Ethical Consumerism Research

Presented by:
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The COOPERATIVE BANK
Outline

- Ethical Consumerism in context

- Research for the Co-operative Bank
  - What influences buying behaviour?
  - What are consumers doing?
  - Who are the ethical consumers?
The Context
## Criteria for Judging Companies 1999-2000

### Q: What are the most important factors you take into account when making a judgement about a company?

<table>
<thead>
<tr>
<th>Factor</th>
<th>General Public (%)</th>
<th>MPs Lab (%)</th>
<th>MPs Con (%)</th>
<th>Business Press (%)</th>
<th>City Investors (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of products/services</td>
<td>25</td>
<td>33</td>
<td>53</td>
<td>56</td>
<td>66</td>
</tr>
<tr>
<td>Customer service</td>
<td>21</td>
<td>53</td>
<td>33</td>
<td>38</td>
<td>33</td>
</tr>
<tr>
<td>Treatment of staff</td>
<td>20</td>
<td>70</td>
<td>14</td>
<td>21</td>
<td>16</td>
</tr>
<tr>
<td>Financial performance</td>
<td>15</td>
<td>25</td>
<td>56</td>
<td>94</td>
<td>90</td>
</tr>
<tr>
<td>Quality of management</td>
<td>12</td>
<td>38</td>
<td>32</td>
<td>94</td>
<td>88</td>
</tr>
<tr>
<td>Environmental responsibility</td>
<td>4</td>
<td>34</td>
<td>19</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Social responsibility</td>
<td>2</td>
<td>40</td>
<td>17</td>
<td>12</td>
<td>11</td>
</tr>
</tbody>
</table>

* General public asked which one of these factors most important
Base: 1999/2000
The Components of Corporate Responsibility

- Ethical Consumerism
- Social Reporting
- Overseas Sourcing
- Social Responsible Investment (SRI)
- Cause Related Marketing
- Employee Involvement
- Community Involvement
- Environment

TRUSTWORTHY CORPORATE CITIZEN
Key Findings - CSR Research in 2000

41% of public say CSR very important in their purchasing

Education seen as top priority for investment

16% of GB public are CSR activists

Key driver of favourability to companies

Only a third of public aware of any initiatives

9 in 10 want companies to communicate CSR
Research for the Co-operative Bank
Methodology

■ 4 group discussions
  – ‘ethical consumers’ / ‘non-ethical consumers’
  – 18-34 / 35-54 ABC1C2
  – 5-12 April

■ 1,970 face-to-face interviews (MORI Omnibus)
  – 151 Sample points
  – 15+ year olds
  – 18-22 May

■ Detailed factor, cluster and cross-break analysis
  – Segment population on ‘ethical behaviour’
  – Identify characteristics of these different ‘clusters’
What influences buying behaviour?
### Persuading Factors

**Q:** Assuming the price and quality of two products were comparable, which of these factors would ‘persuade’ you to buy one over the other?

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Service</td>
<td>52%</td>
</tr>
<tr>
<td>Convenience (outlets/Internet)</td>
<td>41%</td>
</tr>
<tr>
<td>Brand name/image</td>
<td>26%</td>
</tr>
<tr>
<td>Treatment of employees</td>
<td>15%</td>
</tr>
<tr>
<td>Impact on environment</td>
<td>14%</td>
</tr>
<tr>
<td>Clear policy on environmental/social issues</td>
<td>12%</td>
</tr>
<tr>
<td>Company’s support of community</td>
<td>11%</td>
</tr>
<tr>
<td>None of the above</td>
<td>3%</td>
</tr>
</tbody>
</table>

Base: 1,970 GB residents aged 15+, interviewed 18-22 May 2000
What are the barriers to ethical consumerism?

- Other concerns such as quality & brand of products
- Lack of knowledge
- Lack of information
- Corporate ethics not top of mind
- Money

Again it goes back to finance, if you are a family with two children or if you’re single and you earn a good income - it depends on the situation you are in

Woman, 18-34, London
Empowered Consumers

Q: As a consumer I can make a difference to how responsibly a company behaves

Base: 1,970 GB residents aged 15+, interviewed 18-22 May 2000
**Consumer Behaviour - 1**

**Q:** How often, if at all, have you done each of the following in the last 12 months?

<table>
<thead>
<tr>
<th>Activity</th>
<th>% done at least once</th>
<th>% done 4+ times</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycled materials/waste</td>
<td>73%</td>
<td>59%</td>
<td>.80</td>
</tr>
<tr>
<td>Bought to support local shops/suppliers</td>
<td>61%</td>
<td>37%</td>
<td>.61</td>
</tr>
<tr>
<td>Talked to friends/family about company’s behaviour</td>
<td>58%</td>
<td>23%</td>
<td>.40</td>
</tr>
<tr>
<td>Recommended company because of responsible reputation</td>
<td>52%</td>
<td>14%</td>
<td>.29</td>
</tr>
<tr>
<td>Chosen product/service on company’s responsible reputation</td>
<td>51%</td>
<td>17%</td>
<td>.33</td>
</tr>
</tbody>
</table>

Base: 1,970 GB residents aged 15+, interviewed 18-22 May 2000
Q: How often, if at all, have you done each of the following in the last 12 months?

- Avoided product/service because of company’s behaviour
- Bought primarily for ethical reasons
- Actively sought info on company’s behaviour/policies
- Felt guilty about unethical purchase
- Actively campaigned about environmental/social issue

Base: 1,970 GB residents aged 15+, interviewed 18-22 May 2000
Who are ethical consumers?
‘Ethical Consumers’

Q: To what extent would you describe yourself as an ‘ethical consumer’?

- Fair amount: 47%
- Not very much: 29%
- Not at all: 11%
- Don’t know: 5%
- Great deal: 18%

Base: 946 GB residents aged 15+, interviewed 18-22 May 2000
Ethical Consumers - who are they?

% who describe themselves as ethical consumers
(great deal/ fair amount)

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>55%</td>
</tr>
<tr>
<td>Men</td>
<td>54%</td>
</tr>
<tr>
<td>Women</td>
<td>56%</td>
</tr>
<tr>
<td>15-34</td>
<td>52%</td>
</tr>
<tr>
<td>35-54</td>
<td>57%</td>
</tr>
<tr>
<td>55+</td>
<td>55%</td>
</tr>
<tr>
<td>ABC1</td>
<td>61%</td>
</tr>
<tr>
<td>C2DE</td>
<td>49%</td>
</tr>
<tr>
<td>Broadsheet</td>
<td>70%</td>
</tr>
<tr>
<td>Tabloid</td>
<td>56%</td>
</tr>
<tr>
<td>Materialist</td>
<td>43%</td>
</tr>
<tr>
<td>Post-materialist</td>
<td>65%</td>
</tr>
</tbody>
</table>

Base: 1,970 GB residents aged 15+, interviewed 18-22 May 2000
The Five Clusters

- ‘Look after my own’ 22%
- ‘Global Watchdogs’ 5%
- ‘Brand Generation’ 6%
- ‘Conscientious Consumers’ 18%
- ‘Do what I can’ 49%

Excludes 13% ‘don’t know’
What do they do?

<table>
<thead>
<tr>
<th>Action</th>
<th>Look after own (22%)</th>
<th>Do what I can (49%)</th>
<th>Brand Generation (6%)</th>
<th>Consc. Consumers (18%)</th>
<th>Global Watchdog (5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycled</td>
<td>☒</td>
<td>☑</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Bought local</td>
<td>☒</td>
<td>☑</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Talked to friends/family</td>
<td>☒</td>
<td>☑</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Recommended company</td>
<td>☒</td>
<td>☑</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Chosen responsible company</td>
<td>☒</td>
<td>☑</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Avoided unethical purchases</td>
<td>☒</td>
<td>☑</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Bought primarily on ethics</td>
<td>☒</td>
<td>☑</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Actively sought info.</td>
<td>☒</td>
<td>☑</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Felt guilty - unethical purchase</td>
<td>☒</td>
<td>☑</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Actively campaigned</td>
<td>☒</td>
<td>☑</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
</tr>
</tbody>
</table>
Key Characteristics

Look after my own
Young C2DE
VfM most important
Do not feel empowered

Do what I can
Ethics not daily concern
‘Doing their bit’, eg recycling & GM-free

Global Watchdogs
ABC1s, broadsheet readers
Seek information
Ethics above all else

Brand generation
Young, C1C2
Don’t like ethical tag, but talk a lot about company behaviour
Brand reputation important

Conscientious Consumers
ABC1s
Ethics very important, but will it persuade?
Not active campaigners
Importance of Ethics in Purchasing

% rating any ethical aspect as very important

- All: 59%
- Look after my own: 45%
- Do what I can: 56%
- Brand Generation: 66%
- Conscientious Consumers: 74%
- Global Watchdogs: 84%

Base: 1,970 GB residents aged 15+, interviewed 18-22 May 2000
So what are the key lessons?

- MORI Research suggests increasing expectations of companies and increased consumer ethical behaviour.


- The key requirements for businesses in ethical/CSR market:
  - Cost and quality remain key to large majority.
  - Need for independent, trustworthy information.
  - Need strong, attractive, caring brands - but not necessarily traditionally ‘ethical’.
THANK YOU
Defining Materialism

‘If you had to choose, which one of these things would you say is the most important aim for this country in the next ten years? And which would you say is the next most important?’

- A. Maintaining order in the nation
- B. Giving people more say in important government decisions
- C. Fighting rising prices
- D. Protecting freedom of speech

If A and C then ‘Materialist’

If B and D then ‘Post-Materialist’

Otherwise ‘Mixed’
Materialism Among Population

- Materialist: 16%
- Mixed: 62%
- Post-materialist: 18%
- Don’t know: 4%

Base: 1,970 GB residents aged 15+, interviewed 18-22 May 2000
Who are Materialists?

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>16%</td>
</tr>
<tr>
<td>Male</td>
<td>17%</td>
</tr>
<tr>
<td>Female</td>
<td>15%</td>
</tr>
<tr>
<td>15-34</td>
<td>17%</td>
</tr>
<tr>
<td>35-54</td>
<td>12%</td>
</tr>
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<td>55+</td>
<td>20%</td>
</tr>
<tr>
<td>ABC1</td>
<td>15%</td>
</tr>
<tr>
<td>C2DE</td>
<td>17%</td>
</tr>
<tr>
<td>Broadsheet</td>
<td>10%</td>
</tr>
<tr>
<td>Tabloid</td>
<td>15%</td>
</tr>
<tr>
<td>North</td>
<td>18%</td>
</tr>
<tr>
<td>South</td>
<td>19%</td>
</tr>
<tr>
<td>Midlands</td>
<td>11%</td>
</tr>
</tbody>
</table>

Base: 1,970 GB residents aged 15+, interviewed 18-22 May 2000
Who are Post-materialists?

- All: 18%
- Male: 18%
- Female: 17%
- 15-34: 19%
- 35-54: 19%
- 55+: 14%
- ABC1: 19%
- C2DE: 16%
- Broadsheet: 25%
- Tabloid: 15%
- North: 16%
- South: 19%
- Midlands: 18%

Base: 1,970 GB residents aged 15+, interviewed 18-22 May 2000