

WILLINGNESS TO PAY

Can we believe what consumers say?

H1	ACT	PLAN	TRACK	PARK	OPP	THR	NEU
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Environmentally-friendly goods seem to be much more prevalent these days. [Waitrose has just launched an initiative](#) where section of the supermarket's online store is being given over to products from companies that are registered [B-corps](#). It shows a belief that there is a market to be tapped. Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.

[Consumers, when asked, tend to say that they would buy products and services which reflect their environmental and social aspirations](#) - and that they would pay more for them. But what they say is not always what they do. While exploring green purchase behaviour, [many studies have reported a discrepancy or "gap" between consumers' expressed favourable attitudes and actual purchasing practices](#). In one recent survey 65% said they want to buy purpose-driven brands that advocate sustainability, yet only about 26% actually do so.

None the less, those that do actually choose, and pay, more for sustainable products still represent a sizeable and growing market. And businesses have a number of tools to encourage consumer behaviours, whether it is nudge theory, incentivising habitual choices, using social influencers, the power of the crowd, or selling to the heart as well as the brain.

GREEN PREMIUM

Can a strong green brand reap the rewards?

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There is little doubt that a growing number of consumers would like to buy products and services from companies that exhibit socially and environmentally responsible behaviours. And they generally say that they are willing to pay more for those values. The Nielsen global online survey this year [identified 66 percent of its worldwide study respondents with this commitment to eco-friendly products, services and businesses](#).

According to a new survey of 6,000 people worldwide by Accenture, [more than half of Consumers are willing to pay more for sustainable products that can be recycled or reused](#). Nevertheless they are still more concerned with product quality, price and health and safety.

Willingness to pay is not the only criteria. Increasingly citizens expect companies to demonstrate sustainable practices, regardless of price. The Nielsen survey found that 88% of Millennials said that "It is extremely or very important that companies implement programs to improve the environment." Will businesses have to adopt more sustainable practices just to sell at all. And it pays to avoid over-selling those green credentials as social media can quickly expose companies found indulging in false promises, or 'greenwash'. Volkswagen, Shell and BP are among [those called out for greenwashing](#) and who have paid a substantial price.

Eco-friendly business measures can also lead to savings. Practices such as energy conservation, recycling, use of water-saving devices, energy-efficient equipment, solar power and reduced waste help keep costs down, and have been proven to be more efficient and cost-effective than traditional energy use.

FURTHER READING

