



The Hartman  
Group

# Sustainability from a Consumer Perspective

SUMMER 2007

consumer insights +  
analysis in action

# The Hartman Group & Tinderbox



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Full-service strategic consultancy and market insights provider.

- **Founded** 1989
- **Headquarters:** Bellevue, WA
- **Staff Composition:** Anthropologists, sociologists and psychologists (13 full-time PhDs), visual analysts and linguists, MBAs, marketers and innovators
- **Products & Services:** Customized and syndicated primary consumer research, expertise with qualitative and quantitative research methodologies, strategic consulting in innovation and marketing, consumer and market trend analysis. Hartman Interactive, over 50,000 online panelists in the health and wellness lifestyle.
- **Tinderbox:** Dedicated to culture, innovation and trends



# Sustainability Study Research Methods



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## Qualitative Consumer Immersion

- Over 150 hours of consumer engagements
  - » In-depth interviews in homes
  - » Social network parties
  - » Ethnographic research groups
  - » Observation of sustainability activities
  - » Consumer photo journaling
  - » Neurolinguistics
- Field locations: Chicago, Raleigh, Boston, Newark, Los Angeles, Seattle



## Quantitative National Survey

- Custom online survey; n = 1,600
- Nationally representative survey
- Conducted January 2007

## Sustainability is not new.



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“Report Says Global Warming Poses Threat to Public Health”

—*The New York Times*

"Most Consumers Say They Would Like More Green Products”

—*The Financial Times*

"More New Alternative Fuel Vehicles Continue  
to Roll Off US Automaker Assembly Lines”

—*The Oil & Gas Journal*

"Tomorrow's Shade of Green: Environmentally Oriented  
Construction Materials for the 21st Century”

—*Home Improvement Market Magazine*

"Can Retailers Turn Green This Year?”

—*Marketing Magazine*

**These headlines all occurred between 1996 and 1997**

# Sustainability is not a household word.



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Though widely used in business circles,  
it's little used in consumer circles.

- **54% claim any familiarity with the term**
- **5% indicate they know which companies support sustainability values**
- **12% indicate they know where to buy products from such companies**



## Sustainability is being defined right now.



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Awareness is increasing, and grassroots definitions are beginning to solidify.

There's a definitive intersection between Sustainability and Health & Wellness, which demonstrates how Sustainability connects to personal benefits and values.



**Sustainability is about preserving a certain condition or way of life, and controlling one's surroundings.**



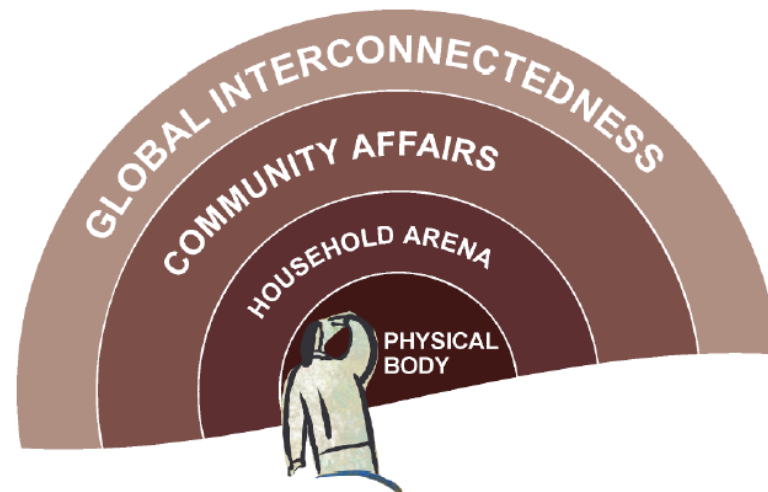
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**Centers on circumstances and events that draw people outside of themselves.**

Looking “beyond the personal” is a marker of systems thinking, which leads to global awareness.

**Health and safety drive initial involvement and purchase.**

Food and home products that have a direct personal benefit on health and well-being are the gateway to purchasing sustainable products.



# The primary driver behind Sustainability behavior is the perception of risk present in everyday life.



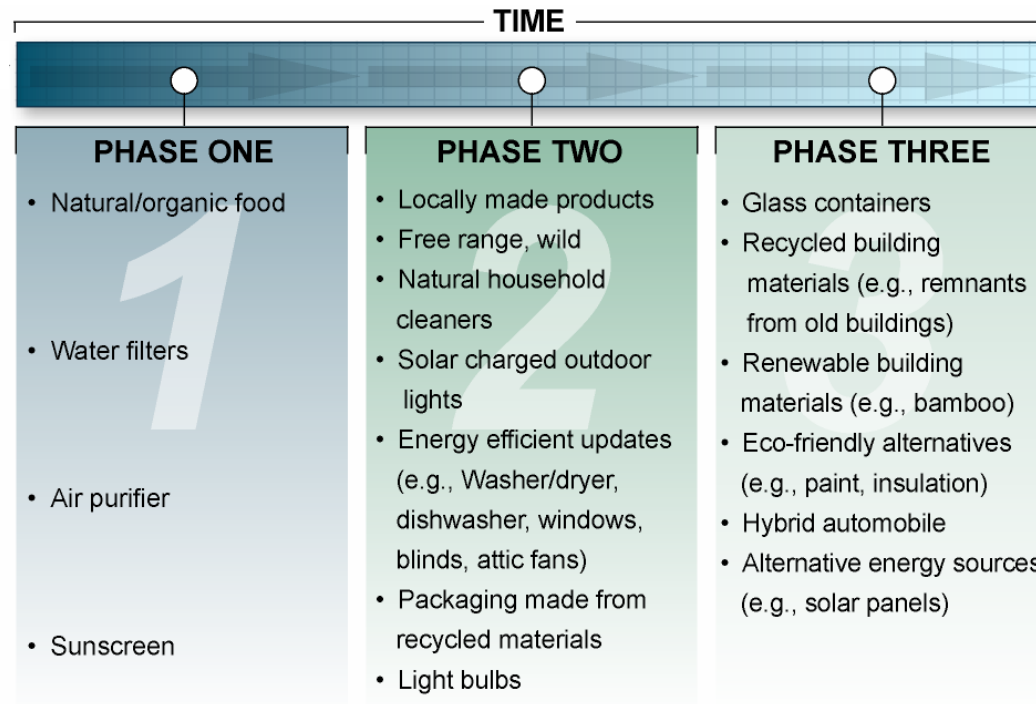
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## Established Habits

- Avoiding unfiltered tap water
- Sunglasses and sunscreens
- Seatbelts and car seats

## Emerging Behaviors

- Sanitary wipes on grocery shopping carts
- Air filters in living spaces



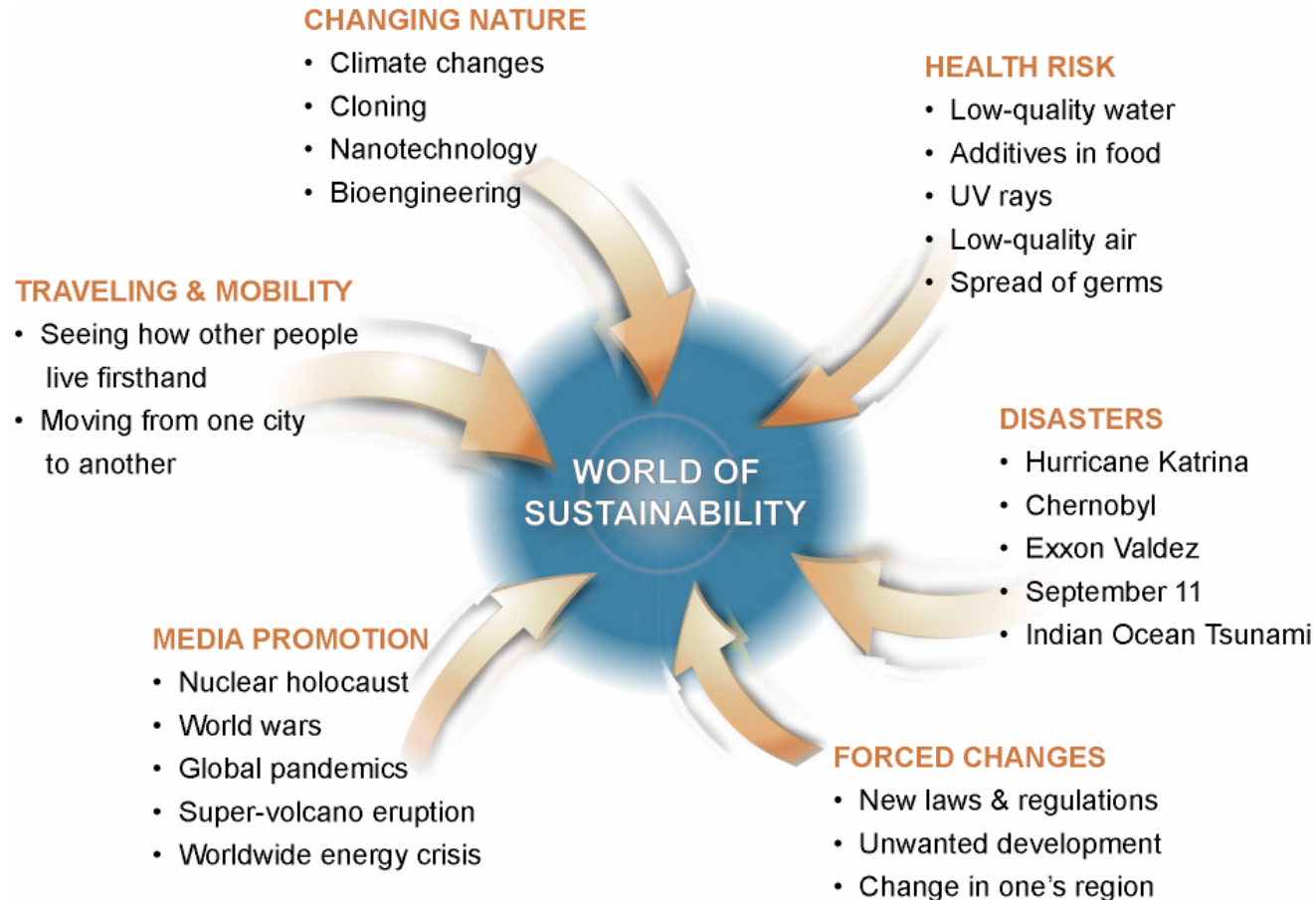




# Key Triggers to participating in Sustainability



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# Current perceptions are reactive and global.



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**Activist/Political**

**Fear-based**

**Broad focus on alternatives:**

energy resources

farming practices

# Perceptions are evolving to be more proactive and local.



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**Flexible and Personal**

**Optimistic and Hopeful**

**Narrow focus on daily alternatives:**

seeking local food

recycling at home

energy-efficient light bulbs

## Consumers believe purchase decisions are at least as important as votes.



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**67%**

say they buy products based on concerns about the environment or social well-being, at least sometimes

**70%**

say they already own energy efficient light bulbs

**80%**

say they're at least interested in owning a car that runs on alternative fuels

## Commercial adoption is tempered with uncertainty.



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Engagement with Sustainability occurs more in the realm of activity than purchase: recycling, conserving water, electricity, “gas.”

The investment is low-risk, and has more to do with time than money.

Consumers are likely to think of their purchases as being “smart” before being “sustainable.”



## Consumer behavior remains more pragmatic than idealistic or extremist.



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### **Price – Convenience – Personal Tangibility**

The three key barriers to regular participation in Sustainability behaviors

### **Health concerns continue to initiate and sustain consumer engagement with organic products.**

Absence of pesticides and hormones remains the number one value associated with organic foods, and the primary reason to buy.



# Food is the primary gateway to sustainability consciousness and sustainable behaviors.

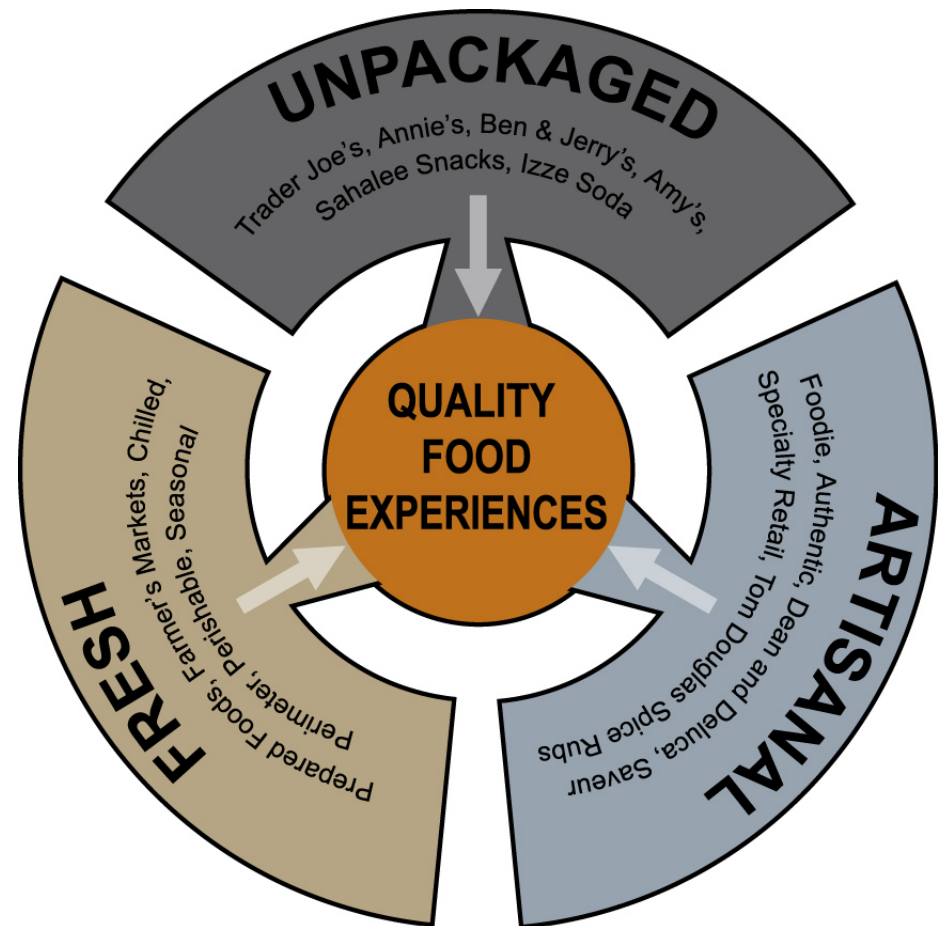


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Notions of Sustainability are subsumed by a desire for “high-quality” food experiences.

High-quality food experiences are measured against a sliding scale of Authenticity.

Sustainability and Health & Wellness attributes resonate only inside authentic, high-quality food experiences.





## “Local” and “Organic” provide the strongest Sustainability cues in the context of food.



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CATEGORY	SUSTAINABILITY CUES
Produce	local, organic
Chocolate	organic, <b>fair trade</b> , <b>charity</b>
Coffee	local, organic, fair trade, <b>shade grown</b>
Salad Dressing	<b>natural</b> , organic, charity (e.g., Newman’s Own)
Seafood	<b>wild</b>
Cereal	organic, <b>environment</b> (e.g., EnviroKidz)
Juice	organic, <b>indigenous support</b> (e.g., Goji and Acai)
Eggs	local, natural, <b>free-range</b>
Bottled Water	<b>natural sources</b> , charity (e.g., Athena)
Bread & Grains	local, organic, environment (e.g., Lundberg)
Meat & Poultry	local, natural, organic, free-range
Wine & Cheese	local, organic, <b>land stewardship</b>
Tea	organic, fair trade

## Consumers distinguish between social and environmental aspects of Sustainability.



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The most important environmental concerns include waste, pollution, excessive packaging, and local and organic food processing.

Businesses are expected to treat employees “fairly” and safely.

Sustainability initiatives based on improving employee and work-related issues create as much or more positive company image than eco-friendly practices and giving to charity.



## Consumers associate four characteristics with sustainability-oriented companies.



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**59%**

Companies are not solely concerned about “the bottom line

**59%**

Companies offer extensive information on their products

**55%**

Companies maintain supportive relations with their local community

**54%**

Companies represent principles consumers agree with

## There is little consensus among consumers about who qualifies as a sustainability-oriented company.



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Those able to mention sustainable companies unaided include Whole Foods Market, Johnson & Johnson, Wal-Mart and Ben & Jerry's.



The majority of consumers consider Whole Foods to be most socially and environmentally responsible.



Consumers tend to make stronger Sustainability distinctions between chains in the grocery industry.



## Strategic Guidelines around Sustainability



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Emphasize **personal Health & Wellness** to Sustainability when developing, positioning and promoting products and services.

Invest in development of straight-forward, creative and **engaging language** to communicate benefits of Sustainability products and practices.

Create opportunities for consumers to experience and/or participate in **social aspects** of Sustainability.

# Guidelines for Marketing & Communications



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Leverage the following key values, both verbally and visually, to communicate your commitments to social and environmental Sustainability:

**Health**  
**Local**  
**Simple Living**  
**Personal Control**



# Guidelines for Marketing & Communications



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Create narratives that connect consumers to the people, places and processes that epitomize your company. **Stay inclusive.**



# Guidelines for Marketing & Communications



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Sustainability imagery analysis reveals predominant themes of:

<b>Reliability</b>	<b>Hope</b>	<b>Authenticity</b>
<b>Care/Nurturing</b>	<b>Connection</b>	<b>Simplicity</b>
<b>Control</b>	<b>Responsibility</b>	<b>Efficiency</b>

These symbols are most relevant and meaningful to connect with consumers and elicit long-term behavioral change within Sustainability.

Open up for direct consumer input as well as transparency about company processes and values. Consumers will seek (and otherwise discover) information about companies, and orient purchase decisions accordingly.





# Guidelines for Marketing & Communications



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Communicate Sustainability  
by emphasizing one or all  
of the following:

**You're not solely concerned  
about "the bottom line"**

**You offer extensive information  
on your products**

**You maintain supportive  
relations with the  
local community**

**You represent principles  
consumers agree with**

Local has less to do with physical  
geography than it does with actual  
places, people and traditions.





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## Sizing Sustainability



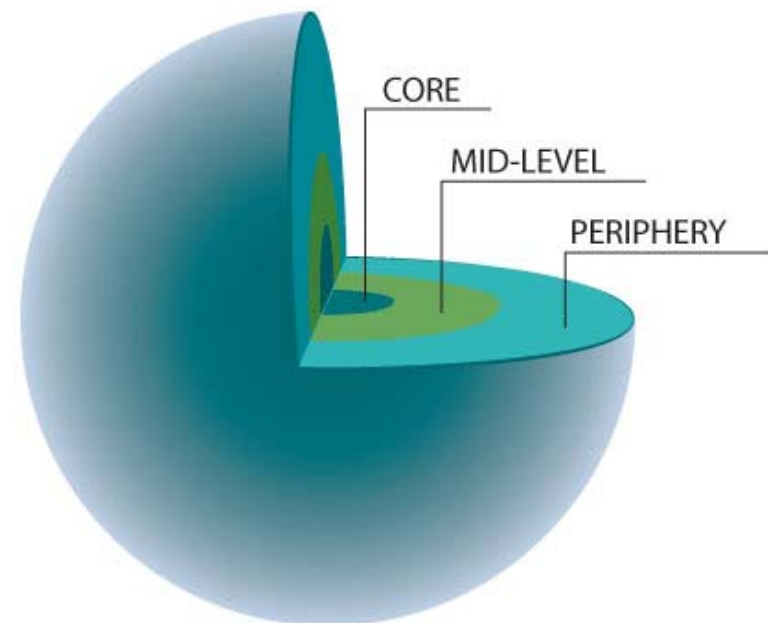
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The Hartman Group analyzes consumers according to lifestyle orientation within a given “world” of activity. Segments vary according to the **intensity** of involvement in that world.

**Periphery** consumers begin their journey at the outside of a world and move toward the Core as they gain experience and knowledge

The majority of consumers reside in the **Mid-Level** of a given world.

The **Core** is the smallest and most intensely involved segment – early adopters, trendsetters and evangelists



# Measuring Involvement in the World of Sustainability

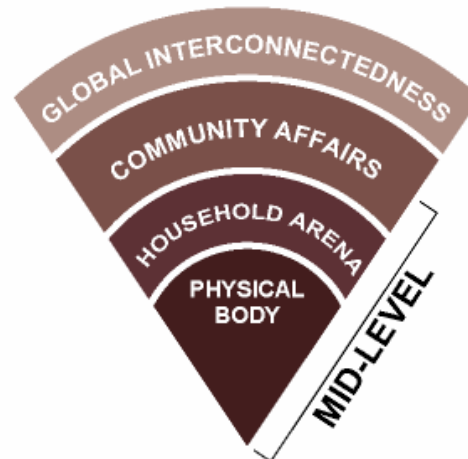


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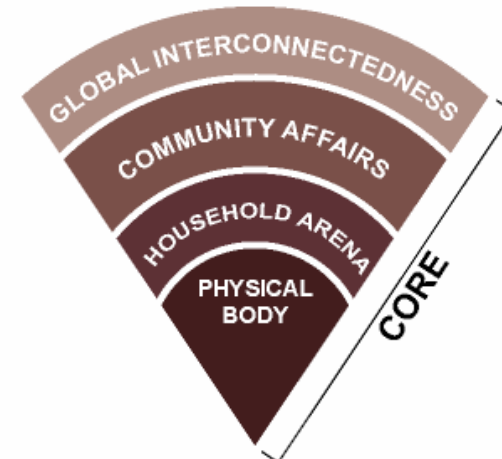
**Periphery Consumers (17%)**  
tend to concentrate their awareness of risks on their personal lives and bodies



**Mid-level Consumers (65%)**  
tend to focus on the body, but also include their surroundings at home and immediate community



**Core Consumers (18%)**  
tend to extend their risk awareness outward from the body to broader environments



## Linda: Periphery Sustainability Consumer



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Wants gas prices to rise so she has a “good reason” to trade-in her SUV

Drinks water from the tap unless it smells or tastes bad

Doesn't believe the “hype” about organic food

Believes climate change might be happening but defers to the experts

Travels with a waterless hand sanitizer because she other peoples' germs are “gross”

Just bought an energy efficient dishwasher because of a rebate

Curbside recycles because “it's just what you do”



## John: Mid-level Sustainability Consumer



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Buys organic because  
it makes him feel “safer”

Wears sunscreen because “the hole  
in the ozone layer makes it more  
dangerous to be in the sun”

Uses a water filter on the kitchen  
tap but not in the shower

Recycles out of an ambiguous  
sense of moral duty

Ponders the possibility of buying  
a hybrid vehicle someday

Monitors and evaluates the hand  
hygiene practices of his colleagues

Enjoys buying brands that  
symbolically align with his  
identity and values



## Kim: Core Sustainability Consumer



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Pays premium prices for items produced by companies who treat their workers fairly

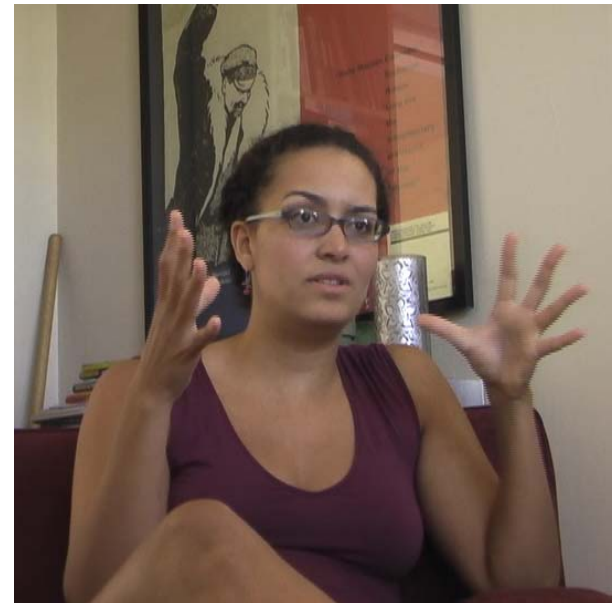
Avoids plastic packaging and containers due to concerns about “leeching” and landfills

Recently purchased sustainable cotton bed sheets for her home

“Follows” some of the products she buys throughout their lifecycle

Buys only cruelty-free personal care products

Believes her purchase decisions are a form of direct democracy





## The Core is leading the charge.



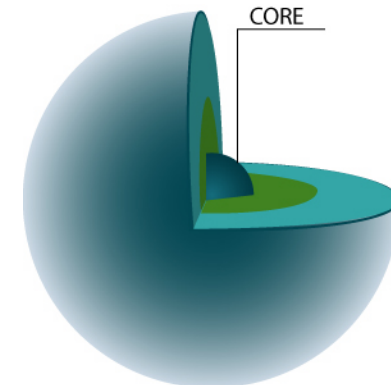
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Core consumers are helping the rest of us decide whether and how to participate in Sustainability, creating the language, parameters and rituals that pave the way for adoption.

Early signs of Core adoption are primarily related to food production (organic, local and origin narratives) and packaging (minimal or unpackaged).

Consumers will pay more for Sustainability products when their value is clearly defined through communications, packaging, brand narratives or experiences.

Personal benefits must be clearly indicated to engage less involved consumers who are likely to feel that Sustainability is not as important as other issues in life.

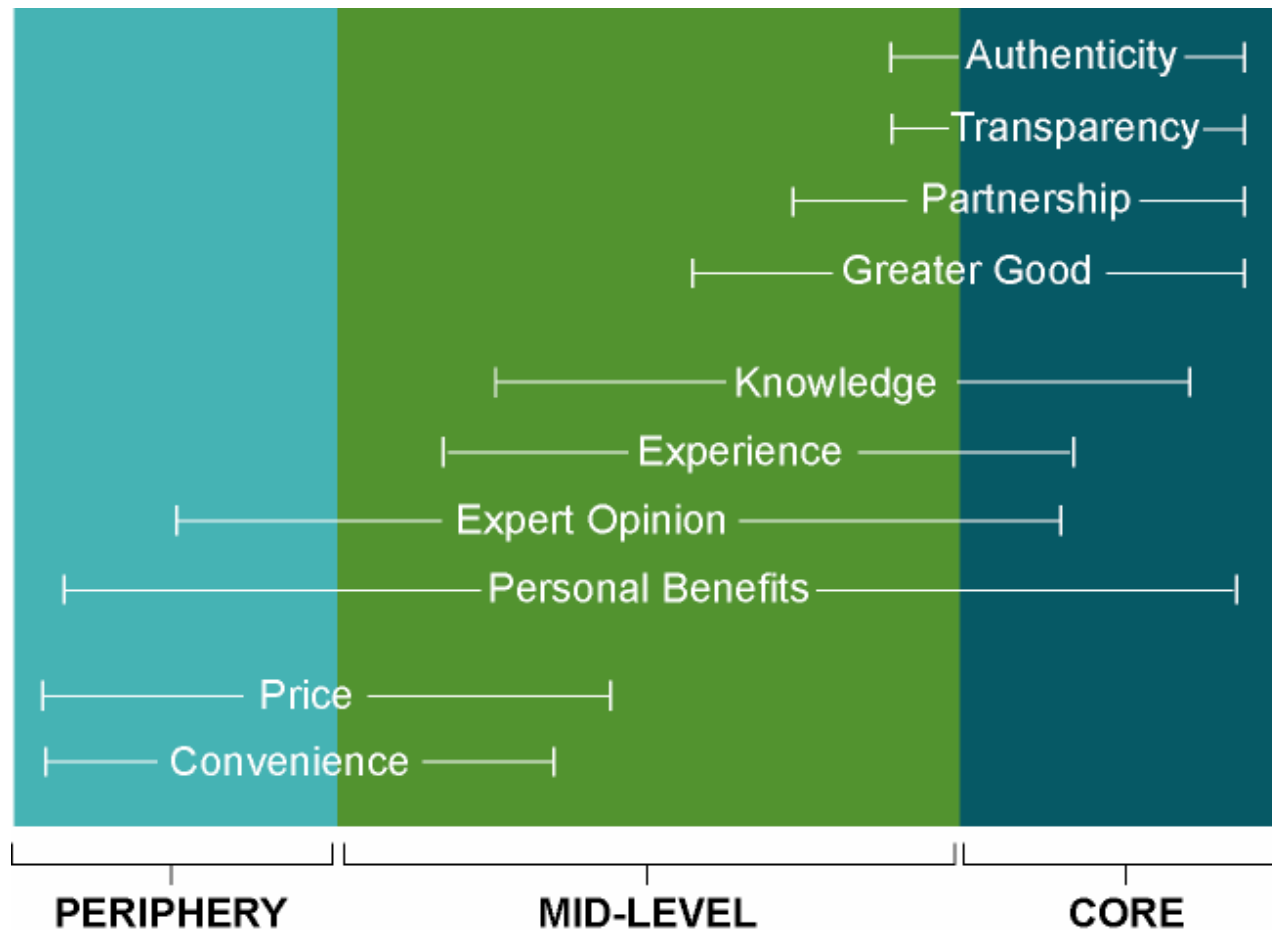




# Dimension of Sustainable Lifestyles



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# Key Purchase Criteria: Periphery



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## Convenience

- Availability in stores;  
ease and efficacy of use

*“If it’s hard to find or I can’t figure out how to use it, forget it.”*

## Price

- Perception v price; how added value is conveyed

*“Why would I pay \$10 for a light bulb?”*

## Personal Benefits

- Health is primary benefit;  
peace of mind

*“I’m trying to do the right thing for myself and my family.”*





## Key Purchase Criteria: Core



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### Greater Good

- Expanded consciousness; holistic thinking

*“The decisions I make and the things I do impact more than just myself.”*

### Partnership

- Like-minded; equal participation and effort

*“We’re in this together.”*

### Transparency

- Access to company values, policies, and practices

*“They’ve got nothing to hide.”*

### Authenticity

- Consistent; values driven

*“It’s the way things should be.”*

