

## Green Consumers

### *A Growing Market for Many Local Businesses*

By Bill Ryan\*

Americans are becoming increasingly concerned about the environment. Studies have shown that the percentage of Americans who worry about the environment “a great deal” or “a fair amount” has increased from 62% to 77% between 2004 and 2006. Growth within the environmental movement can be seen in the membership of the Sierra Club, which has increased by one-third in the past four years. More people are making their homes energy efficient, driving more fuel efficient cars, focusing more on recycling, and buying products that are healthier and less harmful to society and the environment

This trend has led to more independent businesses on Main Street marketing to green consumers. Local businesses focusing on green products have emerged as a growing business sector. Likewise, more traditional businesses such as grocery, hardware/building materials and appliance/electronic stores are increasing their lines of green products as they realize their profitability.

For many businesses, going green isn't necessarily about saving the environment. Rather it's about saving the business. Accordingly, the information that follows is intended to help local businesses understand and better serve the green consumer.

### Who are Green Consumers?

While not all “green consumers” are the same, an understanding of some of their common characteristics can help business operators examine the market for environmental products and services. Common attitudes and beliefs of these consumers as described by the International Institute for Sustainable Development (IISD) is as follows:

- Commitment to green lifestyles
- Critical of their own environmental practices and impact

- Looking for companies that incorporate green practices
- Overstate their green behavior
- Want environmental protection to be easy
- Tend to distrust companies environmental claims
- Lack knowledge about environmental issues, but eager to learn

The IISD offers some broad generalizations regarding the demographic characteristics of green consumers:

- Many are young adults, influenced by their young children
- Women are a key target market. They often make purchases on behalf of men
- The best green customers are those with money to spend (good prospects for businesses at the high end of the market)
- Consumers born before 1950 are the least green

### Green Products

According to Green Futures, a UK organization focused on sustainable development, three in ten American adults are now considered “green consumers.” These consumers brought 229 billion dollars of spending power to the U.S. market in 2005. Successful products have included: Energy Star appliances, energy efficient electronics, environmentally friendly household products, energy efficient windows and alternative transportation. Also included are organic foods, fair trade coffee, organic cotton and hemp apparel, natural skin and personal care products.

To be successful within this market it is



important to tie the product's environmental attributes to the lifestyles of the target consumers. For example, hikers care about a product's affects on wetlands and boaters are concerned with clean water.

### Marketing to the Green Consumer

Green consumers often make purchase decisions based on information about the product and the producer rather than a catchy advertising campaign. According to Jacquelyn Ottman of J. Ottman Consulting, green consumers seek out the following when making purchase decisions:

- Green consumers want to know how raw materials are procured and where they come from, how food is grown, and what their potential impact is on the environment once they land in the trash bin.
- Green consumers patronize manufacturers and retailers they trust and boycott the wares of suspected polluters.
- Green consumers often do not have the same consumptive spending patterns as the mass consumer.

Effective marketing also requires that you network and align your business with other eco-friendly businesses. This will make it easier for customers to find like-minded entrepreneurs. For example, California's Bay Area has developed a web resource that promotes local "green businesses."

Despite the exciting opportunities of the green consumer market, eco-entrepreneurs must not neglect the traditional consumer values. These include:

- Price- few will pay extra for greener products
- Quality - Many think green products will be less effective than existing brands
- Convenience – only minimal inconvenience will be tolerated by consumers of green products
- Availability – very few customers will go out of their way to purchase green products

As Americans become more concerned with their impact on the environment, the green consumer category will continue to grow. It is important for businesses to recognize this phenomenon and capitalize on the emerging market for environmentally friendly goods and services.

### Green Consumers and Travel

Ecotourism is travel that preserves the environment and promotes the welfare of local people. Travelers that are interested in ecotourism want to enjoy nature's offerings, but do it in a way that does not negatively impact the natural resource. (John Ivanko – Inn Serendipity, Browntown).

According to the Travel Industry of America, an estimated 38% of US travelers would be willing to pay more to use travel companies that strive to protect and preserve the environment. Of those travelers, 61% said they would pay 5 to 10% more.

In Wisconsin, the tourism industry is focusing on the green consumer through an innovative green business certification program aimed at businesses that attempt to reduce their ecological footprint. The Wisconsin Department of Tourism has created a certification process for businesses committed to waste reduction, recycling, energy efficiency, water conservation, wastewater management, air quality, wildlife and landscape management. The certification will benefit tourism businesses such as lodging, dining and retail establishments by acknowledging their green practices and offering them a tool in their marketing campaign.

#### Sources:

- 1) Newsweek, July 17, 2006
- 2) International Institute for Sustainable Development. <http://www.bsddglobal.com/>
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- 5) Inn Touch Magazine, Wisconsin Innkeepers Association, Winter 2006
- 6) Travel Industry Association of America Research as reported in the
- 7) New York Times, January 22, 2006
- 8) <http://www.greenbiz.ca.gov/>

\* Ryan is a business development specialist with the University of Wisconsin-Extension, Center for Community & Economic Development.

Contact: Bill Ryan, Center For Community & Economic Development, University of Wisconsin-Extension  
610 Langdon Street, Madison, WI 53703-1104

PH: (608)265-8136; FAX: (608)263-4999; TTY: (800)947-3529; [HTTP://WWW.UWEX.EDU/CES/CCED](http://WWW.UWEX.EDU/CES/CCED)

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