriculture involvement in the cocoa value chain. 37.2% of respondents selected ‘Large scale plantations’, with the remaining 10.5% of respondents indicated other options, such as a combination of both small and large scale farming.

These results may indicate that there is conflicting or limited information conveyed to consumers resulting in mixed understandings of how cocoa is produced.

Question 4 - Are you aware of any sustainability issues related to cocoa? (86 responses)

Of the 86 respondents, 79.1% were aware of sustainability issues related to cocoa. This indicates that in general, consumer campaigns have been successful in raising awareness of issues among consumers and that the topic of sustainability is becoming more prominent at the consumer level with regards to cocoa.

Question 4a - Which? [sustainability issues are you aware of in cocoa] (68 responses)

The 68 respondents aware of such issues selected 'Low Income' (91.2%), 'Environmental Degradation' (82.4%) and 'Child Labour' (76.5%) as the top three main challenges they were aware of, as shown in the graph below.

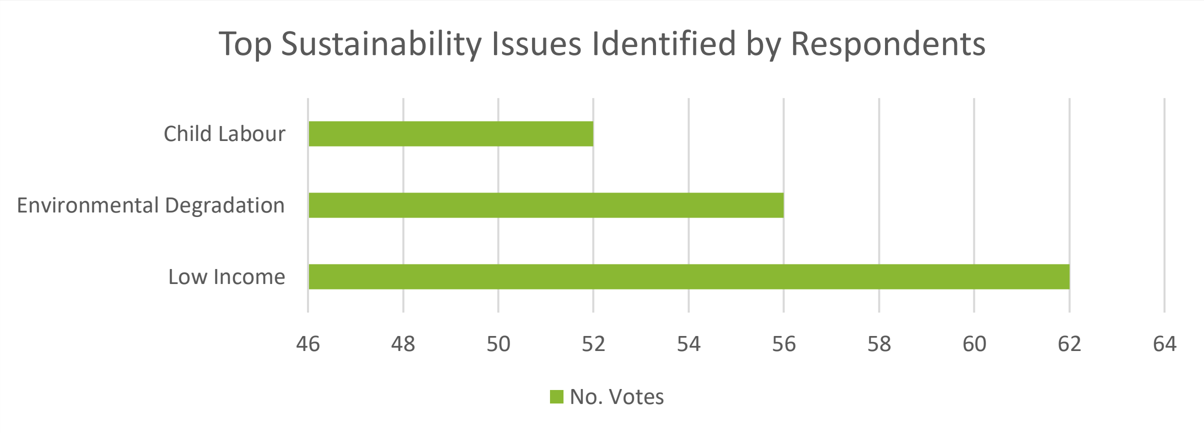

Figure 2 Top 3 Sustainability Issues Identified by Respondents Q4a

These results suggest that the majority of campaigns reaching consumers are focussed on these topics, as is consistent with the campaigns used by well-known certifications such as Fairtrade, UTZ/Rainforest Alliance and campaigns included in general media, such as child labour. After the top three issues, 'Slavery' (35 votes), 'Gender Inequality' (37 votes) and 'Market Access' (38 votes) were also identified by respondents, suggesting that there is a broader awareness among consumers.

Question 5 - Do you try to buy sustainable cocoa or chocolate products? (86 responses)

In addition to the majority of respondents being aware of sustainability issues in cocoa, the results show that the majority (73.3%) of respondents also try to buy sustainable cocoa products. 26.7%, however do not try to buy sustainable cocoa or chocolate products. These results indicate that in general campaigns to encourage sustainable buying have been for the most part successful, and that consumers respond well to the 'feel-good' factor of buying sustainable products. However, that there is a significant consumer group that does not engage with sustainability in their purchasing habits.

Question 5a - Why don't you buy sustainable cocoa products? (23 responses)

Of those respondents who did not try to buy sustainable cocoa products, being 26.7%, the main reasoning for this was not knowing which products are sustainable (43.5%), suggesting that although sustainability campaigns appear to have been received well by consumers in general, there is still a significant proportion that have not received (adequate) information on how they can take actions to support it. 21.7% of the respondents who do not try to buy sustainable cocoa products indicated that they do not think the products make real impact, whilst 17.4% listed the price of sustainable products being too expensive. The remaining respondents indicated they were not interested in sustainability, or other reasons such as being unaware such products exist, or that they are unavailable in their area.

Question 6 - If yes, how do you do this? (63 responses)

Of these respondents, the main way in which they try to buy sustainable products is through purchasing certified products, such as Fairtrade, UTZ or Rainforest Alliance labelled items. This accounted for 57.1% of the 63 respondents for this question, with 23.8% of respondents trying to buy sustainable products by researching brands and initiatives (23.8%) or buying premium brands (9.5%).

9.6% of respondents to this question selected the 'other' option, detailing activities such as looking for direct trade opportunities, or combining activities such as buying certified products, conducting research on initiatives and buying premium brands.

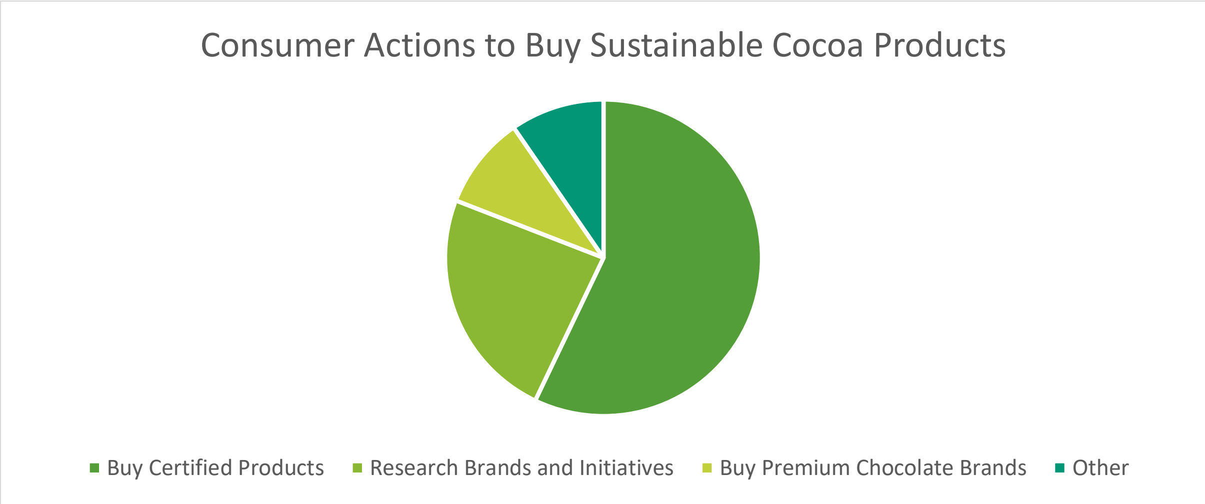

Figure 3 Consumer actions to buy sustainable cocoa products as selected by respondents Q6

These results indicate that certified products are the most popular way of consumer contribution to sustainable cocoa products, and that these products are well received among consumers. This may be due to the minimal time/effort investment required for consumers, and the 'feel-good' factor associated with buying certified products.

Question 6a - Why do you buy products with these labels / certificates? (36 responses)

Those respondents selecting the purchasing of certified products as their method of buying sustainable cocoa products, their reasoning behind this was largely 'to give farmers a better income' 'for social benefits in cocoa communities' and 'to protect the environment', as shown in the graph below.

These results show that consumer reasoning is largely associated with supporting farmers, their communities and their environment, aligning with the top sustainability issues identified in Question 4a. It also indicates that consumers are more concerned about the extrinsic attributes of the products, rather than the intrinsic attributes associated with quality, further supporting that consumers respond well to the 'feel-good' factor associated with buying certified products.

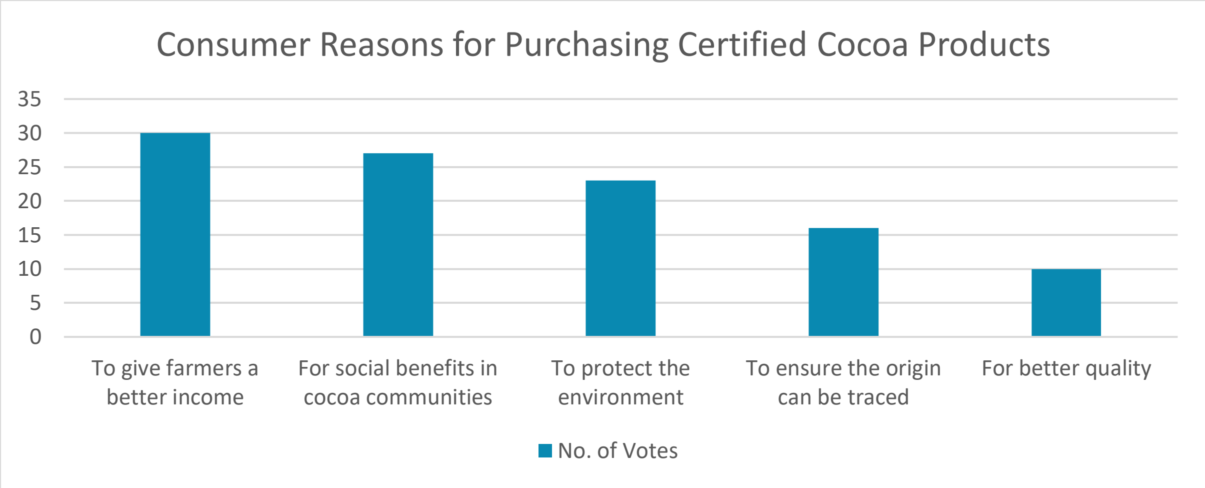

Figure 4 Key reasons for purchase of certified products, based on 36 respondents Q6a

Question 6b** - **If buying certified or labelled products, where do you expect the premium paid for it to go? (36 responses)

The 36 respondents for this question also indicated where they expected the premium for certified products to go, with an overwhelming 83.3% selecting 'to farmers'. 11.1% of respondents selected 'To certification body/organization', 2.8% 'To charity' and 2.8% indicated other options.

These results indicate that consumer expectations are largely focused on farmers receiving the premium benefits associated with certified products, further supporting that the main drive behind buying certified products is to support farmers directly.

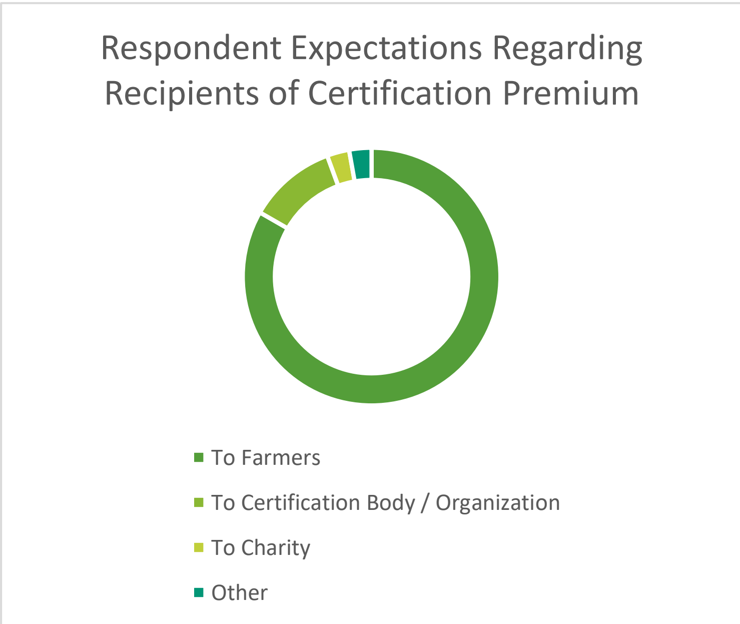

Figure 5 Consumer expectations for certified product premium in terms of recipient Q6b

Question 6c - How do you know the cocoa in certified products is sustainable? (36 responses)

As for consumer confidence in the sustainability impact of these certifications, respondents were closely matched between trusting in the certifications (47.2%), and not knowing whether there was any real impact (41.7%), as below:

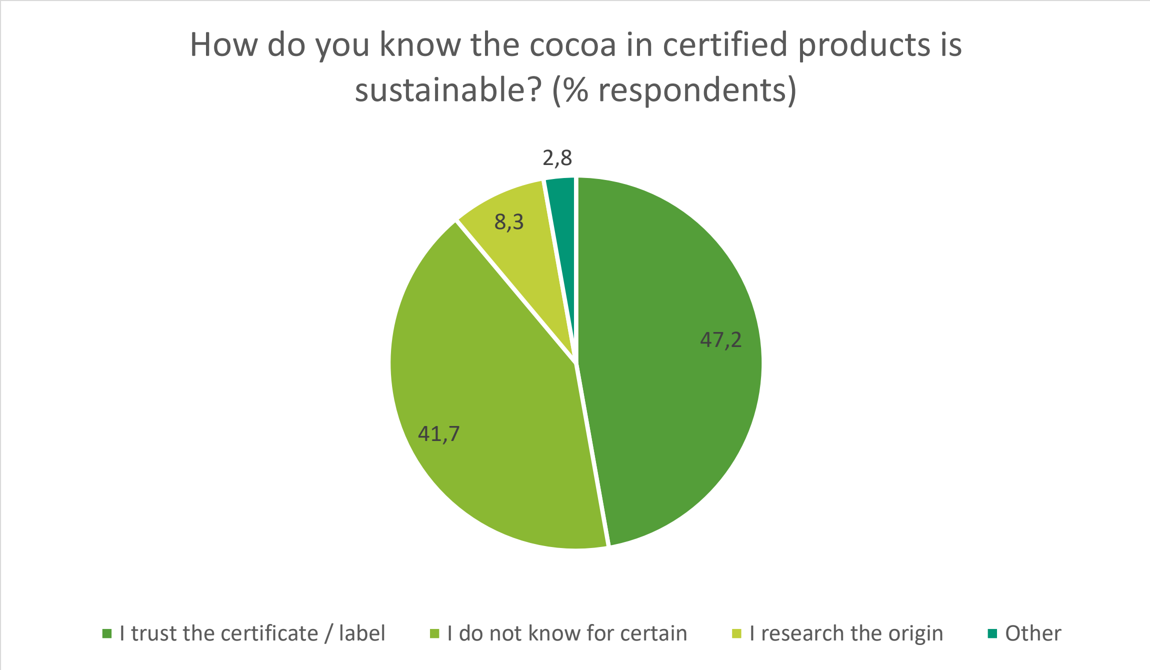

Figure 6 Consumer confidence in sustainability certifications Q6c

These results suggest that although purchasing certified products is a popular option for buying sustainable products, consumers do not necessarily consider the basis on which the certifications are built, resulting in a mixed response between those trusting the certification and those consumers who are open to the fact that they do not know for certain. A small percentage of respondents engaged in their own research to check the origin of the products, which may be due to the extra time and effort this would require from consumers, as well as the fact that not all consumers may know where to look for such information.

Question 6d - If a certified cocoa product was shown to have no sustainability impact at farmer level, would you continue buying that product? (36 responses)

Figure 7 Consumer behaviour in case of no sustainability impact of certified cocoa products, Q6d

Interestingly, the majority of the 36 respondents in this section also indicated that they would stop buying certified products if they were shown to have no sustainability impact at farmer level as shown in Figure 7.

This indicates that consumers are predominantly buying the certified products based on the extrinsic attributes, such as sustainability, and that the intrinsic attributes are not as valued by the respondents, and therefore respondents are not inclined to continue buying the product if the extrinsic sustainability attributes are not achieved. This result also suggests that respondents are willing to change their buying behaviour depending on the integrity of the sustainability certifications, which is a positive indication of consumer awareness and conscientiousness.

Question 7 - What issue is most important to you when buying sustainable cocoa/chocolate products? (63 responses)

As for what was most important overall to consumers when buying sustainable chocolate, 'Farmer Income' was the most popular, with 54% of the 63 respondents selecting this option. 22.2% selected 'Environment' as the most important, followed by 12.7% selecting 'Slavery'.

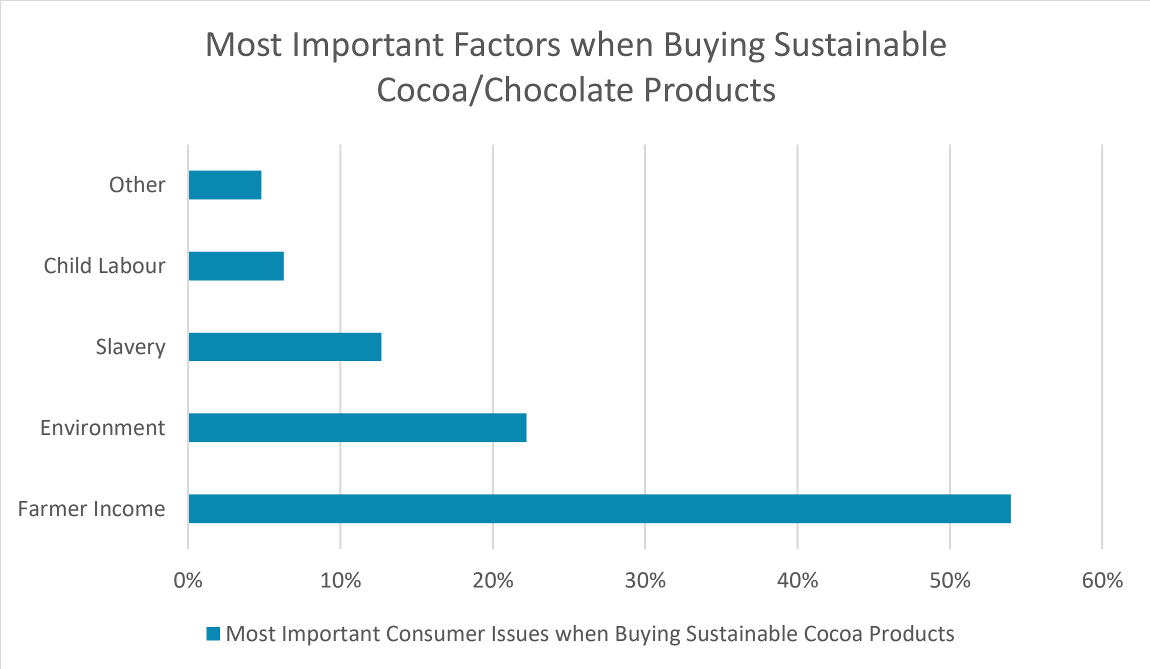

Figure 8 Factors of most importance to respondents when buying sustainable cocoa/chocolate products Q7

This result continues to indicate that the support of farmers and the environment are key driving factors behind consumer concerns for sustainability, and that consumers are very conscious of these issues when making purchasing decisions related to sustainable cocoa and chocolate products.

Discussion

Based on the results, it can be seen that in general the respondents are aware of sustainability issues in cocoa and take actions to contribute to bettering the situation through their purchasing habits. It was also clear from the results that supporting farmers and their communities was a key driver in terms of taking actions to buy sustainable products, with environmental concern also being a priority for consumers. However, with regards to how much consumers trusted in certified sustainable products, the results appeared more mixed, and consumers willing to change their buying habits if certified sustainable products were shown to have no impact on sustainability criteria.

Therefore, the key points that can be drawn from the results of the survey are as follows:

- Majority of respondents aware of sustainability issues in cocoa
- Low farmer income, child labour and environmental degradation most known issues among respondents

- Majority of respondents try to buy sustainable products and do so through buying certified/labelled products
- Respondents main reasoning for buying certified/labelled products is to ensure farmers receive a better income, support social benefits in cocoa communities and to protect the environment
- Respondents expect certification premiums to go to farmers
- Respondents willing to change purchasing habits depending on integrity of sustainability certifications

Based on these key points, it can be seen that in general there is a positive attitude from respondents regarding sustainability, indicating that awareness among consumers is increasing, especially as sustainability is being included in media and popular culture in high-income countries.

It should be considered though, when reviewing these results, that as the survey was mainly distributed over FCA and WCFO online platforms, it is likely that those people following these accounts are likely to have existing interest of knowledge of cocoa and/or sustainability problems at farmer level. This may cause a more positive response to sustainability, and higher awareness, than would be found in the general consumer population.

In addition to this, the sample size, at 86 respondents, is a relatively small study sample, and therefore to achieve more accurate results, a larger survey sample would have to be conducted to gather sufficient data that would provide conclusive results reflective of the consumer population.

It should also be considered that although the respondents indicate that they are willing to change their buying behaviour in response to the integrity of sustainability certifications, consumers do not always implement this in their actions. This may be due to consumers having developed particular buying habits, preferences or may have other reasons for their buying behaviour that are a priority for them, despite having indicated that they are willing to change their purchasing habits.

Conclusion

The survey indicates positive consumer attitudes towards sustainability in cocoa and increasing consumer awareness of key issues. This provides a strong foundation on which to be built by further communicating with and involving consumers in the cocoa value chain, to bridge the missing links in the value chain which appear between end consumers and primary producers. The survey also indicates that some consumers are either unconvinced of existing sustainability initiatives, or do not have access to clear information that can allow them to make an informed decision in their purchasing habits. This presents an opportunity for Farmgate Cocoa Alliance to stimulate the provision of this information to consumers by using its direct links to cocoa farmers to facilitate the sharing of accurate and up-to-date information from bean to bar. Based on these results, Farmgate Cocoa Alliance can also indicate as part of it's lobbying and advocacy efforts, that there is significant consumer demand for sustainability in cocoa and chocolate products, and that farmer welfare and environmental protection should be at the forefront of value chain efforts to resolve sustainability challenges.