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‘The Australian consumer response to eco-labeling’
The Australian Consumer Response to Eco-Labelling

May 2012
About Mobium Group…

Consumer and stakeholder research and strategy specialising in the market response to sustainability and wellbeing…

• Researching the ‘green’ market in Australia since 2005…

• Over 40,000 Australians …

• Living LOHAS - annual national general population consumer research program…

“Mobium’s Living LOHAS report is considered the benchmark in Australia on consumer attitudes and purchasing trends in the green sector.”
Lifestyles of Health and Sustainability...

Marketing framework which describes a group of individuals who seek to integrate healthier, more sustainable product and service options into their lives.

Used for over a decade in the USA, Europe and Asia...

The LOHAS market is substantial, and rapidly growing...

Worldwide, LOHAS accounts for more than 120 million consumers and represents a marketplace worth more than $550 billion...
Most adult Australians still want to do the ‘right thing’ by the community and the environment...

But the majority will not act consistently unless they don’t have to ‘sacrifice’ – performance, convenience and price

They want & expect organisations to take account of social and environmental aspects in their business operations...

But they don’t trust them – scepticism and cynicism about ‘green’ claims rampant

There is a general desire for clearer information about how products impact on the environment...

But many are confused and don’t know how to validate propositions
Beware the ‘Green Gap’ – Concern vs. Action…

More than 90%

Just over 10%

*Say*

*Do*

Sustainability attributes
“must have deal maker”

“Nice to have tie breaker”
Truth and Transparency...

Over 80% continue to indicate they are...
“often sceptical about the health and environmental claims that companies make about their products and services”

Consumers are cynical and want to know what claims really mean

I am ECO
This product is Ethical
I’m sustainable

Green
I have a Low Carbon footprint

BUY ME, I’M ENVIRONMENTALLY FRIENDLY

Looking for surety at the point of sale
Independent and legitimate verification
Minority of community know that standards exist to assist green purchase decisions...

Are you aware that there are standards set to assist shoppers in the evaluation of a product’s or service’s environmental attributes?
Once explained, over 8 in 10 Australians say that an eco-label would help them in making product selections based on environmental attributes....

Preamble: These standards are often called ‘eco-labels’ and usually take the form of symbols on products to certify that they meet a certain set of criteria and standards.

In terms of making product selections based on environmental criteria, do you think that it would be helpful to you if the product was endorsed by an ‘eco-label’?

% ‘Very Helpful’ + ‘Helpful’

- 2012: 85%
- 2010: 86%
- 2008: 78%

All
Eco-labels may have an influence on product choice – all other attributes being equal...

If two products were alike, including their prices, and one had an eco-label, would this influence your purchase decision if you were considering environmentally friendly options?

All

% ‘Strongly’

‘Strongly’ + ‘Somewhat’ = 78%

52%  56%  51%
Many consumers believe that retailers have an obligation to their customers to stock products with eco-labels if they are going to sell ‘green’ options...

How important is it to you for retailers to stock and sell products that have credible ‘eco-labels’?

- ‘Very Important’ (‘V. Important’) + ‘Important’ = 89%
- 51%
- 54%
- 42%

% ‘Very Important’

All

2012
2010
2008
Eco-Labels – Awareness…
Prompted Awareness

Public awareness of eco-labels is growing but there is a long way to go...

Prompted Recognition

80% +

40-79%

21-39%

11-20%

< 10%
Challenges…

Poor understanding severely inhibits value to consumers…

General lack of mass promotional investment to drive A & U…

Poor integration to the point of sale limits impact…

Proliferation of eco-labels causing ‘mark myopia’…

Alternative models have potential to usurp eco-labels…