Shelton Grp

ecopulse™
2015 SPECIAL REPORT

the buzz on buzzwords

Do Americans get the sustainability jargon you're using – and does it make them want what you're selling?

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Shelton Grp

introduction

When we first decided to shift our agency's focus to energy and the environment back in 2001, the green movement in American business was still young.

Back then, we had clients who didn't want to be associated with the term "green," even when their products and services were good for the environment. (Although, if we're being honest, some companies we encounter still aren't comfortable with the word.) Because green was still a fringe idea, we generally recommended that companies use caution in framing their environmental stories to avoid polarizing words or political connotations.

But that was then, and this is now.

It's 2015, and green is exponentially more mainstream these days. It's a selling point for many major global brands. It's plastered all over product packaging. It's the star of Super Bowl ads aimed at the American heartland. And we all know (and may be a little weary of) the lingo that goes with environmental marketing: **Green. Eco-friendly. Sustainable.** To say nothing of the jargon that relates to individual products, like **recyclable** or **low-VOC.** The words are ubiquitous these days.

But what do Americans really think of these terms? Are they really mainstream? Do consumers understand their meaning – and more critically, do the words conjure up positive or negative feelings? Do people associate them with increased cost? Better health? Political baggage?

That's what this report is about. We took the American pulse when it comes to green buzzwords to find out which ones are powerful and which ones fall short of the mark. Which ones make consumers feel warm and fuzzy and which ones leave them cold. Which ones they get and which ones they really, truly, sincerely don't. (We're looking at you, VOCs.)

As part of our annual Eco Pulse study, we tested the umbrella terms "green," "sustainable" and "eco-friendly," measuring respondents' instant reactions to the words on several different scales. We also tested knowledge and perceptions of eight terms we'd describe as green jargon – they tout a product's sustainability features and frequently appear on packaging, but they may mean more to the people who make the products than to the people who buy them.

We asked some pointed questions, and two thousand American consumers weighed in.

They also threw us some curveballs, as our respondents always do. Read on.

evaluating the

big 3

green, sustainable & eco-friendly

We know that the concept of "green" has made a gigantic shift in the marketplace – from niche appeal to baseline expectation. But how completely has this shift registered with consumers? And how do they perceive the jargon marketers use to describe green products and initiatives?

To answer the first question, we decided to test consumer reaction to the word "green" itself, along with a direct synonym, "eco-friendly," and a close cousin, "sustainable." A little background:

- "Green" tends to have a political vibe, which makes sense, because it got its environmental meaning in the 1970s when it was chosen as the color of European political parties focused on ecology and social justice.
- The cheerful but vague word "eco-friendly" started popping up in the late 1980s.
- "Sustainable" is a word with deep roots in the environmental movement, particularly having to do with agriculture. But now it's a much-hyped business buzzword as well – so much so that it was named to *Ad Age's* "jargoniest jargon" list in 2010.

So now that these terms have evolved for 40 years, we wanted to know:

- Is "green" still a polarizing word that carries political baggage for consumers?
- Does it appeal only to those who make the environment a top priority?
- If so, is "eco-friendly" a, well, friendlier alternative, or is it too overtly environmental to have mass appeal?
- Is "sustainable" more politically neutral than the other terms?
- Could it have more heartland appeal, considering its roots in agriculture?

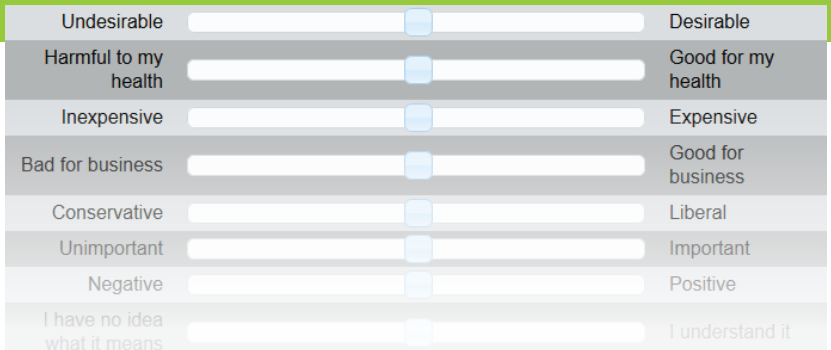
And for all three terms:

- Do consumers associate them with better health?
- Do they think they're good for business – or bad?
- Do they think they're important?
- Do they identify them as expensive?
- **Are they effective?**

We offered survey respondents a series of questions that allowed them to drag a slider bar to register their instant reactions to each word on several different scales (*positive/negative, desirable/undesirable, good for my health/bad for my health,* etc.). For example:

Now let's play a word association game. (There are no right or wrong answers!)

What is your reaction to the word **"green"** when used to describe a product (or a company's manufacturing practices)? Drag the bar to where you think the term **"green"** belongs on each of following scales:



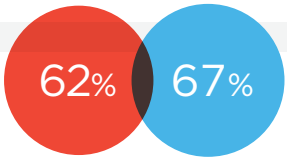
the results

Even though we suspected "green" had become more mainstream, we were surprised to see just how well it performed.

65%

Green was considered desirable *by 65% of respondents.*

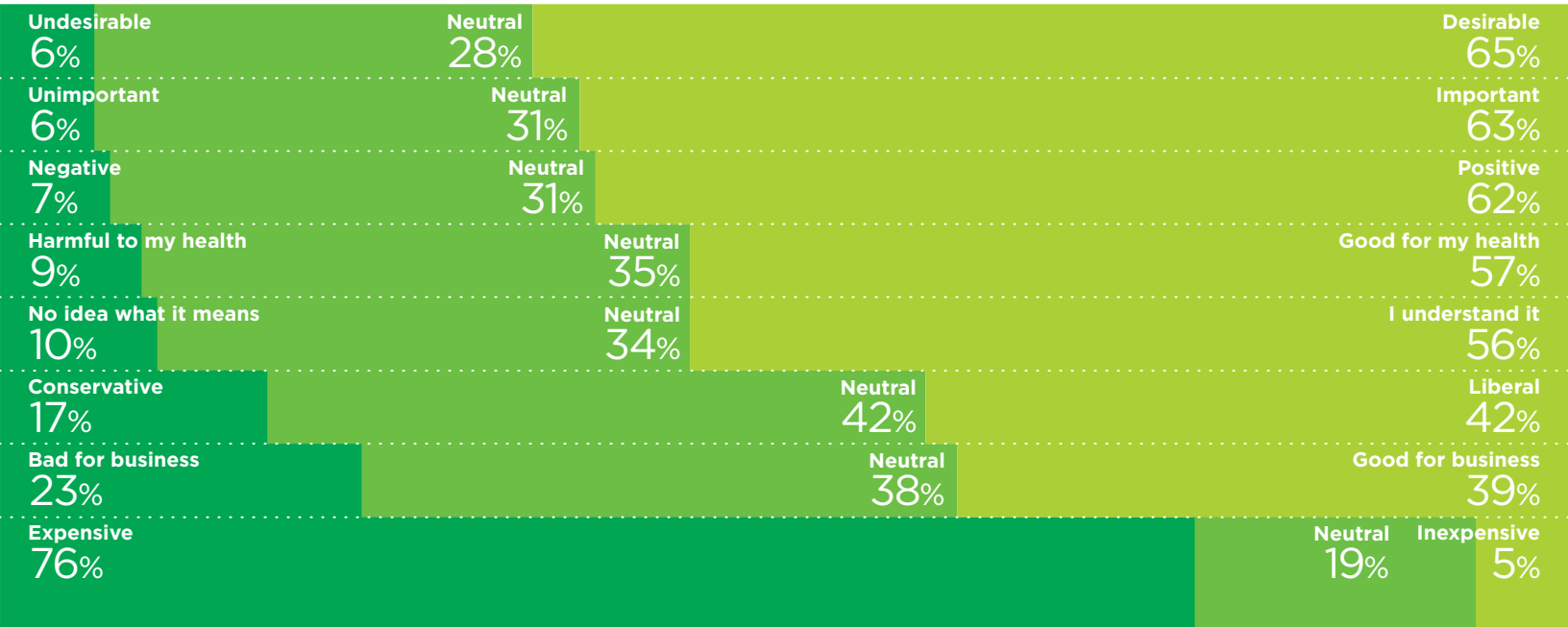
Even more interesting, this result did not vary by political affiliation: 67% of Democrats thought it was desirable *compared to 62% of Republicans – a statistically insignificant difference.*



When it comes to politics, though, it did matter how the question was framed. When the scale said *positive/negative* rather than *desirable/undesirable,* numbers dipped slightly to a 62% overall approval rating, with a 69% vs. 55% split between Democrats and Republicans. Republicans were also significantly more likely than Democrats to proclaim green *bad for business,* although in fairly unremarkable numbers given the stereotypes surrounding this concept (30% vs. 20% of Democrats).

When we asked respondents directly what they thought the political affiliation of green was, they were more balanced than you might expect. Although green was more likely to be considered *liberal* than *conservative* (42% vs. 17%), respondents were just as likely to view it as neutral (42%). And interestingly enough, Republicans were only slightly more likely than Democrats to think the word was *liberal.*

What is your reaction to the word "green" when used to describe a product (or a company's manufacturing practices)?

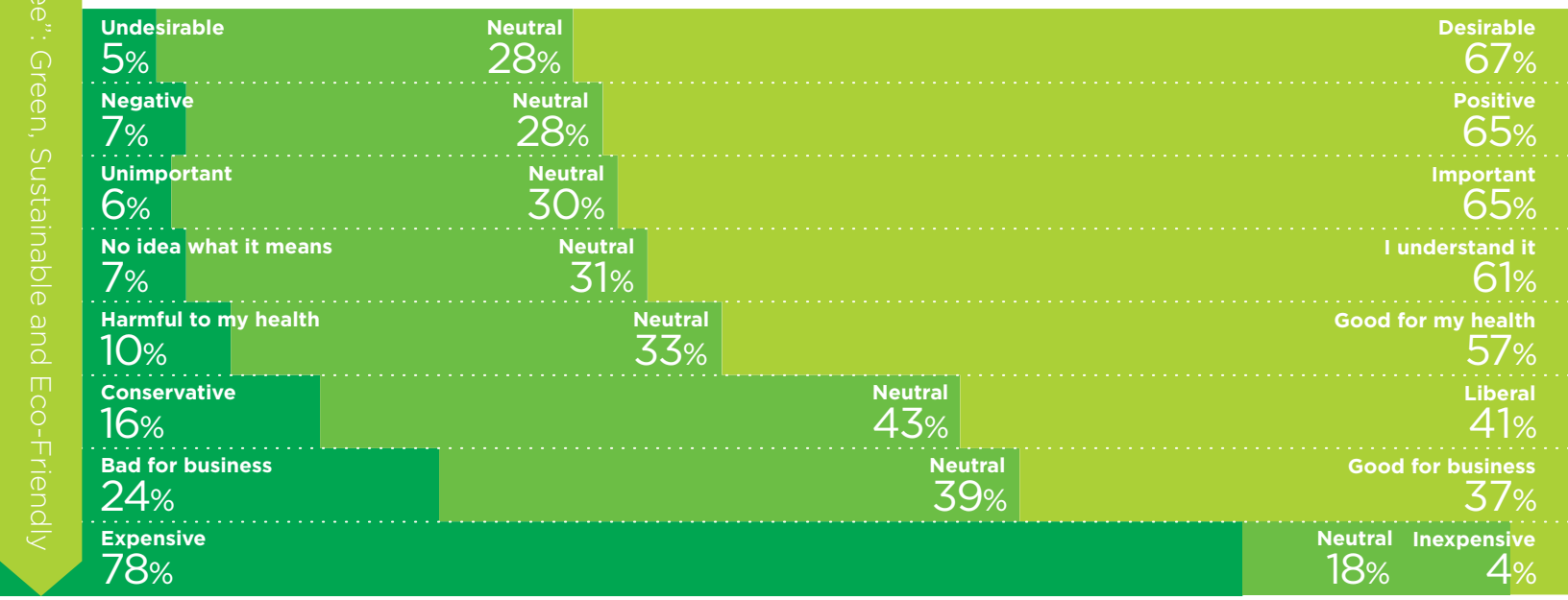


Green seems to be solidly positive in the eyes of consumers.

The bright spot for marketers is that green has a strong association with better health; on the other hand, it has not shed its reputation for being expensive.

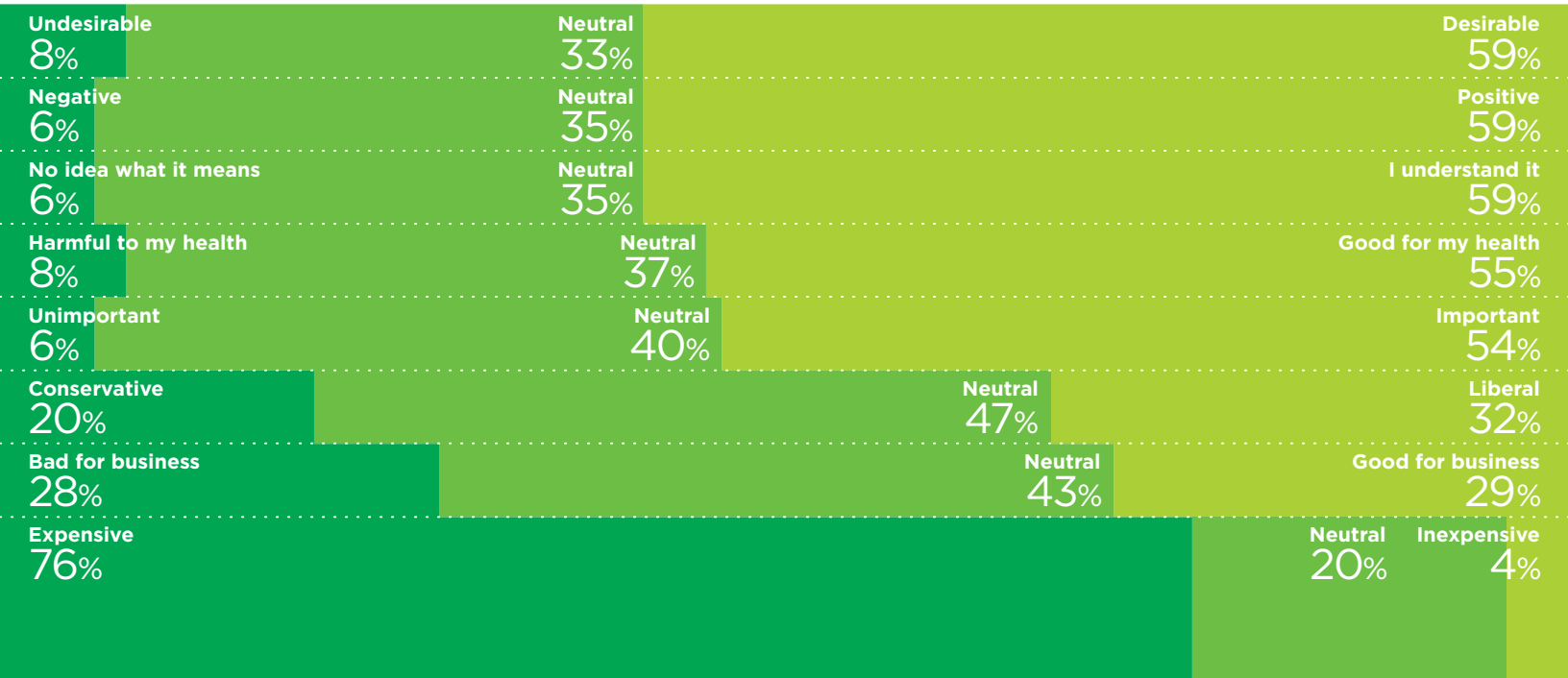
"Eco-friendly" performed slightly better than "green" in our survey, though not significantly so. More respondents thought it was *positive,* fewer thought it was *negative* and more claimed to *understand* it.

What is your reaction to the word "eco-friendly" when used to describe a product (or a company's manufacturing practices)?



The numbers for "sustainable" were slightly less impressive. Although it was considered more politically neutral than the other two terms – and it actually registered slightly higher *understanding* ratings than "green" – it received a less *positive* rating overall. We think this may be because it's a word with multiple meanings, and consumers generally aren't big fans of nuance. Also, the intellectual overtones of this word may be a turn-off for some respondents.

What is your reaction to the word "sustainable" when used to describe a product (or a company's manufacturing practices)?



Besides asking for respondents' reactions to buzzwords, we also asked another question this year that we've been tracking since 2008:

How much do you agree or disagree with the following statement: "Global warming, or climate change, is occurring, and it is primarily caused by human activity."

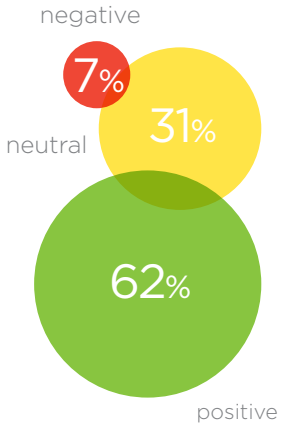
The 62% agreement rating is one of the highest we've ever measured in our survey. This bolsters the picture of consumers we get from our perception questions: not only are "green" and its synonyms firmly mainstream, garnering neutral to positive reactions, but public agreement on human-caused climate change has tipped solidly into the majority as well. It may be time to stop thinking about sustainability as politically charged, at least in terms of marketing.

The language of green is the language of consumers – they get it, they know it's important and above all, they like it.

One caveat: if you're trying to reach a specific subset of your customer base with these words, it's critical to use segmentation to target the right consumers with the right messaging. The Shelton Group consumer segmentation system identifies which groups are most likely to take action or buy products – and our segments' reactions to specific words differ significantly from each other and from the general results noted above. Turn to page 41 for more information.

the last holdouts

So what about the minority who didn't like the word "green"? That group was actually tiny, which is quite a finding in itself. Only 141 people out of 2,007 (7%) gave "green" a negative rating – the rest remained neutral (31%) or felt positive (62%). (According to our proprietary segmentation model, this group would likely fall into our "Skeptics" segment – the group that's dubious about green products and human-caused climate change.)



In our survey, we asked a number of questions about product features and then cross-referenced those responses with how people reacted to the word "green." And although those who responded negatively to "green" did indeed place less value on green product attributes than those who gave it a positive rating, many of them still liked some green features, such as ENERGY STAR® certification, high-pressure water-efficient showerheads, and products that were free of harmful chemicals. While this group may not embrace a green philosophy *per se,* they don't necessarily reject green at the shelf.

a word of caution

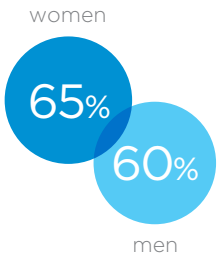
As you're probably aware, the Federal Trade Commission revised its Green Guides for marketers in 2012 to take a tougher stance on the use of green buzzwords.

As per those revised guidelines, we don't recommend using any of the generic umbrella terms (green, eco-friendly or sustainable) to make broad claims about a product's environmental benefit. Without context, these three words can set unrealistic consumer expectations for how virtuous a product really is. Given the terms' strong performance in our testing, it's easy to see how consumers might translate a positive gut reaction into overly optimistic assumptions.

Always give specific context that makes your product's particular environmental benefit clear. If you use these words, we recommend you do so as part of a larger messaging strategy or sustainability story that is transparent, thorough and specific.

minding the gaps

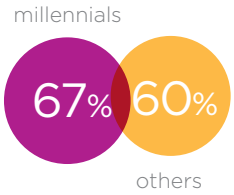
gender



Women were significantly more likely than men to say "green" is *positive* (65% vs. 60%), *good for my health* (61% vs. 52%) and *important* (66% vs. 61%).

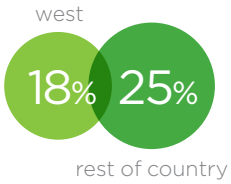
Men were more likely than women to approve of "sustainable" (63% found it *desirable* vs. 55% of women) and "eco-friendly" (69% vs. 64%). Men were also more likely to think "green" and "sustainable" were *good for business* (41% vs. 36% and 31% vs. 27%, respectively).

generation



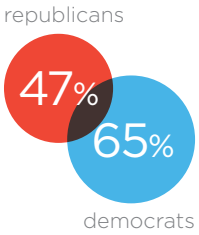
Respondents' age group had surprisingly little effect on answers – all three terms enjoyed similar levels of approval or disapproval across the age spectrum, although Millennials were significantly more likely than all other age groups to think "green" was *positive* (67% vs. 60%).

geography



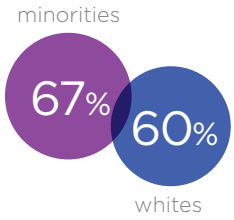
Westerners were significantly less likely than respondents in the rest of the country to consider "green" *bad for business* (18% vs. 25%) – same goes for "sustainable" (21% vs. 30%) and "eco-friendly" (17% vs. 26%). Also, Northeasterners were the most likely to say they get it when it comes to "green": 65% said they *understood* it compared to 54% of all other groups.

politics



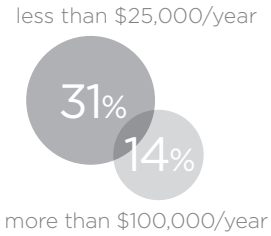
While *desirable* and *positive* responses for all three terms were more muted for Republicans than Democrats, they still earned a majority vote. Republicans were significantly less likely than Democrats to say they *understood* "green" (47% vs. 65%) and to view "green" as *good for my health* (50% vs. 63%) and *good for business* (34% vs. 44%). Interestingly enough, Republicans were less likely than Democrats to see "green" as *expensive* (71% vs. 82%).

race



Minorities were significantly more likely than whites to think "green" was *positive* (67% vs. 60%). This was especially true of African-Americans (70%).

income



Lower-income respondents were more likely to think all three terms were *bad for business:* for example, 31% of those making less than $25,000 a year thought "green" was *bad for business,* compared to just 14% of those making upwards of $100,000.

the takeaway

Use the terms "green," "eco-friendly" and "sustainable" with confidence – they enjoy broad appeal among consumers and no longer carry a polarizing political overtone. But be wary of using them to make product claims, because you may set up unrealistic expectations that risk the ire of both the FTC and consumers. And if you're trying to reach a specific subset of your customer base, segmentation is your best bet for finding which words resonate most.

the jargon of sustainability

It's nearly impossible to market a product's green attributes without using industry jargon – or that's the impression you get, anyway, when you look at labels these days. Those of us who work in the environmental space understand and recognize this jargon, of course, but should we assume consumers do, too?

Don't bet on it.

We decided to test consumer perceptions of eight product-specific green terms:

- Recyclable
- Recycled
- Renewable
- Compostable
- Biodegradable
- Low carbon footprint
- Net zero
- Low-VOC

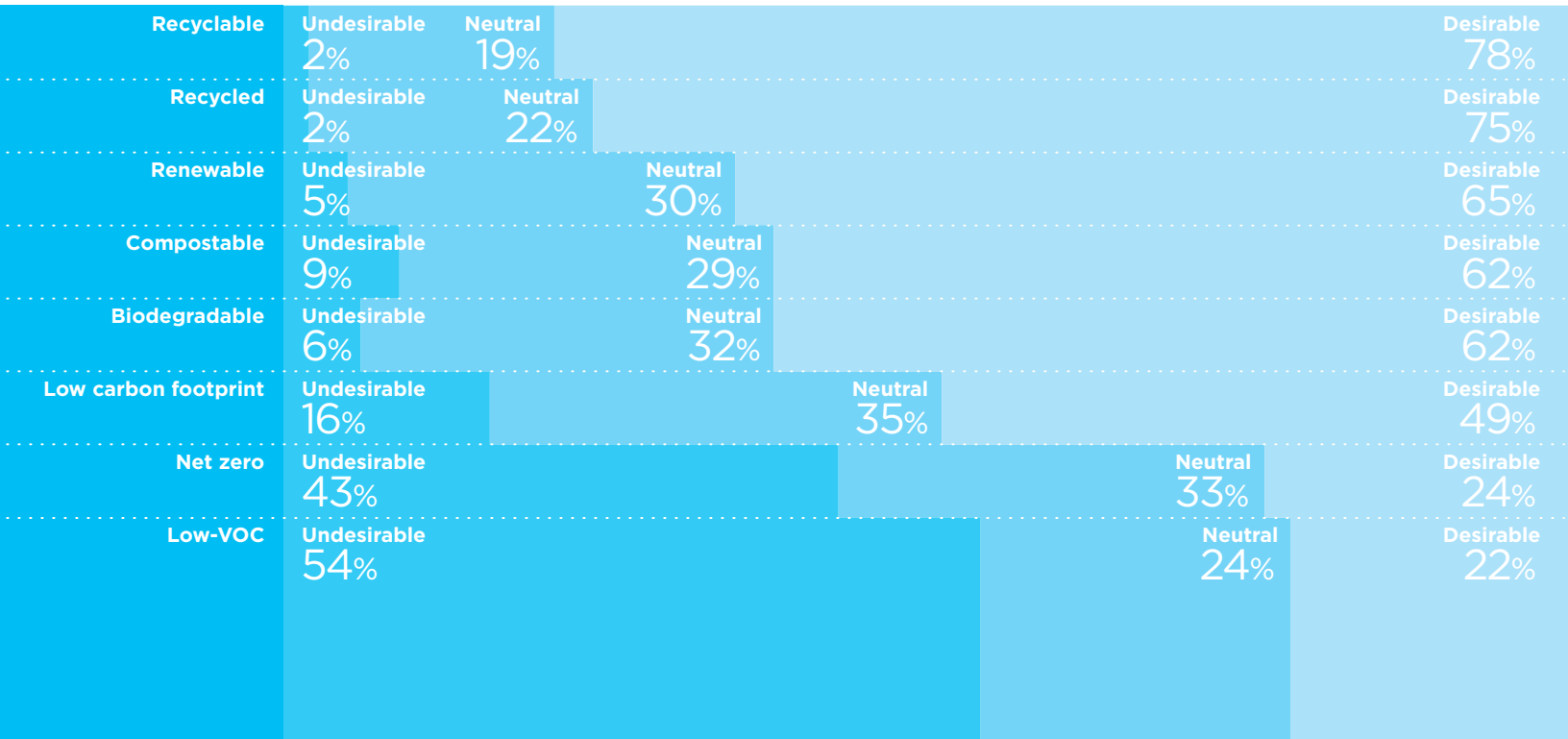
The FTC has specifically called out several of these terms in its revised Green Guides because they have the potential to be misleading – primarily because they set up expectations that are hard to meet.

Consumers are simply not very knowledgeable about these terms, even when they *think* they are, and they tend to make a lot of unjustified assumptions about their benefits. We saw direct evidence of this in our survey.

But assuming you follow FTC guidelines concerning each of these terms and can in good conscience use them to market your products, what effect will they have on your customers? Beyond knowing what the terms mean, do consumers get a positive vibe from them and do they help sell your product?

Here's the first thing you should know: in general, when it comes to specific sustainability jargon, there's a correlation between what consumers like and what they think they know the most about. If a term confuses them or they aren't familiar with it, they react to it with a certain degree of negativity, conscious or not.

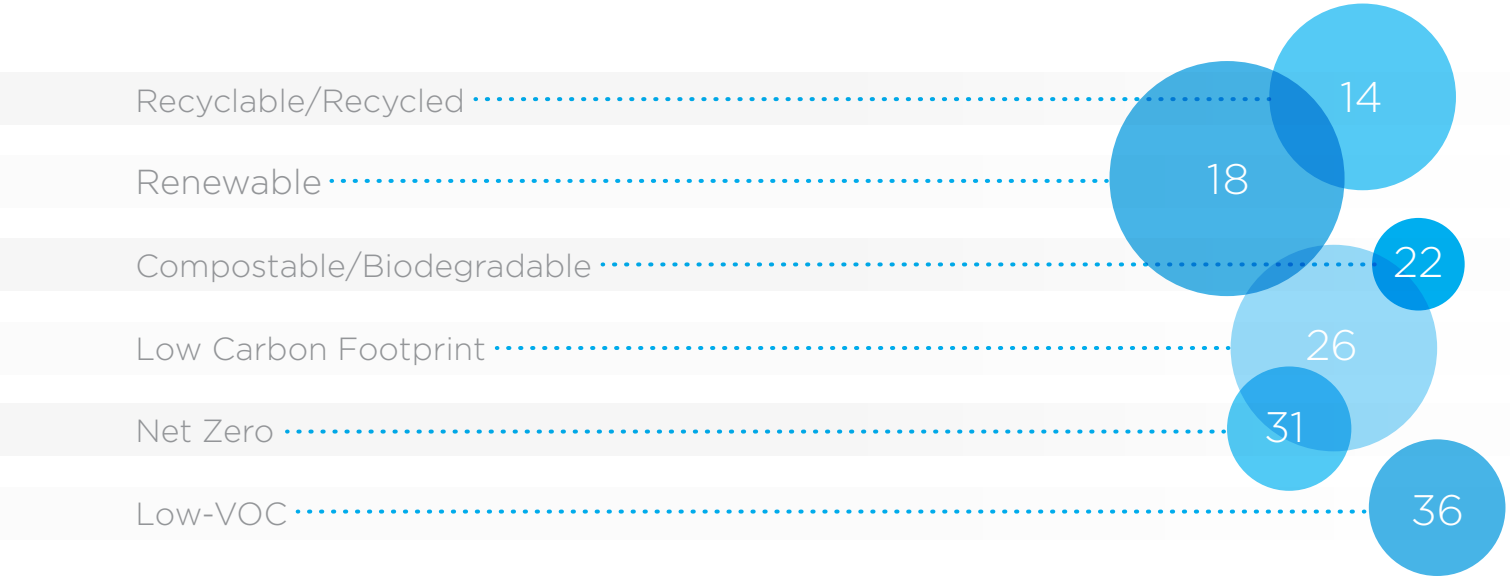
It's also fascinating how psychology plays a part in which terms perform well. When you compare the performance of terms strictly by desirability, notice which ones fall to the bottom of the chart:



Terms that contained negative-sounding words – "low" and "zero" – were the least popular. Could reframing your value proposition in positive language make all the difference?

We'll present the results for each term roughly in order of performance – winners first and losers last. **But be careful: the terms that perform well may be powerful words for you to use, but they come with the risk of unrealistic expectations.** In most cases, consumers only *think* they understand the meanings. They actually get many concepts confused, leading them to attribute too many virtues to a given term and setting up the possibility that your brand won't live up to their expectations. If you advertise a product as recyclable, for example, many consumers assume your product is good for the environment. If that isn't true and consumers find out about it, there could be negative consequences for your brand.

The terms that didn't perform so well, on the other hand, have nothing to lose. They might not make an instant positive impression, but the concepts they represent are actually important to people. There's an enormous opportunity out there to connect empty jargon with the things consumers really do care about – namely health. If your brand can do this effectively, the door to the marketplace is wide open.



recyclable/recycled

do they
get it ?

no

They got their terms confused.

do they think they
get it ?

yes

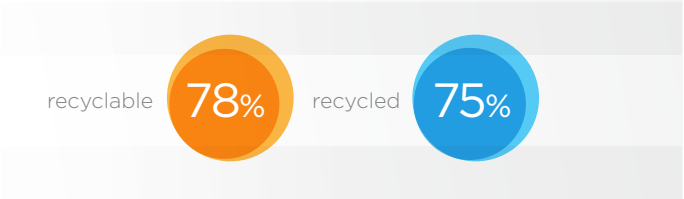
73% and 69% said they *understand* "recyclable" and "recycled," respectively.

do they
it?

yes

78% and 75% said each term is *desirable,* respectively.

*The good news for manufacturers who make recycled or recyclable products is that consumers absolutely **love** anything to do with recycling. "Recyclable" was the most popular term we tested, with a massive 78% approval rating; "recycled" came in a close second at 75%.*



This correlates with how much consumers think they know about it: 73% said they *understood* what recyclable meant, and 69% said they *understood* recycled. A confident 77% also claimed some degree of knowledge of what the term "post-consumer" meant, with 30% claiming they could explain it to a friend without looking it up.

The bad news? Those numbers are optimistic, to put it mildly. What's more, because consumers aren't very knowledgeable, they tend to have high expectations for products labeled with those terms – higher than is actually justified.

- Notably, a full three-fourths of consumers believe that a product made of recycled content contains post-consumer content (even if they don't quite get the term "post-consumer" itself – see page 16); in other words, it's made of previously used items like water bottles or soda cans.
- A majority expect products made of recycled content to be recyclable (61%). The converse is true as well; 54% expect recyclable products to be made of recycled content.
- Furthermore, 63% of consumers expect that if a product is advertised as recyclable, it must be *good for the environment* – and nearly as many (60%) think the same of a product made with recycled content.
- Almost a third confuse "recyclable" with "compostable," and 33% think recyclable items will break down in the landfill.

Our research bears out what other recent surveys – and the FTC itself – have found: consumers get the concept of recycling tangled up with compostables, biodegradables and renewables (as you'll see in the following sections). They really don't know which end is up, so many wind up assuming lots of things are true: if you can recycle something, you should be able to compost it, and it will break down if you put it in a landfill, and it's good for the environment on the whole. Talk about expectations that are hard to meet.

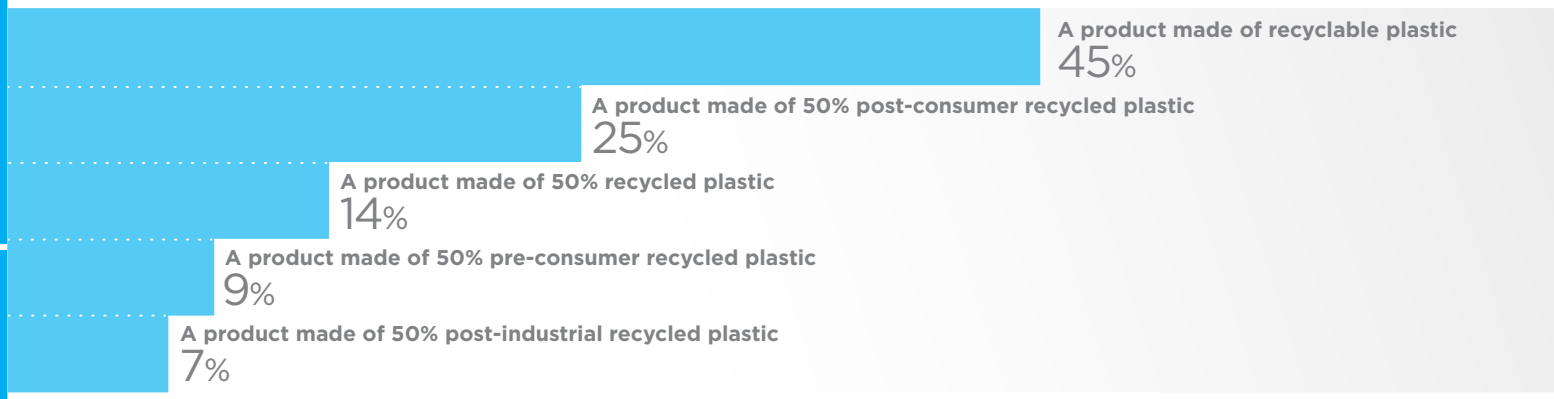
Those expectations may reflect a basic lack of knowledge, but that won't matter if you're the company that fails to meet them.

It's best to be as transparent as possible about your products' environmental impact and benefits – and be aware that the most basic terms can still convey more meaning than you intend.

Post-Consumer

Keep in mind that consumers were fairly confident about their knowledge of the term "post-consumer." Then, out of a fixed set of choices, we asked them to identify the product that was best for the environment.

Which of these products is best for the environment?

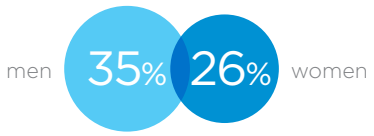


Their number-one answer was arguably the worst choice, as recyclable products have no guarantee of being recycled; they're the only option whose environmental benefit hasn't yet been realized. "Pre-consumer" and "post-industrial" are interchangeable terms for manufacturing waste that would not likely have gone to a landfill anyway. "Post-consumer" would be the better answer here, but it was chosen by only 25% of respondents.

If your product's point of differentiation is that it's a true post-consumer recycling win – meaning it diverts used consumer items from the landfill and puts them to a noble second use – you're going to have to go the extra mile to tell consumers why that's important. **They don't understand what the term "post-consumer" means when they see it, and they can't place where post-consumer products rank versus recyclable products on the environmental impact chain.** So think twice before relying on that word to convey value.

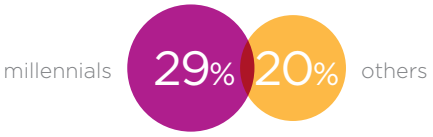
minding the gaps

gender



Men were significantly more likely than women to say they could confidently explain the term "post-consumer" to a friend (35% vs. 26%), but they weren't any likelier than women to correctly identify a post-consumer recycled product as better for the environment than recyclable products.

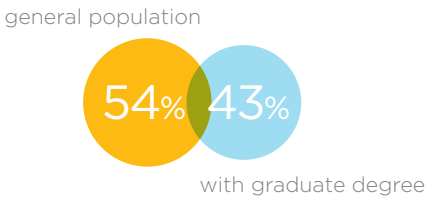
generation



Millennials were significantly more likely than all other groups (29% vs. 20%) to think that if a product is "made of recycled content," it *can also be composted.*

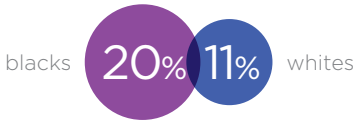
Boomers and Seniors were significantly more likely than their younger counterparts to assume that if a product is "made of recycled content," that means it's *made of previously used items like water bottles or soda cans.* They were also significantly more likely to assume that if a product is labeled "recyclable," it's *good for the environment.*

education



A majority of consumers (54%) thought "recyclable" also means *contains recycled content,* but more educated respondents were less likely to be fooled. Only 43% of those with graduate degrees made that assumption.

race



Few respondents associated "recycled content" with *lower quality,* but blacks were significantly more likely than whites to do so (20% vs. 11%).

the takeaway

Consumers love everything about recycling, but they don't pay attention to the details. They have trouble distinguishing recycled and recyclable products from each other, and some think that these products are also renewable, compostable and/or biodegradable. That means consumers expect recycled and recyclable products to have the best attributes of all those things. Make sure you set expectations clearly so you don't disappoint.

do they
get it?

kinda

They identified renewable resources fairly well, but confused "renewable" with "recyclable."

do they think they
get it?

yes

66% said they *understand* the term.

do they
it?

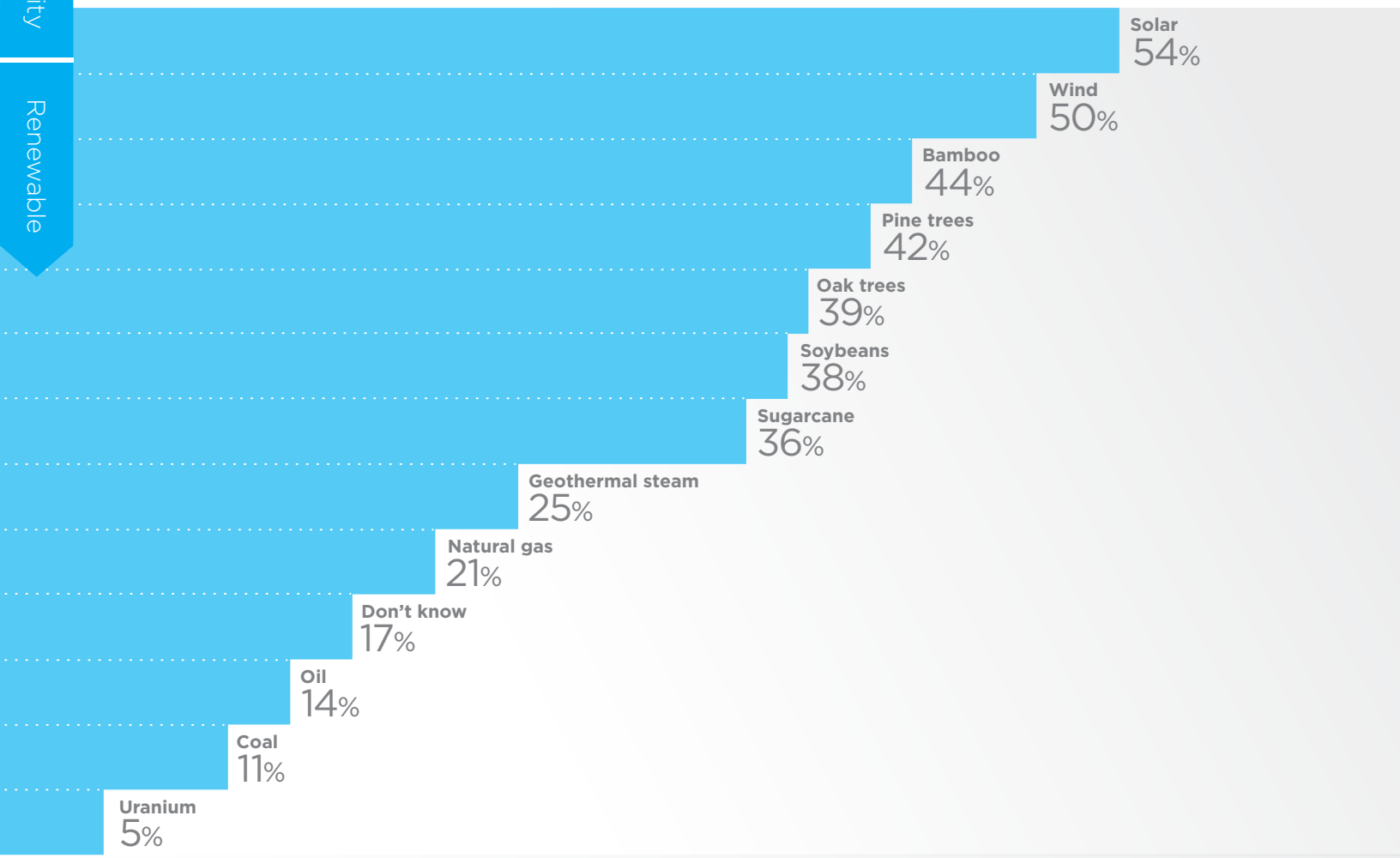
yes

65% said "renewable" is *desirable,* and only 5% said it's *undesirable.*

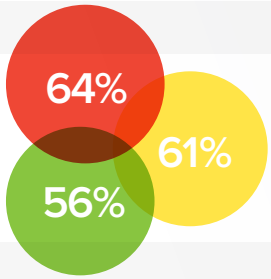
"Renewable" was one of the more popular terms we tested, with a healthy 65% of consumers calling it desirable. *This corresponds closely to people's perceived understanding of the term: 66% said they* understood *what it meant.*

Still, only a slim majority (54%) correctly chose solar from a provided list when asked to identify resources that were renewable. Solar and wind were identified by the most respondents, while non-renewable resources such as oil and coal fell to the bottom of the list.

Which of the following are renewable?



The FTC has noted that consumers tend to confuse the terms "renewable," "recyclable" and "made of recycled content," and our research supports that conclusion. In fact, when we asked, "If a product is labeled 'made of renewable materials,' which of the following do you expect to be true?" respondents' top three answers were ...



It's recyclable. (chosen by 64% of respondents)

It's good for the environment. (61%)

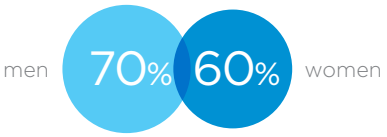
It contains recycled content. (56%)

The best choices, "It uses only natural resources that can be replaced," and "It uses only natural resources that replenish rapidly or instantaneously," came in fourth and fifth (chosen by 38% and 32%, respectively).

Note that a solid majority of respondents (61%) expect that a product labeled "made of renewable materials" is *good for the environment.* In other words, using that term communicates a certain level of environmental responsibility that consumers expect that product to live up to.

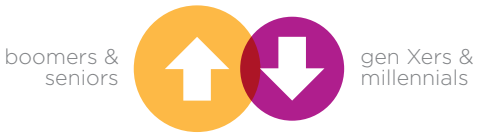
minding the gaps

gender



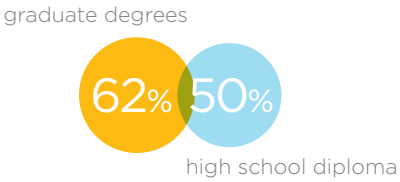
Significantly more men than women thought "renewable" was *desirable* (70% vs. 60%), and men generally did better than women at identifying renewable resources.

generation



Boomers and Seniors tended to be more knowledgeable about which resources were renewable than Gen Xers and Millennials. (But strangely enough, they weren't any better at identifying the correct definition of the term.)

education



As you might expect, the most educated respondents were the most likely to identify renewable resources correctly. For example, 62% of those with graduate degrees knew solar was renewable, compared to just 50% of those with a high school diploma or less.

the takeaway

Consumers may not completely get what "renewable" is about, but they give it a big thumbs-up – and they expect products made with renewable content to be good for the environment. Can you confidently say yours are?

compostable/biodegradable

do they get it ?

kinda

Incorrect answers weren't chosen often; consumers made reasonable assumptions even if they weren't always technically correct.

do they think they get it ?

yes

62% said they *understand* what "compostable" means, and 66% said they *understand* what "biodegradable" means.

do they it?

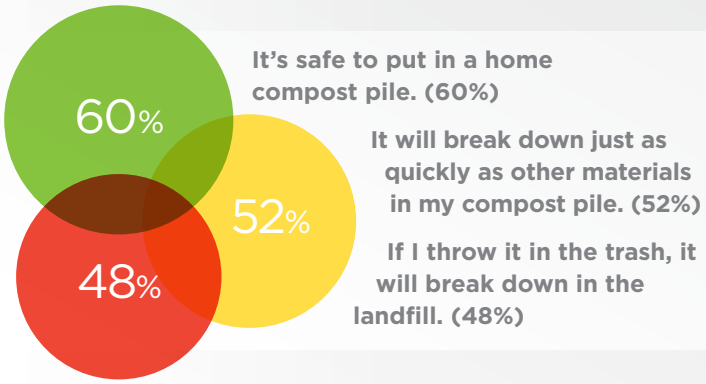
yes

62% said both "compostable" and "biodegradable" are *desirable*.

Consumers are bullish on compostable and biodegradable products, even if they don't completely understand what the labels mean. And you can forgive them for not getting the whole picture, because reliable information is hard to come by regarding product composting and how long it takes biodegradable products to decompose. Also, some manufacturers have used the terms indiscriminately, causing considerable confusion.

In our survey, we asked respondents to choose from a list of possibilities to define their expectations.

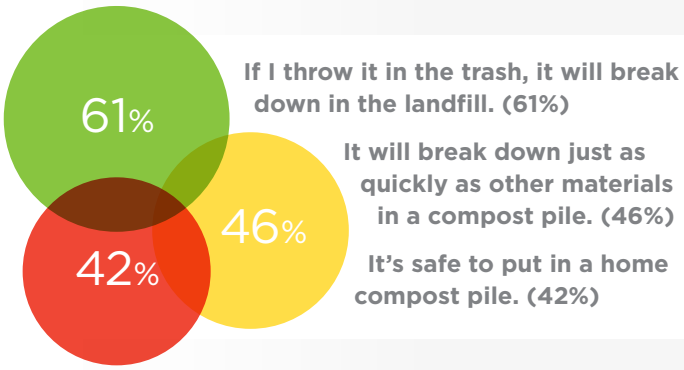
If a product is advertised as compostable, what do you assume that means? (Top answers shown.)



You can hardly fault people for thinking products marked "compostable" would be safe to compost at home, but that isn't always the case; take "compostable" dog waste bags, for example, which aren't safe for home composting after they're full of poop. (The FTC has recently taken action against 20 manufacturers of bags labeled "compostable" and "biodegradable" because they can't be composted at home after use and because most of those bags would logically be headed to a landfill, where materials don't break down.)

Many other products advertised as "compostable" must be composted at special commercial facilities, which aren't available in every city. It's also understandable that people would expect compostable products to break down in the landfill, but the anaerobic conditions in a landfill typically allow very few items to break down, compostable or not.

We asked the same question about biodegradable products:

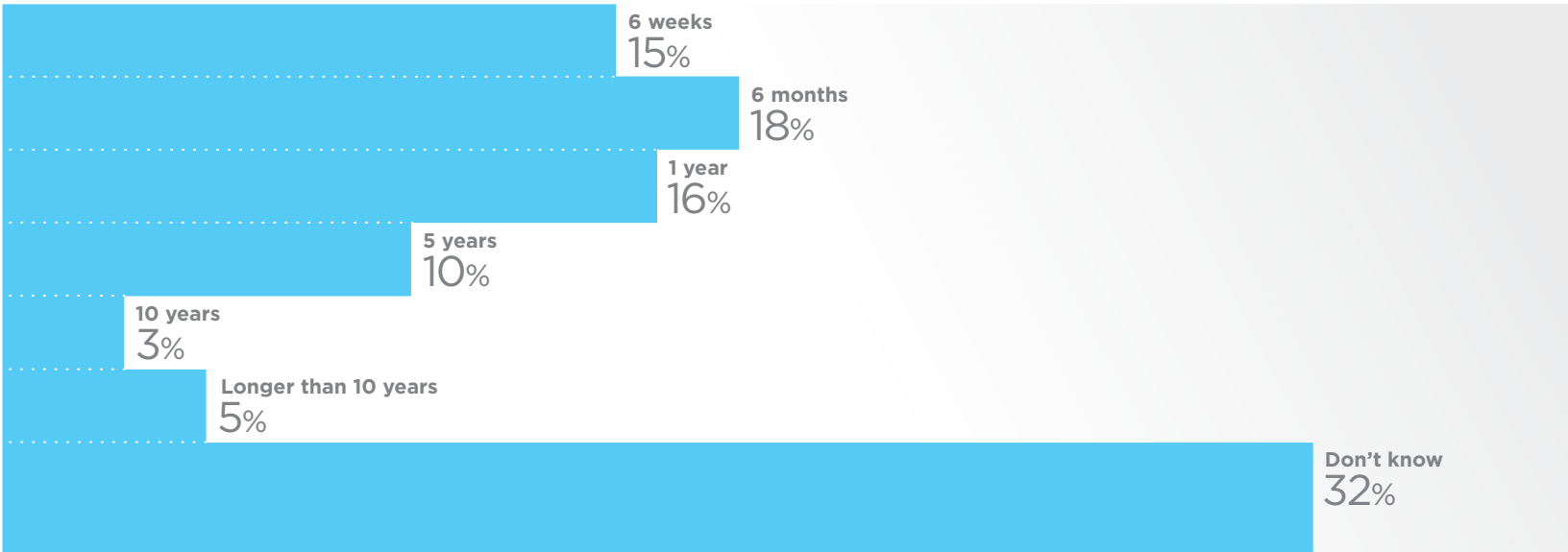


Note the third most popular response: consumers believe items labeled "biodegradable" are safe to put in a home compost pile, which is not necessarily true. Compostable items are required to break down and leave behind no toxic residue, but biodegradable items may leave behind trace heavy metals as they degrade, rendering them potentially unsafe for compost piles that feed home gardens.

Though they weren't in the majority, a considerable slice of respondents thought compostable and biodegradable products were okay to put in their city recycling bin for pickup (20% and 27%, respectively).

Next, we asked respondents ...

Let's say you throw away a disposable plate advertised as "biodegradable." How long do you think it will take to break down completely in the landfill?



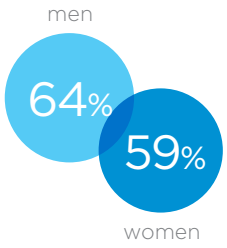
The real answer to that question is hard to pin down because it depends on the material and the disposal conditions – but, again, experts say you shouldn't expect anything to degrade in an anaerobic landfill setting. But roughly half of consumers expect the plate to break down within a year. (That matches the FTC's established guideline for the term "degradable," which specifies that products must break down within a year, although the FTC specifically says that items destined for landfills shouldn't be marked "degradable" at all without qualification.)

You may think it would be difficult to prove that your product doesn't break down as promptly as advertised, but enterprising bloggers with home compost piles are all too willing to test and report their results.

In today's hyper-connected media world, of course, it's best to be transparent. If your product requires special conditions to break down completely, make sure consumers know it.

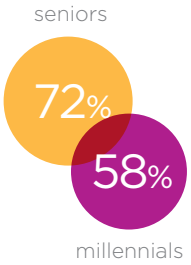
minding the gaps

gender



Men and women saw eye to eye on the term "compostable," but men were significantly bigger fans of "biodegradable" (64% of men found it *desirable* vs. 59% of women).

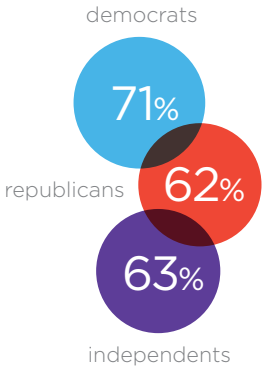
generation



Seniors reported the highest levels of *understanding* when it comes to the term "compostable" (72%), significantly more than Millennials at 58%. But Seniors were also more likely to assume that "compostable" means *safe to put in a home compost pile* (77% vs. 59% of all others) and *okay to put in my city recycling bin for pickup* (25% vs. 20%).

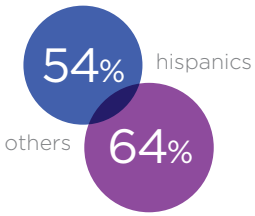
Millennials and Gen Xers were significantly more likely to have a home compost pile than Boomers and Seniors (35% and 29% vs. 18% of both older groups). The younger groups were also slightly less likely to assume "compostable" means *safe to put in a home compost pile.*

politics



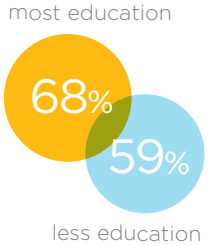
All political parties liked "compostable" and "biodegradable" equally well, but Democrats were more likely than Republicans or Independents to say they *understood* the term "biodegradable" (71% vs. 62% and 63%, respectively).

race



Hispanics liked the term "compostable" less than everyone else did – only 54% gave it a thumbs-up, compared to all other groups at 64%.

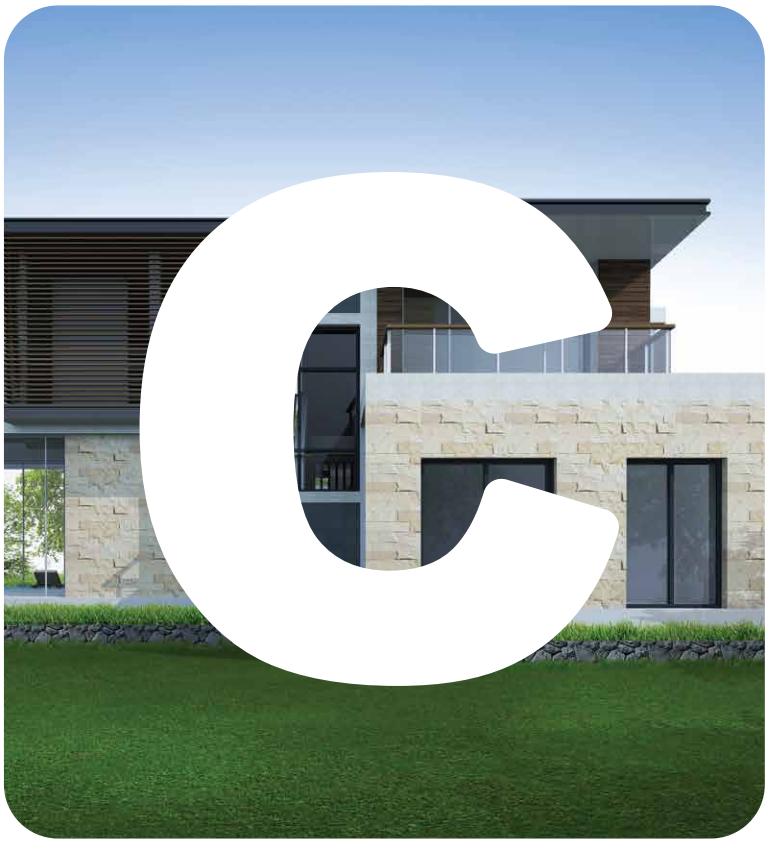
education



Contrary to what you might expect, respondents with the most education (graduate or professional degrees) were more likely than everyone else to assume that items marked "compostable" are *safe to put in a home compost pile* (68% vs. 59%). But respondents with at least a college degree were significantly more likely than those with less education to have home compost piles.

the takeaway

Consumers really like the idea of compostable and biodegradable products. They expect, however, that the terms mean what they imply: products can be safely composted at home and will break down in a reasonable amount of time. Does your product meet their expectations, or are you risking a public perception problem?



low carbon footprint

do they
get it ?

yes

They actually did very well in choosing which actions contribute to their carbon footprint.

do they think they
get it ?

kinda

55% said they *understand* the term.

do they
it?

kinda

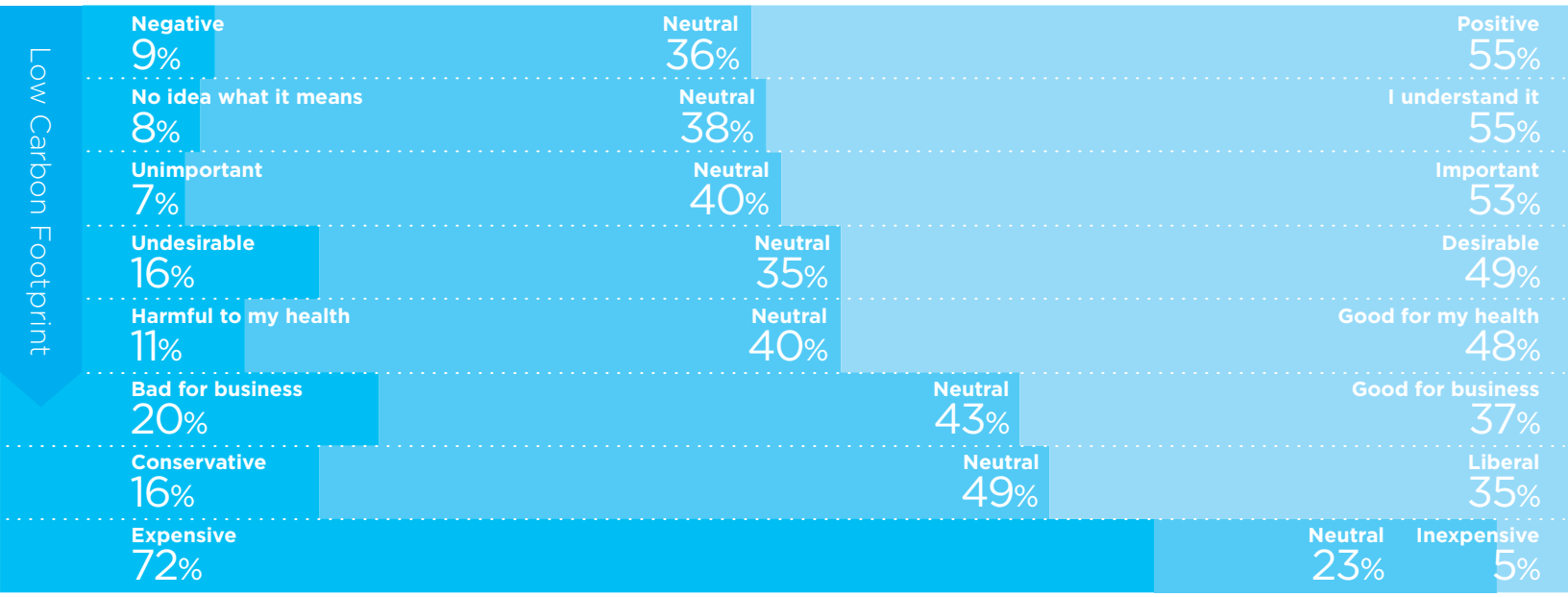
55% said "low carbon footprint" is *positive*, and 9% said it's *negative*. 36% remained neutral.

Here, we can see direct evidence that as levels of self-reported knowledge begin to decline, so does consumer love. Compared to the previous terms in this report, reaction to "low carbon footprint" runs right down the middle of the road, with numbers for *understanding* matching numbers for *positive* reaction at 55%. (When we asked whether the term was *desirable,* approval dipped just a bit to 49%.)

Funny thing: when we actually tested their knowledge of the term, respondents were smarter about the topic than they gave themselves credit for. More on that in a moment.

In the meantime, we wondered specifically whether this term carried political baggage or had other shades of meaning we weren't aware of, so we asked respondents to rate their reactions on a few more scales. Here's what they said:

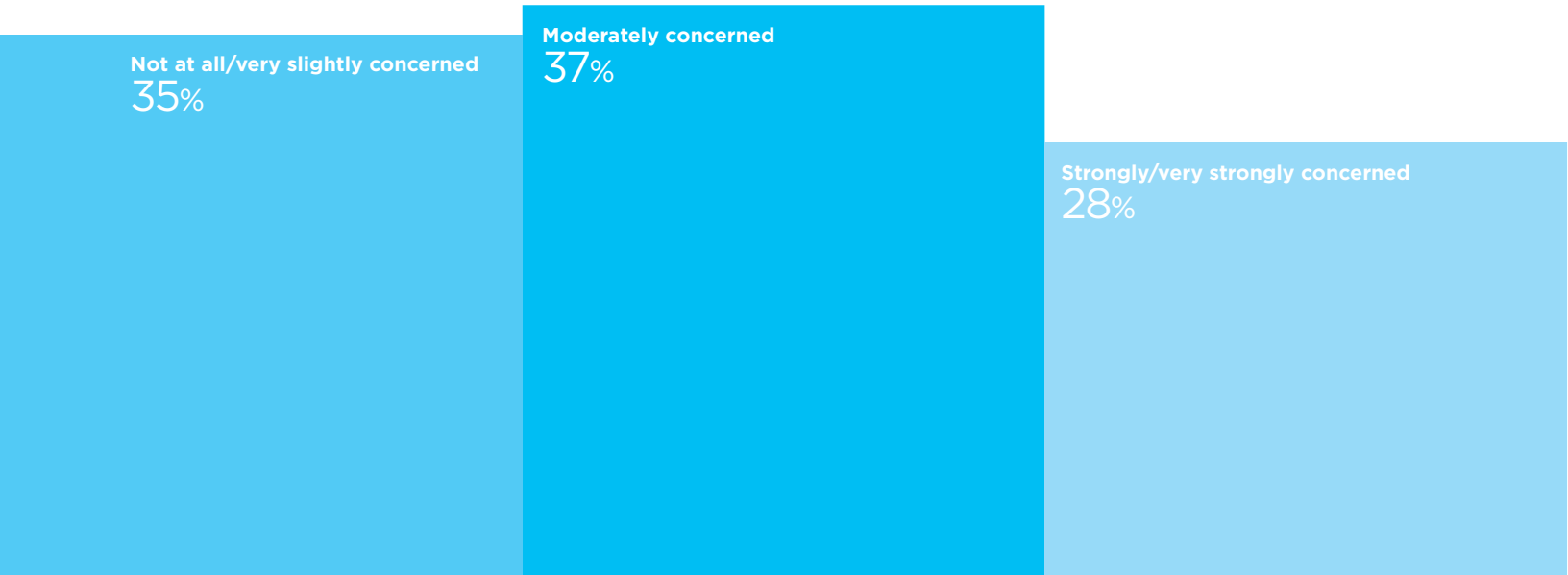
What is your reaction to the phrase "low carbon footprint" when used to describe a product?



Note that "low carbon footprint" has the same connotation of *expense* that "green," "sustainable" and "eco-friendly" do.

After we rated consumers' gut reactions to the term, we provided a definition of "carbon footprint" ("the amount of carbon dioxide you're putting into the atmosphere") and asked respondents to rate how concerned they were about their household's carbon footprint.

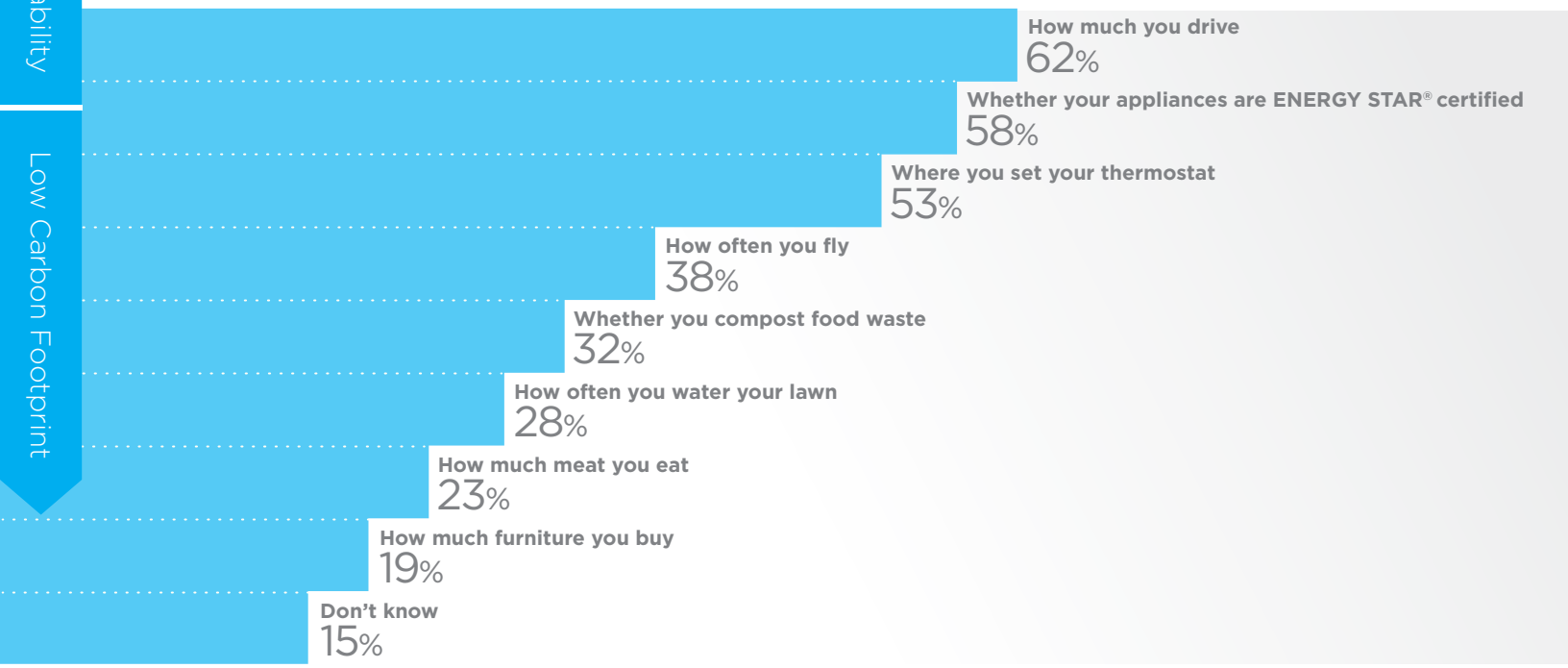
How concerned are you (if at all) about your household's carbon footprint – meaning the amount of carbon dioxide you're putting into the atmosphere?



A strong majority (65%) profess at least a moderate level of concern about their carbon output, even if their uncertainty about the term "low carbon footprint" suppresses their enthusiasm.

To measure knowledge, we provided a list of items and asked respondents to choose which ones they believed contributed to their household's carbon footprint. All of them actually do – and respondents had a decent grasp of that, choosing answers at frequencies that line up reasonably well with which actions would be most important (although individual habits do affect the degree to which each item contributes).

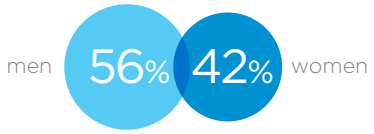
Which of these factors do you think contribute to your household's carbon footprint?



The one item most didn't correctly identify was eating red meat, which experts suggest may be one of the biggest contributors to a household's carbon footprint. A consumer would have to be strongly engaged on environmental issues to know that, so we gave respondents a pass on that one. (You'll see on the next page that the most educated respondents were more likely to select that response.)

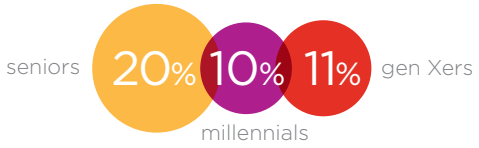
minding the gaps

gender



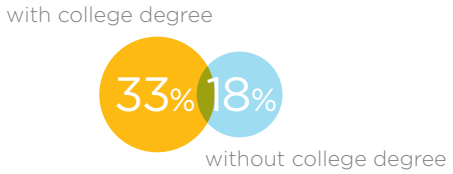
Men were far more likely than women to find "low carbon footprint" *desirable,* at a clip of 56% to 42%, even though self-reported *understanding* was about the same for both. (Nearly 20% of women said it was *undesirable* vs. only 13% of men.) Men were also more likely to say "low carbon footprint" was *good for business* (41% vs. 33%) – and, interestingly, that it was *liberal* (37% vs. 33%).

generation



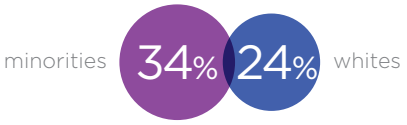
Seniors were significantly more likely than Millennials or Gen Xers to say they were *not at all concerned* about their carbon footprint (20% vs. 10% and 11%, respectively).

education



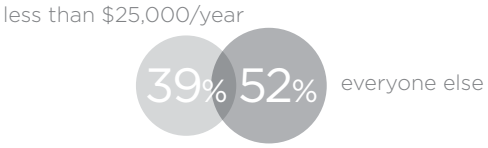
Respondents with college degrees were significantly more likely than those without to know that eating red meat contributes to a household's carbon footprint (33% of those with bachelor's or graduate degrees selected that option vs. just 18% of those without a college degree).

race



Minorities were significantly more likely than whites to be *strongly or very strongly concerned* about their carbon footprint (34% vs. 24%).

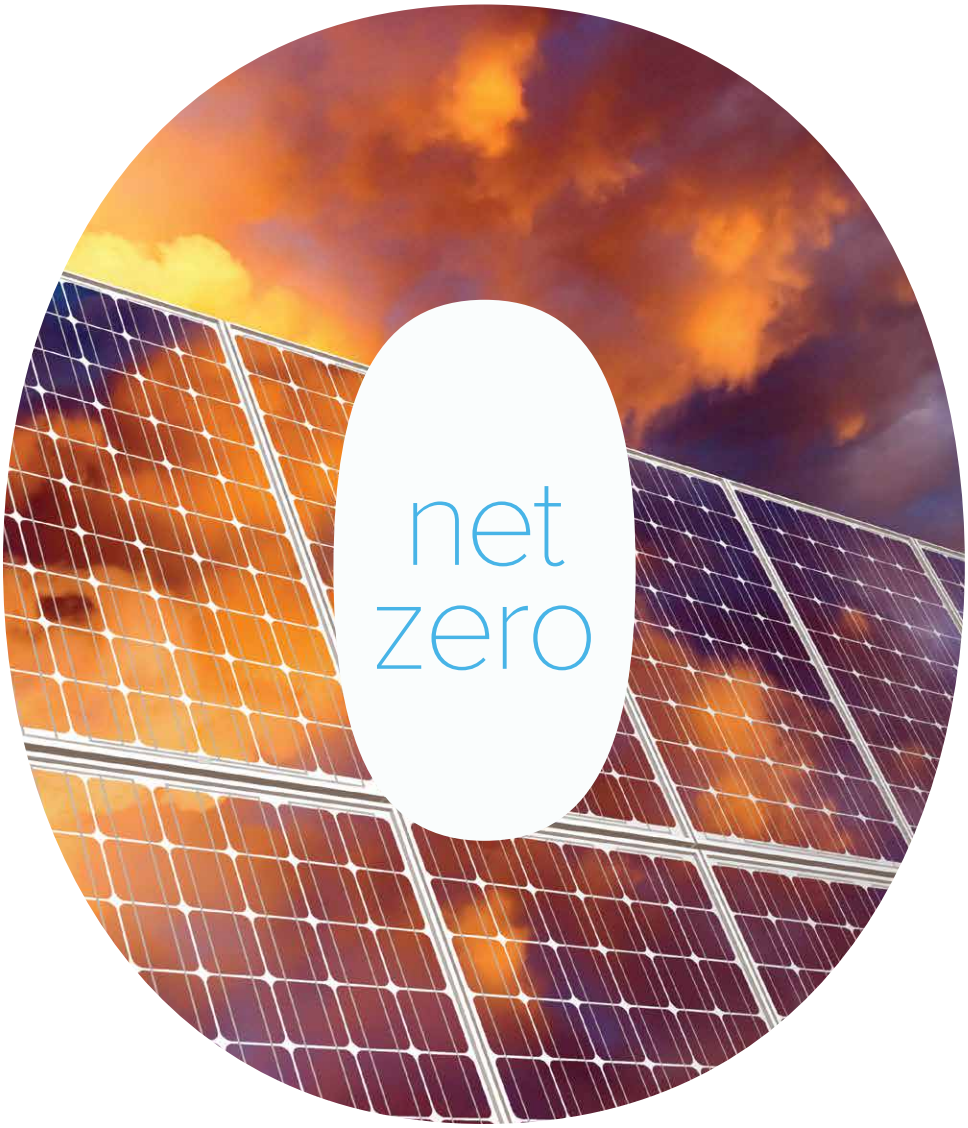
income



The ability to recognize what contributes to a household's carbon footprint went up noticeably with household income. On a related note, the lowest income group (less than $25,000) was less likely than everyone else to find "low carbon footprint" *desirable* (39% vs. 52%).

the takeaway

Consumers actually know more about this term than they think they do. If your business has a low carbon footprint or offers consumers a chance to reduce theirs, break out the benefits very clearly so that consumers can connect the term itself (which only about half understand) with the environmental impact, which they do understand and are actually concerned about. Also, you have high-income customers on your side: they get what's involved with the concept of carbon footprint, and they care about reducing theirs.



do they
get it ?

no

Few knew that net-zero homes have benefits beyond lower energy bills – and 30% didn't even expect lower energy bills.

do they think they
get it ?

no

Only 30% said they *understand* the term.

do they
it?

no

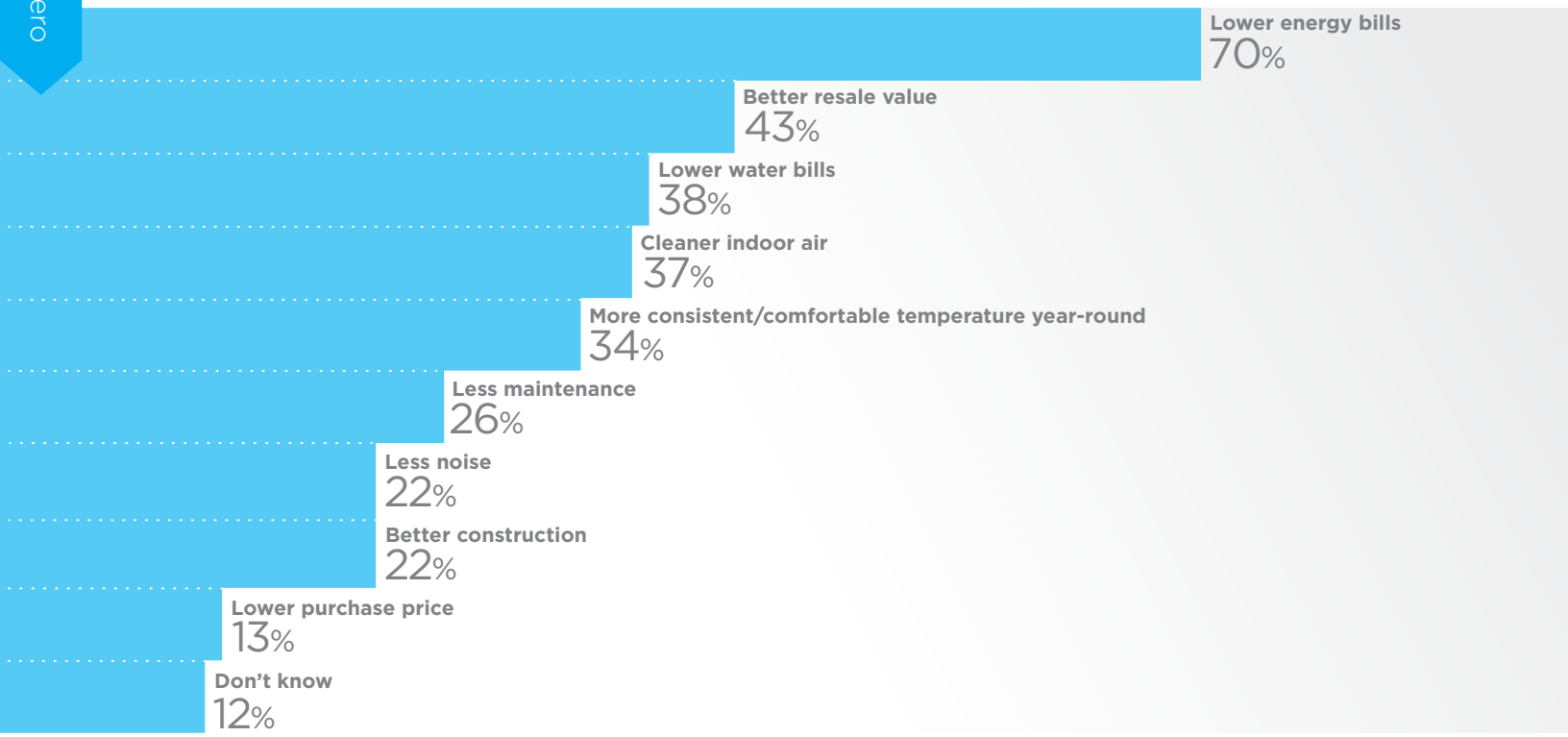
Only 24% said "net zero" is *desirable,* and 43% said it's *undesirable.*

Net-zero homes – homes that generate as much or more electricity than they use – have not yet reached mass-market status, mostly because they've traditionally been too expensive for the average consumer to purchase. But innovative builders are working to bring the cost of these homes down and communicate the ROI effectively to prospective customers.

They're likely to hit a speed bump, however, if they rely on the term "net zero." Only 30% of consumers said they *understood* what this term meant before they were offered a definition, so it's unsurprising to us that even fewer thought the term was *desirable* (24%).

The next question we asked revealed why: consumers really don't have a clear picture of what makes a net-zero home worth buying. After we measured their initial reactions to the term without context, we gave respondents a definition of a net-zero home ("a net-zero home generates as much, if not more energy than it uses, typically through the use of solar panels and energy-efficient features") and asked them to identify what they thought the benefits might be.

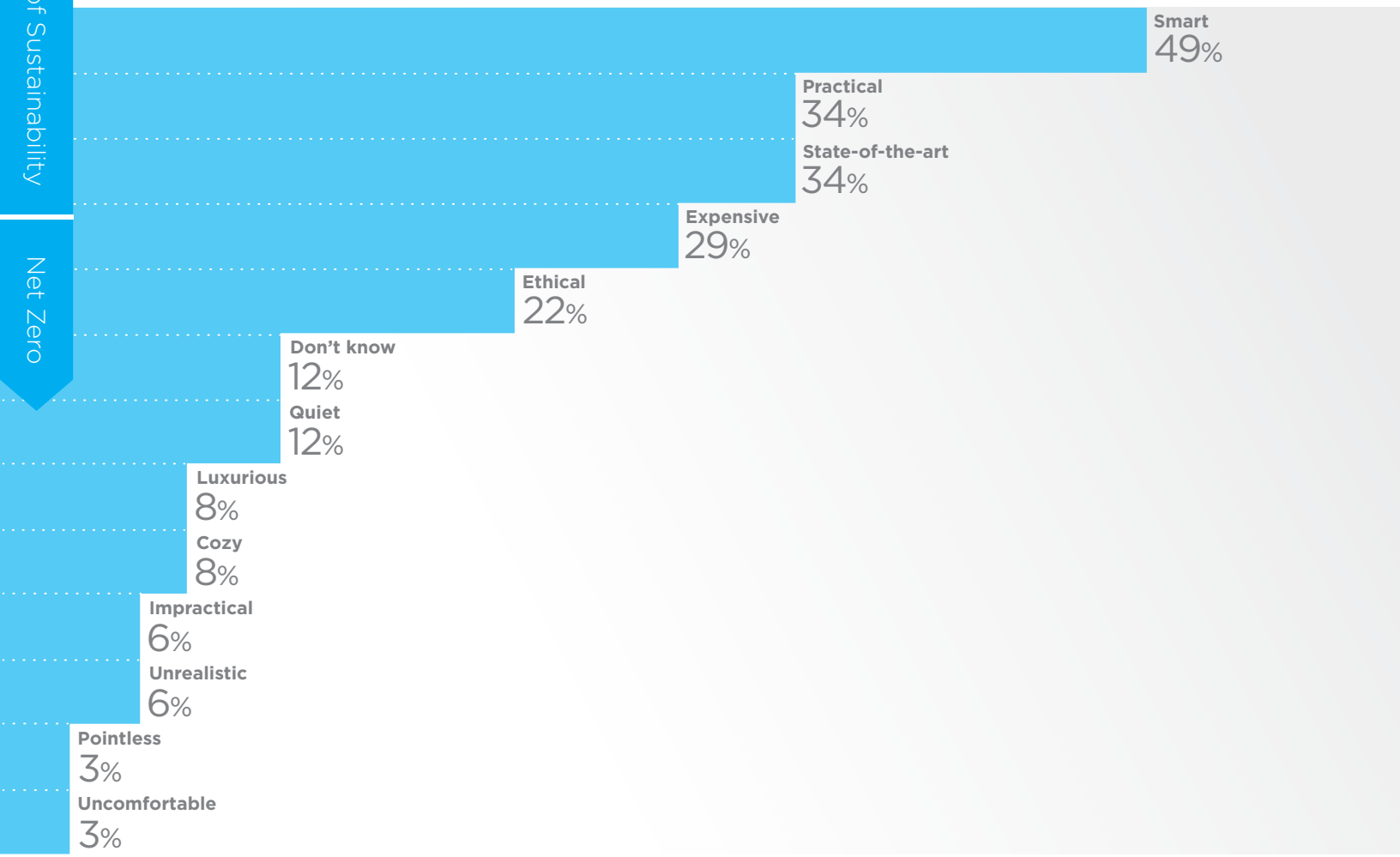
A net-zero home generates as much, if not more energy than it uses, typically through the use of solar panels and energy-efficient features. Which of the following do you think would be a benefit of owning a net-zero home instead of a standard home?



Although 70% did name "lower energy bills," it was a bit surprising the number wasn't even higher, considering that the definition referred to "energy" twice. And beyond that, respondents were stumped. The other options listed are typical of net-zero homes – or are advertised as such in the marketplace – but none received a majority vote. Respondents did at least have a grasp of the expense involved, however, relegating "lower purchase price" to the bottom of the list.

But that doesn't mean consumers don't want what builders are selling. Our next question asked them to choose up to three adjectives to describe a net-zero home (after they'd read the definition in the previous question).

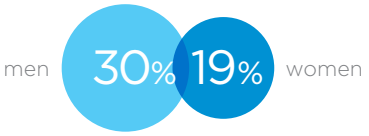
Which of these adjectives would you most likely use to describe a net-zero home?



Positive adjectives rose to the top. But notice this: the high-scoring adjectives were pragmatic and didn't describe the *experience* of a net-zero home. The positive adjectives that describe a home's comfort and ambience (quiet, luxurious, cozy) fell further down the list, indicating that consumers are less likely to associate those things with net-zero homes. **We think there's an intriguing opportunity here for manufacturers and builders to connect those dots, especially as our study results show year after year that consumers put a high priority on their comfort.**

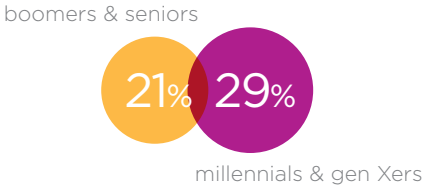
minding the gaps

gender



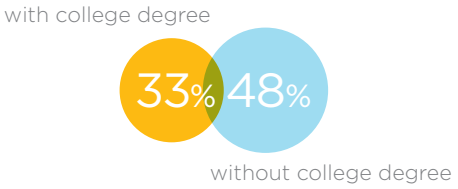
Significantly more men than women thought "net zero" was *desirable* (30% vs. 19%).

generation



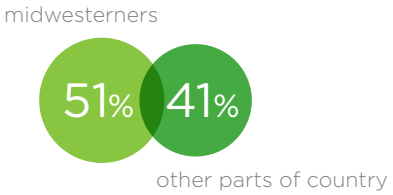
Boomers and Seniors were significantly less impressed with this term than their younger counterparts were: both were less likely than Millennials and Gen Xers to say it was *good for their health* (21% vs. 29%) and to say it was *desirable* (20% vs. 28%).

education



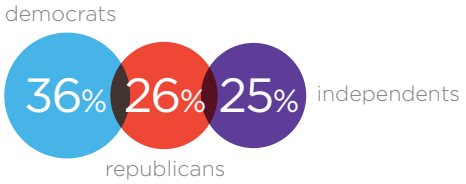
Respondents with at least a college degree were significantly less likely than those without to pronounce "net zero" *undesirable* (33% vs. 48%).

geography



Manufacturers of net-zero homes have their work cut out for them in the heartland. Midwesterners recorded the highest percentage of *undesirable* responses (51%), representing a significant difference from all other parts of the country (41%).

politics



36% of Democrats said they *understood* this term, compared to just 26% of Republicans and 25% of Independents. Circumstantial evidence suggests they might be right: 58% of Democrats associated "net zero" with being *expensive,* compared to only 45% of Republicans and 42% of Independents.

the takeaway

The dismal performance of "net zero" disguises real consumer interest in what these homes have to offer. Your customers will be intrigued if you clearly lay out the benefits – tout lower energy bills, low maintenance and less noise, and you have a real opportunity to show them a product that surpasses their expectations.

low-VOC

do they
get it ?

no

Few knew which products actually emit VOCs.

do they think they
get it ?

no

Only 21% said they *understand* the term.

do they
it?

no

A majority – 54% – actually found this term *undesirable*.

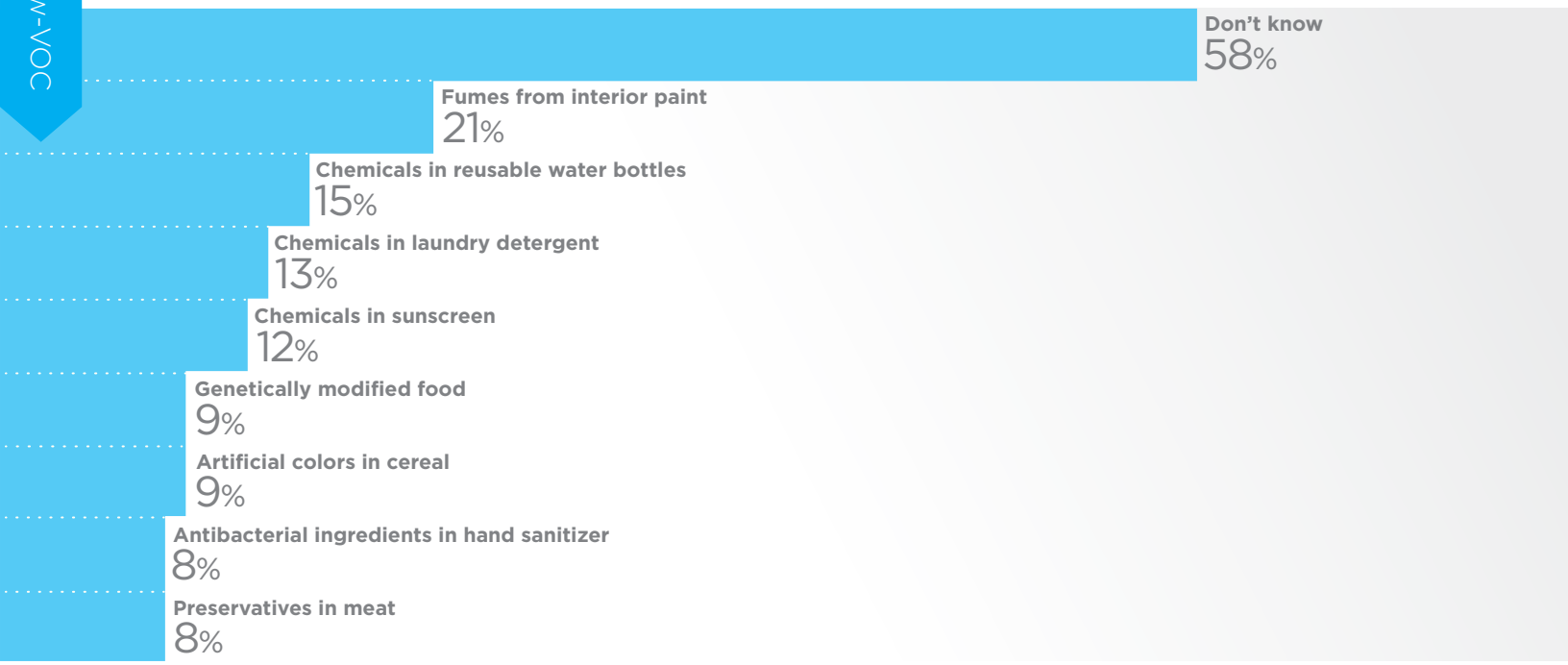
Meet our worst-performing term of the study – but one with great potential for a public relations makeover.

A previous Shelton study had tipped us off to the fact that consumers reacted negatively to the term "low-VOC," so we tested it here to see if that premise held. Boy, did it ever – it was the only term that actually suffered from majority disapproval (54% found the term *undesirable*).

Again, however, you could predict that result by asking people whether they thought they *understood* it. Only 21% said they did; the majority remained on the fence (67% rated their understanding in neutral territory); and 12% owned up to having no clue.

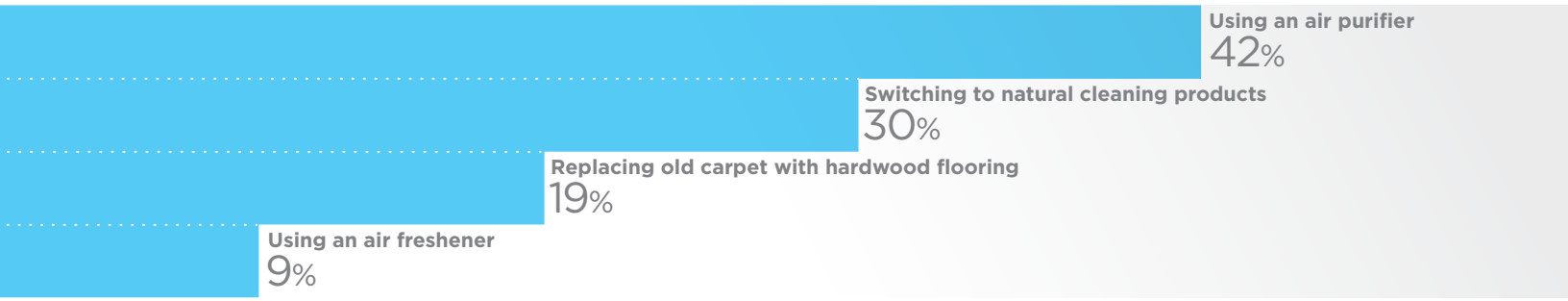
We think the 67% in the middle were being too optimistic, because knowledge scores were very low. We asked two separate questions to divine how savvy consumers were about VOCs; one simply asked them to identify products associated with VOCs from a given list, and the other was a bit more technical, asking them to rank activities in order of effectiveness that might reduce VOCs in the home.

Which of the following do you associate the term "VOCs" with?



Only 21% could correctly associate VOCs with fumes from interior paint, and only 13% selected another correct answer, laundry detergent. A strong majority (58%) admitted they had no idea what the right answer was.

VOCs are chemical compounds found in everyday products that pollute indoor air and can cause undesirable health effects. How effective are the following actions at reducing someone's exposure to VOCs? (Percentage rating most effective)



The results for the above question are telling: the most popular #1 answer was "use air purifiers," which in this list should rightfully be third (only "use air freshener" is a worse choice, which respondents did understand). But it reflects general consumer unwillingness to change habits or take action; they'd rather buy something that cleans up after them instead. We've seen evidence of this many times in our research.

The answer that arguably should be the most effective (replacing old carpet with hardwood flooring) was chosen by only 19% of respondents as the #1 answer. Notably, it's the most difficult/expensive action of all.

But when we asked a much simpler question that didn't refer to VOCs at all, we got much clearer (and more positive) results:

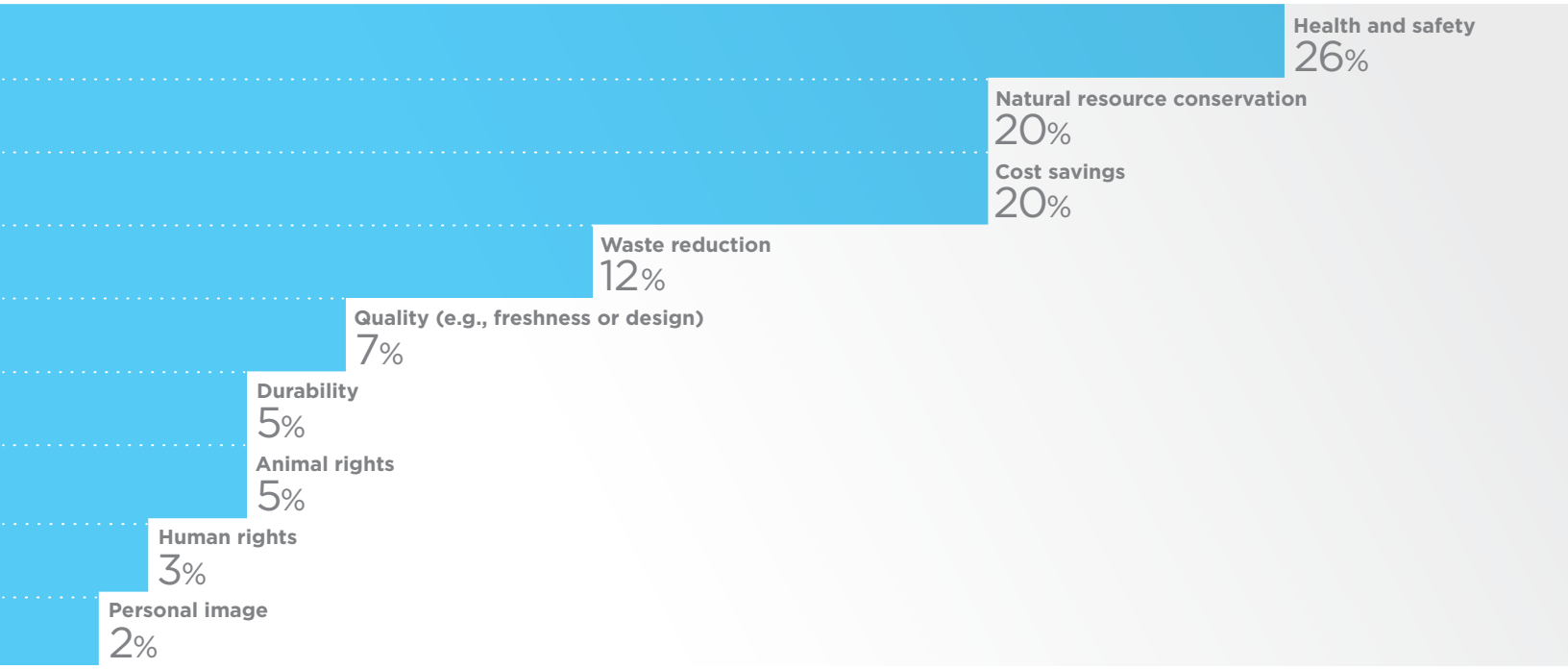
How concerned are you about the indoor air quality of your home?

Not at all/very slightly concerned	Moderately concerned	Strongly/very strongly concerned
34%	32%	34%

Consumers may have no use for the term "low-VOC," but 66% of them are at least moderately concerned about their indoor air quality.

Also, as we do every year, we asked about what drives consumers to purchase green products. This year, health and safety eclipsed both natural resource conservation and cost savings as the top reason to buy:

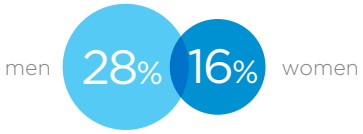
Which concern most often drives your greener product purchases?



The conclusion is clear: consumers are very interested in the health benefits that low-VOC products have to offer – they just don't understand what the term means, so it's an obstacle to overcome rather than a selling point.

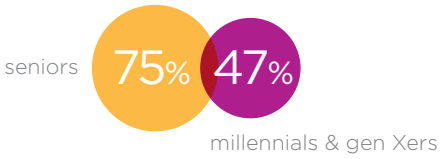
minding the gaps

gender



Men were less turned off by "low-VOC" than women were. 28% of men found the term *desirable* vs. 16% of women, and only 47% of them found it *undesirable* vs. 60% of women.

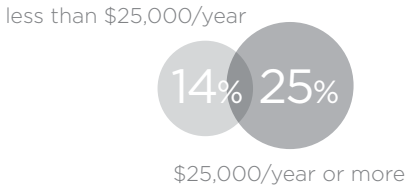
generation



Seniors really turned up their noses at this term – a whopping 75% said it was *undesirable,* compared to just 47% of Gen Xers and Millennials. This mirrors numbers from the knowledge test, where 78% of Seniors checked *don't know* rather than hazard a guess (significantly more than any other age group).

Millennials had the highest percentage of respondents saying they *understood* the term (27% vs. 18% of other groups), but they were also the group most likely to say that *using an air freshener* would be the best way to reduce VOCs in the home (16% vs. 6%).

income



Low-income respondents (making less than $25,000) were the group least likely to label "low-VOC" *desirable* (14% vs. 25% of those making more money). Understanding and approval of the term generally grew with income; those making $100,000 or more were the least likely to say it was *undesirable* (44% vs. 56% of those making less).

VOC

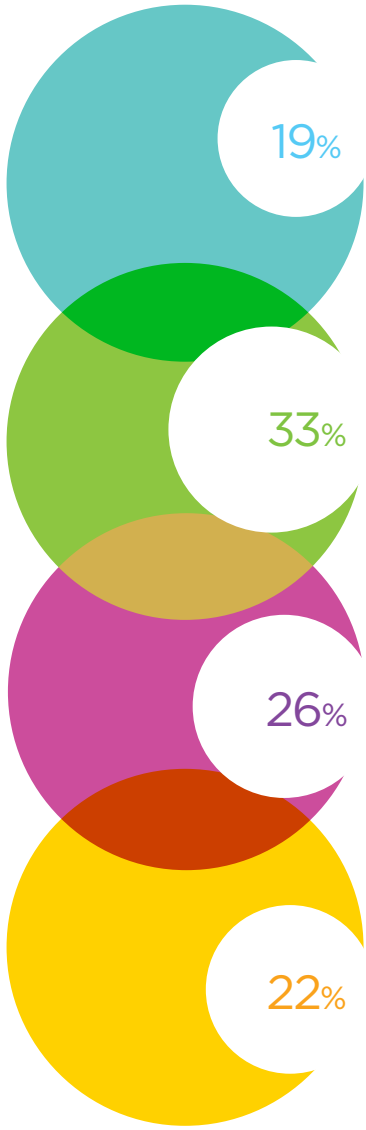
the takeaway

The numbers don't lie: people don't like what they don't understand. They are fundamentally unfamiliar with the term "low-VOC" and so they consider it undesirable. But 66% of them claim to be moderately to strongly concerned about indoor air quality. The moral of the story? Don't rely on industry lingo to sell your product – make the health benefits crystal clear.

shelton group

consumer segmentation

Every year, we undertake a segmentation analysis of our Eco Pulse survey data to identify distinct consumer segments for green products and services. Meet our four Shelton consumer groups:



actives

are the most green-minded – and they back it up with their behaviors and purchases.

seekers

are interested in making greener choices, but they're only so-so when it comes to adopting sustainable behaviors.

skeptics

think green is all spin, from green products to human-caused climate change. They prioritize comfort, convenience and ROI.

indifferents

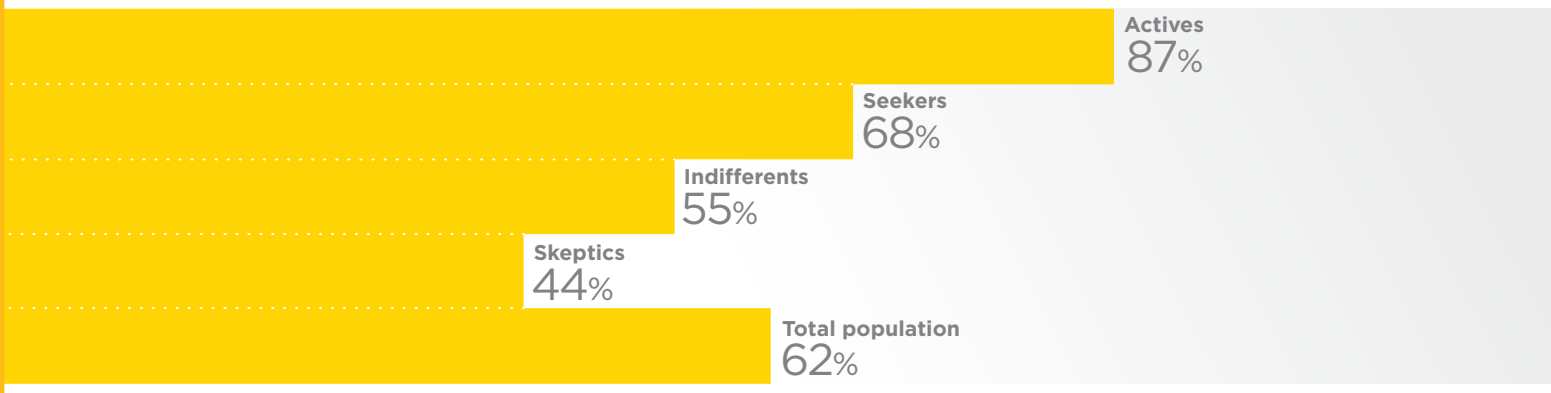
don't pursue sustainable lifestyles, mostly because they don't have the income to buy green or adopt better habits.

Fast Facts:

- Actives and Seekers are the most **affluent** groups, with 44% and 42% making $75,000+, respectively (compared to 31% of Skeptics and 17% of Indifferents). Skeptics and Indifferents were more likely than the others to report making $25,000 or less (30% and 34%, respectively, vs. 15% of Actives and 17% of Seekers).
- Actives and Seekers are also more **educated**; 40% of Actives and 38% of Seekers have at least a college degree (vs. 26% of Skeptics and 19% of Indifferents).
- Only 34% of Skeptics identify as **Republican**, although they are the group most likely to do so. 32% of them identify as **Independent** and 6% as **Other** (a category including the Libertarian and Tea Parties).
- Actives are more likely than anyone else to be **Democrats** (58% vs. 40% of all other groups).
- Seekers reported the highest levels of **homeownership** in our study (72%), with Actives only slightly lower at 69%. Significantly lower than Seekers were Skeptics (62%) and Indifferents (48%).
- 98% of Actives and 77% of Seekers agree that **climate change** is occurring and caused by human activity, compared to 61% of Indifferents and a mere 18% of Skeptics. **Note that Indifferents aren't necessarily lacking in belief – just in economic wherewithal.**

And what did our segments think about "green"?

What is your reaction to the word "green" when used to describe a product (or a company's manufacturing practices)? (Percentage rating positive)



The graph demonstrates a marked perception difference among the four segments – and the results for "green" are just the beginning. (For more detailed findings about our consumer segments and how they felt about particular buzzwords, get in touch with us to talk about the possibility of a customized deep dive to answer your questions.)

The bottom line? The results of this report show that a majority of Americans are attracted to green messaging, but they can get turned off by industry jargon. Within that majority of Americans, there are market segments that react to green messaging in unique ways.

Tailoring your marketing message to account for all these things can be a complicated task – but it's what Shelton Group does best. We've accumulated years of knowledge about our segments' preferences, and we know what green actions each has undertaken, what products they're likely to buy and what emotional drivers are central for each. Using that knowledge, we can help you craft a marketing approach that gets your message heard – and acted on.

the takeaway

Shelton Group's consumer segmentation system can help you laser-target your intended audience with carefully crafted messaging – a critical piece of your overall marketing communications strategy. To find out how we can help you craft that strategy and execute successful market engagement campaigns, please get in touch with *CEO Suzanne Shelton at sshelton@sheltongrp.com or 865.524.8385.*

methodology

The Eco Pulse™ questionnaire was designed by Shelton Group and contained fixed-response alternative questions, semantic differential questions, Likert scale questions and a few open-response questions. The study was fielded in April 2015. We surveyed a total of 2,007 respondents, using members of Survey Sampling International's online panel of more than 3.5 million U.S. Internet users. The survey sample was stratified to mirror the U.S. population, using quotas for geography, age, gender, education and race; data were weighted slightly to match U.S. population distributions. Margin of error is +/- 2.2%.

about

Shelton Grp

Shelton Group is the nation's leading marketing communications agency focused exclusively on energy and the environment. If you're trying to build a brand around energy responsibility and sustainability – or sell products that minimize environmental impact – we understand your marketing challenges and can help you tackle them like no one else.

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- Efficiency & Conservation
- Corporate Sustainability
- Building Products

What We Do

Strategy
Creative
Research
Marketing Campaign Implementation

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