



ecopulse™

The Curse of the Improving Economy

The economy is on the mend, but that doesn't spell automatic success for green products and brands. In fact, it may be making things more difficult as consumers shift away from conservation as a money-saving strategy. What does that mean for companies trying to leverage their commitment to sustainability? That's what we're tracking in Eco Pulse™ 2014.



Economy trending up? **Check.**
 Environmental engagement among consumers improving? **Check.** Green purchases skyrocketing? **Not so fast.**



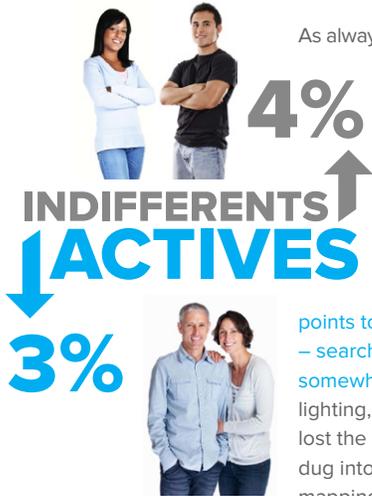
Our seventh annual Eco Pulse™ study of U.S. consumer green affinity shows a frustrating contradiction between consumer attitudes and purchase behaviors. Last year, an improving economy seemed to be stimulating environmental engagement and green product purchase intent, and all signs pointed to an increase in market adoption and significant sales growth for green products. **But that promise hasn't been fulfilled.**

Although consumers are shifting toward more pro-environment attitudes – and have increasing concerns and feelings of eco-guilt that should logically be leading to more sustainable purchasing – we're actually seeing stagnant to declining purchase patterns and related behaviors.

The improving economy seems to have shifted attention away from conservation and frugality, negatively impacting adoption momentum in several categories. Respondents reported fewer sustainable activities on average than last year, and only 27% reported high (15+) activity levels (down from 34% last year).

As always, we segmented the U.S. population based on their environmental attitudes, sustainable purchases and behaviors, and demographic characteristics. The size of the greenest segment, Actives, has declined slightly from 24% to 21% this year, while the percentage categorized as Indifferents has increased from 17% to 21%.

While the percentage of Americans searching for greener products is up five percentage points to 70% – a historical high last seen in 2012 – search trends at the product category level tell a somewhat different story. Most categories, including lighting, cleaning, paper goods and personal care, have lost the propensity momentum we saw last year. We dug into the relationship between search and purchase, mapping categories based on these two axes, noting which products are at or near true adopted status, which seem to be “accidental” green purchases and which continue to lag.



We see a continuing trend in the way Americans identify green products, relying less on packaging callouts and more on overall corporate reputation and certifications:

1/2 the population said that a company's environmental reputation impacts their decision whether or not to buy its products, and this impact was even stronger for those who said they're searching for greener products. We identified the initiatives and product attributes that most strongly contribute to a company's green reputation.

- Over a quarter of the market said they rely on certifications in their identification and selection of green products, and certifications have a strong impact on product preference and price elasticity in several categories. But the perceived value of certification labels depends more on their recognition/brand awareness than on the stringency of their criteria.
- In this year's data, we see increased sensitivity to product content issues, such as “all natural” claims and GMOs. While these claims aren't currently outlawed or regulated, the public controversy is playing out in high-profile lawsuits. **Certification can help reduce risk and provide validation for manufacturers.**

We actually committed a substantial amount of survey real estate to recycling issues this year, digging deeply into what, where and how consumers recycle at home and away from home, including questions about how recycling initiatives affect public perceptions of entertainment venues. **Self-reported recycling of common items is higher than ever before at 67% – but the way Americans are recycling leaves a lot to be desired.**

Price perceptions continue to be a barrier to green product trial and adoption (although efforts by major retailers like Walmart are narrowing the price gap in many categories). Our conjoint analysis in four product categories (single-family homes, countertop moist wipes, tablet computers and toilets) demonstrates which green product features make customers willing to pay more.

This year's findings point to the need to position green products more favorably against less sustainable alternatives. We wrapped up this year's report with insights on strategies for getting beyond economics and giving your green products the clear advantage.

Methodology

Eco Pulse is a quantitative survey containing a mix of fixed-response alternative and Likert scale questions. The survey was fielded via the Internet in April 2014. Shelton Group utilized SSI's online community for sampling. The survey was geographically stratified to mirror the regional population distribution of U.S. residents age 18 and older (227,301,996). Survey sample data were weighted slightly to match U.S. age, education, gender and ethnicity. The survey yielded 2,015 complete responses, for a 95% confidence level and a confidence interval of +/- 2.2% (margin of error).



Get the Full Report

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