LIPPINCOTT

Consumers, brands and climate change

A strong will, but not yet a way

A snapshot of how consumers are engaging with companies on climate change in the UK, U.S., Germany and France

- Consumers are looking for business leadership but not finding it.
- Despite a big investment, 'green' and 'sustainable' messages are not getting through.
- Brands are not yet connecting well with an increasingly committed but diverse audience.
- Brands that are making the connection come largely from Big Carbon and Big Retail – high emission sectors that can, directly or indirectly, have a big positive impact.

In the last year, both companies and individuals have strengthened their respective commitments to tackling climate change. Each needs the other: companies need consumers' involvement for legitimacy and commercial viability; consumers need companies' involvement for leverage. Yet the two efforts remain disconnected. In each country, more than two thirds of people could not name a single brand that is taking a lead in tackling climate change – no improvement on 2007.

For companies that do make the connection, the opportunities are substantial. Personal commitment and knowledge are growing fast: the actively involved segments account for more than half of each of the four markets. The brands that are recognised for their leadership show strong consistency year on year, suggesting a real recognition that goes beyond the transient lift from an advertising campaign.

With the partial exception of Germany, the brands that are being recognised come largely from Big Carbon and Big Retail – those that can make a massive impact, directly or indirectly, on carbon emissions. Consumers are not shunning the high-emission industries in favour of brands from sectors that are naturally 'green'; critically, they are ready to give credit to the perceived leaders within the energy and automotive sectors.

This paper reviews the findings from our latest research, and proposes three ways that brands can connect better with consumers.

Looking for business leadership but not finding it

As we found in 2007[1], consumers are looking to business to play a greater role in tackling climate change. People generally see NGOs and individuals like themselves playing the leading roles today, whereas they believe government and business should be doing so (Figure 1).

Figure 1: Who is, and should be, helping to reduce climate change

Currently playing a major role (ranking)

	UK	U.S.	Germany	France
Individuals	2nd	2nd	4th	2nd
Charities / NGOs	1st	1st	1st	1st
Government	3rd	4th	2nd	3rd
Business	4th	3rd	3rd	4th

Should play a major role (ranking)

	UK	U.S.	Germany	France
Individuals	4th	4th	4th	4th
Charities / NGOs	3rd	3rd	3rd	3rd
Government	1st	1st	1st	1st
Business	2nd	2nd	2nd	2nd

Over the past year, brands have been communicating ever harder about the sustainable benefits of their products and the environmental responsibility of their businesses. Conservative estimates suggest that during 2008, £250 million will be spent on green advertising in the UK and €370 million in France[2].

Despite this overall volume of communication and the level of investment behind it, individual brands are not getting through to consumers. More than two thirds of consumers in every country cannot name even one brand that is taking a lead in tackling climate change – a figure that has not improved since 2007 (Figure 2).

Figure 2: Respondents who could not name one brand that is taking a lead in tackling climate change

	UK	U.S.	Germany	France
2007	69%	74%	n/a	n/a
2008	70%	76%	70%	66%

More focus needed to connect with consumers

In the UK and the U.S., where we have comparative data for 2007 and 2008, people's personal commitment has increased substantially. In the UK 25% of people agree that 'I am personally making a significant effort to help reduce climate change through how I live my life today', up from 15%; in the U.S. the figure is 22%, up from 13%. At the same time, confidence remains low, and belief that we will stop climate change is very low and falling: from 6 to 4% in the UK and from 9 to 7% in the U.S.. This profile of high commitment and low confidence is similar in Germany and France in 2008.

If consumers are committed to reducing climate change and looking for business leadership in helping them to do so, and brands are communicating loudly on the issue, we can only conclude that consumers are not yet finding the messages compelling. A closer look at the attitudes of the audience may help to see why.

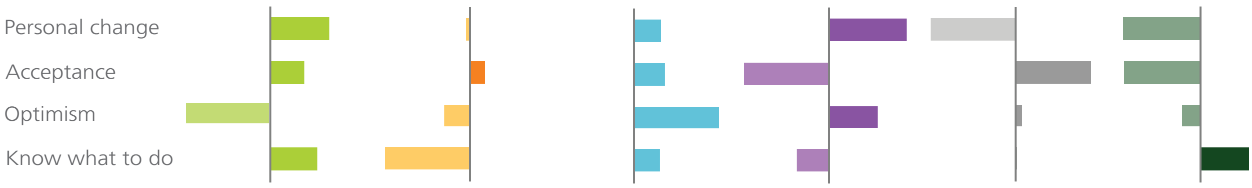
Last year, working together with The Climate Group and Sky, we introduced a segmentation of the key consumer attitudes related to climate change (Figure 3).

1 *This report summarises the findings from research conducted in April 2008 with a nationally representative sample of 1,000 people in each of the UK, U.S., Germany and France. For the UK and U.S., it draws on a fuller study conducted in July 2007 by Lippincott together with The Climate Group and Sky, which will be repeated later in 2008.*

2 *Estimate scaled from TV, press and Internet advertising in the UK and France during the week April 21-27 2008*

Figure 3: Consumer segmentation – Definitions and profiles

Campaigners	Confused	Optimists	Followers	Unwilling	Rejecters
Deeply committed but require supporting evidence to trust	Undecided and need clarity of why and how	Committed and want to feel good	Partially committed, want to look good	Accept climate change as an issue but not prepared to act	Actively reject both the issue and taking action
Engaged	*Detached*	*Interested*	*Unsure*	*Unconcerned*	*Suspicious*
Responsible	*Uninformed*	*Fashionable*	*Image-conscious*	*Inflexible*	*Individualistic*
Worried	*Open*	*Open*	*Pressured*	*Disengaged*	*Considered*



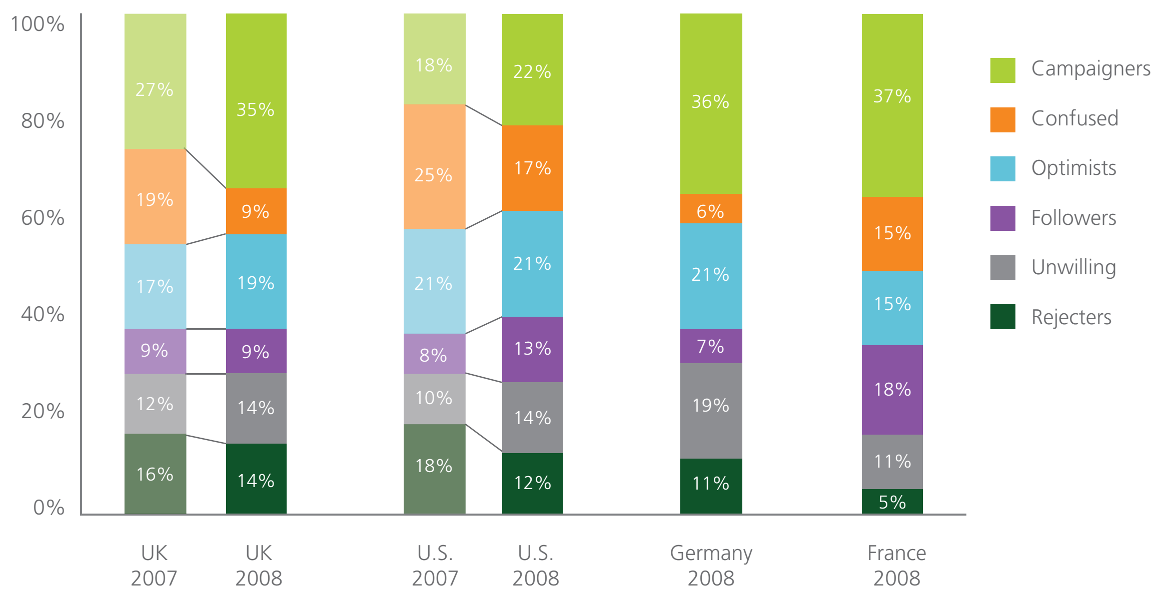
The segments are defined not just by people's commitment to personal change, but also by their optimism about the outcome of our collective efforts. The two most committed segments – Campaigners and Optimists – are very different in their respective scepticism and optimism about whether we will succeed.

Campaigners are now the biggest segment in all four markets (Figure 4). Careful targeting is needed, as the needs of the different segments are often in conflict. Too often we see, for example, a feel-good product that should appeal to Optimists being communicated with rational, responsible messaging that would appeal more to Campaigners; the resulting package lacks coherence and risks connecting with neither.

Making targeting more difficult are significant differences in segment priorities between countries and over time. Germany shows a similar profile to the UK but more polarised, with the most Unwilling. In France, Followers are the second largest segment, though among the smallest in the other markets.

Since 2007 there has been a marked reduction in the number of Confused, who were previously the biggest segment in the U.S.. As the previously Confused have become more knowledgeable and committed, they have tended to migrate to Campaigners (responsible, worried) more than Optimists (fashionable, open) – a danger sign for brands targeting consumers only with feel-good propositions and messaging.

Figure 4: Consumer segmentation – Segment sizes by country, 2007 and 2008



Climate change brand leaders who are connecting best

Among those consumers who can name brands that are taking a lead in tackling climate change, the top five brands named show a striking consistency, both across markets and over time. With the partial exception of Germany, the focus is on Big Carbon, in the form of oil and gas, electricity, automotive and turbines, and Big Retail, in the form of the major supermarkets (Figure 5). The top five brands in the UK were all in the top six last year; the top five in the U.S. were all in the top ten last year: there is therefore a real level of recognition that is more than a response to the latest campaign.

Figure 5: Brand leaders by country

	UK	U.S.	Germany	France
1.	TESCO	GE	Krombacher	EDF
2.	YOUR M&S	bp	GREENPEACE	E.LECLERC
3.	bp	TOYOTA	WWF	Gaz de France
4.	The co-operative	Walmart	e.on	Carrefour
5.	e.on	EXXON	TOYOTA	VEOLIA ENVIRONNEMENT

The recognition of leadership from Big Carbon is significant. Consumers are not shunning high-emission industries in favour of brands from sectors that are 'naturally green'. They are ready to credit perceived leaders within the intrinsically higher-emission sectors where the potential for emissions reduction is greatest.

Finding the way to connect better

This research, together with our experience working with brand leaders to connect better with their consumers on climate change issues, suggests three imperatives:

- **Take some of the perceived load from consumers.** Consumers consistently tell us that they are expected to take more responsibility for reducing climate change than they feel they should. They are looking for help and leadership from businesses as well as governments. Brands need to find more effective ways to involve their consumers, working together with them to reduce climate change – not lecturing them louder.
- **Adapt coherently to market segments' priorities.** The variety in how consumers are responding to climate change is not a one-dimensional scale from indifference to action. Among the committed majority of consumers, Campaigners and Optimists have different motivations, and different products and messages will appeal to each. Brands should consider how they communicate to each of these groups, and make sure that they are coherent in their approach to each one.
- **Find a stance on climate change that resonates with your brand.** The answer for one brand is not the same as for the next. There are many valuable roles to play. The solution is not to emulate Tesco, GE or EDF, but to find what you can profitably sustain and influence. This is governed partly by your business and carbon footprint, but substantially by your brand and what it allows you to do with your customers, employees and business partners.

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