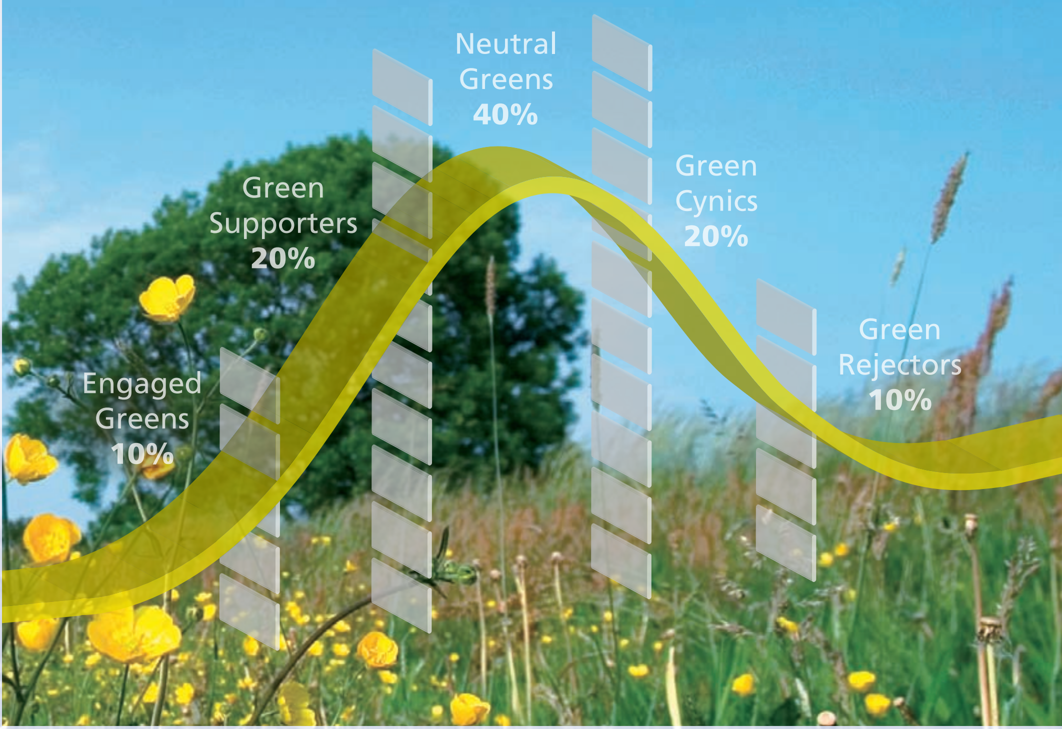
Global Marketing Insights from TGI

Green values

Consumers and branding



In association with

The CarbonNeutral Company

Foreword

The Fourth Assessment Report of the Intergovernmental Panel on Climate Change provides the strongest evidence to date that human activities are the primary contributor to climate change – the scientific consensus is that the probability of this being the case is greater than 90%. These same scientists tell us that to stabilise concentrations of greenhouse gases in the atmosphere at a level that will avoid the most dangerous consequences of global warming will require cuts in emissions of 50-80% by 2050.

With the Kyoto Protocol, European Emissions Trading Scheme and various city, state and regional initiatives in the United States, governments have started to take action. Regulation – in the form of direct legislation, taxation and cap-and-trade schemes – is likely to be extended over the coming years. However, at the current rate of progress, this by itself will not deliver the cuts we need at the speed we need them.

In the Stern Report on the Economics of Climate Change, it is estimated that action now to reduce emissions is affordable at some 1% to 3% of global GDP. If action is delayed, even by 10 to 20 years, costs will arise dramatically; vitally, however, losses due to damage will mount rapidly and may become economically overwhelming.

Forward-thinking consumers and businesses are waking up to these scientific and economic arguments and are already starting to vote for lower carbon products and services with their wallets and purses. I commend this research to people seeking to identify the consumers who are most engaged on this issue.

Professor John Murlis
University College of London

Global Marketing Insights from TGI

Green values: consumers and branding

Understanding engagement with issues of environmental concern around the world

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Introduction – The CarbonNeutral Company

Many people are aware that climate change has largely come about as a result of emissions resulting from industrialisation – and that the major developing economies such as India and China are continuing this trend. Indeed the statistic that the Chinese are completing a new coal-fired power station every week has achieved almost mythical status.

We cannot escape the fact that demand for consumer products and services contributes significantly to the growth of industrial emissions. One of the most powerful levers we have to address climate change is the power of consumer choice; consumers are increasingly aware of the environmental impact of their buying decisions. Governments are attempting to harness this new green consciousness – in the UK for example The Carbon Trust, a government-backed company, recently launched a product carbon-labelling scheme.

This emerging trend represents both a business threat and an opportunity. Companies must ask themselves whether they understand the carbon impacts of their products and services and how this compares to competitors. Are there plans in place to reduce emissions, both in-house and across the supply chain? Have marketing departments identified green consumerism as a trend, do they understand how to identify and target this demographic, and do they have products and services that will appeal to them?

Action on climate change is not a fad or fashion – the threat is here for the long term, and the opportunity is to ensure you appeal to an ever-growing proportion of the population that cares about the environmental impact of the products and services they buy. This piece of research seeks to identify those consumers who are in the vanguard on this issue, and provide insights on how best to engage with them.

Sue Welland

Founder and Creative Director, The CarbonNeutral Company

Introduction –TGI

The former Chairman and CEO of The Coca-Cola Company, Douglas Daft, recently observed that the environment and climate change are being debated everywhere. Every brand that comes into contact with consumers needs to have a position on the environment. If consumers believe in that position, the value of the brand – and the attraction to use it or buy it – goes up. The reverse also applies.

TGI now provides marketing information and insight in 60 countries around the world. Consumer attitudes and behaviour in relation to environmental issues are among the many areas it covers.

TGI information can be of benefit in a number of ways:

- Understanding how consumers think and act
- Segmenting consumers based on their motivations, and sizing the opportunity for green messages to be communicated
- Developing the appropriate messages to appeal to the motivations of target consumers
- Identifying the most efficient channels for communicating messages
- Appreciating how attitudes and behaviours vary in different parts of the world

This report summarises some of our latest findings.

Section 1

CO_2 travel footprint

We have used TGI to calculate an average consumer CO_2 "travel footprint" for a number of countries around the world.

By looking at travel habits, we can see what contribution to the carbon footprint is generated by different forms of travel. Taking the most common types of transport measured by TGI in the markets covered, namely travel by car, plane and public transport, we get a comparison of the average emissions per person in a range of countries.

As this table shows, it is the industrialised western countries that top the table of total transport emissions per person. The US comes first with an average of 7.8 tonnes of CO_2 per head per annum. With around half of that level, France takes second place, followed by Great Britain and other western economies.

At the opposite end of the scale, we see consumers from the fast-growing economies of India and China. TGI only covers urban consumers in these markets, but they are in any case the ones most likely to be generating higher emissions.

Average CO_2 emissions per adult per year

	Air travel (kg)	Road fuel consump-tion (kg)	Public transport (kg)	Total emissions (tonnes)
US	275	7,472	22	7.8
France	243	3,419	78	3.7
Great Britain	603	2,382	87	3.1
Rep. of Ireland	434	2,561	47	3.0
Germany	214	2,117	76	2.4
Spain	219	1,849	89	2.2
Russia*	236	1,235	170	1.6
Venezuela*	15	938	140	1.1
Hungary	56	925	102	1.1
Poland	46	754	249	1.0
Brazil	68	821	114	1.0
Mexico	43	822	116	1.0
Bulgaria*	55	834	71	1.0
Chile*	59	658	153	0.9
Colombia*	221	522	100	0.8
Czech Rep.	84	523	136	0.7
Argentina	30	561	113	0.7
Slovak Rep.	76	357	155	0.6
China*	21	342	130	0.5
India*	32	51	142	0.2

* Urban areas only

Source: Global TGI

Methodology:

TGI variables used:
Air travel (number of flights in last 12 months, divided into long-haul and short-haul destinations)
Car travel (total litres of fuel bought per week)
Public transport (hours per week travelled on different types of public transport, i.e. train, underground, bus)

Calculation:
Where necessary the variables were adjusted to represent annual figures. CO_2 emissions were then calculated by multiplying the variables by average km travelled plus average CO_2 emissions per km by means of transport as suggested by the Department for Environment, Food & Rural Affairs (DEFRA) in GB. Dividing the total by total population numbers resulted in average emission figures per head.

NB: The ranking is likely to differ from other published tables of carbon dioxide emission per capita, since it covers transport emissions only. Emissions caused at home by heating, hot water and household appliances are not included.

CO_2 travel footprint

Car travel

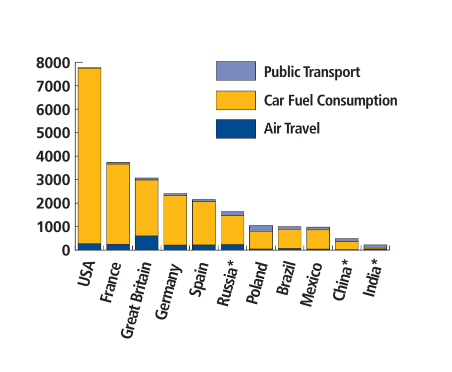
Although air travel is most often associated with the highest levels of CO_2 released, it is not aviation emissions that push the most developed countries to the top of the overall consumption table. Instead it is the CO_2 released by car travel that amounts to the dominant share of emissions.

Turning the figures from the table on page seven into a graph makes this clear. Air travel and public transport result in a much smaller share of emissions than car travel when annualised.

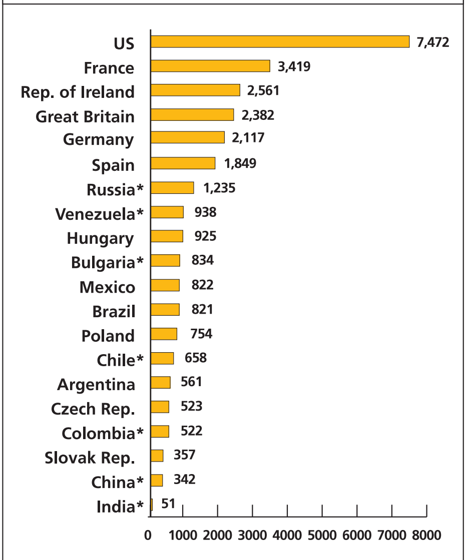
In general, the use of public transport creates the lowest level of CO_2 emissions per capita. Of the countries examined here, only in the case of India are emissions created by the use of public transport bigger than those caused by car or air travel. This is related to the smaller proportion of people who can afford the latter types of transport.

When looking at road fuel consumption only, the US exceeds other countries' emissions by far. One reason for the huge difference in fuel consumption between the US and western European countries – the next most frequent drivers – is likely to be that its lower cost makes driving a car more affordable in the States. In some European countries the fuel price can be three times as high as in the US. Distances tend to be larger and public transport less frequently available in America too.

Average CO_2 emissions (kg per adult per year)



CO_2 emissions from car fuel consumption (kg per adult per year)



* Urban areas only

Source: Global TGI

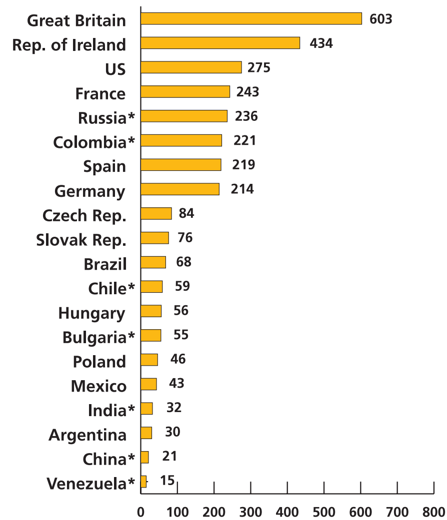
CO_2 travel footprint

Air travel

As regards air travel, we find British people collect most air miles per head – although the larger US population means that the total amount of air travel is highest there.

It is interesting to see that Colombians travel as much as western Europeans and Russians. This may be due to safety fears about car or bus travel. India does not take the bottom position this time, because Indians take a fair number of long-haul flights. This may be related to family members living abroad.

CO_2 emissions from air travel (kg per adult per year)



* Urban areas only

Source: Global TGI

Summary

Overall, people from the most developed countries tend to cause the largest CO_2 footprint with their travel habits – and this is mostly due to car journeys. However, emissions by transport type can vary greatly among countries with a similar state of development, as the examples of western or Latin American countries demonstrate.

As countries continue to develop, the more it is that consumers take up types of transport that are damaging to the environment. For example, Chinese people increasingly use cars rather than bicycles to get around. Developed countries like Germany or Great Britain, on the other hand, are trying to make their cities more bicycle-friendly.

As we see, it is one's everyday choice of transport – for example travelling to work by car rather than public transport – that causes most carbon dioxide to be released. This means that changing one's personal habits can contribute greatly to decreasing total CO_2 emissions.

This is one part of the challenge for businesses today. And although it can be seen especially clearly through analysing travel patterns, it is also true in many other areas of consumers' lives.

Section 2

Eco-Adopters

Identifying the opinion leaders

From our analysis, the US, Britain and France emerge as three of the most significant contributors to transport-related carbon emissions when road travel and aviation are taken together. Increasing media focus on these issues in recent years has meant that more and more consumers are becoming concerned about the long term consequences of their actions on our environment.

In this section of our report, we focus on a group that we have defined in these three countries, which we have called 'Eco-Adopters'. These are consumers who demonstrate not just an environmentally-conscientious mindset, but also the willingness to put these beliefs into action. The group (which is similar, but not identical in each country) includes members of environmental organisations and people who donate to wildlife charities, purchase eco-friendly household products and are interested in 'green' issues in the media.

In each country, Eco-Adopters account for around 2% of the population and demonstrate broadly similar demographics, attitudes and behaviour. Additionally and importantly, they will act as advocates. They can be considered as opinion leaders in the area of environmental issues, who will have a disproportionate influence on other consumers. Consequently they are worth our attention.

How we did it:

In each of the US, Britain and France, we selected behaviours that allowed us to focus very specifically on the most environmentally conscientious consumers. The behaviours included:

- Membership of an environmental organisation
- Donations to wildlife charities
- Purchase of green products - e.g. clothes detergents, household cleaners
- Interest in 'green' articles in the press

In countries where a larger number of these behaviours were measured, we selected respondents who undertook a specified number of them. In each case the group of Eco-Adopters account for around 2% of the country's population.

Eco-Adopters

Who are the Eco-Adopters?

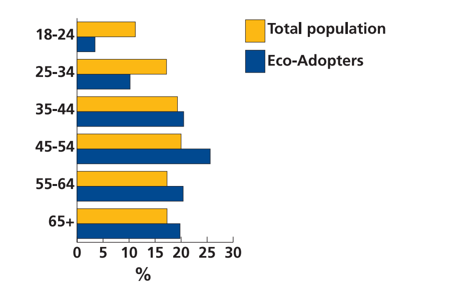
So who are these Eco-Adopters? Notably, TGI shows that they are disproportionately likely to be female, and to be aged between 35 and 54 in particular. The kind of lifestage events they have experienced within the last 12 months include a child's departure for university, a child's marriage, or – at the younger end of the group – the birth of a child.

Nonetheless, in all three countries it is among women in this age range that the most environmentally-aware and active consumers are most likely to be found.

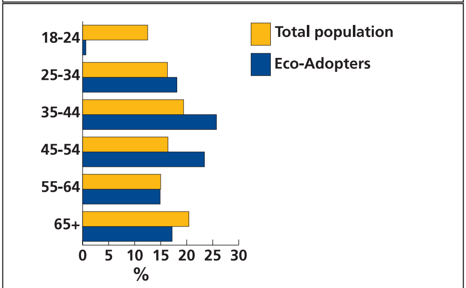
Despite their reputation for activism, students and young people are under-represented in the group; in Britain only 1% of Eco-Adopters are aged 18-24, compared to 12% of the total population. 18-24s are also under-represented among Eco-Adopters in the US and France.

However, Eco-Adopters are likely to be highly educated; in all three countries they are more likely than average to be qualified to degree level or beyond.

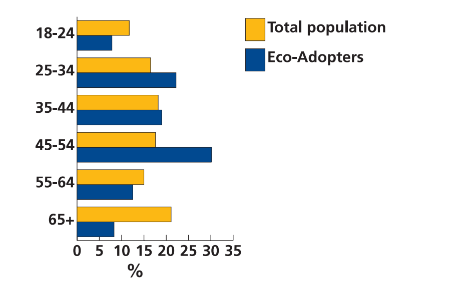
Age profile (US)



Age profile (Great Britain)



Age profile (France)



Base: Adults 18+ **Source:** Global TGI

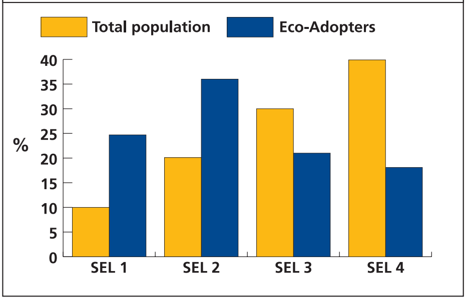
Eco-Adopters

Perhaps related to this, Eco-Adopters are also more likely to be financially secure. In both the US and Britain over half fall into the top two socio-economic levels, and they also tend to be of above-average status in France. In Britain 45% describe themselves as 'comfortable' on their present income.

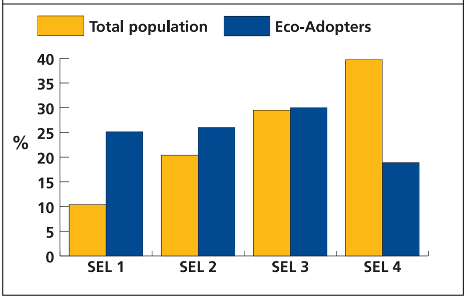
A pattern also emerges in the geographical distribution of Eco-Adopters. They are more likely than average to reside in major urban areas, which may make it easier to purchase specialist products and meet like-minded people at environmental groups. Consequently in France 34% live in the Île-de-France region, and in Britain a quarter live in London. In the US they are more concentrated in the North Eastern states and in cities such as San Francisco, Boston and Chicago.

In terms of their interests, they are more likely than average to visit theatres and art galleries, and to take part in activities such as yoga, walking, cycling and swimming. They go the cinema frequently, but are less interested in watching TV at home.

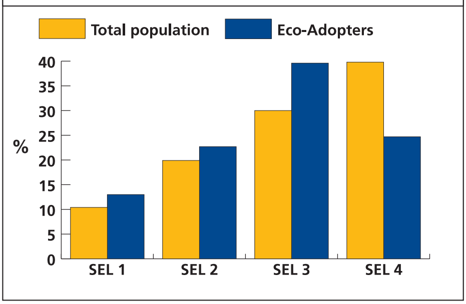
Socio-economic levels (US)



Socio-economic levels (Great Britain)



Socio-economic levels (France)



Base: Adults 18+ **Source:** Global TGI

Eco-Adopters

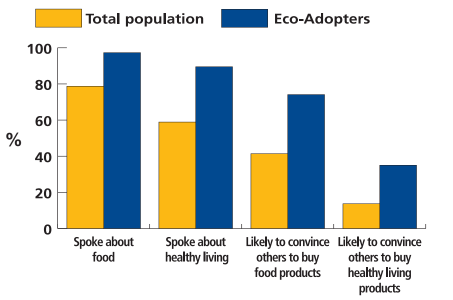
Health and wellness

Our food choices affect our health, but also the world in which we live. Increasingly, we are becoming aware of the damage that food production can inflict on our environment, for example through the use of pesticides, air transportation and intensive animal rearing. Our Eco-Adopters group have taken this on board, and emerge as more informed and proactive than the average consumer when it comes to purchasing their food.

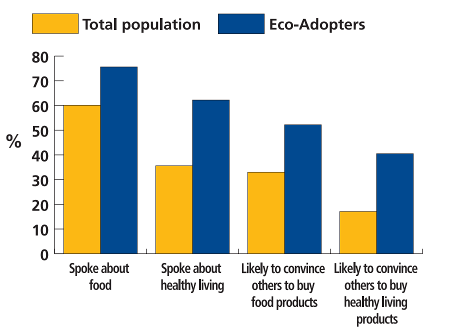
They want to eat well. They are more likely to believe they have healthy diets, and are much more likely to be vegetarian. In Britain they are quite likely to dismiss all fast food as 'junk', although Eco-Adopters in France and the US are less bothered by this. Perhaps due to these preferences, they show less of a tendency to be overweight or obese.

Eco-Adopters not only care about what they eat; they want other people to care about it too. In the past year, Eco-Adopters in Britain and France are more likely to have spoken to other people about healthy living, and to have convinced them to buy specific food products. This suggests that once a brand impresses them, they can be valuable in promoting it through word of mouth.

Talking about food and healthy living in past year (Great Britain)



Talking about food and healthy living in past year (France)



Base: Adults 18+ **Source:** Global TGI

Eco-Adopters

Purchasing habits

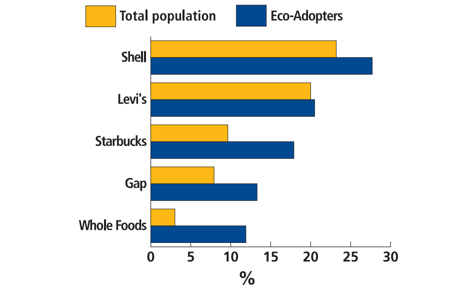
Eco-Adopters are discerning shoppers, and are less likely to buy brands simply because they are well known. Instead they will often read food labels, refuse to buy genetically modified products or those with artificial additives, and opt for free range, organic or fair-trade food (and be willing to pay more for it). Over 90% of British Eco-Adopters say they pay attention to where their food is produced, compared to only 40% of the general population.

They are also more likely to say that they only buy products from companies with whose ethics they agree, and to visit local independent grocers.

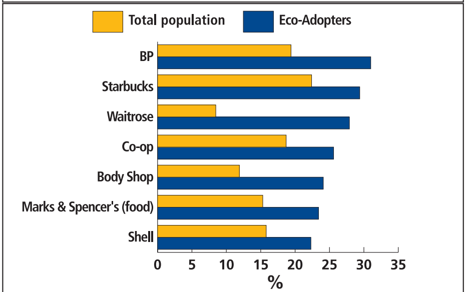
However, this does not make them inaccessible to big brands. Like the rest of the population, virtually all Eco-Adopters visit supermarkets for their grocery shopping – and use their cars to do so.

TGI also shows that the 'green' image promoted by some mainstream brands may have convinced these consumers; in the US, for example, compared to the average person Eco-Adopters are 22% more likely to use Shell fuel, 80% more likely to visit Starbucks, 63% more likely to shop at Gap and four times as likely to shop at Whole Foods. Brands promoting their 'green' image in Britain and France appear to be enjoying similar success with Eco-Adopters there.

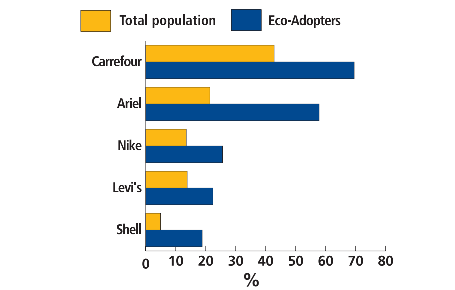
Selected brand usage (US)



Selected brand usage (Great Britain)



Selected brand usage (France)



Base: Adults 18+ **Source:** Global TGI

Eco-Adopters

Travel

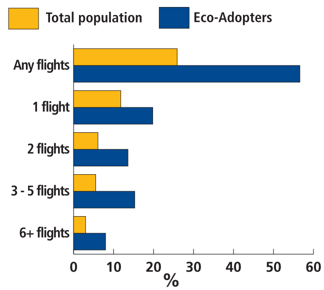
However, we should not assume that their 'green' conscience dictates every part of an Eco-Adopter's lifestyle, particularly when it comes to personal travel. Eco-Adopters in Britain and the US are as likely as the average person to own a car, and to spend up to eight hours travelling in it every week.

Despite the high carbon emissions that arise from air travel, over half of Eco-Adopters in Britain flew in the past year, as did a quarter in France. French Eco-Adopters are 63% more likely than average to have taken three or four flights in the past year, and in Britain one in 10 of them has done the same. 14% of Eco-Adopters in Britain have taken a domestic flight in the past year.

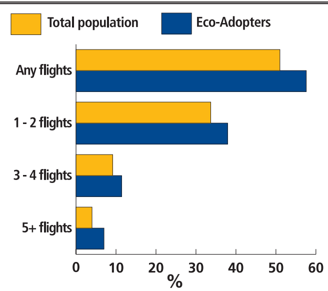
So the most environmentally-aware 2% of the population in each of these three countries have personal carbon footprints that are larger than average. It will be interesting to see how this changes in future. Meanwhile they are at least the group most likely to use carbon-offset programmes.

In the US, the figures are even more telling. Eco-Adopters are consistently more likely to fly, whether at home or abroad, and are 122% more likely to be enrolled in a frequent flyer scheme.

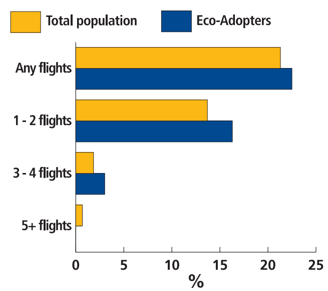
Domestic flights in the past year (US)



Flights in the past year (Great Britain)



Flights in the past year (France)



Base: Adults 18+ **Source:** Global TGI

Eco-Adopters

Eco-Adopters: key opinion formers

TGI makes it clear that Eco-Adopters are not an easy group to please. They are more educated and aware than the average consumer, and are less likely to be won over by vague claims of green credentials. Instead, they want high quality, ethically produced items. This, along with their more affluent status, means that they are able and willing to pay for them.

However, whilst Eco-Adopters do their best to be 'green', convenience and pleasure still play a part in their lifestyles, as demonstrated by their air travel patterns and use of supermarkets and big name products.

As green enthusiasts, when persuaded of a brand's credentials, they may well spread positive messages about it. Their value as word of mouth advocates may be considerable.

But they may also influence other consumers negatively against brands of which they disapprove. So getting the green message right is vital for a brand.

With the issue of climate change here to stay, and public awareness of it only set to grow, marketers would be wise to bear this group in mind when devising their campaigns.

That said, most marketers will want to communicate with more than the most aware 2% of consumers. In the next section, we show how the entire population of a country can be segmented on the basis of their attitudes to the environment.

Section 3

Who's listening? Getting the green message right

It's clear that growing concern about climate change is a huge driving force behind current shifts in consumer attitudes and behaviour all around the world. By aligning their products with environmental concerns, businesses not only have the opportunity to differentiate and create positive brand images, but can also help the public in their role as responsible consumers by informing and educating.

There is certainly demand in the marketplace for green-perceived brands, but in order to win the hearts and minds of consumers, marketers must be sure to get their green marketing messages right.

Segmenting the market

To gain a deeper understanding of how different consumers might engage with green messages, Global TGI divided the population in 12 countries into five separate sub-groups, using a series of environment-related attitudinal metrics. Each of the five segments presents its own unique challenges and opportunities for businesses that intend to implement green marketing strategies.

The 12 markets:

Great Britain	Germany	US
China*	Spain	Poland
Brazil	India*	France
South Africa	Mexico	Egypt

** Urban areas only*

How we did it:

Each TGI questionnaire carries around 250 statements which are specifically designed to measure the values and opinions held by respondents on a broad range of topics. Responses to each statement are measured on a five-point scale, from 'definitely agree' to 'definitely disagree'. For each market, we selected the attitudinal statements relating to environmental issues, and gave respondents a score based on their responses to these. Typical statements used include:

"I would be prepared to pay more for environmentally friendly products"

"People have a duty to recycle products"

"I am worried about pollution and congestion caused by cars"

Using these scores, we split the population in each market into five mutually exclusive segments, as illustrated in the diagram on page 20. Respondents with high scores are most likely to agree with the statements and therefore fall into the 'pro-green' segments. Respondents with the lowest scores are most likely to disagree with the statements and fall into the 'anti-green' segments'.

Who's listening? Getting the green message right

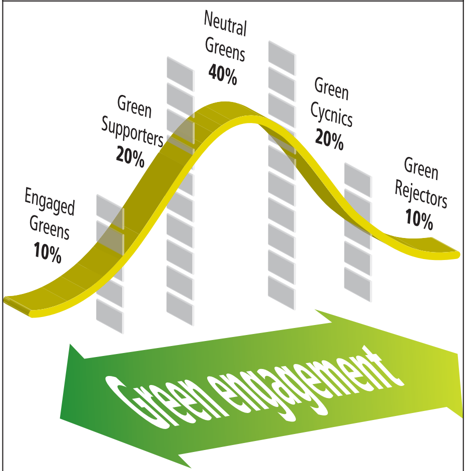
We know that the green niche can be lucrative. Environmentally aware consumers tend to earn more, and are willing to pay a premium for green products such as organic food and hybrid cars. However, since at present only a small proportion of consumers make their buying decisions primarily based on the environmental qualities of a product, it may very well be difficult to sustain sufficient sales within that niche alone.

Shifting a company's customer base from 'early adopters' to mass market consumers is a major challenge faced by many green marketers. Fortunately there is great opportunity for marketing green products to the masses, and numerous examples of products that have moved into the mainstream due to their practical consumer benefits as well as their 'green-ness'.

The 'anti-greens' are also an important target, particularly for governments and other organisations who are trying to engage more people in pro-environment initiatives. This group poses the greatest threat to the progress of environmental action because they don't believe it works, they find it inconvenient and they don't feel any social pressure to participate.

So what is the best approach to take when communicating green messages to these different segments of the population? And are the same broad characteristics visible across different nations?

The green market: an overview



Engaged Greens (10%)
The most passionate green consumers, who will go out of their way to help tackle climate change and pay a premium for eco-friendly products.

Green Supporters (20%)
Care about the environment and would like to adopt more sustainable habits, but won't make big sacrifices in terms of price, comfort or convenience.

Neutral Greens (40%)
Aware of environmental issues and will buy into green initiatives, but only if they offer functional benefits too.

Green Cynics (20%)
Doubtful about the value of environmental initiatives, and unlikely to choose green alternatives.

Green Rejectors (10%)
Disengaged and most likely to rebuff all green concepts.

Who's listening? Getting the green message right

Branding and consumer loyalty

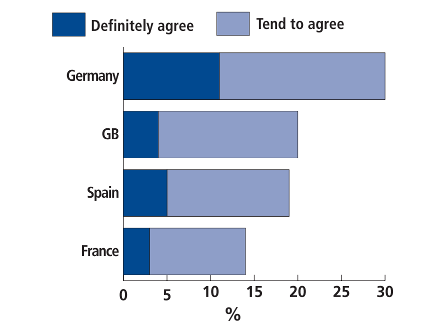
Emerging green consumer purchasing behaviour indicates that consumers will increasingly shift spending to greener brands, and therefore it makes sense for organisations to demonstrate their green and ethical credentials more than ever. Despite this, green branding affects consumer purchasing decisions more visibly in some markets than others. In Germany for example, 30% of consumers say that they only buy products from companies with whose ethics they agree, compared to just 14% in France.

Therefore, branded products and services that offer environmental integrity must strive also to compete with mainstream brands on performance and tangible benefit, rather than relying purely on their green credentials.

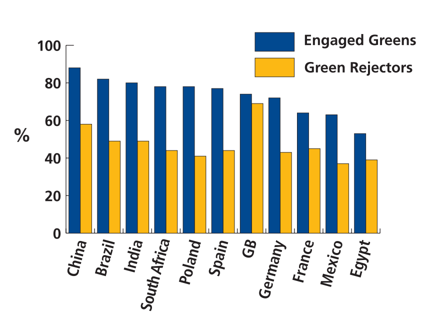
A visible universal trend is the positive correlation between green consumerism and brand loyalty. Across all markets, the Engaged Greens and Green Supporters are more inclined than other segments to say that once they find a brand they like, they tend to stick with it. Green consumers in China in particular are fiercely brand loyal, with almost nine out of every ten Engaged Greens agreeing with the statement (compared with just six in ten Green Rejectors).

This suggests that a major challenge facing brand managers lies in generating loyalty to green brands amongst the masses.

"I only buy products from companies with whose ethics I agree" – % agree



"Once I find a brand I like, I stick with it" – % agree



Base: Adults 18+ **Source:** Global TGI

Who's listening? Getting the green message right

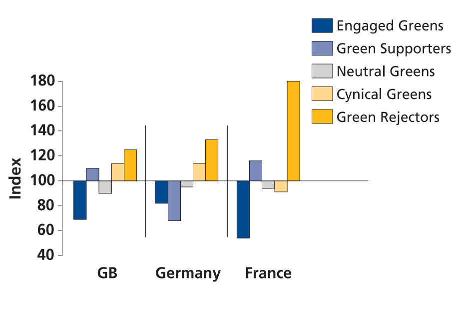
For many brands, association with celebrities can provide credibility and expand their appeal to a wider audience. And whilst celebrity endorsement might not be powerful enough to sustain long-term shifts in consumer thinking, it can certainly help to raise awareness in the shorter-term.

Focusing on western Europe, it appears that the Green Rejector segment is particularly open to celebrity endorsement. In France, twice as many Green Rejectors as Engaged Greens say that celebrities influence their purchase decisions.

In these developed markets, for governments or other organisations who are seeking to modify the behaviour of more recalcitrant consumers, the use of celebrities as an engagement tactic seems a promising approach.

In China, however, the reverse is true: 14% of Active Greens believe that 'brands recommended by famous people are normally very good', compared with just 5% of Green Rejectors.

"Celebrities influence my purchasing decisions" – agreement index



Base: Adults 18+ **Source:** Global TGI

Who's listening? Getting the green message right

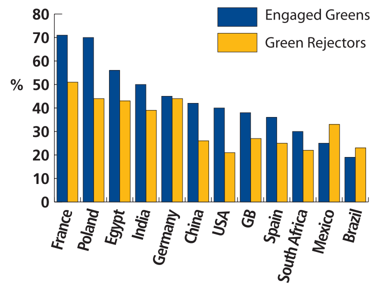
Advertising and receptivity

As consumers become increasingly sophisticated and media-savvy, it is no longer enough for advertising just to grab the attention. It must seek to engage the consumer with the brand, and not just place messages in front of them. This is especially true of green marketing, which aims to educate consumers as well as engage them.

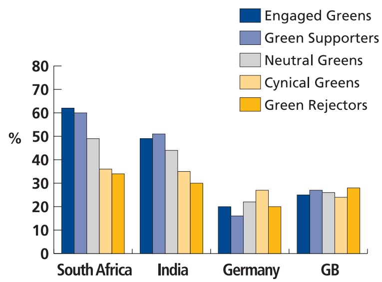
TGI reveals that Engaged Greens tend to be the most cynical towards advertising messages. In Poland for example, 70% of Engaged Greens say they 'find advertising a waste of my time' compared with 54% of the population at large, and 44% of Green Rejectors. The same trend is evident across all of the markets included in the study except in Brazil and Mexico, where the reverse can be seen. Levels of advertising receptivity are generally higher in Latin America than in other parts of the world, but uniquely here the Green Rejectors are the most cynical segment.

In general, marketers face different challenges and opportunities when communicating messages to the green segments in each market. In South Africa for example, the Engaged Greens are the group most likely to say they are tempted to buy products they've seen advertised. However it is the Green Supporters in India, the Cynical Greens in Germany and the Green Rejectors in Britain.

"I find advertising a waste of my time" – % agree



"I'm tempted to buy products I've seen advertised" – % agree



Base: Adults 18+ **Source:** Global TGI

Who's listening? Getting the green message right

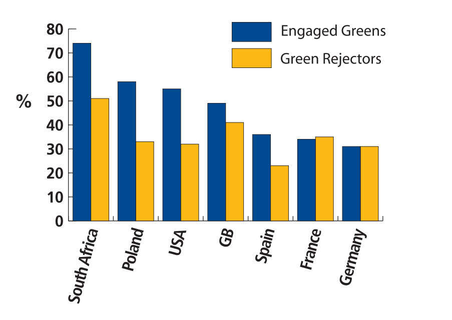
There is the additional danger of 'green fatigue' and consumer apathy over environmental claims, especially if people are bombarded with too much information. In the US for instance, half of people (47%) say they think a lot of advertising is devious, and this rises to two thirds (68%) amongst the Engaged Greens. Therefore it's vital that green claims are substantiated by robust evidence.

But despite the apparent obstacles faced by green marketers, there are also great opportunities to connect with consumers on green issues through advertising. In most markets, at least a third of consumers say that they expect advertising to be entertaining, and this rises to two thirds in South Africa for example.

Half of South African consumers also say that they enjoy the adverts on TV as much as the programmes themselves. This implies an appreciation for creative advertising; whilst many consumers remain cynical towards advertising, one can engage them with ads featuring entertaining, funny, challenging and customised content.

Looking at the international picture, there are clear variations by country. In South Africa, Poland and the US, there is a disparity between the pro-green and anti-green segments regarding their expectations of advertising. In western Europe, and especially France and Germany, agreement levels are fairly similar across the segments.

"I expect advertising to be entertaining"
– % agree



Base: Adults 18+ **Source:** Global TGI

Who's listening? Getting the green message right

Media platforms and engagement

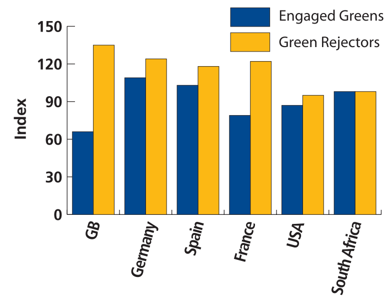
Consumers gather information and seek guidance for purchasing decisions using a variety of channels. TGI suggests that, in most cases, certain media perform better for particular segments than others.

In western Europe for example, television seems to be a more efficient medium for targeting the Green Rejectors than the Engaged Greens. The 'anti-green' segments are also more likely than average to say that they enjoy watching the adverts on TV. However, in the US and South Africa, TV works equally well across all of the segments.

The TGI data suggest that it's not necessarily wise to take a uniform approach when constructing media communications plans across different markets. This is illustrated in the box opposite, which shows how the top performing channels for the Engaged Greens segment vary by country.

If you are trying to reach the Engaged Greens effectively, you will need to adopt different strategies in different places.

Top television quintile – index



Most efficient media for the Engaged Greens segment

Index shows propensity for target group to fall into the top media usage quintile

Great Britain	Germany	Spain
Internet: **126**	Magazines: **150**	Internet: **147**
Cinema: **118**	Newspapers: **126**	Magazines: **130**

France	US	South Africa
Cinema: **144**	Magazines: **135**	Internet: **185**
Magazines: **120**	Newspapers: **122**	Magazines: **128**

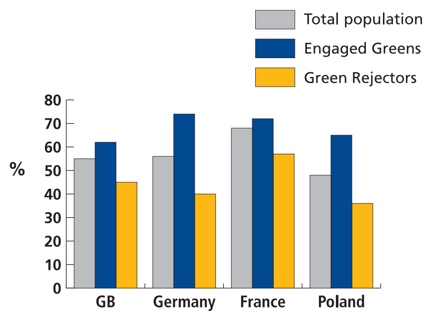
Base: Adults 18+ **Source:** Global TGI

Who's listening? Getting the green message right

Companies also need to consider using a balance of local and national media, especially when implementing grassroots campaigns. A significant benefit of grassroots marketing is that it allows the green message to be communicated in a different context. Grassroots campaigns can position green initiatives within the community ethic, capitalising on a spirit of community goodwill and participation.

The TGI data suggest that in Europe at least, local media are an effective channel for communicating with the Engaged Greens.

"I value the local paper because it covers local news" – % agree



Base: Adults 18+ **Source:** Global TGI

Who's listening? Getting the green message right

In addition to the more traditional media, word of mouth can play a vital role in green marketing communication strategy, because it is seen both to have valuable source credibility and to be a significant influence on consumer purchasing decisions.

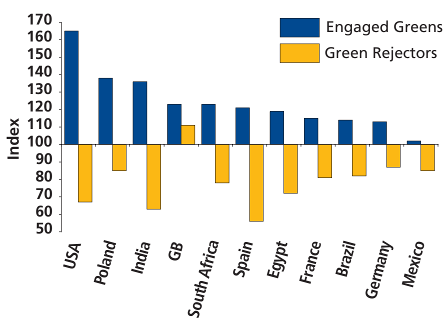
If controlled, it is a particularly useful tool for targeting the Engaged Greens, who are the group most likely to say that others seek their advice before buying new things. Therefore they can be treated as opinion leaders and help promote green messages to the broader population.

When considering word of mouth for green marketing campaigns, it is important to recognise how consumer behaviour can vary across different categories, and the results of our study reveal some interesting trends.

Looking at consumers in Britain, TGI word of mouth data show that the Engaged Greens are much more likely than other segments to believe they can convince other people about their opinions on food and healthy living. However, when it comes to cars, the Green Rejectors are most likely to feel that they can persuade people.

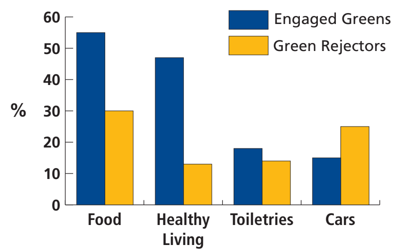
This has significant implications for how word of mouth might be used in the promotion of products such as organic or locally-produced foods.

"People come to me for advice before buying new things" – agreement index



Base: Adults 18+ **Source:** Global TGI

% likely to convince others about...



Base: Adults 18+ **Source:** GB TGI

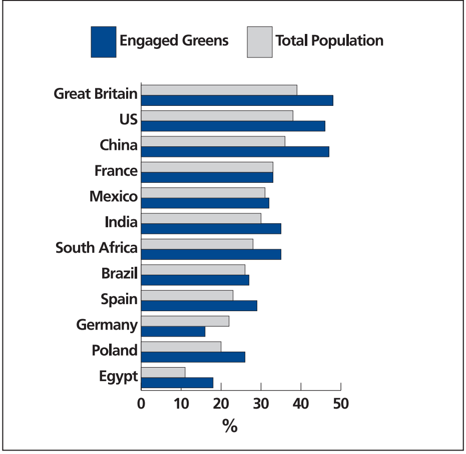
Who's listening? Getting the green message right

For the current generation of online consumers, the internet has fast become an essential medium for communicating and gathering information, and many organisations are successfully using it to reach green-conscious consumers.

TGI shows that in almost all markets, green consumers are more likely than average to use the internet as a regular source of information. The notable exception is Germany and this is with good reason. Green consumerism is not such a new phenomenon in Germany as in other markets. As a result, green habits are more established amongst the more mature consumers, rather than being picked up by the youth market. In Germany, half of the Engaged Greens are aged over 55, which explains why the internet does not play such an important role as in other countries.

As consumers are increasingly participating online, word of mouth campaigns can be successfully integrated with online campaigns via blogs and social networking sites.

"When I need information, the first place I look is the internet" – % agree



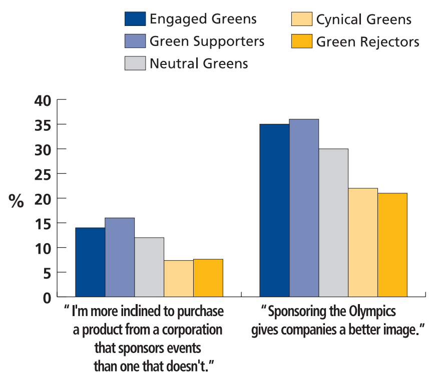
Base: Adults 18+ **Source:** Global TGI

Who's listening? Getting the green message right

Sponsorship also emerges as a viable medium for companies wishing to communicate messages to green advocates, as long as the partnership is carefully selected. In Britain, for example, 14% of Active Greens and 16% of Green Supporters are 'more inclined to purchase a product from a corporation that sponsors events than one that doesn't' compared to just 8% of Green Rejectors.

Additionally 35% of Active Greens and 36% of Green Supporters in Britain think that 'sponsoring the Olympics gives companies a better image'.

Attitudes to sponsorship in Britain
– % agree



Base: Adults 18+ **Source:** GB TGI

Segmenting the market: summary

This ability to segment consumers based on their level of engagement with green issues is very helpful. It means we can identify different groups with different challenges – serving and supporting the most engaged; tackling and persuading the unconvinced.

We can understand through TGI what types of message are most likely to resonate with the different groups, and identify the most appropriate forms of media and communication.

Global Marketing Insights from TGI
Green values: consumers and branding

Conclusions

As consumer interest in the sustainability of our planet continues to gain momentum, green marketing presents sizeable opportunities for industry. To help take advantage of these, this report has discussed four ways in which marketers can enhance their knowledge:

- Increase one's understanding of how consumers are thinking and acting in relation to environmental issues
- Segmentation of the market can help identify different types of 'green' customers more effectively. This allows the design of concepts and messages designed for each group's emotional triggers, and advertising that engages and inspires people
- Identify which consumer groups are the key targets for positive green messages, and then establish the most efficient communication channels for reaching them
- As well as grasping and responding to the global implications of environmental sustainability, understand how local cultures and traditions are shaping the way in which consumers respond to green messages in different parts of the world

As a worldwide source of marketing information and insight, TGI is ideally placed to help with all these challenges.

Appendix 1

About the CarbonNeutral Company

The CarbonNeutral Company is one of the world's leading carbon offset and climate consulting businesses, with a team which matches passion with professionalism. They enable businesses and individuals to measure and reduce CO_2 emissions in a way that delivers value – commercial, environmental, personal.

The company works with over 250 corporate clients at Group and brand level including BSkyB, Avis Europe, Barclays Bank, Silverjet, WPP, Euro RSCG, Berkeley Homes, and Radio Taxis Group as well as celebrities and over 50,000 consumer clients.

CarbonNeutral® is the registered trademark of The CarbonNeutral Company. It is the leading brand mark and quality standard for action on climate change, and it is applied to a full scope of activity – from CarbonNeutral product and CarbonNeutral publication through to CarbonNeutral operation. Permission to display the CarbonNeutral mark is only given to clients when global warming emissions have been measured, reductions recommended, and the remaining emissions 'offset' in accordance with the CarbonNeutral Protocol. This Protocol assures the quality of offset projects, and carbon footprint assessments. It is regularly reviewed by an Independent Advisory Group.

Such third party involvement is best practice in the carbon industry because of the intangibility of the products sold. To lend further reassurance, The CarbonNeutral Company guarantees all its carbon offsets, publishes a public register of carbon projects on its website, and features within its 'audit trail' an annual independent Review of its CarbonNeutral schemes – to confirm that contracts with carbon partners match with client contracts.

For more information please go to www.carbonneutral.com or call +44 20 7833 6000

Appendix 2

Fast and flexible customer intelligence from TGI

TGI offers a range of ways for international clients to access information.

TGI databases

Some clients prefer to have in-house access to our databases. Using our specially-written analysis software you can explore questions such as:

- How your customers think
- What drives consumer choice
- What you need to know when launching a new product
- You ideal marketing partners
- How your brand could enter a new territory

TGI consulting

Other clients prefer to use our consulting services. We actively engage in dialogue in order to provide actionable customer intelligence. We will lighten your load by:

- **Providing answers quickly and cost efficiently**

  TGI consulting uses robust and high quality data that have already been collected. This enables fast and cost-efficient project turnaround.

- **Letting us do the work**

  In a world where internal resources are scarce or at a premium, our analysts can provide the support you need. We will take your brief, mine the data, and provide you with actionable insights.

Appendix 2

Fast and flexible customer intelligence from TGI

TGI consulting offers tailor-made solutions. By harnessing the power of in-house and other data sources and applying these flexibly to a range of applications, we have the tools to meet your product needs.

The range of TGI consulting solutions includes:

- **Market Overview**

  Provides fundamental market insights if you are looking to expand into new territories or new categories.

  - Population statistics
  - Size and category composition
  - Category trends
  - Demographic category profile
  - Brand leaders
  - Summary of key findings

- **Brandscape**

  Offers enlightenment on the key brands driving a category, both in terms of their users and their positioning.

  - Category overview
  - Brand leaders
  - Brand and category penetrations
  - Brand and category demographic profiles
  - Trends
  - Brand map
  - Summary of key findings

- **The Competitive Environment**

  Throws light on the interrelation between competing brands within a category.

  - Brand leaders
  - Brand and category trends
  - Brand duplication
  - Brand loyalty
  - Brand footprints
  - Summary of key findings

- **User 360°**

  Enlightens you on consumers beyond demographics, thereby enabling you to get under the skin of your existing or potential customers. User 360° offers insights into consumers' lives, their interests and their outlook on life.

  - Attitudinal profiles
  - Leisure pursuits and holidays
  - Music and film preferences
  - Editorial interests
  - Sporting preferences
  - Summary of key findings

- **Key Drivers**

  Tells you why consumers might choose one brand over the competitive set, and points to the motivations driving the behaviour of a given target group.

  - Demographic profiles
  - Lifestage profile
  - Key factor identification
  - Attitudinal profiles of target
  - Brand map
  - Life Values
  - Influencing factors
  - Summary of key findings

To find out more about the ways in which we can help you, please contact us:

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Telephone (US): ***+1 212 863 4574***
or ***212 303 6700***

Telephone (UK): ***+44 20 8433 4000***

Web: ***www.tgisurveys.com***

Appendix 2

Fast and flexible customer intelligence from TGI

TGI Global: the research source

TGI (Target Group Index) is a global network of single-source market research surveys, providing invaluable data and marketing insight from 60 countries across six continents. A full list of countries covered at the time of publication of this booklet can be seen opposite.

A TGI survey collects information on many different aspects of its respondents. We collect information from consumers about:

- Product and brand usage in 18 sectors (see opposite for list of sectors)
- Leisure activities
- Use of services
- Media exposure and preferences
- Attitudes and motivations
- Demographics

The available information is extremely broad and flexible, presenting virtually endless opportunities for market analysis and segmentation, and helping to develop targeting and consumer understanding.

All TGI data is weighted to match known demographic profiles, and our media measures either constitute national media currency themselves, or are re-weighted to match the accepted currency.

All studies follow standardised guidelines and formats, but with the flexibility to reflect local market needs and characteristics in full.

enquiries@tgisurveys.com
www.tgisurveys.com

TGI sector coverage

- *Food*
- *Household Products*
- *Pets and Pet Food*
- *Toiletries and Cosmetics*
- *Pharmaceuticals and Chemist Products*
- *Non Alcoholic Drinks*
- *Alcoholic Dinks*
- *Sweet and Salty Snacks*
- *Tobacco Products*
- *Motoring*
- *Shopping, Retail and Clothing*
- *Sports and Leisure*
- *Holidays and Travel*
- *DIY and Gardening*
- *Financial Services*
- *Communications and Internet*
- *Appliances and Household Durables*
- *Electronics and other Personal Items*

TGI geographical coverage

- *Argentina*
- *Australia* (Panorama – NMR)
- *Azerbaijan*
- *Brazil*
- *Bulgaria*
- *Canada* (PMB)
- *Chile*
- *China – People's Republic*
- *Colombia*
- *Croatia*
- *Czech Republic*
- *Ecuador*
- *Egypt*
- *France*
- *Germany*
- *Great Britain*
- *Greece*
- *Hong Kong* (Media Index – NMR)
- *Hungary*
- *India*
- *Indonesia* (Media Index – NMR)
- *Iran*
- *Israel*
- *Italy* (Sinottica – Eurisko)
- *Japan* (ACR – Video Research)
- *Kenya*
- *Korea*
- *Kuwait*
- *Lebanon*
- *Macedonia*
- *Malaysia* (Media Index – NMR)
- *Mexico*
- *Montenegro*
- *New Zealand* (Panorama – NMR)
- *Northern Ireland*
- *Peru*
- *Philippines* (Media Index – NMR)
- *Poland*
- *Puerto Rico*
- *Republic of Ireland*
- *Romania*
- *Russia*
- *Saudi Arabia*
- *Serbia*
- *Singapore* (Media Index – NMR)
- *Slovak Republic*
- *Slovenia*
- *South Africa*
- *Spain*
- *Sweden* (Orvesto – RI)
- *Taiwan* (Media Index – NMR)
- *Tanzania*
- *Thailand* (Media Index – NMR)
- *Turkey*
- *Ukraine*
- *UAE*
- *Uganda*
- *USA* (NCS – Simmons)
- *Venezuela*

Global Marketing Insights from TGI

TGI (Target Group Index) is a global network of single-source market research surveys, providing invaluable data and marketing insight from 60 countries across six continents.

www.tgisurveys.com

KMR Group is an integrated international research, information and software group. In addition to operating the TGI range of surveys in 60 countries, KMR Group has global expertise in TV audience measurement systems (TAM), custom research and media analysis software systems.

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