



Green Market Research : A Question of Questions

By Ken Peattie

At the beginning of February 2003, the United Nations Environment Programme (UNEP) unveiled its new strategy to reduce the environmental impacts of consumption. The traditional approach has been to try and enforce more responsible consumption through regulation, or to push people into more responsible consumption by making them feel guilty about its environmental consequences. Now, the UNEP is hoping to spearhead the use of social science approaches to understanding how people can be made to *want* to change their consumption habits to preserve the environment. Workshops are being organised in Paris and Tokyo in March, and research initiatives are already being commissioned in search of answers. Whatever else might come out of these efforts, it seems safe to assume that more market research about consumers and the environment will be a key component.

Whenever market research is used to justify a particular strategy, it always reminds me of a wonderful moment in the popular political satire *"Yes Prime Minister"*, when the wily Cabinet Secretary, Sir Humphrey Appleby, turned Bernard Woolley, the Prime Minister's Private Secretary, into *"The Perfect Balanced Sample"*. He was trying to demonstrate how market research could prove that the general public was both for and against the fictitious Prime Minister's *"Grand Design"* to reintroduce national service. He first asked Bernard four questions along the lines of *"Are you worried about the rise in crime among teenagers ?"* and then asked him *"Might you be in favour of reintroducing national service ?"* He then asked another four questions by beginning *"Are you worried about the danger of war ?"* and concluded by asking *"Would you oppose the reintroduction of National Service ?"* The unfortunate Bernard naturally answered "Yes" to the fifth question both times and so became a perfect balanced sample of one.

We live in an age where opinion polls are increasingly used as a basis for commercial and political decisions, but how well do those using and interpreting the results really understand the nature and limitations of market research ? It is a powerful tool, which has laid the foundations of many marketing triumphs. However, market researchers also confidently predicted that the Sony Walkman would be a flop, and that Neil Kinnock would become Prime Minister. Within Europe, consumer attitudes towards the environment have been a popular subject for market

research studies. Although results show variations between countries and over time, consumer concern about environmental issues has held reasonably firm, and has not proved to be the “fad” issue that many predicted at the end of the 1980s. Consumers’ interest in purchasing green products, and their expressed willingness to pay a modest premium for greener products, has also generally held steady. However, this professed interest has not translated into actual purchases in many key markets, causing people to doubt the accuracy of the market research. Marketing practitioners and academics are explaining this gap in terms of the over-reporting of social and environmental concern among consumers. However, another explanation lurks within much of the market research data. The growing cynicism among consumers about the green products they were being offered, was first highlighted in Mintel’s second Green Consumer Survey. It was compounded by media coverage of free-range hens with little freedom, overpricing of healthier food products and companies free-riding on the German Green Dot recycling scheme. It may be more comforting for marketers to attribute the green “purchase gap” to insincerity among consumers, but it may relate much more to a failure of their own marketing strategies and communications campaigns to convince.

Another concern that I have about the use and interpretation of commercial and academic green market research data, is that, as Sir Humphrey’s little manipulation shows, there is little use in taking note of the answers produced, without looking very carefully at the questions being asked. Sir Humphrey sought to show how questions can be structured to elicit particular answers, but the impact of questions can be even more profound. Questions communicate ideas and values to the people to whom they are posed. The question that causes me particular concern is “*Would you (or how much would you) be willing to pay extra for green products ?*” This question has been a central tool for the burgeoning green market research industry and the various answers produced feature highly in the general debate about green consumers. The question itself however is fatally flawed. It perpetuates the thinking that has blighted the last two decades, by presenting the environment as an extra and optional cost, a premium, a luxury. It masks the truth that our current economic system is subsidised by the environment because many environmental costs are not met by either producers or consumers. If market researchers asked the question “*Would you prefer to buy products which are five per cent cheaper but destroy the environment ?*” they might get a very different response concerning the “*green premium*”. Increasing product prices to protect the environment isn’t interfering with the free market, it is removing the imperfections in the market which virtually force products to be unrealistically inexpensive. Such a heretical approach to product pricing is likely to make managers and consumers, both used to thinking in terms of ever-increasing material wealth, feel uncomfortable. That doesn’t make it any less true.

Two research studies that I have encountered illustrate my concerns about the questions and assumptions lurking beneath the surface of the publicly touted statistics. In one, an analysis

was conducted into the effect of a carbon tax on a regional economy. The results forecast a catastrophic loss of jobs, and was seized upon by local politicians and the media as ammunition with which to fight such a measure. The assumptions which underpinned this research included :

- none of the money collected through the carbon tax being reinvested in the region;
- no businesses affected by the increase in fuel costs would find ways of improving their energy efficiency;
- no expansion in employment would occur in relatively green sectors of the economy.

The researchers' footnote was that their research illustrated a "*worst case scenario*", but in fact, it was a worst case scenario with all the potential payoffs removed.

The second piece of research, being conducted in collaboration with a car manufacturer, was looking for evidence of green consumer behaviour among new car purchasers, by using "*car enthusiasts*" as a sample group. Now, environmentally motivated consumers are more likely to buy a used car, or avoid buying one altogether where possible. Car enthusiasts will also probably be the last people to compromise their love of automotive technology in favour of the environment, even if they are concerned about it in general terms. Neither of these facts seemed to dampen the enthusiasm about the results shown by the car company and the researcher. They were confidently able to conclude that consumers were not really interested in green cars after all. Listening to all this reminded me of the Arabic proverb about the man who found a neighbour searching outside his house for a key that he had dropped inside. When questioned the neighbour declared that he had decided to look outside because the light was better.

Both of these pieces of research are informative and potentially useful if their results are viewed in context, with the underlying logic and assumptions carefully explained. Unfortunately people's interest in "*the answers*" usually means that the questions soon get forgotten, and as these answers pass into the realms of secondary data they quickly become "*facts*" in the hands of the market researchers. So next time your market research department tells you that fifty per cent of your consumers say they would pay five per cent more for a greener product, it might be worth asking a few more questions. To do this, I would recommend the GREEN code for environmental market research :

Generalise with care. Consumer behaviour will not necessarily be consistent across different product types, and particular market segments may respond to certain issues on the green agenda but not others.

Remember, the validity of a piece of market research is not related to the degree to which it supports your preferred option.

Explore the context from which market research data comes. Be clear on the nature of the sample used, the questions asked, the way in which responses were recorded and the time and place from which the responses come.

Ensure that where market research is crossing international borderlines, that the terminology and interpretation remains consistent. Terms like '*environment*', '*green*' and '*conservation*' do not always translate precisely between languages.

Neutrality is important. Ensure that when you pose questions to consumers, that they can make any response without being made to feel guilty or uncomfortable, and ensure that your own preconceptions about the green agenda (such as an assumption that green products will cost extra) are not encoded within the questions.

These points all come from the school of common sense, but unfortunately experience suggests that common sense is very often not common practice.