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Are green brand buyers different?

**An examination of green brand buyer profiles and
purchasing behaviour**

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Abstract

The term 'green' describes brands, consumers, behaviour and marketing that aim to reduce environmental impacts on the planet and ensure high ethical standards (see Shrum et al., 1995, Pettit and Sheppard, 1992, Mainieri et al., 1997, Moisander, 2007). The analysis of green consumer behaviour in the literature has continually produced inconsistent findings for the same research questions (see Antil, 1984, Roberts, 1996a, Peattie, 2001, Shrum et al., 1995, Peattie, 2010). Biases present in attitudinal, perceptual and claimed behavioural data could potentially be to blame (Tracy and Oskamp, 1984, Wright and Klÿn, 1998, Gupta and Ogden, 2006). Analysing actual purchase behaviour alleviates these biases and ensures that the results produced can be used to predict future buying behaviour (Sharp, 1996). Scant research has been conducted in the literature to date examining such actual purchase behaviour of green brands. This thesis aims to fill this gap. Research conducted in other marketing contexts using actual purchase data suggests that some of the key assumptions in the green literature, may not hold true. Therefore, this thesis examines scanner-data from more than 6,000 UK households, spanning eight years and five consumer goods categories, to answer three key questions:

1. Are green brand buyer socio-demographic profiles different from non-green brand buyer profiles?
2. Do green brands attract higher behavioural loyalty than predicted by known patterns of buyer behaviour?
3. Is the competition between green brands higher than expected for consumer purchases, given their brand size?

The literature has attempted to profile green consumers for more than half a century, with inconclusive results. Green consumers have been identified as a valuable segment in the market claimed to be highly loyal to green brands (Peattie and Crane, 2005, Bonini and Oppenheim, 2008a), to seek out green alternatives (Shrum et al., 1995, Peattie, 2001, Webster, 1975, Moisander, 2007, Barr and Gilg, 2006), and to pay a price premium for green brands (Shrum et al., 1995). As this segment has been classed as valuable, many studies have tried to profile green consumers through their attitudes, perceptions, values, or claimed green behaviours, to enable them to be targeted (Iyer and Banerjee, 1993, Hartmann et al., 2005, Brenton et al., 2009). Biases including the social desirability bias (Kaiser, 1998, van Liere and Dunlap, 1981, Overdevest, 2009), the attitude-behaviour gap (Wright and Klÿn, 1998, Sharp, 1996, Auger and Devinney, 2007) and the behaviour-behaviour gap (Tracy and Oskamp, 1984, Kaiser, 1998) are generally present in these methods, which hinder the ability of these studies to reliably explain patterns seen in past data or predict future purchasing behaviour (Sharp, 1996). Therefore, these methods of green consumer profiling may, at least in part, explain the conflicting results found in prior research (see Antil, 1984, Roberts, 1996a, Peattie, 2001, Shrum et al., 1995, Peattie, 2010).

The marketing literature has identified that the demographic profile of competing brands' buyers seldom differ (Hammond et al., 1996, Kennedy and Ehrenberg, 2000a, Uncles et al., 2012). This empirical generalisation has not yet been examined in the context of green brands, but the established prior findings suggest that the consumer profile of competing green and non-green brands may not differ. Therefore, this thesis uses the method adopted by Hammond, Ehrenberg and Goodhardt (1996), Kennedy and Ehrenberg (2000a) and Uncles *et al.* (2012) to determine that green brand buyers are not identifiable through their socio-demographic profile. Although, higher social classes are 1.4 to 1.8 times more likely to purchase green brands than lower social classes in four out of five consumer goods categories examined (instant coffee, tea bags, fabric softener and toilet paper), it is most likely that this is attributable to the availability of green brands, rather than a conscious effort made by higher social class consumers to purchase green brands.

Nevertheless, doubt arises as to how valuable these green consumers actually are, even if they could be profiled. Green consumers have been said to be highly loyal (Peattie and Crane, 2005, Bonini and Oppenheim, 2008a), and green brands are asserted to hold a niche position in the market (Pickett-Baker and Ozaki, 2008, Vandermerwe and Oliff, 1990, D'Souza, 2004, Charter et al., 2002, Gordon, 2002), despite minimal research being conducted on the behavioural loyalty towards these brands. Prior findings in the marketing literature suggest that green brands are unlikely to attract higher than expected loyalty (Sharp et al., 2002b, Ehrenberg et al., 2004), as they generally hold small market shares (Bonini and Oppenheim, 2008a, Vantomme et al., 2004, Roozen, 1999, Wettstein, Hanf and Burggraf, 2011). Specific sub-segments of the market that attract higher loyalty or higher competition based on a brand attribute, such as 'green', are also rare (Wright et al., 1998, Scriven and Danenberg, 2010). However, it is important to empirically establish if this is the case. This thesis does this through examining whether green brands attract higher loyalty and high levels of competition between one-another, in terms of duplicated purchase.

The results from find that green brands do not attract higher behavioural loyalty than expected for their market share size, or in comparison to non-green brands. They are, in fact, one fifth to one third more likely to hold lower than expected levels of behavioural loyalty than non-green brands in four out of five categories examined. Combined with the brand buyer profile analysis, this thesis concludes that a green brand buyer segment does not exist. Additionally, higher than expected levels of competition between green brands are evident in three out of five categories examined (instant coffee, tea bags and toilet paper). High competition between large and small share green brands is not identified in the results, although higher levels of sharing between the small green brands is evident. Although, this result is not unusual, as all brands share more purchases with large brands, not only the small green brands, excluding large green brands from the partition. Categories with a small range of green variants compared to non-green variants do not attract high levels of competition. The results also indicate that consumers do not only purchase green or non-green brands, but

that the majority of consumers purchase both. Therefore, green brands appeal to the entire market.

The findings from this thesis make a significant contribution to the literature to provide marketing managers and academics with an understanding of the actual purchase behaviour towards green brands as well as an understanding of who purchases them. This thesis also contributes through extending three established marketing empirical generalisations into the new realm of green brands.

A key implication derived from these results is that green brands and non-green brands appeal to the same customers, indicating turning a non-green brand into a green brand will not change the customer base of that brand. Green brands also do not attract high behavioural levels of loyalty, and are more likely to be change-of-pace brands than niche. This indicates that they have higher levels of penetration and could potentially still be classed as emerging brands in the market (Sharp, 2007, Bezawada and Pauwels, 2013). To capitalise on these findings and potential growth in the market, green brand managers should market to all category buyers, aiming to increase the awareness and availability of their brands, rather than just appealing to a small group (Ehrenberg, 1998). It is also evident that green brands have become a hygiene factor in some categories, indicating that green is not something that brands directly benefit from, but not being green may cause detriments for brands in these categories (Van Rheede, 2010).

Areas requiring future research include the extension of these findings to cover more product categories, in other markets, and across more years in order to identify the conditions under which this thesis's findings continue to hold. The analysis of the factors that contribute towards green partitions in the market, such as whether high levels of switching and a comparatively small range of green variants have an impact should also be examined. Across-category green brand duplication of purchase analyses are also a worthy topic for future research.