Fran Walton, Director
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SUSTAINABILITY IN RETAIL

Retailing in the Green Economy: Getting Serious about Sustainability

WPP

THE STORE
GLOBAL RETAIL INITIATIVES

SUSTAINABILITY THROUGH THE EYES OF THE CONSUMER

Fran Walton, Director

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SUSTAINABILITY THROUGH THE EYES OF THE CONSUMER

- What do consumers call it?
- What is driving this trend?
- How engaged are consumers?
- What price for values?
- Final thoughts

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WHAT DO CONSUMERS CALL IT?

Genetic modification

Humane treatment of animals

Free range

Food Additives

Climate Change

Carbon emissions

Food safety

Availability of fresh water

Pollution

Organics

Hunger

Biodiversity

Sustainabilty?

Food miles

Animal testing

Recycling

Global Warming

Biodegradable

Pestic

Energy resources

Fair Trade

Illness and disease e.g. Aids

Equal rights for all w

"I assume that fair-trade and organic are the same thing"
UK Adopter

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WHAT DO CONSUMERS CALL IT?

Genetic modification

Humane treatment of animals

Free range

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Climate Change

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Availability of fresh water

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Making a Difference

Sustainability?

Biodiversity

Food miles

Animal testing

Recycling

Global Warming

Biodegradable

Pesticides

Energy resources

Waste

Child obesity

Fair Trade

Sweatshop Labour

Illness and disease e.g. Aids

Equal rights for all workers

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KEY DRIVERS:
Population growth

The worlds population is expected to grow from **2.2bn in 1950 to 7.7bn in 2020**; it will have trebled in little more than an average lifetime!

Source: UN Population Statistics

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KEY DRIVERS:
Rising demand for world's resources

Optimistic estimations of peak production forecast the global decline will begin by **2020 or later**.

Pessimistic predictions of future oil production operate on the thesis that **the peak has already occurred**.

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KEY DRIVERS:
Climate change

In 2007, a United Nations panel of 2500 scientists from 130 countries concluded that temperatures are likely to rise 5.4 degrees (3 degrees Celsius) by the year 2100.

More rain, melting polar ice caps, rising sea levels, more severe hurricanes, and changes to our natural habitats are all expected outcomes.

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REAL CHANGE IS POSSIBLE!

In the past year, **more bicycles than cars have been sold in the US**. That hasn't happened since the 1973 oil crisis! Bicycle sales are near an all-time high with **19 million sold last year** [worth five to six billion dollars].

Source: Treehugger.com

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CONCERN ≠ ACTION

CONCERN

INTENT

ACTION

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CONCERN ≠ ACTION

CITIZEN
Willing to give time or make compromises to do the right thing

VS.

CONSUMER
Choice, price, quality and convenience driving decisions

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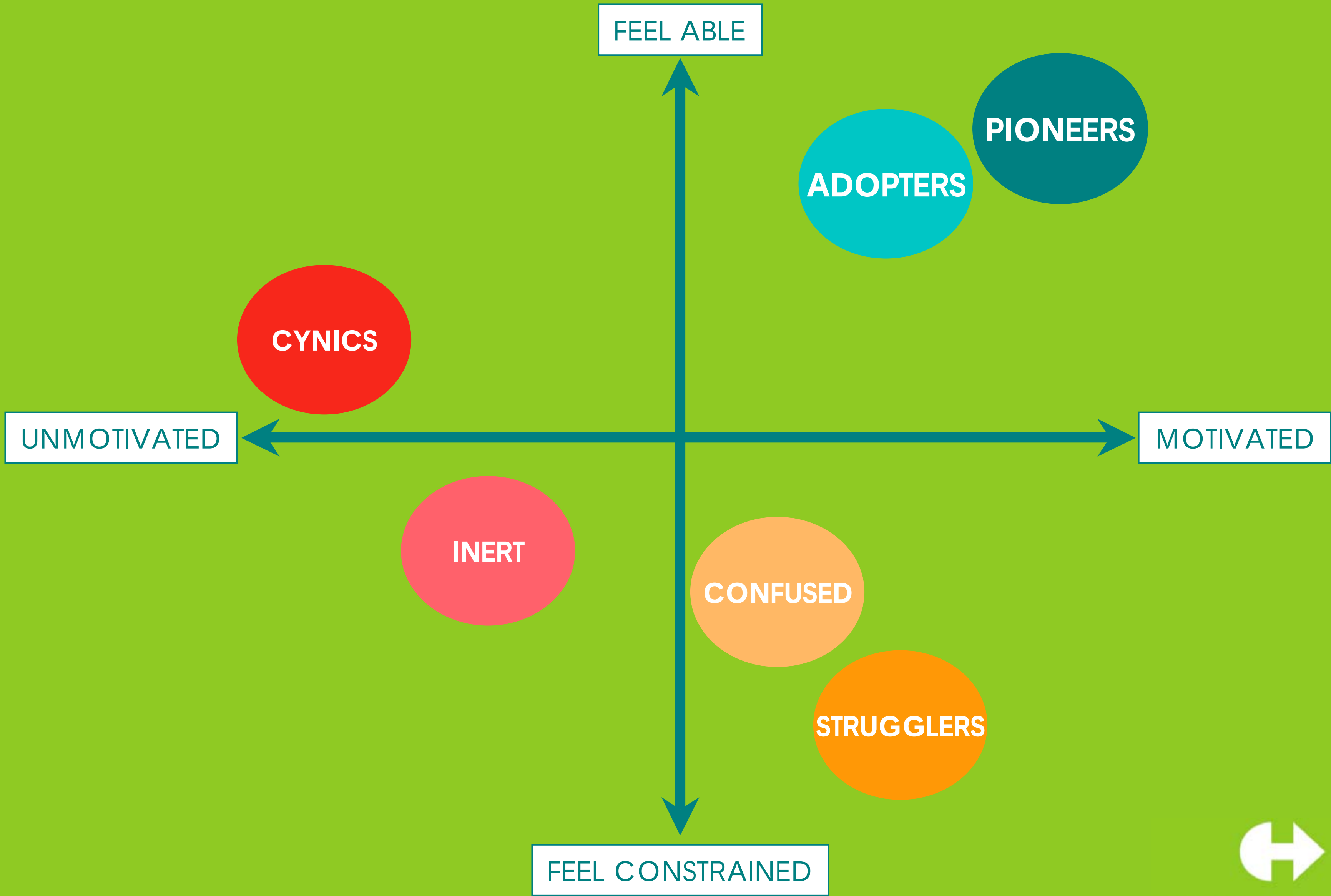
LEVELS OF ENGAGEMENT



Source: GlobalMONITOR 2008 – Green Segmentation

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LEVELS OF ENGAGEMENT

PIONEERS

FEEL:
Directly affected by environmental issues. Empowered and motivated to make a difference.

HAVE:
Changed certain behaviours e.g. energy efficiency in the home or used the car less.

MOST LIKELY TO SAY:
'I want to preserve the world for future generations'.
'I have a sense of responsibility as a good global citizen'.

LEAST LIKELY TO SAY:
'It's a lost cause, we're too late to make a difference now'.

ADOPTERS

FEEL:
Less affected by environmental issues. Cost is a barrier to major changes in behaviour.

HAVE:
Changed certain behaviours e.g. reduced water use.

MOST LIKELY TO SAY:
'I want others to see me as environmentally conscious'.
'There is strong media pressure to do your bit'.

LEAST LIKELY TO SAY:
'I do not have easy access to recycling facilities'.

Source: GlobalMONITOR 2008 – Green Segmentation

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LEVELS OF ENGAGEMENT

STRUGGLERS

FEEL:
Concerned about environmental issues. Held back by other priorities in life and a lack of practical solutions.

HAVE:
Made some limited changes in behaviour.

MOST LIKELY TO SAY:
'I do not have access to recycling facilities'
'The places I shop do not offer green alternatives'.

LEAST LIKELY TO SAY:
'I do not believe environmental issues are bad enough'.

CONFUSED

FEEL:
Confused and slightly disillusioned. Lacking in belief that they can have an impact despite feeling some impacts.

HAVE:
Made small changes but are not restricted by access.

MOST LIKELY TO SAY:
'I am too confused by conflicting information about the environment'.
'I don't feel that I can make much difference on my own'.

LEAST LIKELY TO SAY:
'I do not have easy access to recycling facilities'.

Source: GlobalMONITOR 2008 – Green Segmentation

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LEVELS OF ENGAGEMENT

INERT

FEEL:
Unconcerned and unaffected.
Disempowered through cost and time constraints.

HAVE:
Done the easy stuff, if anything.

MOST LIKELY TO SAY:
'I don't feel that I can make much difference on my own'.
'I don't think I should do more – others are far more responsible'.

LEAST LIKELY TO SAY:
'I have a sense of responsibility as a good global citizen'.

CYNICS

FEEL:
Overly pressured.
Unconvinced that problems are really as bad as people say.

HAVE:
Done almost nothing.

MOST LIKELY TO SAY:
'I don't believe that environmental problems are bad enough'.
'It's a lost cause, we're too late to make a difference now'.

LEAST LIKELY TO SAY:
'I want to preserve the world for future generations'.

Source: GlobalMONITOR 2008 – Green Segmentation

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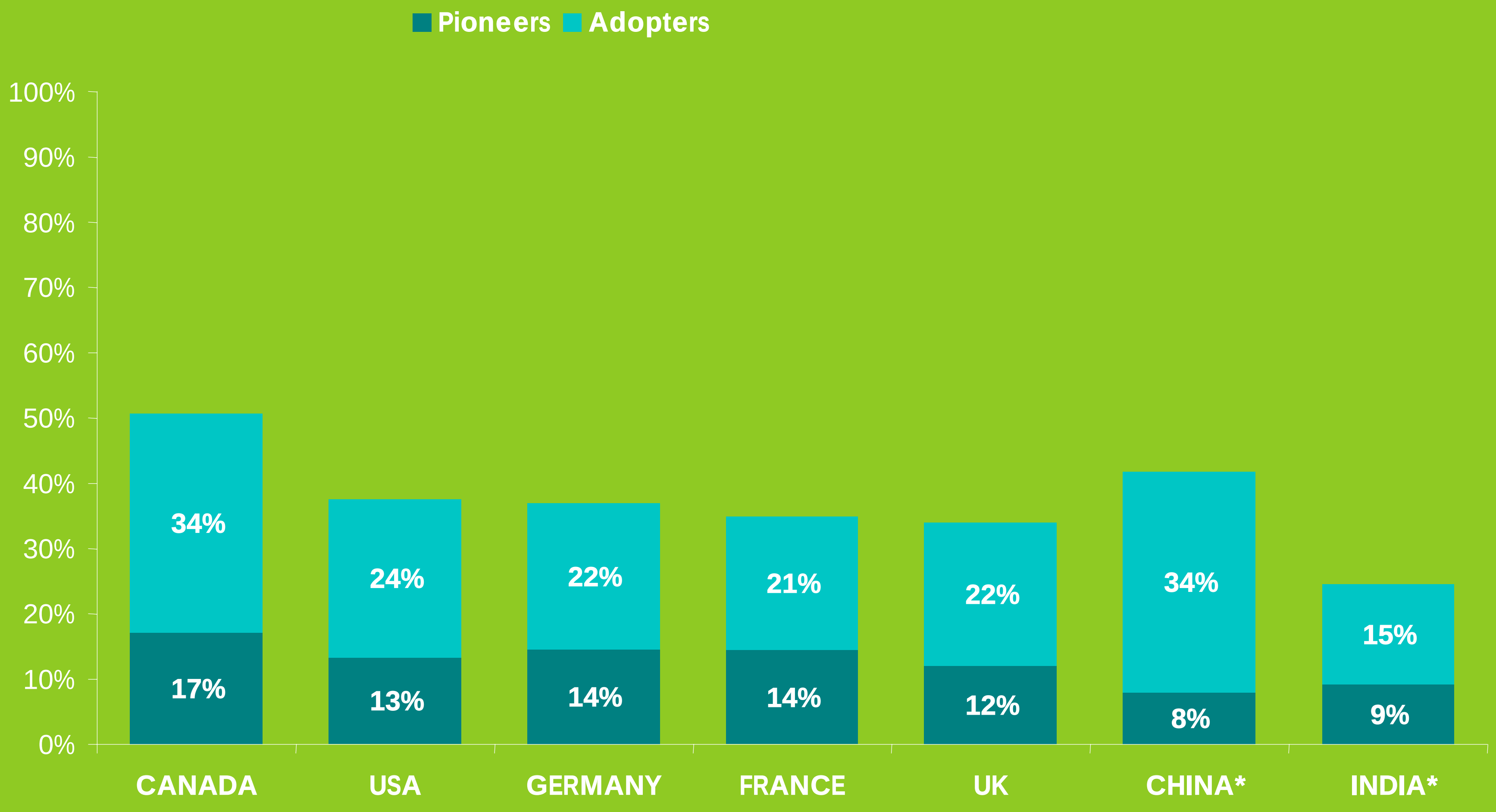
LEVELS OF ENGAGEMENT



*Urban populations only

Source: GlobalMONITOR 2008 – Green Segmentation

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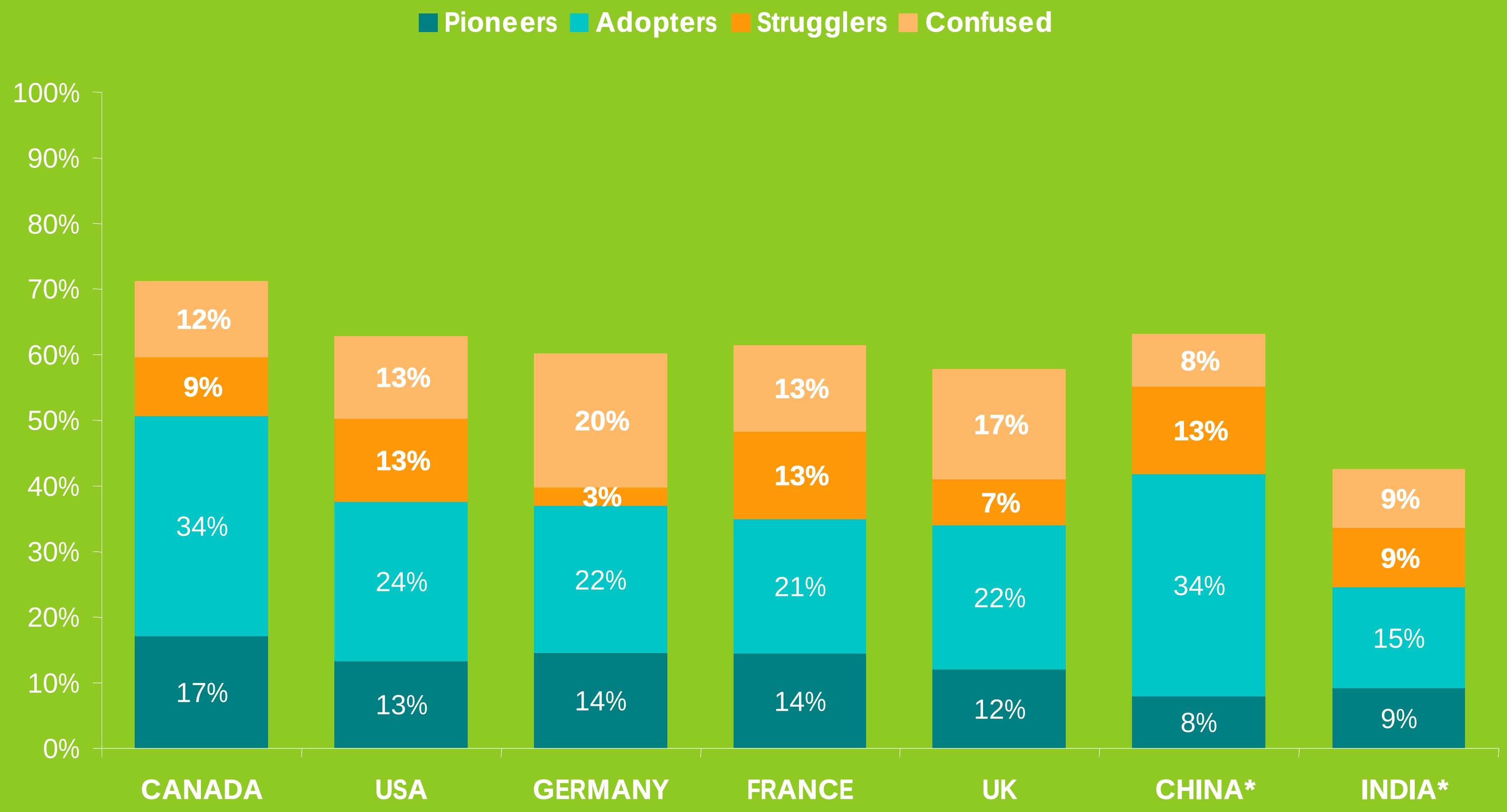
LEVELS OF ENGAGEMENT



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Source: GlobalMONITOR 2008 – Green Segmentation

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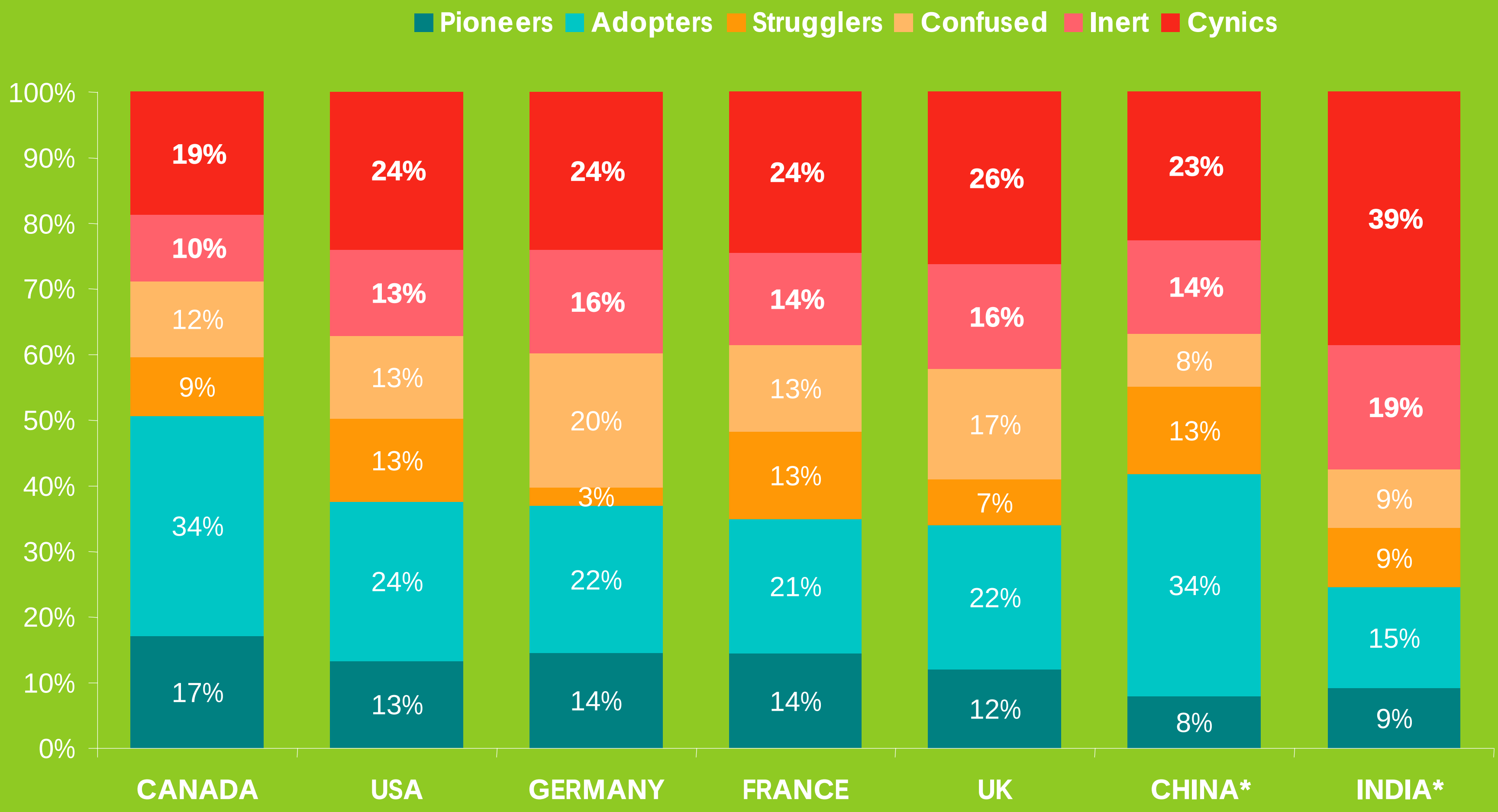
LEVELS OF ENGAGEMENT



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Source: GlobalMONITOR 2008 – Green Segmentation

WHAT PRICE FOR VALUES?

Source: Jake Goretzki, 2008

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WHAT PRICE FOR VALUES?

Likelihood to do each of the following things in the next 12 months, compared with the last 12 months.	
Top 5 from a list of 60:	
Use coupons and vouchers that offer money off in shops	*70%*
Choose products on the basis of special offers or deals	*70%*
Switch to a cheaper brand if your usual brand goes up in price	*62%*
Actively look for cheaper brands than I usually buy	*62%*
Take advantage of offers from loyalty cards that you have	*59%*
Bottom 5 from a list of 60:	
Stop redecorating or updating furnishings in the home	*40%*
Holiday in UK instead of travelling abroad	*36%*
Do chores or projects yourself	*34%*
Stop buying Fairtrade products	***30%***
Stop buying environmentally friendly products	***28%***

Source: Feeling the Pinch 2008, UK Only

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FINAL THOUGHTS

- It is here to stay and it is getting personal!
- Consumer knowledge is neither deep nor, broad.
- Understanding your target audience's current situation is the key to effectively targeting them.
- Appeal to the 'consumer' as well as the 'citizen'.
- Be prepared to promote 'value' as well as 'values' in the current environment.

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FOR MORE INFORMATION

- Feeling the Pinch:
  - Timing: Available now
  - Price: £3,500 for the report only
    £6,000 for the report and a tailored presentation

- Global Report on consumer engagement with environmental issues:
  - Timing: December 2008
  - Price: TBC

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SUSTAINABILITY THROUGH THE EYES OF THE CONSUMER

Thank You

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