

Grow your awareness of green

The drumbeat gets louder by the day: the environment matters. Global warming is threatening. Food shortages, spiking oil prices and carbon taxes steal the headlines.

Whatever side of the environmental debate you find yourself on, there is no denying that the environment is on the minds of consumers. Though it hit with the force of a teenage fad, by most accounts eco-awareness appears to be here to stay. Indeed, surveys abound with data showing that nine in 10 Americans describe themselves as “conscious consumers,” 88 percent say that it’s “their duty” to protect the environment, and there are even studies showing that a large percentage of consumers are willing to pay more for products that, all else equal, are thought to be more eco-friendly.

So it’s not surprising that marketers have taken notice. Indeed, even if one ingests several grains of salt while reading the eco-leaning survey results, there is little doubt that the LOHAS (Lifestyles of Health and Sustainability) and Millennial (ages 7 to 29) segments of the buying public represent a huge consumer base in and of themselves. And with individuals outside of those segments becoming increasingly aware of our environmental challenges, it’s possible to draw the conclusion that the new mass consumer is actually a green consumer.

Getting to know eco-aware consumers

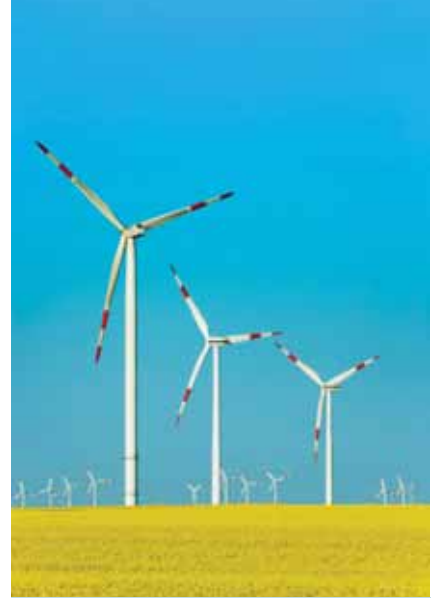
How loud?

Where does the voice of the eco-aware consumer come from, and how loud is it? Studies indicate that LOHAS and LOHAS-leaning consumers in the U.S. amount to approximately 70 million, or roughly 40 percent of the adult population. As environmental awareness grows and the Millennials

continue to mature and grow in buying power, well over 50 percent of adult consumers can be expected to consider environmental attributes when making purchasing decisions. A recent study of consumers showed that roughly two-thirds believe that sustainability is not a fad but rather is here to stay for the long-term.

To be sure, there is evidence that the results of all these studies are not representative of actual buying habits. Even the most popular green products are still selling at only a fraction of their traditional counterparts. Despite the hoopla generated by the media, there is a lot more talk than action.

Part of consumers’ reluctance to buy green products stems from



By Kent Ragen

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skepticism toward marketers' eco-friendly claims. This has led to the concept of greenwashing - overstated or misrepresentative green claims made by marketers - which has lent an air of suspicion to virtually all green marketing.

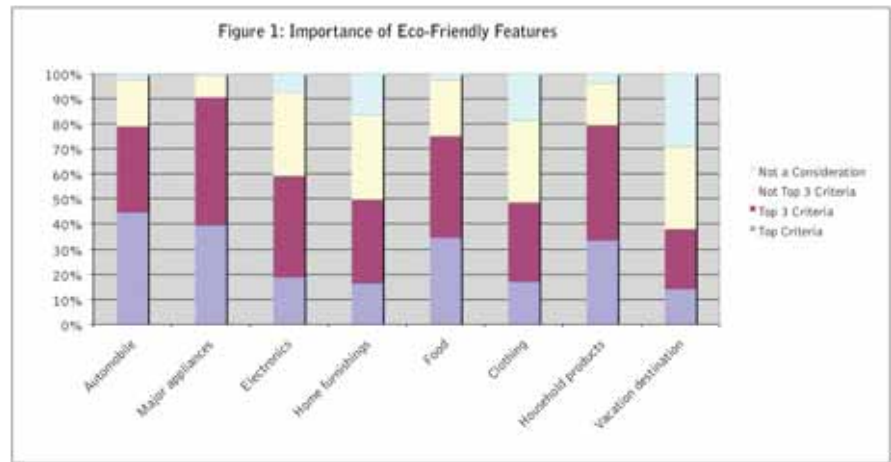
To learn more and even participate in the greenwashing discussion, visit www.greenwashingindex.com, where you can rate real advertisements on their green claims. Your opinions, in combination with those of other participating consumers, result in a score on the Greenwashing Index. There are also several programs whose goal is to educate consumers, such as National Geographic's Greendex project, which monitors the consumption habits of 14 different countries around the globe. Not surprisingly, the U.S. economy rates the lowest on the Greendex.

But these are just potholes, normal growing pains that should be expected as our economy undergoes this tectonic shift toward environmental sustainability. We are witnessing an economy and consumer base that is beginning to develop a higher environmental IQ, as evidenced by the growing eco-awareness and environmental sophistication of the average consumer.

Understand and learn

Our research bears this out. Studies conducted over the past six months with our EcoUnit panel of eco-aware consumers provides several insights that are further evidence that marketers need to understand and learn from the growing base of green-leaning consumers.

First, our findings support the mountain of evidence that the entire environmental and sustainability movement among consumers is in its infancy. As an example, when we asked our panel how many of them have incorporated common eco-actions (e.g., recycling, going paperless by switching to online bank statements, reusable bags) into their daily lives, less than 40 percent raised their hands. By contrast, over 80 percent said that they intend to incorporate these changes into their



daily lives over the next 12 months.

Furthermore, even the relatively well-informed eco-aware consumer is suspicious of green marketing claims. When we asked the panel how frequently they suspect greenwashing, roughly 30 percent of respondents stated that over 50 percent of green claims they hear or read in advertisements are greenwashing. And fully 40 percent said that they suspect greenwashing 25-50 percent of the time - still a disturbing statistic for a group that is squarely in the sights of the green marketer.

Perhaps surprisingly, the makeup of our panel is quite average. We source our panel members in various ways, including standard lead-generation programs (organic and paid search as well as affiliate programs), participation in various online forums and blogs, and by attending green events. Due to the viral nature of environmental issues, we receive a large number of new panel members through referrals.

In looking at our member base, there is certainly a bias toward younger generations, and on a gender basis there is a tendency for women to be more attuned to eco-issues than men. To be sure, there is a slight tilt toward the West Coast over the East Coast. But these types of tendencies are not as strong as you might think. For example, 54 percent of our panel is female versus 46 percent male. Similarly, the age distribution is close to a bell curve: 8 percent is age 17-21, 6 percent is over the age of 60, and the remaining 86 percent is evenly dispersed in between. So, at least by these mea-

sures, the eco-aware consumer bears a resemblance to the mass consumer.

Green scale

An emerging aspect of market research in the eco-sphere is comparing opinions, perceptions and habits based on greenness. During the EcoUnit sign-up process, we ask each new member to categorize themselves on a green scale. Our panel of eco-aware consumers categorize themselves 43 percent light green and only 11 percent dark green, with the remainder falling in between - further suggesting that the green consumer is the new mass consumer.

By categorizing each member on a green scale, we are able to identify trends and opportunities by correlating responses with green categorization. This can result in interesting findings that guide positioning and strategy. For instance, in a recent client program we found that individuals who experienced a certain new green product tended to have a positive experience with it independent of their personal greenness; at the same time, the dark green crowd was significantly more likely to have heard of or to have experienced this product. The result was a revised strategy aimed at generating awareness and sampling opportunities among light greens while enlisting the dark greens in a viral program.

Highly viral

In fact, there is ample evidence that eco-aware consumers are a highly viral group. Regardless of where they fall on the green scale, the eco-

aware are actively seeking out new information and eager to try new, better products. The blogosphere is filled with forums and groups dedicated to sharing ideas for reducing pollution, saving energy and adopting greener products. Among our panel members, approximately 35 percent read blogs and participate in social networks daily, 25 percent are involved in them at least weekly, 15 percent are occasional users and the remaining 25 percent never utilize these mediums. As a marketer you may have several reasons why you want to engage your customers and prospects in the social media world, but clearly one of them should be that the influential eco-aware crowd is active there.

Based on what we hear and read in the media, one would think that virtually any and every product has a viable green equivalent. But our research shows that the eco-aware consumer is much more concerned

about the environmental attributes of certain categories of products while less concerned about others (Figure 1). Automobiles and household products, for instance, top the list of items that consumers want to be green. Apparel and electronics, on the other hand, are relatively low on the list. Given how young the market is, it makes one wonder whether all of the green apparel companies have a firm grasp of their target market.

Though the importance of eco-friendliness varies by product category, consumer perception of a company's brand is important across categories. Perhaps most telling, a recent survey of our panel asked the question: Does a company's reputation and philosophy regarding the environment impact how loyal you are to their brand? Seventy-four percent of respondents replied with an emphatic yes; only 6 percent replied no.

As marketers, it's critical that we

understand consumer perception of our brand and products in this new green world. It's imperative that we seek input from eco-aware consumers as we chart our strategy, because both the opportunities and the cost of missteps can be huge. And once our strategy is set, we should leverage the early adopter influencers in order to gain maximum momentum in this rapidly-evolving and competitive new environment.

Trend will continue

As clear as it is that environmental awareness among consumers has just begun, it's equally clear that this trend will continue throughout all of our lifetimes. Our ability to improve our standard of living and those of less-developed countries depends on it. As more consumers come to this realization, virtually every company in every industry will be forced to understand the eco-aware consumer. | Q