

FAIRTRADE TOWN INITIATIVE AS A MARKETING TOOL

Marcin Jasiński*

Abstract: Fairtrade Town (FTT) campaign was initially launched in 2000 in English town of Garstand in order to promote Fairtrade products. After ten years of performing and more than 1000 places awarded with the title, FTT could now be perceived as beneficial not only to the disadvantaged producers from the underdeveloped countries, but also to the places themselves. The aim of this article is to present the FTT initiative as a marketing tool, which could affect the image of the places and give them additional value and distinctiveness in the eyes of different target markets, such as citizens, tourists or new residents. The article presents examples of how the FTT title can create additional value to the places and become a part of the city's marketing message.

Keywords: Fair Trade, Fairtrade Town, city marketing, destination image

JEL Codes: R11, R50

Fair Trade and Fairtrade

Fair Trade (or Fair trade) is a consumer-driven movement aimed to support the sustainable development of small-scale producers and agricultural workers in the poorest countries in the world. Fair Trade model operates in contrast to the “*conventional international supplier-buyer transactional relationship that aims to maximize return to the institutional buyer through the establishment of a power imbalance in favour or the purchaser*” (Nicholls & Opal, 2005, p. 6). Its aim is to create broader access to the different markets (especially to rich, northern countries) for the most disadvantaged producers in developing countries.

Fair Trade benefits producers and workers in the Global South in four main ways: 1) Provides them with guaranteed prices that are higher than conventional world market prices; 2) Supports building democratic groups (cooperatives and unions) that represent and support producers and workers; 3) Enhances production and marketing skills of participants and their families which extends beyond Fair Trade production; 4) Provides a social premium (additional income) that finances

* **M.Sc. Marcin Jasiński**, Czestochowa University of Technology, Faculty of Management
✉ corresponding author: jasinski.mar@gmail.com

broader community projects - health clinics, schools, roads and others (Murray & Raynolds, 2007, p. 5)

Many case studies have shown the positive impact of Fair Trade on the farmers (Jaffee, 2007), (Ronchi, 2002), (Foundation, 2002). An example in UCIRI (Union of Indigenous Communities in the Isthmus Region) is of a farmers organization in Mexico in which, thanks to Fair Trade, more than 3000 families now live on \$2.00 instead of \$1.00 day. Fair Trade sales are still growing. In 2008, despite the global recession, consumers spent €2.9 billion on Fair Trade products globally (FLO F. T., 2009).

Fair Trade has evolved from a niche to a new fashion of Northern, ethically aware consumers. In 2008 the awareness of the Fairtrade Mark leapt to 70% in Great Britain. Over 64% of the British understood the relationship between the Mark and a better deal for producers in the developing world (Fairtrade UK, 2008). It has become a very important market-based mechanism for helping the poor in developing countries, and an answer to undemocratic international trade system and negative effects of globalization (Hutchens, 2009).

Fairtrade (one word, capital F) relates exclusively to the work of Fairtrade Labelling Organizations International (FLO)² and their partners including the Fairtrade Foundation, and the Fairtrade certification system (FLO F. I., 2012). By labelling the Fair Trade products, which was initiated in 1987 in Netherlands, Max Havelaar group intended to provide a vehicle to advance Fair Trade goods within mainstream shops and supermarkets, side by side with conventional products (Barrientos, Conroy, & Jones, 2007, p. 54). The Fairtrade Mark is used to certify products that meet enumerated Fairtrade standards (such as Fairtrade Minimum Price that covers the cost of sustainable production) and come from Fairtrade producer organisations.

Fairtrade town initiative

Fairtrade town is a status awarded to the areas that are committed to the promotion of Fairtrade and Fairtrade products. In order to become a Fairtrade Town a community need to meet five criteria (Fairtrade Towns, 2012):

1. Local council passes a resolution supporting Fairtrade, and agrees to serve Fairtrade products (for example, in meetings, offices and canteens).

² FLO is the international body comprising the Fairtrade Foundation and other partner organisations in producer and consumer countries. FLO is responsible for developing Fairtrade standards and the certification and audit of producer organisations and traders

2. A range of Fairtrade products are available locally (targets vary from country to country);
3. Schools, workplaces, places of worship and community organisations support Fairtrade and use Fairtrade products whenever possible.
4. Media coverage and events raise awareness and understanding of Fairtrade across the community.
5. A Fairtrade steering group representing different sectors is formed to co-ordinate action around the goals and develop them over the years.

Fairtrade Town initiative is a part of the Fairtrade Mark and only the recognized Fairtrade certification bodies can award the status to the cities (i.e. FLO in UK or TransFair USA in USA). Since English town Garstang declared itself the first Fairtrade Town in 2000, over 1000 communities in three continents have decided to join the initiative (See Figure 1 and Figure 2). The idea of FTT has been broadened also to other areas, so nowadays communities could apply to get a status of the Fairtrade Villages, Fairtrade Universities, Fairtrade Islands and others

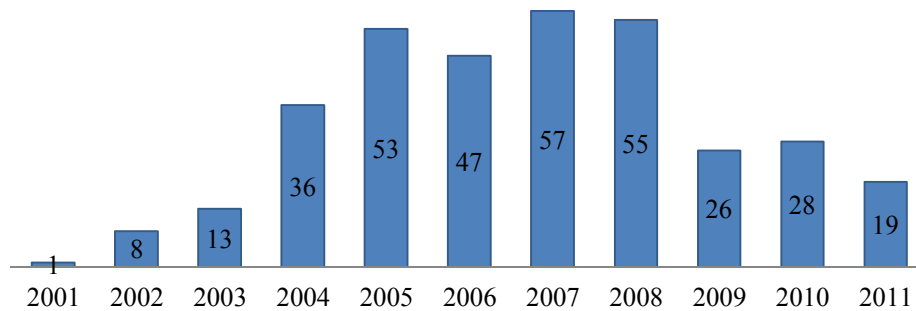


Figure 1. Number of new Fairtrade Towns and Cities in the UK by year of achievement of the title

Source:

http://www.fairtrade.org.uk/get_involved/campaigns/fairtrade_towns/towns_list.aspx

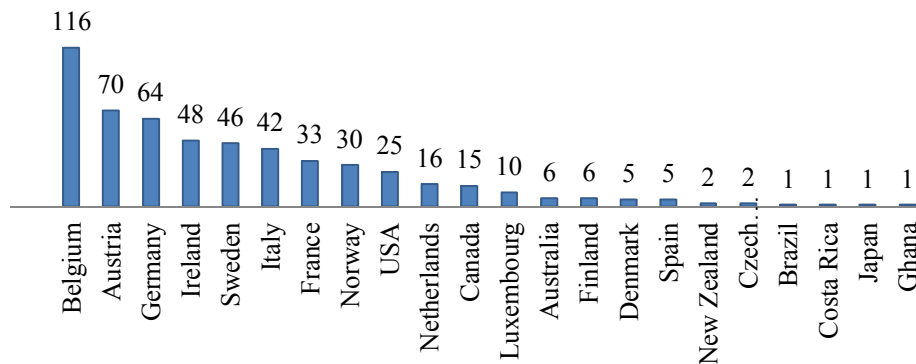


Figure 2. Number of Fairtrade Towns worldwide (except the UK)

Source: <http://www.fairtradetowns.org/about/>

Marketing in place management

Although marketing has been applied to the cities since at least the eighteenth century (Ward, 2008), incorporation of marketing approach in place management and a concept of place marketing (understood as “*the conscious use of publicity and marketing to communicate selective images of specific geographical localities or areas to a target audience* (Gold & Ward, 1994, p. 2)) is a relatively new phenomenon (Seisedos, 2006).

Globalisation processes, global flow of capital, people, commodities and services, rapid technological changes and development of communication technologies are among the factors that affect the places and their development resources nowadays (Kotler, et al., 1993, pp. 3-14, Ślusarczyk, 2010, pp. 7-14). Competition among the places to attract tourists, investors, new residents or industries is much more intense today and take place on different levels. For example Glasgow does not compete just with British cities but also with other cities worldwide, trying to win international tourism (Avraham i E, 2008, str. 3).

Cities use a vast range of strategies and tools to differentiate themselves from each other and to communicate or change their image in the eyes of different target markets. This may range from constructing or renovating spectacular buildings (Sydney Opera House) or highlighting connections of a place with famous people (Martin Luther King for Atlanta), through hosting international institutions (Brussels – EU, NATO) or big companies (Torino – FIAT), up to organising well-known mega events, such as Olympic Games or Football World Cup (Muñiz-Martínez i Cervantes-Blanco, 2009, strony 2-4).

Rotterdam is an example of city that used event-led regeneration strategy to strengthen its cultural image. To achieve this, according to Richards and Wilsons (Richards & Wilson, 2004, p. 1938): “(...) a development programme was established with the aims of stimulating internationally orientated culture, building the image of Rotterdam as a cultural festival and event city, and supporting the applied arts, such as architecture, design and photography”. Continuation of this strategy had been manifested in Rotterdam’s bidding and staging of the European Capital of Culture 2001 event.

Sport also can be used as a marketing theme for the contemporary city destinations. In the study about English cities of Birmingham, Manchester and Sheffield, Smith (Smith, 2005) has examined that sport can be an effective promotional vehicle on potential tourists’ images. Other example of cities using sport in their communications are Perth in Australia, marketing itself as the “City of Sporting Events” and Lake Placid, positioning itself as the “Winter sports capital of the United States” (Kurtzman, 2001, str. 19).

Areas of perceiving the Fairtrade Town initiative as a marketing tool for the public authorities

Fairtrade's worldwide recognition. Over the last 20 years Fairtrade has become a well-known and recognizable movement, especially in developed countries. The comprehensive global study of 17,000 consumers carried out for FLO by international opinion research consultancy GlobeScan showed that Fairtrade is the most widely recognised ethical label globally. Nearly six in ten consumers (57%) across the 24 surveyed countries have seen the Fairtrade Certification Mark (see Figure 3). The study also showed that more than six in ten consumers (64%) globally say they trust the Fairtrade Mark. The more familiar people are with Fairtrade, the more they trust it. Nine in ten consumers who recognize the Fairtrade Certification Mark regard it as a trusted label. (Fairtrade UK, 2011)

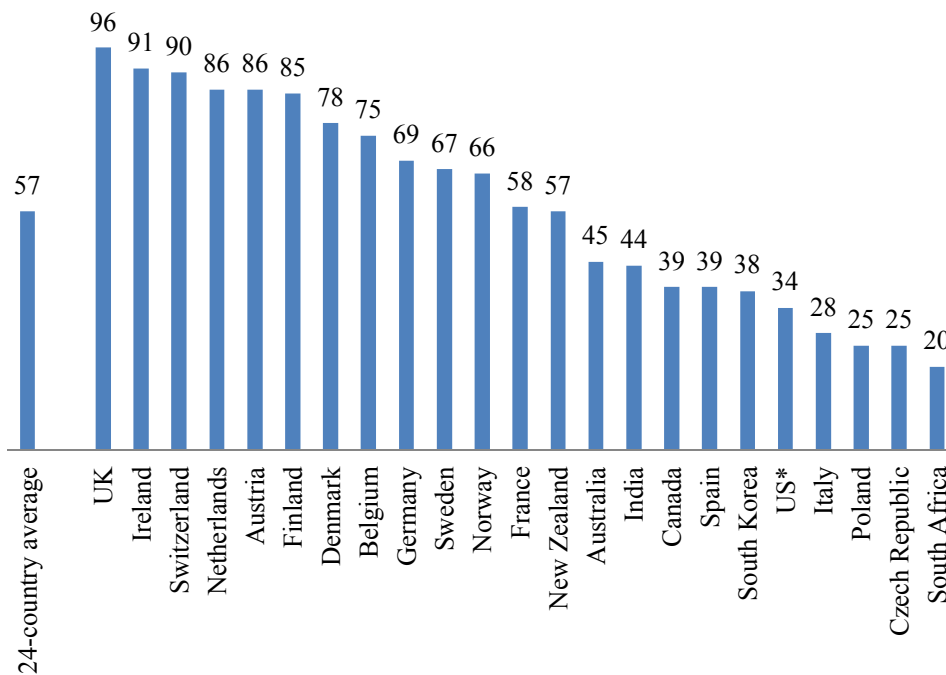


Figure 3. Frequency with Which Consumers Have Seen the Fairtrade Mark ("Seen often" or "Seen Occasionally"), by Country, 2011

Source: (Fairtrade UK, 2011)

Association of city with Fairtrade brand, because of its worldwide recognition, could be more recognizable by international tourists from specific countries than for example investing in big musical festival which attracts only one target group.

Fairtrade Town visual identity system. In order to promote Fairtrade Towns, recognize their title, unite the movement under one banner and support non-commercial campaigns to increase understanding and support for Fairtrade, a Fairtrade Town Identity Manual has been created (See Picture 1). Every area awarded with the FTT status is eligible to produce its own promotional materials according to the Fairtrade Town Identity Manual.

(i) Example of a campaign sticker



Figure1 Part of Fairtrade Town visual system

Source: *Fairtrade Town Identity Manual (Fairtrade Foundation, 2009)*

According to this document FTT logo, colour identity and other identity's elements can be used only on the following materials: banners, pledge forms, websites, leaflets, directories, Fairtrade Town group/council letterheads, posters, stickers, newsletters, Fairtrade certified cotton bags, Fairtrade certified cotton t-shirts and published articles about Fairtrade Town campaigns (Fairtrade Foundation, 2009, p. 3). This ready-to-use manual reduces costs and work for the places awarded with the title and allows them to focus more on a content, than a form of promotional materials. Important element of every FTT's visibility in public space are welcome street signs declaring the place as a FTT. For the newcomers it may be one of the first communicates about cities' character.

Citizens' involvement and support. In contrast with some marketing tools and techniques used in city marketing such as participation in trade fairs or organization the music festivals, FTT is in the group that requires active support from the locals (see point 3 in FTT criteria listed above). Consumers of Fairtrade products often start to feel that every purchase bring benefits to the producer and they understand assumption of the movement and its impacts. Grassroots character and origins of FTT initiative make the title authentic and strong. From the city marketing perspective citizens convinced to the values that place communicate outside (in our example fairness) are the best 'card' for tourists.

Distinctiveness of FTT and highlighting the status in the city's marketing message. In the era of increased competition between the cities, FTT status could produce additional value to the places. In the UK, where there are more than 340 FTT right now the title would not be perceived as a unique selling proposition (USP) for a place, but it could be in the countries where there is limited number or even no FTT yet. "First Fairtrade City in the country" badge from this perspective can be perceived as important, distinguishing and non-passing symbolic asset for a city. Google web search engine gives almost 200,000 answers totally for the specific phrases "First Fairtrade city" and "First Fairtrade town".

As Kolb (Kolb, 2006) note in the context of branding tourism destinations, besides information on features and benefits, the marketing message needs to communicate the values the product (city) embodies. Values communicated through marketing messages may vary from friendliness, sophistication to personal growth and spirituality. Example of Bristol (presented below) or Cardiff that uses the "The world's first Fairtrade Capital" logo and slogan, confirm that also fairness may be an important value in city's marketing message, and FTT may be a "tool" to authenticate it.

Fairtrade Town status entirely, as well as individual events connected with Fairtrade may become newsworthy item of information for media and provide city an useful marketing content. For example, German city of Sonthofen created a Fairtrade Town Chocolate (that contains Fairtrade cocoa) which is used for receptions of the mayor and is sold to tourists (Fairtrade Towns, 2012).

Additional value and influence on city's image. FTT initiative can be used by city council and other key actors to raise awareness about Fair Trade issues, enlist people and, what is important from marketing perspective, assist in re-imagination of place identity, both on internal and external levels. In case of Bristol, FTC award was perceived as a symbol of rehabilitation from the past, slave-trade practices upon which city's wealth and infrastructure was built. In their paper about Bristol Fairtrade City campaign Malpass et al also noted that:

"(...) the campaign seeks to re-imagine and even redeem specific place-histories of Bristol, and more generally to benefit from broader characteristics associated with fair-trade, by displaying levels of worthiness, unity, numbers of supporters, and levels of commitment (cf. Tilly, 2004). Thus fairtrade works for the city as much as the city works for fairtrade. By connecting place-imagination to fairtrade, the local authority gains a sense of worthiness. By bringing together previously disparate sets of interests, the city gains a sense of unity, with people perhaps beginning to realise that they have something in common with the council. By sponsoring a sense of investment in place, the city gains a sense of commitment, which can be reinforced through fairtrade city-signs which present a symbolic

reevaluation of the campaign and its success to residents and visitors. Most obviously, the FTC idea enrolls numbers of people in the sense that the entire city can political virtue of fairness to its constituents.” (Malpass, Cloke i Barnett, 2007).

Summary

A growing number of consumers consider now factors other than price in their purchase decisions, being concerned about a broad spectrum of issues ranging from the environment and animal welfare to societal concerns including human rights (Shaw, 2005, pp. 185-186). One of the important aspects of ethical consumption is the support of disadvantaged producers from underdeveloped countries, who have limited access to the global trade system and therefore their incomes are very low. Fair trade movement aims to improve the situation of farmers in the developing world. Fairtrade brand over the last 20 years has become the most recognizable ethical brand worldwide and its sales and awareness of the brand are still growing.

Fairtrade town is an example of grassroots initiative intended to promote Fairtrade. Since Garstang declared itself the first Fairtrade town in 2000, over 1000 communities in three continents have decided to fulfil the criteria and to join the initiative. FTT could be perceived as a beneficial not only to the disadvantaged producers from underdeveloped countries but also to the areas themselves. Examples of Garstang, Bristol, and Cardiff show that FTT can influence city's image and become a newsworthy item of information communicated inside and outside of the place.

In the era of increased competition between the cities to attract different target markets, such as new residents, students or tourists, FTT status could be also perceived as a marketing tool which can bring additional value to a place. FTT initiative has its own visual identity system and high potential of mobilization among the locals. Fairtrade brand is widely recognized and supported by consumers in many developed countries. For this reasons, FTT title can be an additional asset for a city, influencing its image, recognition and values that different target markets associate with the place. This aspect can be especially considered in the countries where there is a limited number or even no FTT yet and the title can become a part of a unique selling proposition (USP) for a place distinguishing it from others competing for the same, limited resources.

References

- [1] Malpass, A., Cloke, P. & Barnett, C. a. C. N., 2007. Fairtrade urbanism? The politics of place beyond Avraham, E. & E, K., 2008. *Media Strategies for Marketing Places in Crisis : Improving the Image of Cities, Countries and Tourist Destinations*. Oxford: Butterworth-Heinemann.

- [2] Barrientos, S., Conroy, M. E. & Jones, E., 2007. Northern social movements and Fair Trade. In: *Globalization and its antinomies: negotiating a Fair Trade movement*. London; New York: Routledge.
- [3] Fairtrade Foundation, 2009. [Online] Available at: http://www.fairtrade.org.uk/includes/documents/cm_docs/2009/f/fairtrade_foundation_town_identity_manual_december_2009.pdf
- [4] Fairtrade Towns, F., 2012. *The Five Goals*. [Online] Available at: <http://www.fairtradetowns.org/about/the-five-goals/> [Accessed 20 January 2012].
- [5] Fairtrade UK, F., 2008. *www.fairtrade.org.uk*. [Online] Available at: http://www.fairtrade.org.uk/press_office/press_releases_and_statements/may_2008/press_office/press_releases_and_statements/april_2008/press_office/press_releases_and_statements/april_2008/awareness_of_fairtrade_mark_leaps_to_70.aspx [Accessed 20 09 2009].
- [6] Fairtrade UK, 2011. *http://www.fairtrade.org.uk*. [Online] Available at: http://www.fairtrade.org.uk/press_office/press_releases_and_statements/october/global_survey_shows_uk_leads_the_way_on_fairtrade.aspx [Accessed 2 March 2012].
- [7] FLO, F. I., 2012. [Online] Available at: <http://www.fairtrade.net/faqs.html>
- [8] FLO, F. T. L. O. I., 2009. *Global Fairtrade sales increase by 22%*. [Online] Available at: [http://www.fairtrade.net/single_view1.html?&cHash=08b3a2b827&tx_ttnews\[backPid\]=614&tx_ttnews](http://www.fairtrade.net/single_view1.html?&cHash=08b3a2b827&tx_ttnews[backPid]=614&tx_ttnews) [Accessed 20 September 2009].
- [9] Foundation, F. T. R. G. C. S. U. F., 2002. *Poverty Alleviation Through Participation in Fair Trade Coffee Networks: The Case of UCIRI*, Oaxaca and New York: Unión de Comunidades Indígenas de la Región del Istmo (UCIRI).
- [10] Gold, J. R. & Ward, S. V., 1994. *Place promotion: the use of publicity and marketing to sell towns and regions*. Chichester: Wiley.
- [11] Hutchens, A., 2009. *Changing Big Business : The Globalisation of the Fair Trade Movement*. s.l.:Edward Elgar Publishing Limited.
- [12] Jaffee, D., 2007. *Brewing Justice: Fair Trade Coffee, Sustainability and Survival*. Berkeley: University of California Press.
- [13] Kolb, B. M., 2006. *Chapter 9 - Branding Tourism Destinations*, s.l.: Taylor and Francis.
- [14] Kotler, P., Donald, H. & Haider, I. R., 1993. *Marketing Places : Attracting Investment, Industry and Tourism to Cities, States and Nations*. New York: Free Press.
- [15] Kurtzman, J., 2001. Economic Impact: Sport Tourism and the City. *Journal of Sport Tourism*.
- [16] place in the Bristol fairtrade city campaign.. *International Journal of Urban and Regional*, Volume III, pp. 633-645.
- [17] Muñoz-Martínez, N. & Cervantes-Blanco, N., 2009. Identity and Marketing of Cities. In: *Information Communication Technologies and City Marketing: Digital Opportunities for Cities Around the World*. New York: Hershey, pp. 1-25.
- [18] Murray, D. L. & Reynolds, L. t., 2007. Globalization and its antinomies: negotiating a Fair Trade movement. In: L. T. Reynolds, D. L. Murray & J. Wilkinson, eds. *Fair Trade : The challenges of transforming globalization..* London; New York: Routledge.
- [19] Nicholls, A. & Opal, C., 2005. *Fair Trade: Market Driven Ethical Consumption*. London: Sage.

- [20] Richards, G. & Wilson, J., 2004. The impact of cultural events on city image: Rotterdam cultural capital of Europe 2001. *Urban Studies*, September, 41(10), p. 1931–1951.
- [21] Ronchi, L., 2002. The Impact of Fair Trade on Producers and Their Organizations: A Case Study with Coocafé in Costa Rica.
- [22] Seisdedos, G., 2006. *State of the Art of City Marketing in European Cities*. s.l., s.n.
- [23] Shaw, D. E. G. E. S. L. H. a. J. T., 2005. An exploration of values in ethical consumer decision making. *Journal of Consumer Behaviour*, IV(3), pp. 185-200.
- [24] Smith, A., 2005. Reimagining the city. The Value of Sport Initiatives. *Annals of Tourism Research*, 32(1), pp. 217-236.
- [25] 25 Ślusarczyk B., 2010. *Teoretyczno-praktyczne aspekty globalizacji gospodarczej*. Wydawnictwo Wydziału Zarządzania Politechniki Częstochowskiej, Częstochowa.
- [26] Ward, S. V., 2008. *Selling Places: The Marketing and Promotion of Towns and Cities 1850-2000*. London: Routledge.
- [27] Xing, X. & Chalip, L., 2006. Effects on Hosting a Sport Event on Destination Brand: A test of Co-branding and Mat-up Models. *Sport Management Review*, Issue 9, pp. 49-78

INICJATYWA MIASTA SPRAWIEDLIWEGO HANDLU JAKO NARZĘDZIE MARKETINGU TERYTORIALNEGO

Abstrakt: Kampania Miasta Sprawiedliwego Handlu (Fairtrade Town – FTT) po raz pierwszy została zainicjowana w angielskim mieście Garstand w 2000 r. w celu promocji produktów marki Fairtrade. Po 10 latach funkcjonowania i objęciu ponad 1000 miejsc tym tytułem, FTT może być postrzegany nie tylko jako inicjatywa przynosząca korzyści znajdującym się w niekorzystnej sytuacji producentom z krajów nierozwiniętych, ale także dla samych miejsc noszących ów tytuł. Celem artykułu jest przedstawienie inicjatywy FTT jako narzędzia marketingowego, które może wpłynąć na wizerunek miejsca i dostarczyć mu dodatkowych walorów i elementów wyróżniających w oczach różnych grup docelowych, takich jak turyści oraz aktualni i potencjalni mieszkańcy. Artykuł prezentuje przykłady w jaki sposób tytuł FTT może dostarczyć dodatkowych walorów miejscom oraz stać się elementem komunikacji marketingowej miasta.

作為一種營銷工具的公平貿易鎮倡議

摘要：公平貿易城（FTT的）運動最初發起於2000年在英國小鎮Garstand，以促進公平貿易產品。經過十幾年的表演和稱號授予超過1000個名額，FTT的現在可以被視為是有益的，不僅從不發達的國家的弱勢生產者，也是自己的地方。這篇文章的目的是提出FTT的倡議，作為一種營銷工具，這可能會影響地方的形象，並讓他們在不同的目標市場，如市民，遊客或新居民眼中的附加價值和獨特。文章介紹FTT的標題如何能創造附加價值的地方，成為部分城市的營銷信息的例子。

