

## GREEN TECH

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# Investing in a Greener Future: Consumers' True Colors



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**Is environmental consciousness driving consumers' brand awareness and purchasing behavior? Not so much -- particularly in an environment of economic fear. The health of the planet is a distant priority for people who are worried about keeping groceries on the table.**

What a difference a few years make. Back when Al Gore ran for president in 2000, experts and laypeople alike engaged in lively debates about whether climate change was real or imagined. Two elections later -- after a mammoth public education effort by that same Al Gore -- most people believe that the globe is indeed warming up. The problem remains what to do about it.

Enter the green revolution. At every cash register, it seems, we are exhorted to purchase a reusable tote bag instead of loading up a plastic one. A smartly dressed career woman on an industry commercial tells us that we all own an oil company -- at least those of us with 401(k)s or pension plans probably do -- in the form of stock. One vice presidential candidate offers her credentials as governor of the state that produces the most "clean, green" natural gas, and the other emphasizes that energy consumption must be curtailed.

### Image vs. Reality

Is green the new black? Are we entering an era in which a product's green credentials will be as important as its reliability  or ease of use? Not exactly, according to Lauren Skinner, assistant professor of marketing and industrial distribution with the [University of Alabama at Birmingham](#).

Most consumers are fair-weather environmentalists when it comes to brand loyalty, she told CRM Buyer. "When it comes down to being green and environmentally friendly, the image is based on an idealized self." That self, it turns out, only is willing to stick with a brand if it doesn't cost the real self real money.

Research shows repeatedly that consumers express a desire to be more green, Charles Golvin, principal analyst with [Forrester Research](#), told CRM Buyer. They want to feel good about their purchases. They want to feel that they are part of the solution, not part of the problem. However, by and large, no brand has found a consumer market that will pay a substantially higher price for a product with a greener image, he stressed.

### **Home Is Where the Product Is**

As it turns out, retail customers are very concerned about where they live, but their definition is a much narrower one than we might imagine. The financial crisis of recent weeks has caused consumers to begin a new nesting phase, explained UAB's Skinner. Families are staying home more as they seek to spend less money eating out or on entertainment such as first-run movies at theaters. This might have the unintentional result of less material consumption or petroleum miles used driving to the mall, but customers aren't seeing it that way, she said.

"Sacrifice is what they're thinking about," Skinner noted. "Consumers like to think 'yes, I'm environmentally friendly.'"

Still, if they think it's going to impact them financially, they're not going to do it. Before the current economic crisis, manufacturers could edge prices up around 3 percent for a greener product, she said. Now the consumer marketplace will tolerate no margin for the green factor -- none at all.

Surprisingly, though, a new set of product attributes less obviously related to a green image are coming to the fore, according to Skinner. For instance, a product's quality becomes a bigger concern when tight budgets mean that replacing items may be impossible. The longevity of a product -- long a pet peeve of environmental advocates bemoaning planned product obsolescence -- has become more important to value-conscious consumers.

Thus, while they are staying home, noted Skinner, consumers still are buying items like large-screen televisions that will make their nesting seem less like a sacrifice. If a product's green image coincidentally fits with that aim, then a brand can capitalize on it.

### **Home Is Where the Fear Is**

No brand loyalty -- whether based on issues of the Earth or anything else -- can trump the concerns of consumers worried about day-to-day survival, Frank Farley, professor of educational psychology at [Temple University](#), told CRM Buyer.

"We've got a new hierarchy of importance," he argued, "and the salience of green issues has dropped down the rankings very quickly."

Consumers are constantly balancing what Farley terms their "proximal" and their "distal"

concerns. Proximal issues are those closest to us all day every day: jobs, home, family. Global warming, on the other hand, is a more distant concern. However valid, it simply cannot supplant more immediate worries, especially when economic forecasts are ranging from difficult to dire.

Even national and international issues translate into how they may affect people at home, said Farley. For example, during the Cold War -- a global issue for certain -- fearful families responded not by addressing the geopolitical environment in a public way, but by building bomb shelters in their back yards, he pointed out. Consumers are responding to the current economic situation in much the same way.

"We live our lives up close," Farley explained. "When people have to deal with the immediate crisis of losing their source of income, it's not unexpected that people would put green issues on the back burner." [ECT](#)

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