Green shoots
How to grow your green credentials
This report draws principally on three sources:

**Green Gauge**
Green Gauge explores consumers’ perceptions of how green a brand is through its efforts to be environmentally friendly. It covers 15 industry sectors from supermarkets through to airlines. Research was undertaken by TNS and took place in September 2013 across Denmark, France, Germany, Italy, Norway, Sweden and the UK with a country sample of approximately 2000 per country. Total sample size was 14,000.

**Eurobarometer 367, Attitudes of Europeans towards building the single market for green products**
Eurobarometer looks at attitudes of Europeans towards green products. It was conducted in 27 EU countries in December 2012, with a total sample of 25,568. It was conducted by TNS Political & Social on behalf of the European Commission. We also draw on other Eurobarometer reports covering environmental issues.

**TNS BMRB Qualitative**
We ran three consumer workshops as well as in-depth interviews, speaking to over 50 UK consumers. This built on TNS market leading experience in this field.
Concern about the environment is widespread and as individuals we want to help create a cleaner, more eco-friendly world. But whilst most people are happy to take more steps like recycling there is a limit to how much more they will pay for environmentally friendly products (EFPs).

Consumers feel under-informed about brands’ efforts to be environmentally friendly; they would like to know more. However, information has to be easily found and easy to understand.

TNS’s Green Gauge measures a brand’s environmental friendliness as seen through the eyes of the consumer. But consumers are under-informed and in consequence their view of a brand’s green credentials is impressionistic; a composite of clues picked up from packaging and advertising, mixed in with media reports and how they feel about the brand generally.

Brands with a gentler, caring personality have higher Green Gauge scores as do brands seen as more healthy or natural. In many categories the more familiar we are with brands and the greater our affinity with them, the higher we score their green credentials.

Environmental issues are gaining traction with the public. Companies that wish to make a positive impact need to engage consumers at the product level and make it an easy decision to buy EFPs. We all want to feel we are good citizens but we need to understand how we can make a difference and brands should not forget to highlight the benefit to us; self-interest is a powerful motivator.
Concerned and willing but not entirely convinced

Our environmental concerns take a broad sweep, from air and water pollution to the health impact of chemicals in everyday products.

Participation in eco-friendly activities doubled between 2007 and 2013, testament to our strong belief that we can play a part personally. Yet our desire to take action exists alongside a sense of disempowerment; the view that our efforts are small scale and that the power to change the situation lies with government and industry.

We feel that our small every day actions like recycling are insignificant in the context of man-made and natural disasters.

87% say “I can play a role in protecting the environment”

95% say “protecting the environment is important to me personally”

“When I go shopping I take my bags, but that’s the only thing I can think of. What else can I do? How can I help the environment?”

Sources:
TNS qual research, UK 2013
Eurobarometer 365, Attitudes of European citizens towards the environment, field work Apr – May 2011;
“I think the onus is put on people in the street too much. We’re separating rubbish while about 50 aeroplanes fly over within 10 minutes.”

Sources:
Eurobarometer 367, Attitudes of Europeans towards building the single market for green products;
Eurobarometer 295, Attitudes of EU citizens towards the environment, fieldwork Nov-Dec 2007
Peoples’ actions are not always consistent with their stated attitudes. This is certainly true for the purchase of environmentally friendly products (EFPs).

In qualitative research we were told, often with regret, that the green option was more expensive or that it might not be as effective as other products. And when commitment to the environment comes into conflict with financial considerations, the environment mostly comes off second best.

We see this in the purchase of EFPs. Whilst around 80% of people buy EFPs, only 1 in 4 buys EFPs ‘often’.

But the situation is not static. Purchase of EFPs is on an upward trajectory in all countries, more than doubling between December 2007* and December 2012.

<table>
<thead>
<tr>
<th>Often buy environmentally friendly products (EFPs)</th>
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<tbody>
<tr>
<td>Germany</td>
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<tr>
<td>37%</td>
</tr>
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</table>

“When I’m actually buying things, I must admit, the green aspect is kind of secondary”

Source: Eurobarometer 367, Attitudes of Europeans towards building the single market for green products
*Attitudes of European citizens towards the environment, Nov – Dec 2007
one in four
often buys environmentally friendly products
Our analysis identified four distinct segments:

1. **Concerned citizens**
   - Willing to pay for EFPs but not 100% convinced of their effectiveness

2. **Priced out**
   - Highly price sensitive: willing to pay but can’t afford to

3. **Issue sceptics**
   - Believe dangers are overstated

4. **Product sceptics**
   - Concerned but not convinced by EFPs

Segmentation analysis can help unravel some of the differing views held on green issues and EFPs.

*European average scores are depicted*
There is a clear divide on commitment to EFPs: Germany and the Nordic countries have the greatest commitment, Italy, France and the UK the least. Consistent with this difference is the fact that France, Italy and the UK are more likely to say that they can’t afford to pay for EFPs.

Sweden is the least sceptical country with the fewest issue and product sceptics. But Germany – curiously given its generally strong green credentials – tops the list of issue sceptics.

<table>
<thead>
<tr>
<th>Concerned citizens</th>
<th></th>
<th>Priced out</th>
<th></th>
<th>Issue sceptics</th>
<th></th>
<th>Product sceptics</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>54%</td>
<td>France</td>
<td>33%</td>
<td>Germany</td>
<td>23%</td>
<td>UK</td>
<td>27%</td>
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<tr>
<td>Denmark</td>
<td>43%</td>
<td>Italy</td>
<td>30%</td>
<td>France</td>
<td>21%</td>
<td>Denmark</td>
<td>25%</td>
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<tr>
<td>Germany</td>
<td>40%</td>
<td>UK</td>
<td>27%</td>
<td>Italy</td>
<td>19%</td>
<td>France</td>
<td>22%</td>
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<tr>
<td>Italy</td>
<td>32%</td>
<td>Germany</td>
<td>18%</td>
<td>Italy</td>
<td>16%</td>
<td>Italy</td>
<td>20%</td>
</tr>
<tr>
<td>UK</td>
<td>27%</td>
<td>Denmark</td>
<td>17%</td>
<td>Denmark</td>
<td>15%</td>
<td>Germany</td>
<td>19%</td>
</tr>
<tr>
<td>France</td>
<td>24%</td>
<td>Sweden</td>
<td>14%</td>
<td>Sweden</td>
<td>14%</td>
<td>Sweden</td>
<td>19%</td>
</tr>
</tbody>
</table>

Source: TNS segmentation analysis of data from Eurobarometer 367
More information please

The segmentation analysis highlights the fact that there are a lot of people who are not entirely convinced about EFPS, even concerned citizens. People feel under-informed; there is a strong desire for more information.

I would like more information on the environmental friendliness of brands

All category total %

Source: Green Gauge, 2013
Information is critical to peoples’ commitment to EFPs. It is the reason most commonly given by those who say that the environmental impact of goods and services did not influence their choices.

Consumers want information to be easy to find. 81% would like environmental information to be on the label itself, only 34% are happy to go to the internet to find out more.

Our qualitative research showed a strong desire for clear and simple green labelling. Consumers want products to be rated independently with information presented in layman’s terms. However, information alone is unlikely to change consumer behaviour. Determining the right information, channel and incentives for consumers is equally important.

### Reason for not being influenced by the environmental impact of goods or services
Did not come across information about the environmental impact

<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>Norway</th>
<th>Germany</th>
<th>Italy</th>
<th>France</th>
<th>Denmark</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data</td>
<td>49%</td>
<td>37%</td>
<td>34%</td>
<td>32%</td>
<td>28%</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>

“I want a 10 point scale that runs from catastrophically bad = 0, to fantastic = 10.”

Sources:
Eurobarometer 367, Attitudes of Europeans towards building a single market for green products;
Eurobarometer 358, Consumer attitudes towards cross-border trade and consumer protection, Sep 2012
The TNS Green Gauge measures how environmentally friendly consumers perceive a brand to be.

At a category level, the results are not all intuitive. Why, for example, should washing powder/liquid consistently outperform cleaning products? Why should paper products and cars be greener than confectionery and crisps? The answer lies in the brands from which category scores are derived. Cars and detergents are not the most obviously green products but many of the manufacturers in these industries go to great lengths to promote their green efforts. This is not the case for confectionery or crisps. It is clear that consumers’ perceptions can be influenced by brands that make an effort to create a green persona.

How the TNS Green Gauge is calculated
The Green Gauge Index is calculated by asking survey participants to give the most and least green brands within a number of groupings of brands. This allows us to calculate a score for each brand for each participant. The technique is known as the Max-Diff technique (or Maximum Differential) which is a form of conjoint analysis.
Green Gauge Index – Europe category averages*

- Supermarkets: 137
- Utilities: 134
- Toiletries: 129
- Washing powder/liquid: 128
- Paper products: 125
- Tea & coffee: 123
- Breakfast cereals: 113
- Soft drinks/water: 104
- Auto: 99
- Confectionery: 83
- Crisps/snacks: 81
- Cleaning products: 74
- Mobile phones: 64
- Airlines: 53
- Fuel: 45

*France, Germany, Italy, UK, Denmark, Sweden, Norway
Brands score well on the TNS Green Gauge for a number of reasons. Sometimes it is because the brand is perceived to have a low impact on the environment or because it makes a big effort to be environmentally friendly. But the Green Gauge measures consumer perception and consumers are strongly influenced by how they respond to a brand in its entirety, not just the green dimension.

Consumers are not inclined to research the eco-friendliness of a brand. Instead they form an impression from assimilating a wide range of clues: packaging, advertising, likeability, media reports, category reputation and desirability. Brands with strong equity can have a halo effect that amplifies consumers’ willingness to credit them as being environmentally friendly.
We tend to judge our own national brands as being greener, regardless of their environmental credentials. In the airline category, for example, the highest scoring brand is nearly always a national carrier (Alitalia is the exception). In fact, across all categories, 71% of brands that outperform expectations (based on market share) are national brands.

<table>
<thead>
<tr>
<th>Airline category average</th>
<th>Ita</th>
<th>UK</th>
<th>Nor</th>
<th>Fra</th>
<th>Swe</th>
<th>Den</th>
<th>Ger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest scoring airline</td>
<td>Lufthansa</td>
<td>Virgin</td>
<td>SAS</td>
<td>Air France</td>
<td>SAS</td>
<td>SAS</td>
<td>Lufthansa</td>
</tr>
<tr>
<td></td>
<td>90*</td>
<td>90</td>
<td>106</td>
<td>106</td>
<td>124</td>
<td>129</td>
<td>162</td>
</tr>
</tbody>
</table>

* Alitalia 63

Source: TNS Green Gauge, Sep 2013
Some products – mineral water, for example – have universally high Green Gauge scores because the product itself appears natural, uncontaminated by industrial processing. Other brands have to work harder. An extract from the Grumme (Sweden) website illustrates their commitment to being environmentally friendly…

‘The environment is our guiding star when developing products. The entire Grumme range is eco-labelled and free from substances such as phosphates, EDTA, LAS and optical whitening. Our scents are based on the most allergy-friendly fragrances available. 85% of production is at our own plant in Falun, meaning shorter transportation and a healthier environment.’

It has worked. Grumme has created a powerful green aura (Green Gauge score 236). It is number 2 by share in a market where it competes with strong multinational brands, suggesting that its green positioning has also created a strong commercial advantage.

Source: TNS Green Gauge, Sep 2013
But in some cases green associations are less rational. Despite having an environmental record tarnished by the Deepwater Horizon spill in the Gulf of Mexico, BP has the highest score in the UK fuels category. Evidence from the UK qualitative research suggests the ‘green’ logo may be differentiating BP in a positive way...

“There’s something about BP, maybe it’s the logo – that sunny green yellow thing – or something that seems to say to me greener.”
Market share distorts

TNS Green Gauge (GG) scores generally rise with market share. This relationship is consistent across categories and countries. Brands with a high share enjoy familiarity and trust, which pushes up the GG score.

However there are exceptions: brands with a strong green identity can make their own rules. For example, Alnatura, an organic supermarket, outperforms the market on green credentials despite having relatively few outlets and a low market share.

Source: TNS Green Gauge, Sep 2013
Desirability gives brands a green aura

Where consumers like a brand, desirability can give brands a green aura.

Apple, for example, is a must-have brand for many people. Customers evangelise. New product launches are a social media phenomenon. People queue overnight to be the first to buy new Apple products.

The adoration is evident in Apple’s Green Gauge score which ranks far ahead in some European countries in the Mobile Phones category – even though Apple has been criticised for an ‘unsustainable’ business model that encourages people to regularly upgrade technological devices.

Where perceptions of green are misaligned with product reality, there is a risk of consumer backlash, particularly amongst Concerned Citizens. Apple appears to recognise this and is now taking steps to remedy the situation.

Ryanair sits in sharp contrast to Apple

For the most part, budget brands have low Green Gauge scores and that is true of Ryanair.

But Ryanair goes further, it has the lowest score of all the brands in all the categories. Ryanair’s often provocative approach to customers has negatively influenced its green reputation.

Yet Ryanair is the most fuel efficient airline of all, measured in fuel used per passenger mile.

This illustrates how consumers, in the absence of the facts, will use how they feel about a brand to judge whether or not it is eco-friendly.

The irony is that Ryanair is the most fuel-efficient airline of all.*

Source: TNS Green Gauge, Sep 2013
*Brighter Planet 2011
The world’s most successful brands create a powerful consumer desire through connecting with innate emotive drivers. In cluttered markets it is this emotional connection that simplifies the consumer decision and allows brands to differentiate and succeed.

But success depends on more than just a strong emotive message. It requires alignment across all layers from the brand’s personality through to the qualities of the product and service. Consistency across all consumer touchpoints is also critical: advertising, product experience and partnerships all contribute to our relationships with brands.

The TNS NeedScope framework decodes the emotion in our relationship with brands. By identifying the emotional response that is driving or inhibiting purchase, it provides the actionable information needed to unlock brand growth.

There are different dimensions to emotion. One dimension is about the need for affiliation and receptivity – some brands give us a feeling of being part of things; the opposite is about individuality and assertiveness – other brands help us stand out from the crowd. A second dimension separates extroverted and introverted poles. Brands that satisfy extroverted needs make us feel free and liberated; brands that satisfy introverted needs make us feel comforted or in control.

NeedScope provides a disciplined way to diagnose all layers of the brand offer, including the impact of different touchpoints to help clients develop cohesive and compelling brands.
Gentle brands are seen as green

NeedScope’s framework can help develop brand strategy – including how to project green credentials.

Brands that position themselves as warm, caring and sensitive are generally credited with being more eco-friendly than brands with alpha personalities. For example, Axe deodorant (sold as Lynx in the UK) positions itself as youthful and sexually confident, whereas Dove is sensitive, caring and approachable.

Brands in the red area of NeedScope can build green credentials, but it takes more effort and care. For brands across all areas, it’s about being true to their values to build a green positioning aligned with the emotive needs of the consumer.

Dove outperforms Axe

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<thead>
<tr>
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<th>Swe</th>
<th>Nor</th>
<th>Den</th>
<th>Ger</th>
<th>Fra</th>
<th>Ita</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dove</td>
<td>106</td>
<td>118</td>
<td>121</td>
<td>146</td>
<td>196</td>
<td>177</td>
<td>198</td>
</tr>
<tr>
<td>Axe/Lynx</td>
<td>25</td>
<td>28</td>
<td>22</td>
<td>47</td>
<td>43</td>
<td>–</td>
<td>32</td>
</tr>
</tbody>
</table>

Source: TNS Green Gauge, Sep 2013
Certain brands score particularly high on TNS Green Gauge relative to their category and market share. We call these brands our ‘Green Stars’. Here are just a few examples of brands which outperform relative to their market share with a Green Gauge score that is the highest in their category for their country.

<table>
<thead>
<tr>
<th>Country</th>
<th>Brand Name</th>
<th>Green Gauge Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>Anglamark tissues</td>
<td>272</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>297</td>
</tr>
<tr>
<td></td>
<td>Kornkammeret</td>
<td>248</td>
</tr>
<tr>
<td>Germany</td>
<td>Tchibo Kaffee</td>
<td>193</td>
</tr>
<tr>
<td></td>
<td>Alnatura</td>
<td>229</td>
</tr>
<tr>
<td></td>
<td>Frosch</td>
<td>209</td>
</tr>
<tr>
<td>Sweden</td>
<td>LantChips</td>
<td>277</td>
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<tr>
<td></td>
<td>Grumme</td>
<td>236</td>
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<tr>
<td></td>
<td>Barnangen</td>
<td>296</td>
</tr>
<tr>
<td>France</td>
<td>Le Petit Marseillais</td>
<td>290</td>
</tr>
<tr>
<td></td>
<td>E.Leclerc</td>
<td>210</td>
</tr>
<tr>
<td></td>
<td>Le Chat</td>
<td>211</td>
</tr>
<tr>
<td>Norway</td>
<td>Toyota</td>
<td>185</td>
</tr>
<tr>
<td></td>
<td>Fjordkraft</td>
<td>270</td>
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<tr>
<td></td>
<td>Kiwi</td>
<td>201</td>
</tr>
<tr>
<td>UK</td>
<td>Innocent</td>
<td>205</td>
</tr>
<tr>
<td></td>
<td>Body Shop</td>
<td>276</td>
</tr>
<tr>
<td></td>
<td>Virgin Atlantic</td>
<td>90</td>
</tr>
</tbody>
</table>

Green Gauge scores – Highest in category (by country)
Bringing down the barriers

Brands can build their green credentials. We have identified five actions that brands can take that will help build their green credentials.

1. Empower consumers

We feel under-informed. More information would lead to more positive green choices but we have neither the time nor inclination to research everyday products prior to purchase. Information needs to be simple and easily accessible, ideally on the packaging.

Whilst individual companies can do a lot in this area, there is a role for governments and regulators to provide a framework of comparable, easy to understand labelling that is subject to independent verification.

Accor’s new PLANET 21 strategy includes an innovative programme for informing and encouraging customers to contribute to its pro-environmental programme. The principle is to offer guests the option of reusing their towels, with half of the savings on laundry bills allocated for tree planting projects. The formula is “5 towels reused = 1 tree planted.”

2. Manage choice

Consumers’ evident desire to help the environment is an invitation to companies to take the lead by managing the choice available.

Unilever has reduced the size of many of its products, saving on packaging, transportation costs and waste.

Kvickly, the Danish supermarket chain, prioritises products that are both healthy and environmentally friendly.
3. **Align the objectives**

We want products that meet our needs: cleaning products that remove dirt and stains; cars that are reliable. And we do not want to sacrifice efficiency for a higher green goal.

Toyota has an impressive commitment to the environment – from the development of sustainable vehicles like the Prius to vehicle recycling and re-forestation. Unsurprisingly Toyota is a Green Gauge star across many markets.

Toyota outsells all other automotive brands, not because of its green positioning but because its cars are reliable.

**Take cost out of the equation**

People want to be eco-friendly, but EFPs are price sensitive and extra cost is a barrier to purchase. In the Eurobarometer study, most people said they were prepared to pay more but for the majority this was capped at 5%.

4. **Change the rules**

The UK’s Walkers crisps and Sweden’s Lantchips have both re-shaped consumers’ expectations in a category that has poor Green Gauge scores.

Walkers emphasises local provenance in its ingredients.

Lantchips talks about washing, not peeling its potatoes to preserve the home-grown flavour.

5. **Green in heart and mind**

An eco-positioning is not always necessary for a brand to build green credentials.

Nike talks to its customers about its green activities in a way that is consistent with the brand: strong, determined and purposeful. But they avoid the language of the environmentalist, choosing to use the phrase ‘better world’ rather than sustainability.

Nike’s better world campaign has been hugely successful:

- 169,261 likes on Facebook – most popular amongst those aged 18-24
- Better World twitter followers: 34,239
More information is available

Data is available for 120 brands across 15 categories in each of Germany, France, UK, Italy, Denmark, Sweden and Norway. Additionally there is the UK qualitative research.

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15 categories

- Airlines
- Auto
- Breakfast cereal
- Cleaning products
- Confectionery
- Crisps/snacks
- Detergents
- Fuel
- Mobile phones
- Paper products
- Soft drinks/water
- Supermarkets
- Tea & coffee
- Toiletries
- Utilities
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