Home Innovation
NGBS GREEN™

Consumer Purchasing Preferences Regarding Green & Sustainable Products

Consumer preference research consistently concludes that most Americans (roughly 55-68%) are concerned about the environment and would consider a green product over a non-green product provided it performs as well and does not cost appreciably more. Saving energy is important, however, most Americans believe they are using less energy now than in the past. Further, while energy costs are important to lower income families, higher income families typically do not budget for their energy expenses because it is a smaller proportion of their household budgets. Attitudes toward the environment vary significantly by age, gender, geographic location, and even ethnicity. In general, women and millennials lean green. For women, the health and well-being of their families is the most important driver for behavior. Millennials are more environmentally and globally conscious. Builders will be most successful selling green homes when the superior performance and livability of the home (e.g., that it is efficient, healthy, and comfortable) is emphasized; the "greenness" is third-party certified; and a commitment to sustainability is woven into the builder's corporate responsibility.

Miller Zell 2009 Study

- Women are most eco-conscious, closely followed by Gen Y
- One frustration with both groups, however, is the lack of communication offered about green products
- Low-income shoppers were more willing to pay a small premium compared to middle and upper income groups

Ogilvy & Mather, Mainstream Green Report 2011

(https://assets.ogilvy.com/truffles_email/ogilvyearth/Mainstream_Green.pdf)

- 1,800 Americans surveyed
- 78% Americans are "somewhere in the middle" regarding living a sustainable lifestyle
- 82% have good green intentions
- Consumers unwilling to compromise on performance for sustainability
- More people want to be part of green movement but feel excluded – not rich enough or cool enough
- Confused and frustrated – they wonder, "What the heck is my carbon footprint?"

Shelton 2011 Sustainability Market Segments

(http://sustainability.ncsu.edu/wp-content/uploads/2011/12/WorldviewWhitePaper_SheltonGroup2011-1.pdf)

- 23% of Americans are "Actives" – green in their beliefs and activities; willing to pay more for a product that is environmentally safe (85% vs. 64% overall); 90% are searching for green products
- 33% of Americans are "Seekers" – 93% say they're searching for greener (more energy-efficient, natural, or sustainable) products
- "Skeptics" make up 28% of Americans and are more likely to seek products for comfort or convenience rather than because it is green; they expect green products to be more expensive
- Only 16% of Americans report they are indifferent to the environment

Edelman's 2012 goodpurpose® Study

(*http://www.edelman.com/insights/intellectual-property/good-purpose/about-goodpurpose/*)

- 8,000 adults surveyed worldwide
- 53% said that when quality and price are the same, social purpose is the most important factor for them; up from 41% in 2010
- 47% reported they make purchases of cause-supporting brands "at least monthly" compared to only 32% in 2010
- 87% believe that business needs to place at least equal weight on society's interests as on business' interests; less than a third believe business is performing well at addressing societal issues

Harris Interactive 2012 Study

(*http://www.harrisinteractive.com/vault/Harris%20Poll%2041%20-Green_4.18.12.pdf*)

- 2,199 Americans surveyed
- 69% purchase green products or services
- More people are buying green products because of their health
- 52% would rather eat at a restaurant with a social and environmental component
- Nearly 50% expect a green restaurant to cost more, which suggests consumers place sustainability above cost
- Adults with children in the house are significantly more likely to pay more for responsible and ethically sourced products (51%) than those without children (39%)
- 82% of those surveyed are knowledgeable about which companies and brands have a strong history of sustainability
- 80% consider the company's track record on sustainability when purchasing from them
- Only 18% trust companies claiming to be transparent, even if they have independent verification for accuracy
- Consumers verify green claims in different ways – 27% consider their own research to be the most reliable; while 19% rely on independent third-party certifications

Green Builder Media 2013 Consumer Preferences Survey

(Survey removed from web; summary available here: www.prnewswire.com/news-releases/in-celebration-of-earth-day-green-builder-media-releases-new-consumer-research-on-green-living-203561371.html)

- 582 adults surveyed
- 84.3% have a positive association with the term "green" and want to be known for having a green life
- 66% say they have become more environmentally responsive over the past 2 years
- 90% want to live a more green life
- 66% don't incorporate more sustainable ideas into their lives because green products/systems are too expensive
- Consumers interested in cost-conscious products and mainstream alternatives
- 85% believe showcasing energy efficiency and durability would positively impact home sale
- 93% want to see green features listed on MLS
- 79.8% said they would look for a green designation when buying a new home
- 38.9% ranked "energy efficiency" and 30.8% stated that "leaving the world a better place for children/grandchildren/future generations" was paramount to them regarding green projects

Nielsen 2014 Doing Well By Doing Good

(http://www.nielsen.com/content/dam/corporate/us/en/reports-downloads/2014%20Reports/global-corporate-social-responsibility-report-june-2014.pdf)

- More than half (55%) of global respondents in Nielsen's corporate social responsibility survey say they are willing to pay extra for products and services from companies that are committed to positive social and environmental impact — an increase from 50% in 2012 and 45% in 2011
- Analysis shows an average annual sales increase of 2% for products with sustainability claims on the packaging and a rise of 5% for products that promoted sustainability actions through marketing programs
- Age matters: 51% of people that report they will pay more for sustainable products and check the package for sustainability claims are Millennials

BBMG and GlobeScan 2014 Aspirational Consumer Index

(http://bbmg.com/wp-content/uploads/2014/07/BBMG_GlobeScan_TheAspirationals.pdf)

- In 2014, Aspirational consumers represented 38% of the global population, compared with 36% in 2013
- Empowered Shoppers: 93% of Aspirational consumers say "shopping for new things excites me," compared to 46% of all consumers
- Trust in Brands: 50% of Aspirational consumers globally say they "trust global companies to act in the best interest of society," compared with 43% of all consumers.
- Positive Influencers: 90% of Aspirational consumers also say "I encourage others to buy from socially and environmentally responsible companies," compared to 59% of all consumers
- Responsible Consumers: Similarly, 95% of Aspirational consumers say "I believe we need to consume less to preserve the environment for future generations," compared to 69% of all consumers, and that they are "willing to pay more for products produced in a socially and environmentally responsible way," 90% compared to 54% of all consumers.
- Young and Female: Demographically, Aspirational consumers are most likely to represent the GenX (35%) and Millennial (33%) generations, compared to 34% and 31% of the general population, respectively, and they are more likely to be female (53%) than male (47%)