



Marketing Messages

MARY CHARLESON

That consumer green shift is no marketplace flash in the pan

The game has changed. There is a huge market-shift taking place. I just heard a radio commercial offering \$15,000 off the price of an SUV. A discount of \$15,000? It wasn't long ago you could actually buy a vehicle for that. I'm waiting for the one where they OFFER YOU \$15,000 to take it away.

In June GM announced it would halt production at its pickup truck plant in Oshawa, Ontario and close it in 2009. They also planned to close three other plants that assemble SUV's. "We at GM don't think this is a spike or a temporary shift. We believe that it is, by and large, permanent," said Rick Wagoner, Chairman and CEO of General Motors. He also said they were reviewing the future of the Hummer brand. Clearly they have an incredibly firm grasp on the obvious with that move.

Higher gasoline prices are changing consumer behaviour and rapidly affecting the auto industry sales mix. This change also comes at a time when the US is still reeling from the sub prime mortgage fiasco and the effects of the consumer debt rippling through the economy. Although Greater Vancouver seems somewhat isolated from these fears, economic effects are filtering through Canada, particularly manufacturing heavy southern Ontario, and the effect will make its way into our lives to some degree here. There's nothing like fear and threat as a stick, to provoke change.

Sustainability, environmental consciousness, going green, doing good, authenticity; they're all words and phrases that swept into our vocabulary over the last year. The continued spike in fuel prices has just served to elevate the issue daily. We have the light green and the dark green camps to define the degree of environmental action consumers take in their lives. We have green washing to describe the unscrupulous act of wrapping your marketing message in green while your internal policies are shallow or claims unsubstantiated. With so much buzz on the issue, I was starting to worry that interest may have peaked and that from a marketing perspective, all the buzz about environmental and social causes could turn into a flash trend. I couldn't have been more wrong.

Recent cross Canada research from TNS Canadian Facts indicates that interest and action in this area continues to grow at a staggering pace. We engaged in a research study to compare attitudes year over year on this issue. The results were startling. Raymond Gee, Senior Researcher at TNS Canadian Facts notes, "You may think it's reached a plateau, but it hasn't. These issues aren't going to die down. The interest continues to grow." Results were gathered through a phone survey of 1,000 Canadians in May 2007 and May 2008. The margin of error was 3.1%.

Have you ever switched from one brand to another that was about the same price and quality, because the other brand was associated with a more socially and environmentally responsible company?

	2007	2008	% change
Overall:	45%	58%	+13%
Men:	41%	51%	+10%
Women:	48%	65%	+17%
35-49yrs	40%	65%	+15%
BC residents	51%	63%	+12%

"Past behaviour is a good predictor of future behaviour. When almost 60% of people say they have switched for this reason, that is a significant result," remarks Raymond Gee. "I don't know of any business that can afford to lose 60% of their customers." The movement of 10-15% up across all categories between 2007 and 2008 is also very significant. Women in particular are quick to switch. Regionally BC is one of the most sensitive areas.

I consciously choose to do business with companies who are socially and environmentally responsible.

	2007	2008	% change
Overall:	37%	50%	+13%
Men:	33%	46%	+13%
Women:	42%	55%	+13%
35-49yrs	28%	58%	+30%
BC	45%	54%	+9%
Vancouver	45%	58%	+13%

Movement is significant across the board. Of particular interest is the 30% jump in the 35-49 year old, prime consumer category. BC and Vancouver results were the highest in the country.

I feel businesses mislead customers with overstated environmental benefits.

Overall: 35% / Men: 37% / Women: 33% / 35-49yrs 38% / BC residents 38%

We didn't ask this question last year, but it has become evident that there is growing consumer leering around the integrity of businesses touting leadership on this issue.

What will become painfully obvious in the coming year is that there is a fundamental shift happening. It's here for the long term. Concern for social and environmental issues has quickly gone from being a fringe marketing positioning issue, one that could be used as a point of differentiation, to becoming the price of entry for business.

Mary Charleson, President of Charleson Communications, is a marketing strategist, speaker, and consultant. She writes monthly and can be reached at mary@charleson.ca