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Master thesis

Sustainable Consumer Behaviour in the UK

-In general and in relation to outdoor
equipment and vehicle accessories-

Mentor:
Prof. Stein Kleppesto

Students:
Ajla Ćosić
Hana Ćosić

Foreword

This thesis has been written as a part of the degree project course in the Masters program "Sustainable Business Leadership" at the School of Economics and Management, Lund University.

The course was based on the methodology of action learning and self-managed learning. The students were all assigned to an in-company project, having a role as consultants. This project constituted the main part of the course. As a minor part the students were responsible for organizing several learning events addressing relevant issues related to the in-company projects. The students continuously documented their learning in learning journals and participated in tutorials on these journals.

The assessments of the students were done partly on the written thesis, partly on the consultancy process and report to the client company, partly on performance in learning events and partly on ability to document and discuss the students' individual learning and development.

A Note of Declaration

We (Ajla and Hana Ćosić) declare that the work presented in this paper is our own unless otherwise stated in the references and acknowledgment.

Acknowledgment

It is our pleasure to thank those who helped us to write this master thesis. We are heartily thankful to our mentor Prof. Stein Kleppesto and also to Prof. Christine Blomqvist, without whose help this thesis would be impossible. We are grateful for their encouragement, guidance and support from the initial to the final level.

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Ajla and Hana Ćosić

Abstract

Sustainability is becoming an important factor to consider while buying different products such as outdoor equipment and vehicle accessories. Also there is a growing awareness that business side should take an important role in promotion of sustainable consumer behaviour.

This paper investigates sustainable consumer behaviour in general and in relation to outdoor equipment and vehicle accessories in the UK. It explores sustainable consumer behaviour through 50 phone interviews with retailers in outdoor equipment and vehicle accessories over the UK. The findings reveal there is a large awareness on sustainability issues in the investigated segments. Also there is willingness to pay more up to 20 % more for products with sustainability features in the outdoor equipment and vehicle accessories. Moreover projections on development of sustainable consumer behaviour are very positive. Business plans for more sustainable consumption include an increase in number of products with sustainability features and following manufacturers.

The paper concludes with some reflections on how sustainable consumption behaviour should be promoted from the business side and gives recommendations for the businesses in the investigated segments.

Key words: sustainable consumer behaviour; the UK; outdoor equipment; vehicle accessories; interviews.

TABLE OF CONTENTS

1. INTRODUCTION

1.1 About the study- short description	8
1.2 Purpose	8
1.3 Methodology	9
1.4. SUSTAINABILITY	11
1.4.1 What is sustainability?	11
1.4.2 Three perspectives on sustainability	12
1.5 WHAT IS SUSTAINABLE CONSUMPTION?	13
1.5.1 Why there is a need for sustainable consumer behaviour?.....	14
1.6 HISTORICAL PERSPECTIVE OF GREEN CONSUMERS.....	15
1.6.1 Profile of green consumers through the history.....	15
1.6.2 Demographic characteristics	16
1.6.3 Consumers' knowledge or ecoliteracy.....	17
1.6.4 Consumers' values.....	17
1.6.5 Consumers' behaviours.....	18
1.7 A BUSINESS CASE FOR SUSTAINABILITY	19
1.8 REGULATIONS IN THE EU vs. UK	22
1.8.1 Sustainability in the EU	22
1.8.2 Existing policy instruments in the UK(EU)	22
1.8.3 Existing policy instruments in the UK (OECD).....	23

2. STUDIES

2.1 AVILABLE SURVEYS AND STUDIES IN THE UK	27
2.1.1 National geographic surveys.....	27
2.1.2 DEFRA's survey	34

3. OUR STUDY

3.1 METHODOLOGY	41
3.1.1 Sampling procedure and data collection	41
3.2 SUMMARY OF MAIN FINDINGS	42
3.3 QUESTIONS FOR OUTDOOR EQUIPMENT DEALERS.....	44
3.4 QUESTIONS FOR CAR AND VEHICLE ACCESSORIES DEALERS.....	54
3.5 COMPARISON OF OUR STUDY RESULTS TO OTHER STUDY RESULTS	60
3.6 INTERVIEWS WITH EXPERTS.....	65

4. CONCLUSION	69
5. REFERENCE LIST	72
6. APPENDIX	75

CHAPTER 1

-INTRODUCTION-

1. INTRODUCTION

About the study - short description

Every day, sustainable consumption and sustainable production are becoming more and more important and at the same time they are helping us to move toward sustainable development. Over the years, majority of people have realized that their purchasing behaviour had a direct impact on the global warming, climate change and other ecological problems (Michel et al, 2001). Maybe this is one of the reasons why people are becoming more and more aware about sustainable consumption, and its positive impact on the whole society. In our opinion consumers are the main drivers that will help us to move towards more sustainable production and consumption. This is one of the reasons why we chose to do a research on the sustainable consumer behaviour in the UK because we think that sustainable development can help us to improve the quality of life of present and future generations.

Purpose

The purpose of this paper is to determine sustainable consumer behaviour in the UK in general and in relation to outdoor equipment and vehicle accessories. We think sustainable consumer behaviour is of extreme importance for the future as consumers are drive force of consumption. In this paper we will try to answer through secondary and primary data:

- what is level of environmental awareness in the UK
- where is the UK among other countries in sustainable consumer behaviour
- what policy instruments are available in the UK and the EU to promote sustainable consumer behaviour
- how important is sustainability in consumer's purchasing decision making in general and in the outdoor equipment and vehicle accessories segment
- analyze sustainability as a trend few years ago and now
- check what are plans from business perspective in terms of sustainability
- what experts say on sustainable consumer behaviour in the UK
- give conclusions and recommendations.

Methodology

As our task is to investigate and try to determine sustainable consumer behaviour in the UK in general and in relation to the outdoor equipment and vehicle accessories segment, we can say that we will use both secondary and primary data. Secondary data will be used to answer questions more in general about sustainable consumer behaviour in the UK. Different studies, books, journal articles and legislature documents will be used.

In search for secondary data different studies will be used that investigated relationship between consumers and sustainability in the UK and worldwide. In addition to this legislature documents such as sustainable development action plan at the EU level or at the UK national level. Different reports from the OECD (Organization for Economic Co-operation and Development) and WBCSD (World Business Council on Sustainable Development) that are covering sustainable consumption at the EU level. Books covering topic of sustainable consumer behaviour will be used to explain theoretical foundations such as values or knowledge of green consumers. Various journal articles will be used to include available findings in the sustainable consumption.

Mostly secondary data was collected through the internet using web sites and online databases.

On the other hand as outdoor equipment and vehicle accessories segment is something that is not investigated very much, we collected primary data.

Our first plan was to collect primary data through face to face interviews and survey with consumers in the UK, but due to facts that projects are dynamic and that many factors are affecting us, our plan changed.

We decided to collect data in three different types of stores as we think they are in a close relationship. We collected data through phone interviews in the outdoor equipment (Patagonia's stores), vehicle accessories (Thule's stores) and car stores (Toyota's, Volvo's and BMW's).

We think that all the three selected type of stores will give us more knowledge about sustainable consumer behaviour in the outdoor equipment and car and vehicle accessories segment as they are related. For example customers need vehicles to transport their outdoor equipment and they will use vehicle accessories (for example Thule's) such as bike carriers or ski carriers. Also they need outdoor equipment such as Patagonia's products to perform outdoor activities. We think that we can get better knowledge if we connect all these three and then draw conclusions.

In addition to phone interviews with retailers/managers we did phone interviews with experts on sustainable consumer behaviour in the UK that will help us to deepen our knowledge and understanding on sustainability and sustainable consumer behaviour in the UK.

We think this methodology that will help us to determine sustainable consumer behaviour in the UK is valid. As we intend to measure consumer behaviour, through open ended questions we can find out a lot about this from our respondents. To achieve content validity we did literature searches on this topic and pretested open ended questions. Literature searches helped us to have adequate coverage of our topic and pretested open ended questions helped us to get more valid questions.

As this paper investigated sustainable consumer behaviour in the UK in the outdoor equipment and cars and vehicle accessories segment the same set of questions were used in the both segments to get consistent results. Also to improve reliability, a test retest method was used. The same questions we asked to the same group of respondents (retailers/experts) at different points in time. With multiple sources reliability of this paper will be improved.

Strengths and weaknesses

Given that many discussion papers and studies showed misleading sustainable consumer behaviour through consumer surveys/interviews where consumers tend to show 'right behaviour' and not the real, using phone interviews with retailers can be considered as a strength. Also we can cover larger geographical area in the UK with these interviews given resources and time constraints, in comparison with surveys/interviews with consumers.

We can say in simple words that these interviews with retailers will give us more reliability about sustainable consumer behaviour. As consumers tend not to tell the truth through surveys/interviews, we think retailers will be more honest through interviews.

We think that phone interviews with retailers/managers will answer us through their experience how important is sustainability for customers, are they willing to pay more, how much more but at the same time check through their experience trend, what sustainability feature are customers interested in and similar. Also as this is an opportunity to listen to the business side we can find out about their plans when it comes to sustainability in the next years.

The main weakness of this method is that we are investigating consumer behaviour indirectly by not asking consumers. We will lose opportunity to learn directly from consumers about sustainable consumption in the UK. Moreover we will lose opportunity to learn more about the main barriers for sustainable purchasing behaviour.

All in all, we think that from phone interviews with retailers/managers and experts in this field combined with secondary data, we can learn a lot about sustainable consumer behaviour in the UK. Also we think that our findings can be useful for the business side (producers and distributors) especially in the investigated segments of outdoor equipment, cars and vehicle accessories.

We think that our research is exploratory and unique because as far as we know, no similar study that investigates sustainable consumer behaviour in relation to outdoor equipment and car and vehicle accessories in the UK has ever been done before.

1.4 SUSTAINABILITY

What is sustainability?

Living in the world where adaptation to different factors is needed brings sustainability concept into every day life of individuals and organizations. These factors are different varying from environmental science, social sciences and development studies but all these affect economic agent in the end who will have to adapt to changing conditions. As for companies customer behaviour and preferences are of huge importance, there should be new ways to create new value from changing conditions.

Every day we are witnesses of changing climate conditions which are affecting many individuals and organizations.

This is an example where sustainability helps a company to overcome these and similar difficulties and to use best of these to improve or retain its current position.

Sustainability plays an important role in our every day life. Hundred years ago people did not know much about sustainability, but today sustainability is a wide ranging term that can be applied to every segment of our life. The definition of sustainability is derived from Latin word *sustinere* (*tenere* meaning to hold and *sus* meaning up) (Douglas, 2010). As sustainability is every day used term it is defined differently by different scientists in different fields. The concept of sustainability was first discussed in 1983 in corporate agenda via the UN Commission on Environment and Development, where the term of sustainable development was defined as development that “meets the needs of the present without compromising ability of future to meet their own needs” (United Nations, 1987). Today there are many discussions and debates about sustainability, and sustainable development describing various approaches and solutions, but when it comes to implementation rare are those who follow those sustainable rules and principles. Whether we want to accept or not, sustainability is global issue that should concern all of us, and that we should work together towards achieving global solution.

Beside the widely accepted definition there are also three types of sustainability and they are: social, economic and environmental as stated (United Nations General Assembly, 2005).

Three perspectives on sustainability

- **Social-** Social sustainability is related to retention of social capital. This social capital according to many scholars is called moral capital. To have social sustainability achieved it is required to share values and provide equal rights as well as to promote cultural and religious interactions by the society (Wiley, 2009).

If you are not promoting the above mentioned activities the social capital is declining, the same as human or any other. It means strong cohesion of community is a mutual benefit for everybody with increased level of tolerance, respect, patience, honesty and all the social activities that will increase the level of social sustainability.

Today's capitalistic society is not promoting social sustainability since it promotes the competition and individualism over cooperation which leads to very high social cost and one of the consequences is violent behaviour because of a lack of investments in social capital and socially sustainable society.

- **Economic-** The second type of sustainability is economic sustainability. One of the most accepted views on economic sustainability is maintaining the level of capital which can be easily explained by the Hick's definition of income where the amount of income that person can consume and be as well off at the end of the period (Burgess,2003).

However there is much overuse of capital and especially of natural resources such as forests, fish stocks and there should be immediate action regarding overuse of natural resources. It seems there is no always need for these resources but also greed is involved. Additionally there is a problem of economic valuing of things which are intangible and especially this is applied for common access pool resources such as air where there is non-excludability and divisibility which brings to not valuing the scarcity rent and later being at the point where resources are exhausted.

- **Environmental-** Environmental sustainability is a third type which includes natural capital such as water, minerals, ecosystems which are often converted to economic capital (Nordhaus, 1994). Natural capital additionally serves as raw material as it used for production of goods for human needs.

On the other hand natural capital serves as place for waste so it is actually overused by today's over consuming society from the both sides. There is a totally wrong interpretation of environmental as the most people think environmental sustainability and its imbalance will not affect them directly. Contrary there should be understood that environmental sustainability is for human welfare. There are many ways which could be used to promote environmental sustainability and one of them is actually using technology that will create substitutes for non-renewable resources.

Below is a graphical presentation of those three perspectives on sustainability showing them as there is need for all three to be highly inter connected.

The Three Spheres of Sustainability

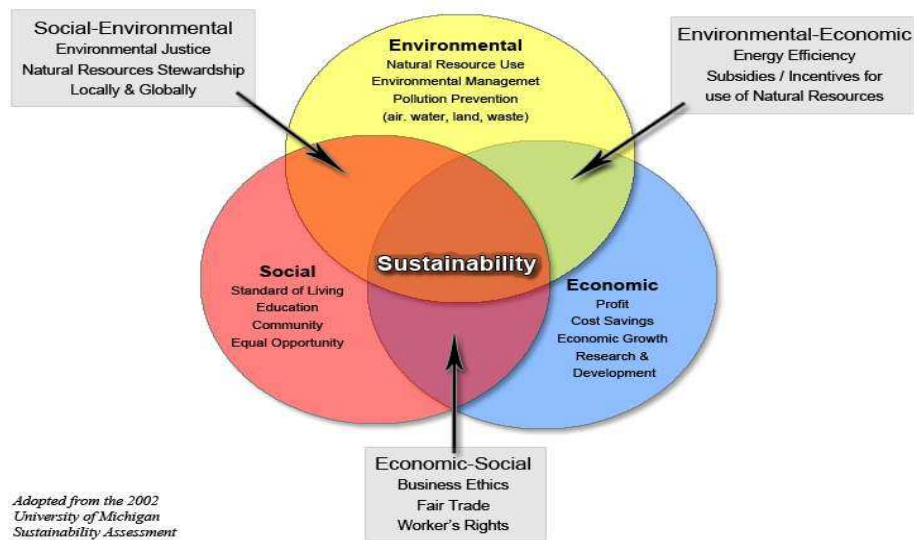


Figure 1: Three perspectives of sustainability (University of Michigan, 2002)

In this paper environmentally friendly products mean a wide range of different sustainability features incorporated not just environmentally friendly features. We have done this as many studies that are investigating sustainable consumer behaviour name products that have incorporated sustainability features environmentally friendly products. In our paper as well, environment is considered as a wide concept including all three perspectives on sustainability.

1.5 WHAT IS SUSTAINABLE CONSUMPTION?

Today there are many signs that consumption issues are becoming of central concern for business. Currently we are living in an era in which global consumption patterns are unsustainable. In order to avoid this and bring global consumption to a sustainable level many changes are required both from consumers and producers. Changes are required but not just in technology, it will also be required in consumer lifestyles, including ways in which consumers choose and use products and services. This is a big challenge, but we think that business should take a leading role and try to move toward more sustainable levels and patterns of consumption. One of the propositions how this could be done is that business should use their current business processes such as innovation, communication and marketing and by working together with consumers, governments and stakeholders they can define and achieve more sustainable lifestyle (WBCSD, 1997).

To meet the challenges of sustainable development, business should help consumers to choose and use their goods and services sustainably. In order to do so, business should create sustainable value for their consumers offering them products and services that will meet their functional and emotional needs but at the same time respecting environmental limits and common values (WBCSD, 1997).

When global drivers of consumption come to the role, business should consider rapid global population growth, because world population is projected to reach 9 billion by 2050 (UNDP, 2008).

Why there is a need for sustainable consumer behaviour

Recent studies show that we are already exceeding the Earth's ability to support our lifestyles, and have been doing so for approximately twenty years (WWF, 2006).

Also there are predictions that the supply of energy and material resources needed for industrial growth, such as natural resource consumption is expected to rise to 170% of the Earth's bio-capacity by 2040 (WWF, 2006). So this is a big challenge and task for us, it can be solved only if we see the importance of sustainable consumption.

The projections mentioned previously should help us to answer the question: Why do we need sustainable consumption?

However it is good to know that consumer's attitudes and behaviours are changing over the last two decades. Consumers are increasingly concerned about environmental, social and economic issues, and increasingly willing to act on those concerns. According to recent studies 96% of Europeans say that protecting the environment is important for them personally. Two-thirds of this group say that it is "very important" (European Commission, 2008). In the UK, 18 % of consumers are willing, able and motivated to take action on environmental issues.

These "positive greens" are strongly influenced by sustainability issues in their consumption choices and lifestyles, but remain attached to conventional car use, frequent flying and supermarkets (Consumers International, 2007).

The role of consumers and their willingness to change is a key driver in this process.

The recent studies show that consumers globally report a greater propensity to buy from companies with a reputation for environmental responsibility (Figure 2).

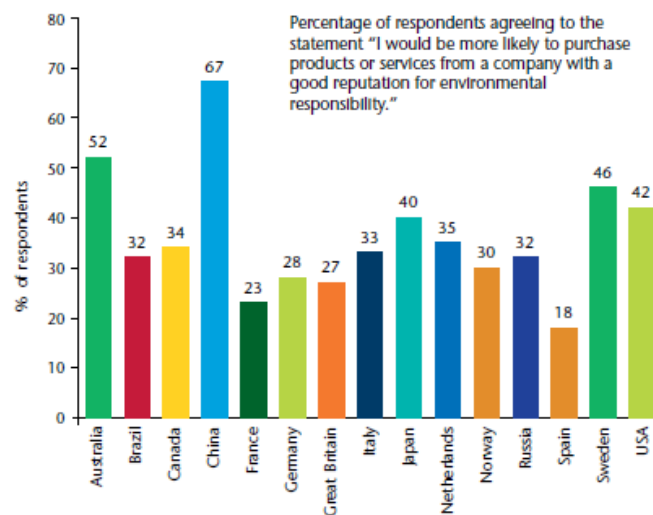


Figure 2: Consumers globally report a greater propensity to buy from companies with a reputation for environmental responsibility (Tandberg, 2007)

1.6 HISTORICAL PERSPECTIVE OF GREEN CONSUMERS

Profile of green consumers through the history

In the last two decades there are many debates and discussions about green consumers that are trying to answer the following questions: who are they, are they willing to pay more for environmentally friendly products, how much more and etc. According to studies (Michel et al, 2001) there are several factors that may influence consumers' willingness to pay more for environmentally friendly products. Based on (Michel et al, 2001) all factors can be classified in the following five categories:

- Demographic
- Knowledge
- Values
- Attitude
- Behaviour

The figure below shows the theoretical framework for the consumers' willingness to pay more for environmentally friendly products in relation to demographic, knowledge, values, attitudes and behaviour.

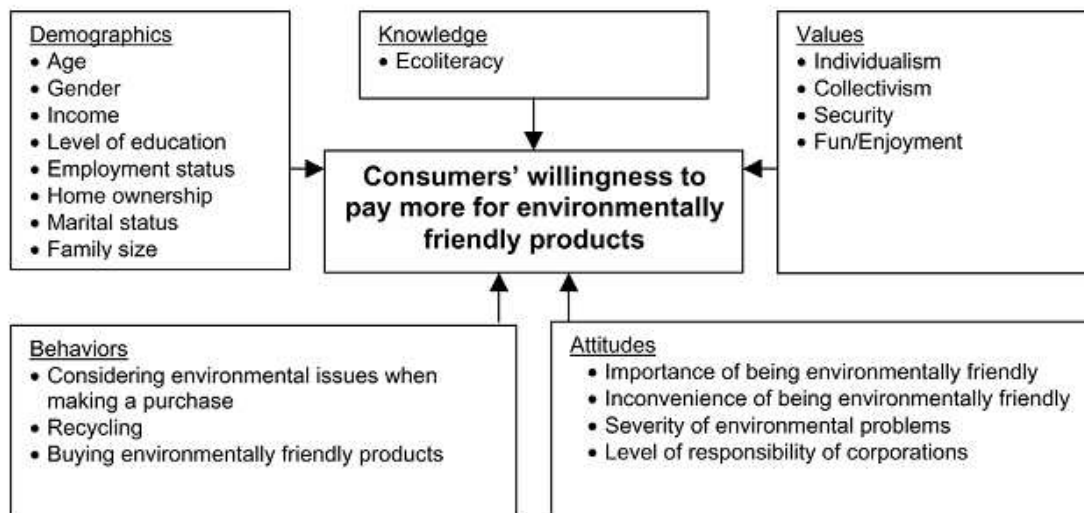


Figure 3: Conceptual framework describing consumers' willingness to pay more for the environmentally friendly products (Michel et al, 2001)

In the following part we will shortly describe all five factors and their effects on consumers' environmentally friendly purchasing behaviour.

Demographic characteristics

In the early 1970s Berkowitz and Lutterman were among the first who have identified environmentally friendly consumers (Berkowitz&Lutterman, 1968). Later in the 1970s Anderson and Cunningham also studied the profile of socially responsible consumers (Anderson&Cunningham, 1972). Many agree that they were the pioneers in this field, studying profile of socially responsible consumers what we today call green consumers.

According to their combined results and findings, the green consumer profile at that time was a female who is highly social conscious person, pre-middle age with high education, and having socio economic status that is above average. In the past three decades their findings were sometimes supported but in the most cases not.

In the 1970s Henion (1972) also thought that consumers with medium or high income would be more ecologically conscious due to high level of education and higher income. Contrary, the results of his studies showed something totally different; that the environmentally friendly behaviour was consistent across income groups. Also Sandahl in 1989 found that environmental conscious consumer is less educated and has a lower income than the average people. From these studies we can conclude that education and income are not good predictors for environmentally friendly purchasing behaviour. In the 1970s and the 1980s green consumers according to Berkowitz and Lutterman, and Anderson and Cunningham were younger than average people. However one decade later this trend has changed. According to the studies done in the 1990s they identified green consumers as being older than average (Sandahl and Robertson, 1989; Vining and Embreo, 1990; Roberts, 1996).

In 2008 many studies and surveys have showed that women are more likely to be environmentally friendly consumers, they buy eco labelled and organic food, rather than men (OECD, 2008). Additionally women also pay more attention to ethical issues such as child labour and fair trade (OECD, 2008).

In the UK study also found that women are more concerned about climate change than men and they are willing to make changes in their life-styles and consumption. However the results showed that men were more interested in technological solutions that will help to avoid greenhouse gas emissions (WEN, 2007).

The statistics in Sweden are evidence that the green consumers are not just high income people. In Sweden statistics indicate that the group that focuses attention on eco-labelling and sustainable purchasing includes some of the poorest members of society such as single mothers (SEAC, 2007).

From different studies mentioned above we see that is extremely hard to predict demographic characteristics and profiles of green consumers, so we strongly agree with many authors who think that demographic characteristics are less important than other four factors (knowledge, values, attitudes and behaviour) in explaining environmentally friendly behaviour (Webster, 1975; Brooke, 1976; Banerjee and McKeage, 1994; Chan 1999).

Consumers' knowledge or ecoliteracy

In consumer research, consumer's knowledge is recognized as an important influencer through consumer's decision making process. When it comes to empirical studies on knowledge and eco-literacy influence on the sustainable consumer behaviour, it is in two different directions. Maloney and Ward (1973) found no significant relationship between environmental knowledge and sustainable consumer behaviour. On the other hand Vining and Ebreo (1990) as well as Chan (1999) in their studies found that environmental knowledge is a significant predictor of sustainable consumer behaviour. Moreover Laroche et al. (1996) developed ecoliteracy model to define different ecologically related symbols, concepts and behaviours. It was found there is a close relationship between ecoliteracy and consumer behaviour. It can be said that it is hard to conclude on the relationship between consumer's knowledge and ecoliteracy and sustainable consumer behaviour.

Consumers' values

One of the most known models of human values is Schwartz's (1994). According to Schwartz human values are desirable goals that vary in importance and serve as guiding principles in human's lives. Additionally McCarty and Shrum (1994) argue that values would influence consumers' behaviour and especially for a common or societal good. According to these two authors for example recycling behaviour is 'bought from others' and according to rational consumer behaviour immediate rewards for recycling behaviour are small. They concluded that behaviour is highly influenced by strong values.

Again in the 1990s another author studied major values that influence consumer behaviour. According to Triandis (1993) there are two major values that influence consumer behaviour and these are individualism and collectivism. Individualism is characterized by how much an individual concentrate on herself/himself. Also these people are characterized as being competitive for their personal accomplishments and not much for communal (Trinadis, 1993). It is usually in the literature on sustainable consumer behaviour, suspected that this like characterized individual is not dedicated to environmental friendliness and sustainable consumer behaviour. On the other hand collectivism includes helpfulness, cooperation and putting collective goals ahead of individual. In addition to Triandis (1993), McCarty and Shrum (1994) suggest that people with highly developed collectivist values are more environmentally friendly and engage in sustainable consumer behaviour.

Besides collectivism and individualism that were studied, McCarty and Shrum (1994) studied two other important values that could influence environmentally conscious behaviour. These values were fun/enjoyment and security. It was found a positive relationship between fun/enjoyment and environmentally friendly behaviour. For example for recycling behaviour, there was a positive influence of fun/enjoyment value. For the security value there was not a significant relationship between its influences on sustainable consumer behaviour.

Moving from values to attitudes, in the literature investigated, we found that two of the most frequent attitudes with regards to environmentally friendly behaviour studied are importance and inconvenience.

Amyx et al. (1994) defined importance in regard to the environment as the level to which a person is concerned about ecological issues.

Inconvenience in regard to the environment is defined as a level to which for a person is inconvenient to behave in the environmentally friendly manner. For example a consumer knows that a small package of a juice is less environmentally friendly and will harm environment but it is more convenient.

Also McCarty and Shrum (1994) found a positive relationship between recycling and inconvenience. As an individual believed that recycling was inconvenient the less likely he/she would recycle. From this study we can see that belief had a lower impact in comparison to the perception of inconvenience.

According to Banerjee and McKeage (1994) there is a possible influence on consumer's willingness to pay for more environmentally friendly products through presentations of the seriousness of various environmental problems. According to this study green consumers strongly believe that current environmental problems are severe and are serious problems for the security of the world. On the other hand non green consumers think that environmental problems would resolve by themselves.

Also Wiener and Sukhdial (1990) studied attitudes and found that one of the reasons for non-environmentally friendly behaviour is low involvement of self involvement. They found that many people have environmental concerns but feel that is responsibility of the government and big corporations.

Consumers' behaviours

There are studies that show positive relationship between ecologically conscious and different environmentally friendly behaviours like recycling, recycled paper and one of these is done by Suchard and Polonski (1991). However there are not so many studies on environmentally friendly behaviour. There is a study by Pickett et al. (1993) about the need for caution when trying to change or direct different environmentally friendly behaviour. For example what they mentioned is that it does not mean that consumers who recycle paper are the same as those who buy recycled paper.

1.7 A BUSINESS CASE FOR SUSTAINABILITY

There are many reasons why sustainable consumer behaviour is of the crucial importance to be promoted. It is important that sustainability should be viewed as an opportunity for innovation and growth and not a burden.

There is an increase in the middle class and further projections are that by 2030 it will be tripled (WBCSD, 2008). On other hand if we compare historic consumption pattern and behaviour of an average citizen in the UK, three planets Earth would be needed (WBCSD, 2008).

When we analyze the business side there are different factors that need to be considered from increased volatility in commodity prices, energy prices to creation of long term need by the economy to innovate and improve resource efficiency. This is important as it can provide multiple benefits to tomorrow's consumer, businesses and more important to society as whole. In other words sustainability should not be for businesses only how to meet regulatory requirements or possibility to reduce costs.

In our opinion there are important things that need to be considered and these are: consumption imbalance, resource (in)efficiency, financial sensitivity and new opportunities.

Let us start firstly with explanation of macroeconomic supply and demand.

Over the past two decades there was a largest economic growth in the history (WBCSD, 2008). What is a distinctive characteristic for this growth is that developing countries had large economic growths and globalization together played a very important role in free movements of goods and services across the Globe. Also over the past two decades there were no large inflationary pressures, but many economists agree that costs of globalization are starting to increase.

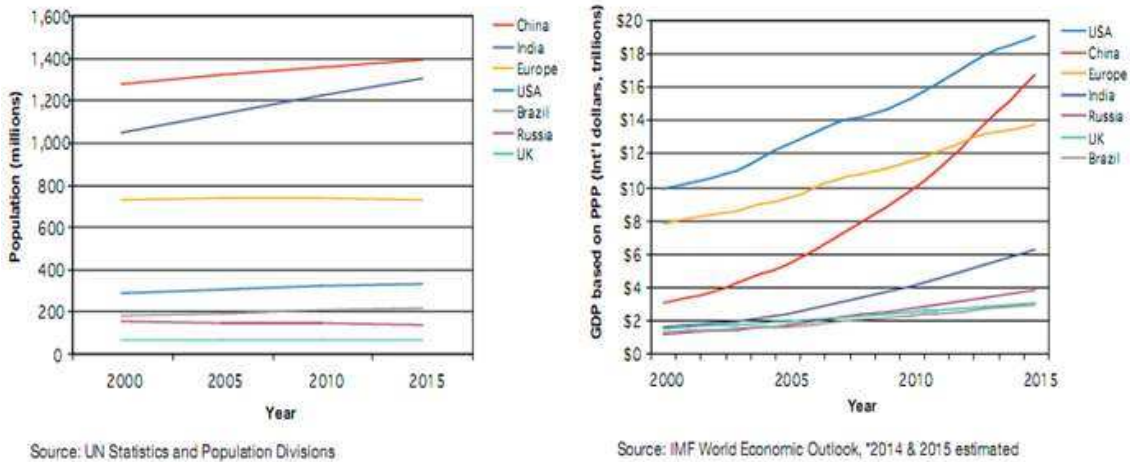
Starting with a larger demand for raw materials, commodities such as petroleum and minerals and also food, especially from emerging countries brought large increases in prices. From the figure below we can see that crude oil price increased up to 149 % and similar case is with coffee on the Figure5.



Figures 4 and 5: Crude oil price volatility and coffee price

These prices were at the peak in 2008, but they dropped today due to a sharp decline in economic growth. Predictions are that as soon economic activity starts to increase demand forces will again increase commodity prices.

Moreover economic growth brought increase in degradation of environment and especially this is the case in countries with the largest growth rates such as China. Then if we remind ourselves on the already mentioned projections above on the growth of middle class but also if mention increase in population there is a gap. There will be much more demand and lower supply which will increase commodity prices.



Figures 6 and 7: Population and GDP projections

Then if we look on the projections on population growth above on Figure 6 and the GDP projections on Figure 7 we can predict that consumer market together with consumer consumption will rise as well.

There is a correlation between the population increase and increase in the GDP. This is especially a case in China where projections are that middle class will grow. If these projections show true, this population growth together with the projected GDP increase will lead to increase in consumption which is resource intensive. There is a need for resource efficiency as noted above. Below is the example showing resource intensity for a T-shirt.

Material View	Upstream Input	Sourcing	Manufacturing	Distribution	Product Use	Disposal	Total
Water (L)	6,500	-	1,500	-	2,700	-	10,700 L
Electricity (kWh)	-	-	2.8	-	16.0	-	18.8 kWh
Oil (L)	-	-	-	0.03	-	-	0.03 L
Cotton (g)	-	70	-	-	-	-	70 g

Sources: Public Sources

Carbon: http://www.eoearth.org/media/approved/5/52/Textile_total_energy_input2.gif

Water: www.wetstyle.ca/en/faq_bathtubs.html

Energy: http://www.wupperinst.org/de/publikationen/wuppertal_spezial/uploads/tx_wibeltrag/ws27e.pdf; <http://www.sciencealert.com.au/news/20080809-17917-2.html>

Conversions: <http://www.cs.umu.se/~thomash/seapac1.htm>

Figure 8: Material view by lifecycle stage for a cotton T-shirt

All the figures showed that if projections show true, there is going to be need for companies to consider sustainability as really important in its decision making. This is where new opportunities from incorporating sustainability could be used.

1.8 REGULATIONS IN THE EU vs. UK

Sustainability in the EU

The important and strong connection between the EU countries and sustainability is the EU Sustainable Development Strategy that requires certain standards from countries that would help moving toward sustainable development. The most important part of this strategy is to achieve long term improvement of life quality through creation of sustainable communities that would use resources efficiently, following ecological and social innovation, and as final product to be able to ensure prosperity, environmental protection and social cohesion (EU Commission, 2008).

The main challenges of this strategy are related to environment. There are seven key challenges or strategy explaining objective and concrete actions that should be done (EU Commission, 2008).

The list of the key priority challenges is following:

- Climate change and clean energy
- Sustainable transport
- Sustainable consumption and production
- Conservation and management of natural resource
- Public Health
- Social inclusion, demography and migration
- Global poverty and sustainable development challenge

Existing policy instruments in the UK through the EU regulations on sustainable consumption

As the EU is one of the most prosperous economies in the world, this led to an increase in depletion of resources and degradation of environment. Even though the EU is currently leading in the environmental policy there are still changes that should take place. According to (EU commission, 2008) fundamental changes are needed in how natural resources are extracted, the way products are produced, distributed and at the end of life time disposed. The EU Commission launched an action plan in July 2008 on sustainable consumption and production. This action plan proposes how to improve energy and environmental performance of products and how to help consumers to make better choices. Also ambitious measures are proposed for eco-labelling, green public purchasing and eco innovations. Moreover actions that aims to concentrate on better products, smarter consumption, leaner production and the global markets for sustainable products.

Currently in the EU's directive on eco- design of energy intensive products include products: street, home and office lighting, water boilers and televisions (EU commission, 2008). In addition to these the EU commission proposes to increase eco-design directive of energy using products (EuP) on other energy intensive products like water using devices and building materials.

To achieve the goal of smarter consumption there is a need to communicate better to consumers through labels.

At the EU level there is a distinctive eco logo which is a flower. To get this label product need to pass through a rigorous set of criteria. Currently this eco logo covers over 26 categories from household appliances, detergents, textiles to services such as tourist accommodation. With the action plan from 2008 one of the goals was to reduce bureaucracy to increase the number of products available with this logo.

Moreover at the EU level there is the EU energy label which gives consumers possibility to identify the most energy efficient light bulbs and kitchen related appliances.

When it comes to actions that will promote leaner production it is not so easy to change as it requires large investments. One of the available tools at the EU level is the environmental management systems EMAS (the EU's eco management and audit system). This is voluntary scheme that can help companies to be resource efficient and to have effective use of resources. Through the action plan from 2008 the EU Commission is revising costs and administration of the EMAS to make it more attractive and affordable for medium and small size firms by reducing costs.

In addition to these actions that are done by the EU Commission internally in the EU, externally actions are done. The EU commission is a member of the UN 10 year programme on sustainable consumption and production that is called Marrakech process.

Existing policy instruments promoting sustainable consumer behaviour in the UK (through an OECD report)

One of important organizations world wide promoting sustainable consumer behaviour is the OECD forum. The OECD forum is an organization with over 30 member countries where countries share policy experiences, look for solutions to new problems with a goal to deal with economic, environmental and social challenges of a changing globalized world. One of the member countries is the UK. As consumers are key drivers to sustainable consumption, OECD published a report (OECD, 2008) on good government practices to promote sustainable consumption with an accent on individual policy instruments and tools as well as their combination.

Here are the UK's good practices:

- In the EU and especially in the UK tax on motor fuel is 56p per litre of unleaded petrol (PetrolPrices, 2009). Moreover in the UK in London there is a congestion tax to discourage car use.
- The UK together with France at the EU level suggested introduction of varying VAT tax in regard to a product having different social and environmental performance that is verified by a third party certified labels.

- Subsidies and incentives are used as 'carrot' to stimulate sustainable consumer behaviour through purchase of more sustainable products and services. At the EU level there are available schemes to promote use of hybrid, lower emission and vehicles using alternative fuels. Moreover in the UK there is a tax on company cars that are bought for employees in relation to level of CO₂ emissions. Companies in the UK can save up to 25 % on taxes if they buy cars with the lower CO₂ emissions (OECD, 2008).
- To promote more sustainable transportation the UK gave bicycles to people who did not have bicycles to change their attitude to more environmentally friendly behaviour.
- Also as energy efficiency is important for more sustainable consumer behaviour the UK gave more than 1.2 billion for the Under the Warm Front programme to promote more energy efficiency (insulation, water and space heaters) to poor households.
- Promotion campaigns are one of the tools that can be used to promote more sustainable consumer behaviour in general. One of the good practices presented on the Sustainable Development forum in Marrakech in 2008 was the UK's example on Climate Change Communication initiative. It uses the latest technology communication tools through interactive websites, blogs and different films to promote more environmentally friendly behaviour through programme called Tomorrow's Climate: Today's Challenge (www.climatechange.gov.uk).
- As education is also one of the available tools to promote sustainable consumer behaviour, the UK has an action plan for Sustainable Development in Education and Skills via program ('I will if you will'). Also the UK together with Italy is promoting 'sustainable schools' where young people can be taught on sustainable every day life practices.
- Through different programmes in the sustainable schools in the UK social issues such as obesity, fighting poverty and community involvement are promoted. For example academic year 2006/2007 was the year of sustainable action in schools where Department of Education and Skills sponsored and provided necessary resources to help promotion of sustainable actions in different areas of school life.
- Voluntary labelling is one of the possible tools to promote sustainable consumption. The most desirable labels are those verified by a third party. The Fairtrade label and certification system which is under Fair Trade Labelling information shifted sustainability issues from purely environmental to social and ethical. It started with coffee, tea and bananas and today covering over 2000 products.
- According to (FLO, 2005) this certificate had a large influence on consumer purchasing decisions in the UK market, with over 20 % of the UK coffee

market. Moreover the UK is helping promotion of the Fairtrade purchasing through different public campaigns, financial support for labelling and having these products included in public procurement.

- In 2007, carbon footprint labels are introduced in the UK. They can inform consumers on grams of CO₂ emitted during production and distribution of products through third party audits.
- As governments are one of the largest consumers of goods and services in the EU reaching around 16 % of the EU's GDP, public procurement is important to promote sustainable consumption practices and positively influence sustainable consumer behaviour of its citizens. The EU's legislation allows the EU countries to set environmental criteria in regard to awarding public contracts called green public procurement (GPP).
- The UK was one of the 7 EU members identified as green in public procurement in 2007 (OECD, 2007).
- In the UK there are still attempts to be more green in public procurement so a goal is that central government buildings and transport to be carbon neutral by 2012.
- Also according to (OECD, 2007) the UK is one of the few countries that are considering all three aspects of sustainability in the public procurement. In the UK there are legal frameworks that favour sustainable procurement at all levels from local, regional or national level.
- At the national level in the UK there is Sustainable Procurement Task Force that includes a national action plan called 'Securing the Future' which includes a coherent guidelines for sustainable procurement, standards for agencies and similar guidelines. In this action plan, business, NGOs and trade unions are all included.
- It is important to say the United Kingdom and Sweden are the only OECD countries with sustainable action plans. In the UK's sustainable consumption plan different behaviour groups and their purchasing patterns are targeted. Policy instrument mix is used to affect people's behaviour in different areas like energy efficiency, water usage, waste and recycling, personal transport and food. Ten important road maps are developed for each of the mentioned areas

CHAPTER 2

-STUDIES-

(Available

Studies on sustainable consumer
behaviour in the UK)

2.1 AVAILABLE SURVEYS AND STUDIES IN THE UK

National geographic surveys

For our study it is important to see how the UK is ranked in worldwide studies and surveys on sustainable consumer behaviour. One of these studies is Greendex.

National Geographic conducted Greendex survey in January 2009. In the following pages results will be summarised based on the original published survey (Greendex, 2009). This survey is a world wide tracking survey on consumer choice and the environment. One of the findings of this survey is that consumers are paying more attention to sustainability as their knowledge improves.

Moreover this survey showed comparison between 2008 and 2009, or how consumers' behaviour changed over this period. This survey tracks behaviour in 65 areas related to four major categories housing, transportation, food and consumer goods. Each correspondent earned scores in these four categories or sub indices and then one overall green index which is a relative measure of considering environment in their consumption.

When it comes to overall results for the 14 countries included in this survey in 2008, overall results showed there is an increase in environmentally friendly consumer behaviour in 2009.

This tells us there is an upward trend in sustainable consumer behaviour.

The largest increase from 2008 was in the housing subcategory while changes in the other mentioned categories were mixed some went up, some down.

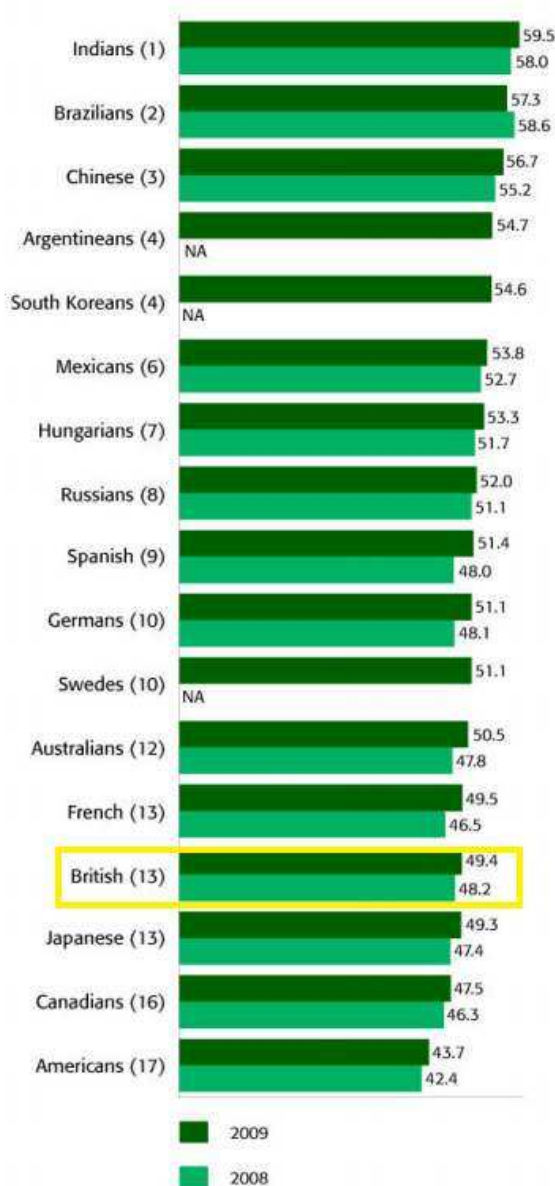
This survey in 2008 and 2009 included Great Britain. The survey was conducted online including 1000 participants from each country and in 2009 there were 17 countries included.

When results were compared the largest increase in the sustainable consumer behaviour was in Spain, Germany, France and Australia.

Overall green index for Great Britain was a slight increase from 2008 to 2009 from 48.2 to 49.4 points, what ranked it at the 13th place out of 17.

Greendex: Overall Rankings

Consumers in Each Country, 2008–2009



Note: The 2008 Overall Greendex scores have been recalibrated in a manner that has not affected the meaning of the overall results

Figure 9: National overall rankings (Greendex, 2009)

According to this survey (Greendex, 2009) there are two main reasons for the improvements of results. These are cost considerations and environmental concerns. Some of the behaviours that are repeated from 2008 and even improved are related to housing. Example of these behaviours are decrease in the consumption of energy both for the heating and cooling to save energy or buying second hand home appliances.

Frequency of Keeping Heating/Cooling in Home or Workplace Low to Save Energy
 "All of the Time (4+5)," Percentage of Consumers in Each Country, Trends: 2008–2009

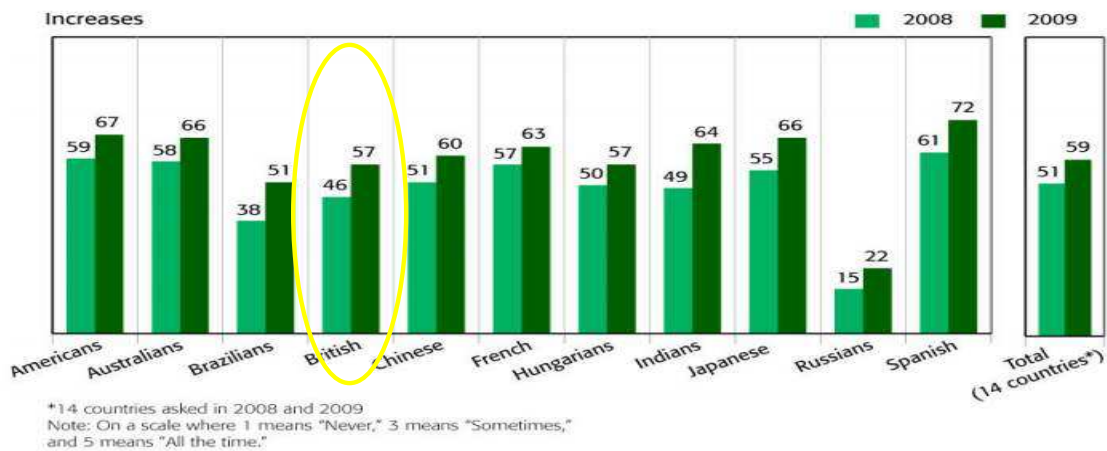


Figure 10: Frequency the UK's position in saving energy (Greendex, 2009)

As we can see from the figure above in Great Britain (yellow oval labelled) this increase was large from 46 to 57, which ranked Great Britain among the top 3 countries.

Respondents were first asked whether they decreased their energy consumption and then asked why they did it. Results showed that 8 in 10 ranked cost as two main motives, and three in ten said environmental concerns were in two main motives.

It can be seen that cost was the main driver for reduction of energy consumption. We think given the economic recession cost is expected to be the first reason, but environmental concerns are there as well. Sustainable consumer behaviour improved too. This survey showed the increase in the percentage of consumers who said they buy products because they are better for the environment, increased in 5 countries compared to 2005. We think this is not due to cost savings as it does not have to be that environmentally friendly product purchase will always result in the cost savings.

One of the survey questions was to rank global concerns where respondents ranked air pollution, climate change and water pollution fourth through sixth, behind the three most important economy, fuel costs and poverty. We think these results show that environmental consciousness is there in people's mind.

As already mentioned above housing score improved the most from 2008, and we saw that Great Britain is among these countries which housing index improved. Another interesting finding in this study is an increase in the number of energy efficient appliances in comparison with 2008. This survey also gave good example with the increase in the ownership of LCD or plasma screens that improved. The LCD televisions are more environmentally friendly and survey showed that as industry offered something more environmentally friendly and more energy efficient consumers immediately recognized it. We think this is not completely true. We think probably together environmental footprint with the trend of new plasmas TVs, were reasons for the increased purchase.

The transportation sub index in this survey includes 17 different variables and some of these are: the ownership of motorized vehicles, fuel efficiency, use of air travel, use of public transportation, frequency of walking and cycling and similar.

The overall transportation sub-index even decreased a bit from 2008. This index improved mostly in developing countries where respondents cycle more. When it comes to Great Britain's transportation sub index, it slightly decreased from 62.9 to 62.4 from 2008 to 2009.

One of the questions was whether consumers reduced fuel consumption from 2008 and the reasons. Most of the consumers said they reduced it. Again similar as with the energy consumption above, 8 in 10 said because of the costs and 3 in 10 said environmental concerns were the reason. Again it is a similar case as the above that costs and environmental concerns are the two main reasons for more sustainable consumer behaviour.

For the sub-index decrease it can be said that consumers are reluctant to change their behaviour but probably in addition to this there is an infrastructure issue.

The food sub-index includes variables such as consumption of locally produced food, food grown by itself, vegetables, beef bottle water and similar. Great Britain is highly ranked at the fourth place and increase from 62.9 to 64.2 points from 2008 to 2009.

Greenindex: Food

Consumers in Each Country, 2008–2009

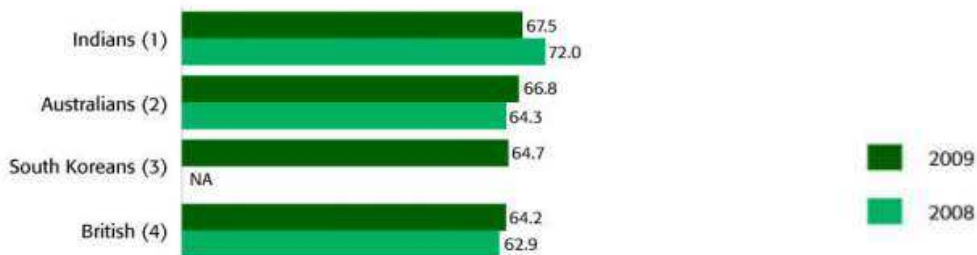


Figure 11: Greenindex Food (Greenindex, 2009)

It seems that British are highly conscious about food they eat. We think that one of the reasons for this high ranking of Great Britain is different promotion campaigns of the Department for Food and rural Affairs (DEFRA).

Also in the consumption of locally grown food, the British together with Germans and Spanish scored the largest increase from 2008.

Frequency of Consuming Locally Grown Food
"Daily" and "Several Times Per Week," Percentage of
Consumers in Each Country, Trends: 2008–2009

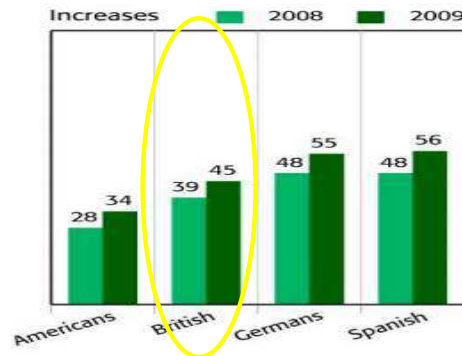


Figure 12: Frequency of Consuming Locally Grown Food (Greendex, 2009)

The goods sub-index includes 16 individual variables among these the purchase or avoidance of the products for environmental reasons, reusable products, willingness to pay a premium for the environmentally friendly products, recycling and similar (Greendex, 2009).

In this group in avoidance of environmentally unfriendly products, British are among those in the group who are least likely to do so, even though percentage food this index improved from 2008 to 2009. It means that British are more purchasing environmentally friendly goods but still in the overall rankings Great Britain is at the 12th place out of 17 countries.

According to this survey in many European countries including Great Britain there is a decrease in consumption of everyday household goods. One third of the consumers gave environmental concerns as the main motivating factors. On the other hand 7 out of 10 again consumers gave cost as the main motivating factor. Again it seems this is a repeating pattern throughout this survey.

The frequency of recycling that is a part of this sub-index and the largest improvements from 2008 are in the European countries including Great Britain.

In the conclusion of this survey it can be said there is a relationship between recession and more environmentally friendly behaviour due to lower consumption. However we saw through the whole survey that environmental awareness increased from 2008, also environmental concerns were one of the motivating factors while purchasing products.

Also the results showed an increase in the car ownership especially in developing countries. Given the projected growth for developing countries and increase in the middle class these results will be even larger. Moreover results showed that consumers hardly will change their behaviour especially in transportation where they do not want to give up their cars. Most of the choices were easy ones and did not require larger costs. This surveyed showed that respondents are very sensitive to costs and usually do not want to pay more.

For policy creation it can be said to promote more sustainable consumer behaviour and for producers to offer more environmentally friendly products but not to increase prices.

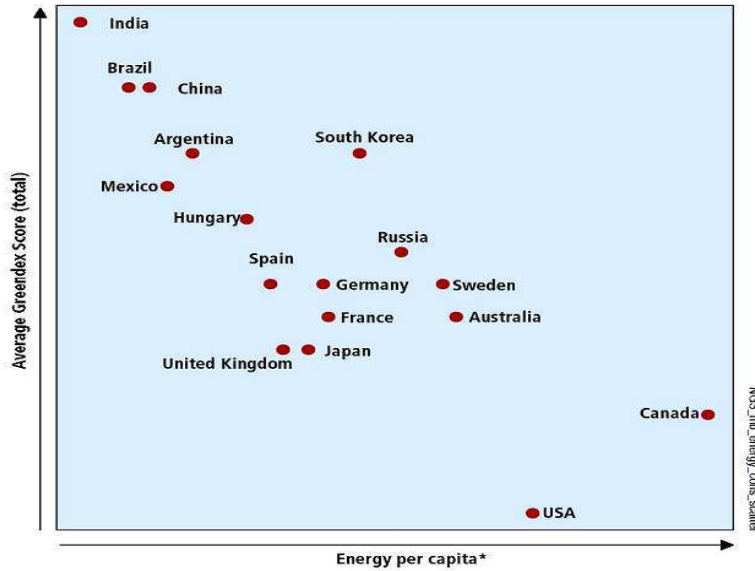
To check the credibility of this study another study in May 2009 was done by the National Geographic, called the Market Basket (2009). In this Market Basket there were five factors included that will indicate consumer behaviour. These factors are: energy consumption, new car registrations, number of aircraft passengers, expenditure on hotels and restaurants and purchasing power parity. These indicators go in hand with the above factors used to measure consumer behaviour by the Greendex. The purpose of this study-Market Basket is to do external estimate of the Greendex results that showed change in the consumer behaviour. Also it had a goal to show the impact of the country size and growth on the environment and to show that industry and government also play important role for the sustainable consumer behaviour.

For the first factor energy consumption, firstly total energy consumption was measured. In the world there was a growth from 2007 to 2008 in the total energy consumption. Developing countries such as China, Brazil and India recorded growth in the total energy consumption. On the other hand developed countries such as Sweden or the UK had a decrease from 2007 to 2008. For example on the figure below there is a decrease in the annual usage of energy from 2007 to 2008.

	Energy consumption (metric tons oil equivalent)		Percentage of world		Kilograms per capita		Annual percentage change	
	2007	2008	2007	2008	2007	2008	2007	2008
United Kingdom	226.0	221.9	2.2%	2.1%	3,706.4	3,614.0	-3.3%	-2.5%

Figure 13: Decrease in the energy consumption for the UK (Market Basket, 2009)

This study shows there is a positive correlation between energy consumption and Greendex scores. Those countries that had scored better on the Greendex actually showed that are more environmentally friendly. They showed lower consumption of energy in total. Despite the fact that developed countries had a decline in energy usage, in total and energy consumption per capita is still much higher than in the developing countries. Below is the figure showing positive relationship between the energy consumption per capita and Greendex per capita score.



- energy is measured in kilograms of equivalent oil

Figure 14: Relationship between Greendex score and consumption of energy (Market Basket, 2009)

From this figure we can see there is positive relationship between these two measures which gives more credibility for the Greendex results.

There are other correlation showing positive relationship, but we can mention just one more.

The power purchasing parity was compared with the sub index Goods score. Countries with higher per capita wealth scored lower on the goods sub-index, it means they have higher larger environmental footprint.

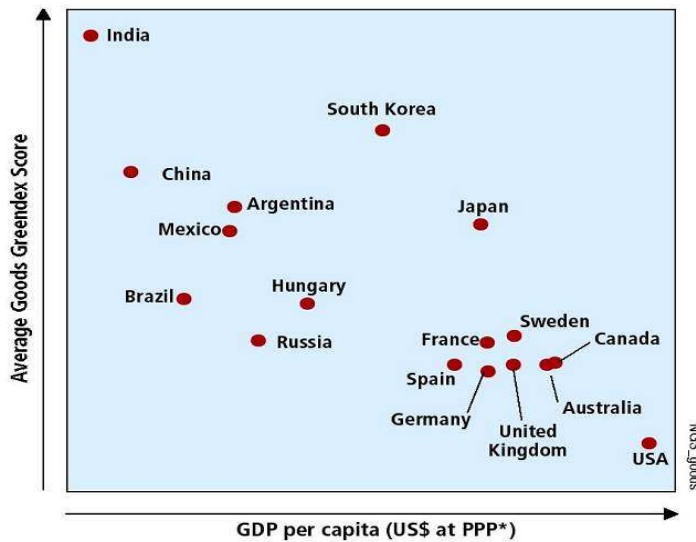


Figure15: Relationship between average GreendexGoods index and GDP per capita (Market Basket, 2009)

This Market Basket showed positive relationship between green index score and macroeconomic variables. It can be seen that recession period positively affected the environmental impact as consumers reduced consumption. Also this study was good to see findings from this study in comparison with the macroeconomic variables. After this study we can rely more on the Greendex results on sustainable consumer behaviour patterns.

DEFRA survey from 2007

DEFRA is the Department for Environment Food and rural Affairs in England and it released a Survey of Public Attitudes and Behaviours in England in 2007. It's sample was 3700 individuals who were asked through computer assisted interviews in spring 2007. This study covers what customers think and how they behave in relation to different environmental issues. It covers for each different section attitudes, behaviours and barriers. In this paper we will summarize findings (DEFRA, 2007) from three different sections that are relevant to our topic. These will be attitudes and knowledge in relation to the environment, transport and eco-friendly purchasing.

In the first section of attitudes respondents were asked to agree or disagree with given statements shown in the figure below.

Attitudes toward the environment and climate change, 2007

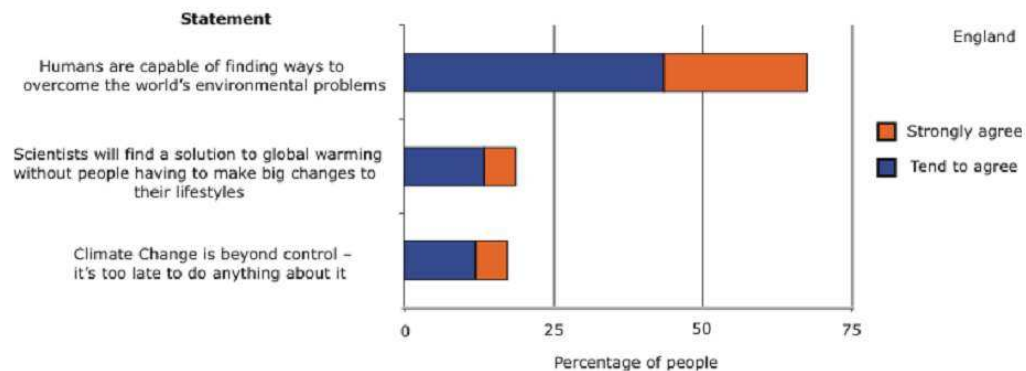


Figure 16: Attitudes toward the environment and climate change (DEFRA, 2007)

Results showed that 67 % of respondents agreed or tended to agree that 'humans are capable of finding ways to overcome the world's environmental problems'. For the second statement in the figure above only 17 % of respondents agreed that 'Scientists will find a solution to global warming without people having to make big changes to their lifestyles'.

This statement was testing how respondents see solution and as we see from statistics that majority of respondents agree that people are capable of finding ways to fight the world's environmental problems.

The second statement tested respondents' personal involvement in solving of environmental problems. The figure below shows statements and results.

Attitudes toward the environment and climate change, 2007

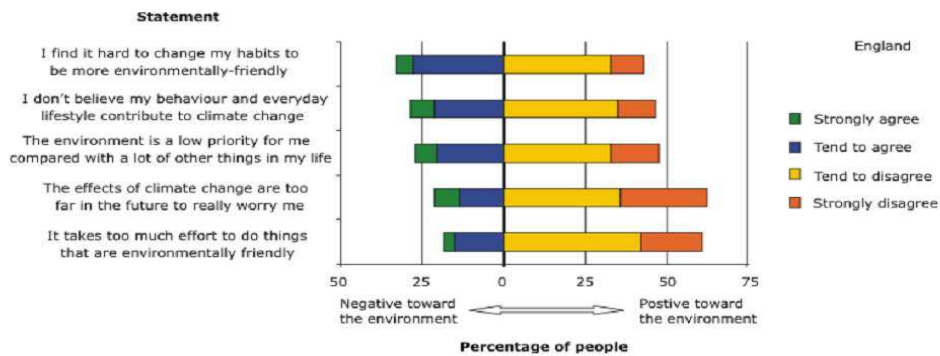


Figure 17: Attitudes toward the environment and climate change (DEFRA, 2007)

From these set of statements, a quarter of respondents agreed or tended to agree with non environmentally friendly statements such as: 'I don't believe my behaviour and everyday lifestyle contribute to climate change', or, 'The environment is a low priority for me compared with a lot of other things in my life'. From these results we can say that this quarter has a low level of environmental awareness and they should be targeted firstly with some environmental awareness campaigns.

Then respondents were asked about their beliefs about the impact of their behaviours on the UK's contribution to climate change. These were possible options:

Beliefs about the impact of behaviours on the UK's contribution to climate change if most people in UK were prepared to do them, 2007

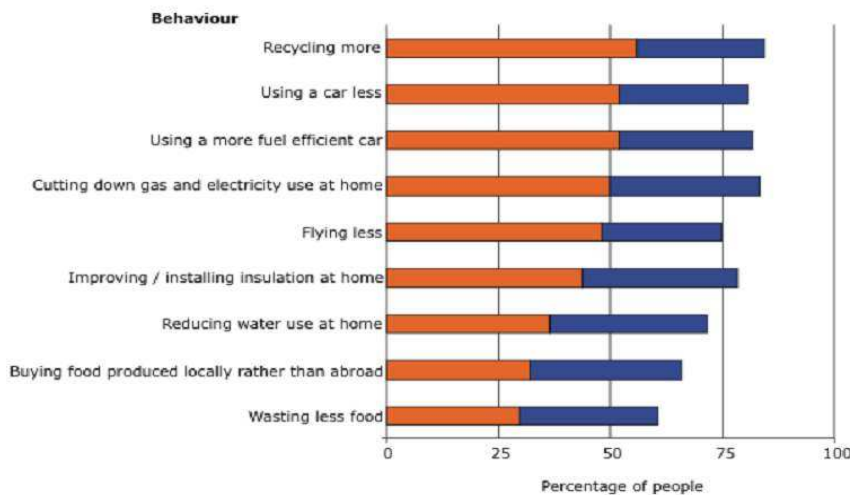


Figure 18: Possible behaviours that could contribute to climate change (DEFRA, 2007)

More than 50 % of respondents thought that 'recycling more', 'using a car less', 'using a more fuel efficient car' and/or 'cutting down on gas and electricity use in the home' would have a major positive impact on the UK's climate change. This was a respondent's belief on what would be a good for slowing the climate change in the UK.

But later when asked what people would be willing to do, over 50 % think that a lot or quite a lot people would be willing to 'recycle more' or 'improve insulation at home'. Results showed disparity between what they think would be good and what people would do. This example is showing us a gap between what respondents think is good and what respondents would do, value-action gap.

In the last part of this section respondents were asked about actions they were engaged that are more environmental friendly.

Proportion of people engaging in environmentally friendly behaviours, 2007

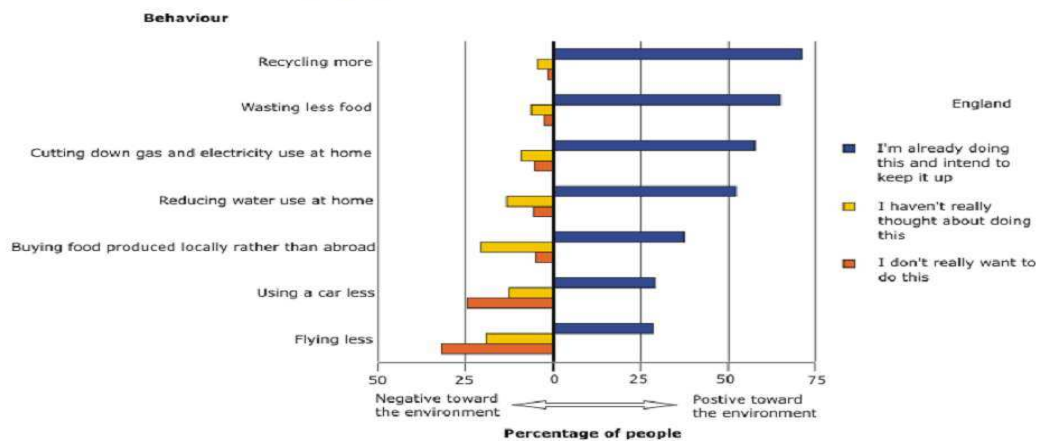


Figure 19: Respondents' engagement in environmentally friendly behaviours (DEFRA, 2007)

Results showed that 71 % of respondents were engaged in recycling more and intended to continue to do the same.

Also more than half of respondents said that they were cutting down gas and electricity in their homes. In this part there is an interesting result that goes in two directions. First is that over 29 % said they are already making efforts to use car less and/or fly less. On the other hand even a bit larger percent of 32 said they do not want to 'use a car less' and/or 'fly less'. This tells us there are totally different behaviours towards environment.

We will continue with the transport section of the DEFRA's survey.

The first part was testing attitudes and the figure below shows statements.

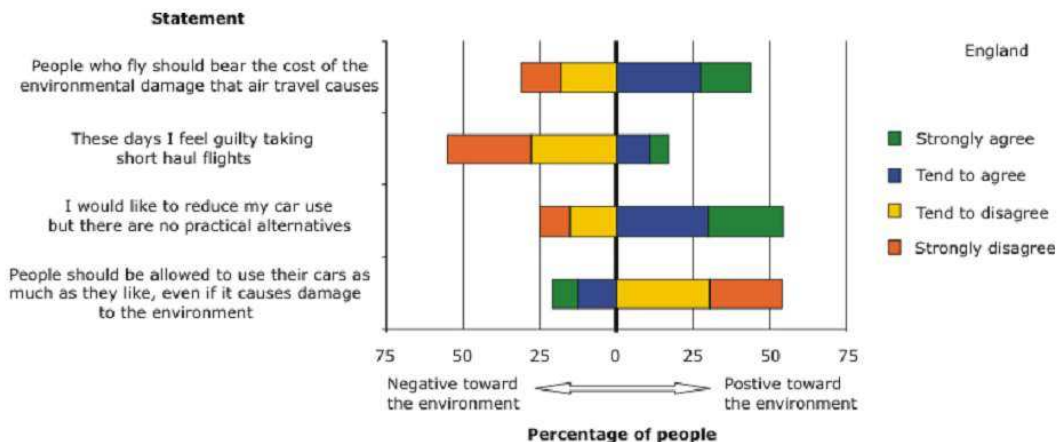
Attitudes toward flying and car use, 2007

Figure 20: Attitudes toward flying and car use (DEFRA, 2007)

In this statement 'people who fly should bear the cost of the environmental damage that air travel causes' there were two opposing results. On one hand, 44 % strongly agreed or tended to agree with this statement, meaning that they think people who fly should bear the cost of the environmental damage. On the other hand 31 % of respondents strongly disagreed or tended to disagree with this statement. We can notice that one third feels that people should not bear the cost and more than one third that people should bear the cost of the environmental damage. It seems that in this survey there are 2 thirds of respondents with different attitudes and behaviours to the environment, one more friendly and one unfriendly. And one third is left that sometimes have environmental friendly behaviour and sometimes not.

In respondents' attitudes on car use we see that respondents more strongly disagreed with the statement 'people should be allowed to use their cars as much as they like, even if it causes damage to the environment' with over 54 % in comparison with the flying case.

On the other hand only 8 % agreed with this statement. We think this is because respondents much more frequently use car and that is one of the main reasons why they disagreed with this statement.

It is good to know that results showed that over 50 % of respondents strongly agreed or tended to agree with this statement that they 'would like to reduce their car use but find that there are no practical alternatives'. This is an opportunity for government and business to use this finding in their plans that people are willing to reduce their car use if practical alternatives are available.

After attitudes respondents were asked on their behaviours through method of travel to work/study.

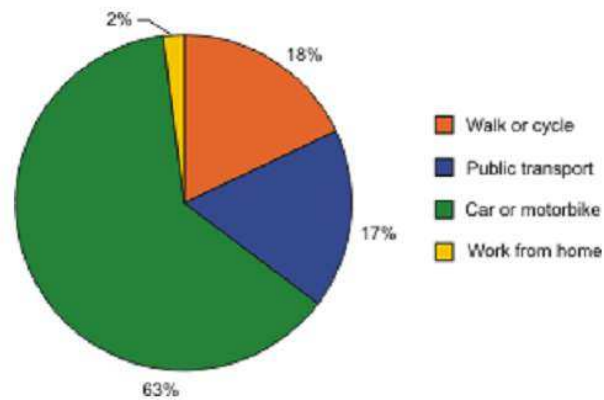
Method of travel to work / study, 2007

Figure 21: Method of travel to work/study (DEFRA, 2007)

From the figure above we can see that 62 % use car or motor bike. Then 18 % of respondents walk or cycle to travel and a bit less 17 % use public transport. Also only a very small fraction work from home. These results show us that transportation in the UK is still very environmentally unfriendly and it should be improved.

In the following part we will analyze the results of eco-friendly purchasing. Firstly as in each section of this survey respondents were asked on their attitudes towards eco-friendly purchasing.

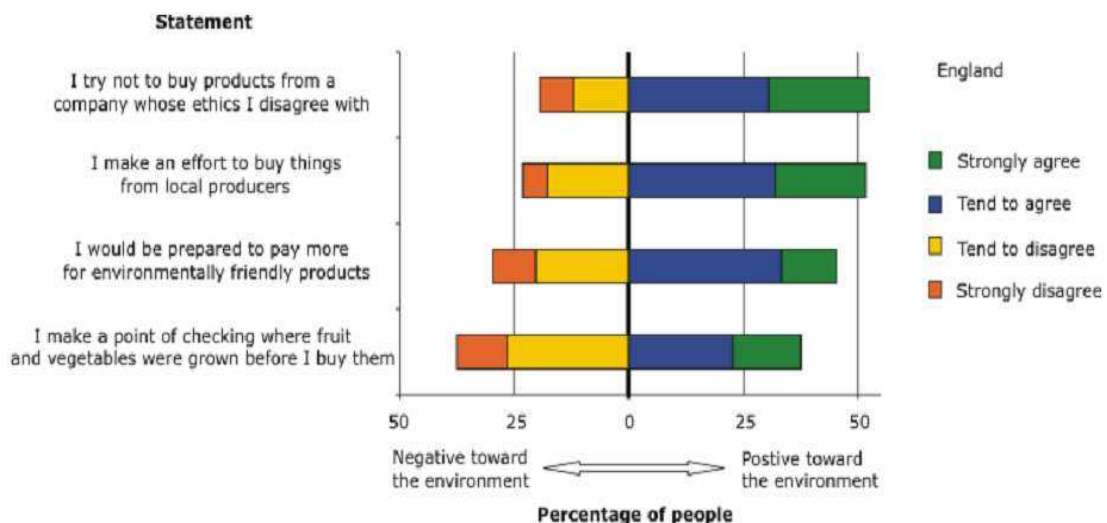
Attitudes toward eco-friendly purchasing, 2007

Figure 22: Attitudes toward eco-friendly purchasing (DEFRA, 2008)

Results showed that 52 % of respondents agreed or tended to agree that they 'try not to buy products from a company whose ethics they disagree with'. Also 45 % of respondents agreed they would be prepared to pay more for environmentally friendly products', but at the same time over a quarter disagreed. This shows there is a mix of consumers who would be willing to pay more and those who would not.

To test their attitudes respondents were then asked on their behaviours in eco-friendly purchasing.

Proportion of people who a) have heard of, b) make an effort to buy eco-friendly products, 2007

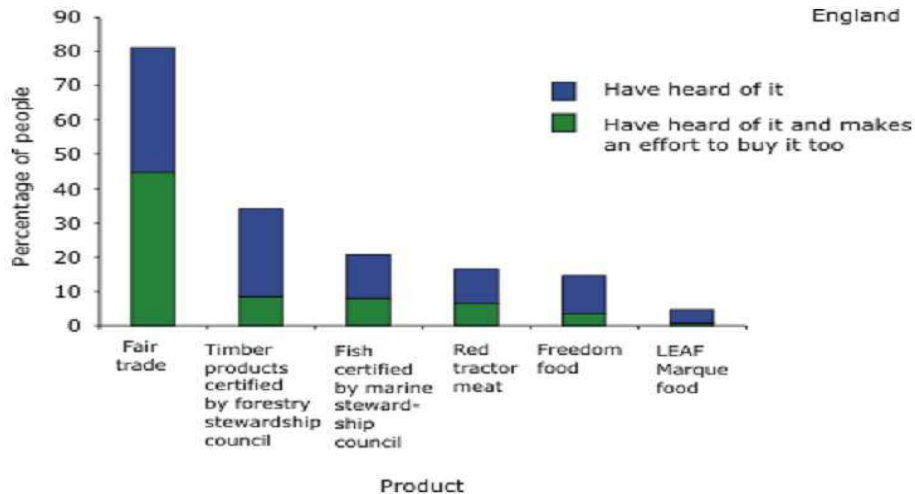


Figure 23: Behaviours on eco-friendly purchasing (DEFRA, 2007)

Respondents were firstly asked about whether they heard about some of these products like Fair trade or freedom food and then whether they made an effort to purchase these products. For the Fair Trade 81 % said they heard of Fair trade products and half of them said they make an effort to purchase these products. The second most known environmentally friendly product was timber certified by forestry stewardship council. 34 % of people had heard of it and only a quarter of those who heard said they make an effort to purchase it.

We think these results are expected as there in the UK Fair trade development is helped by government programme for sustainable development.

This study also asked on barriers that stopped people from purchasing environment friendly products and the first barrier was price. 47 % of respondents said these products are too expensive. The second barrier was lack of availability with less than 12 % of respondents answering. The third barrier was a lack of labelling.

Again we think that attitude and behaviour gap repeated as larger proportion of respondents said that it would pay and then minority said it would not pay.

CHAPTER 3

-OUR RESEARCH-

Study on Sustainable Consumer Behaviour in relation to outdoor equipment and vehicle accessories in the UK

3.1 METHODOLOGY

Sampling procedure and data collection

The study was conducted between 6 and 11 May 2010 in the UK. The population for this study is defined as all retailers/managers of Patagonia's, Thule's, Volvo's, Toyota's and BMW's dealer stores in the UK. Over 260 of these retailers in the outdoor equipment and car and vehicle accessories were randomly selected in the UK. They were interviewed via phone.

During randomization, it was considered to cover larger geographical area in the UK.

We decided to gather for these three types as we think from their combination we can learn much more about sustainable consumer behaviour in these segments. For example a person that skis needs outdoor equipment such as Patagonia's products. Also it can use a car to transport its equipment (e.g. Toyota) and vehicle accessories (e.g. Thule) ski carries. We think there is a close relationship between all the three and that combination of these three can give more knowledge about sustainable consumer behaviour.

From 260 called retailers only 50 of them replied. Initial plan was to conduct interviews with 100 retailers/managers but response rate was unexpectedly low. Our assumption for this low response rate is lack of knowledge and fear that it will not be done as it should. Also lack of time is one of the reasons. So in the end the sample consists of 50 interviews.

From 260 phoned interviewees 170 were selected in the Patagonia's dealer stores, 30 in the Thule's dealer stores, and 60 in the different car dealers' stores. In total 50 interviewees were conducted which gives 20 % response rate. This will decrease our sample representativeness of population in the selected segments.

We need to mention that the lowest response rate was in vehicle accessories stores in the Thule's dealer stores. Out of 30 only 3 replied and it was only 10 % response rate. Our assumption is that sustainability is not developed in this segment and that by conducting these interviews we had a feeling that retailers/managers were even a bit afraid to talk about sustainability. In addition to this, probably they lack of products that have sustainability features incorporated.

From these 50 who responded, 37 were with the selected retailers/managers in the Patagonia's dealer stores, 3 were with the Thule's and 10 were with different car dealers. Data collection was done mostly in the morning and late in the afternoon when respondents were more likely to be free and able to answer the phone call.

This research is of a qualitative type. However we will show graphs with statistics to get better understanding and quality of analysed data. To get more reliable results interviewees were asked the same questions. To increase reliability verbatim answers on all questions are available in the Appendix.

Our phone interviews contained 6 questions for the selected retailers/managers. We will start with outdoor equipment and interviews with retailers/managers in Patagonia's dealer stores, after summarizing main findings. 170 Patagonia's stores were phoned and 37 responded, and response rate is slightly more than 20 %. Our sample for outdoor equipment is 37 respondents.

3.2 SUMMARY OF MAIN FINDINGS

Sustainable consumer behaviour in the outdoor equipment and car and vehicle accessories in the UK

- in the both segments over two thirds of respondents said sustainability is either fairly or very important for customers
- when comparing two segments in the outdoor equipment 'fairly important' was the most frequent answer with slim majority of respondents
- in the car and vehicle accessories 'very important' was the most frequent answer with slightly less than half of respondents

We can say that when combined these segments, sustainability is important for customers while purchasing goods in the selected segments.

- in the outdoor segment around 70 % of respondents said that customers are willing to pay more for sustainability features, comparing to 85 % of respondents in the car and vehicle accessories

A customer buying products in these segments is willing to pay more for sustainable features.

- the most frequent willingness to pay is up to 5 % more in the outdoor segment and maximum willingness to pay is 20 % more
- in the car and vehicle accessories maximum willingness to pay is 10 % more and the most frequent answer was that is hard to quantify how much customers are willing to pay more

When combining these two, we can say customers are willing to pay more but with differences in the maximum willingness to pay, probably due to differences in the base price.

- slightly over 50 % of respondents said market for sustainable products or sustainable consumer behaviour developed gradually or in an upward trend direction over the last few years in the outdoor segment, comparing to one third of respondents who said it did not change- 'fairly steady'
- in the car and vehicle accessories segment 38 % respondents said it developed well over the last few years, while one third said it did not change

When comparing these two we can assume that the outdoor equipment market for sustainable products is more developed.

- in prediction of development for this market or sustainable consumer behaviour in the outdoor equipment segment slightly less than 40 % of respondents think it will be an upward trend
- In the car and vehicle accessories almost two thirds see it as an upward trend

This difference is probably due to lower development in the past years in the car and vehicle accessories segment. When we combine result, we can say that respondents see it as an upward trend. It is important to mention that mostly price is a barrier for predictions for non development or a very slow development of this market.

- Vast majority of respondents in the both segments said customers are interested in sustainability features and they ask about these.
- In the outdoor equipment the most frequent sustainability feature is recycling. Other two important features are longevity and whether product is organic.
- Fuel efficiency and lower emission are the most frequent features that customers are interested in the car and vehicle accessories segment.

When combining results for sustainability features we can say they are pretty different. Probably this is because of different products offered. But basically for the outdoor equipment customers are interested in recycling, organic and longevity, while in the car and vehicle accessories customers are interested in fuel efficiency (probably due to costs) and lower emission.

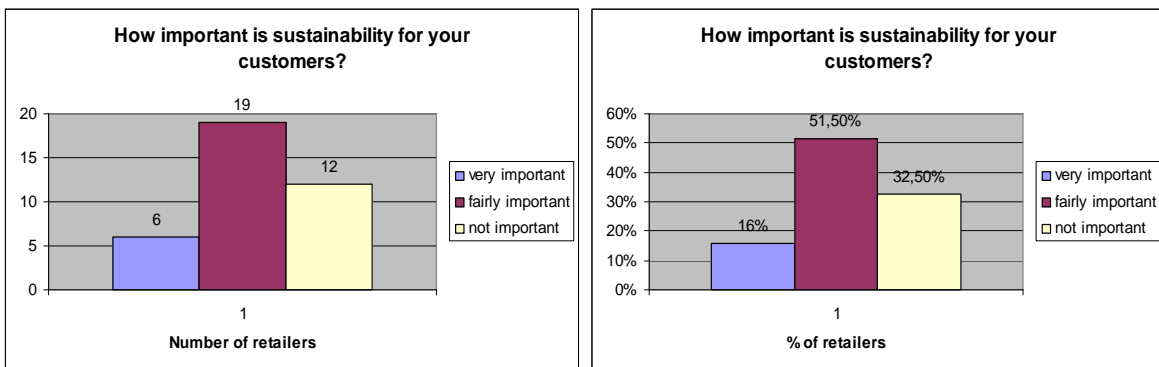
- Plans from the business side for the future when it comes to sustainability in the outdoor equipment segment were again in recycling direction with around 40 % of respondents. Either to increase more products made from recyclable materials or to improve recycling in their business activities. Other two most frequent plans were for energy saving, probably cost driven and the third group of these plans are related to customer-manufacturer actions. This is an important piece of information for manufacturers.
- In the car and vehicle accessories segment a third of respondents said their plans are manufacturer driven. Other third said to increase number of hybrid and fuel efficient cars. We think that in the both segments when combined there is an important message for producers that managers want to increase their offers of environmentally friendly products. Moreover their plans are also manufacturer driven, so it is up to manufacturers to increase their offers of products with sustainability features.

3.3 QUESTIONS FOR OUTDOOR EQUIPMENT DEALERS

First question of this questionnaire was testing attitudes of customers towards sustainability.

Question 1: How important is sustainability for your customers?

Respondents' answers were in main three directions. We grouped these answers and made three categories of the most frequent answers. These categories are: very important, fairly important and not important. The figures below show number and percentage of respondents' answers.



Figures 24 and 25: Number and percentage of retailers answering to the question 1

As we can see from the figures above 6 respondents said that for their customers sustainability is very important, and it is 16 % of the sample. On the other hand 12 respondents answered that sustainability is not important for their customers or 32 % of the sample. Fairly important answer was the most frequent answer, with over half of respondents answering that sustainability is fairly important.

From this first question it is important to say that results about importance of sustainability for customers are diverse.

Around 68 % or 25 respondents said that sustainability is either fairly or very important for their customers. So for the first question two thirds of respondents said that sustainability is either very or fairly important for their customers, comparing to one third that said that sustainability is not important for their customers.

We believe that our respondents were honest as we were doing these phone interviews, even telling in some answers 'to be honest'.

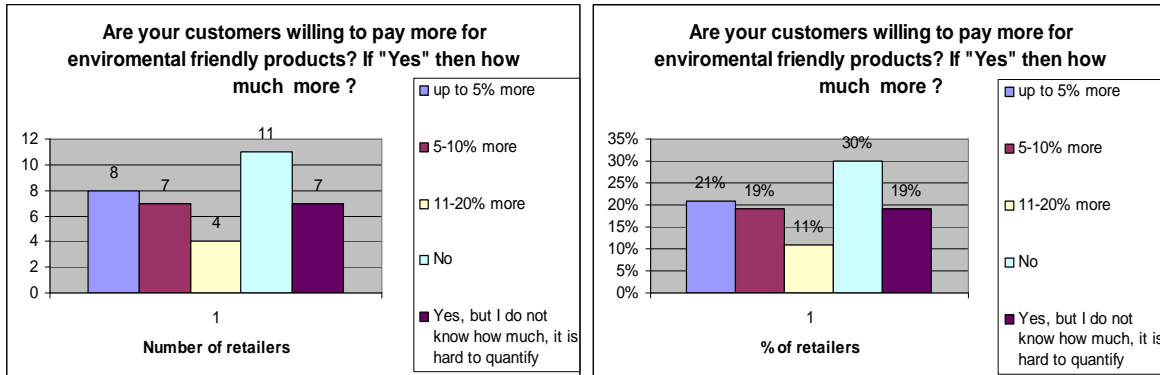
In addition to this we will add what respondents told us more about importance of sustainability for their customers.

Some of these answers were: 'Our customers like to talk about it' or in totally opposite direction: 'Our customers are not concerned at all about sustainability'.

We can say from these answers that they support the above statistics, where there are diverse answers from very important to not important.

Moving from the first question where we were testing attitudes, the second question was intended to test behaviours whether people in their purchasing behaviour are ready to pay more for environmentally friendly products.

Question 2: Are your customers willing to pay more for environmentally friendly products? If 'Yes' then how much more?



Figures 26 and 27: Number and percentage of retailers answering to the question 2

When retailers were asked about customers' willingness to pay more for environmentally friendly products, we got different set of answers. Let us first start with statistics showing that customers are willing to pay more for environmentally friendly products. 70 % or 26 respondents said that customers are willing to pay more. On the other hand 30 % of respondents or 11 said that customers are not willing to pay more for environmentally friendly products. If we compare it to the first question we can say that again we got two thirds that said customers are willing to pay more and one third that said customers are not willing to pay more. We can say that it goes in hand with the statistics that showed that two thirds said sustainability is important for their customers in the first question. So 70 % are willing to pay more and we can connect this finding with 68 % of customers whom sustainability is important.

Then if respondents answered that customers are willing to pay more we wanted to know how much customers are willing to pay more.

The most frequent answer was that customers are willing to pay 5 % more. We can say this is expected as later we will compare our study results with other studies that show similar results.

We can say that a third of those who wanted to pay more said that customers are willing to pay up to 5 % more for environmentally friendly products.

Then we have two answers that showed statistically the same. First answer is that customers are willing to pay 5-10 % more for environmentally friendly products and it is a quarter of the sample. On the other hand we have the same statistics that customers are willing to pay more, but respondents said it is hard to quantify how much more, it depends all on types of products.

We agree that willingness to pay more in percentage is probably hard to quantify if there is a large range of products offered. Our assumption is that these retailers have larger range of products and it is hard for them to quantify what percentage customers are willing to pay more for more environmentally friendly products.

The smallest fraction of respondents said that customers are willing to pay from 11-20 % more and it is 11 % of the sample. We can say this is also expected as customers are not willing to pay much for more environmentally friendly products. It is also important to mention that maximum willingness to pay is up to 20 %. We think this is an important piece of information for all relevant included in sustainable consumer behaviour from manufacturers, retailers or governments through their policy measures.

In addition to these statistics we will also mention some important findings that we found from our respondents. One of these is:

'At the moment customers are not willing to pay more environmentally friendly products, as British market is very discount driven, for example customers have option to buy a 5 pound T-shirt or to pay 45 pounds for an organic cotton, and most will choose the 5 pound one'.

From this answer we see that currently British market is very discount driven and we can speculate that probably there is no large market share for environmentally friendly products.

Another answer is: 'Probably customers would like to pay more up to 5 % but currently they need to pay too much, 2 or 3 times of a regular price and it is too much'.

We can see from this answer that products in the outdoor equipment that are more environmentally friendly are overpriced according to this respondent. We believe this could be true and that overpriced environmentally friendly products are definitely one of barriers for not buying more in this market.

Also we have some answers on percentage of customers that are willing to pay more.

For example we have one answer showing what percentage of customers would pay more:

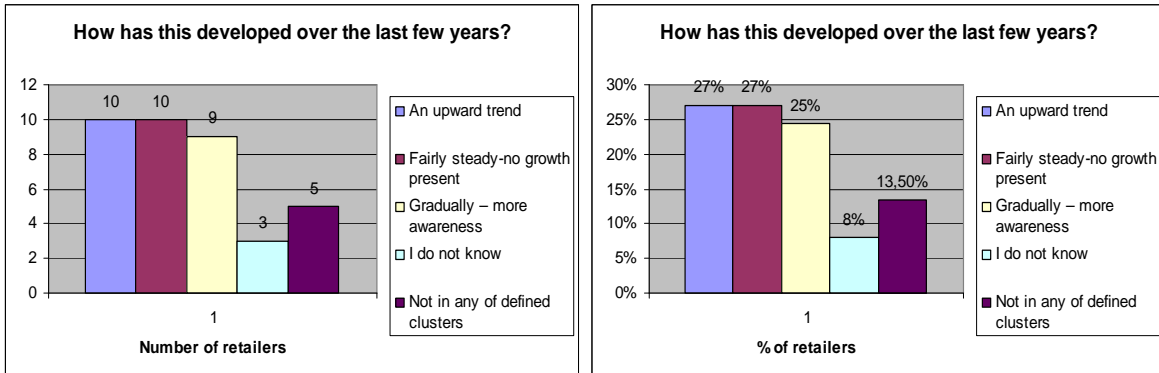
'50 % of our customers are willing to pay up to 10 % more' or 'Around 25 % of people would pay up to 20 % more'.

It is important to mention that we phoned these stores that they have a mix of products some that are more environmentally friendly and some that are not. We think that is important as our findings will be less biased. This is why from the previous statements we see that 25 % of people are ready to pay more. It gives a rough estimate of a quarter of customers that are willing to pay more for environmentally friendly products.

Moving from question 2, we wanted to find out from retailers/managers in their opinion how has this developed over the last few years. When we say this we mean market for more environmentally friendly products or in simple words sustainable consumer behaviour in general.

Our respondents gave us various answers that we grouped into different groups. But in addition to this to get more clear understanding we will use some of our respondents' answers.

Question 3: How has this developed over the last few years?



Figures 28 and 29: Number and percentage of retailers answering to the question 3

As we can see from the figures our respondents gave us answers that can tell us based on their experience development or non-development of sustainable consumer behaviour/market for environmentally friendly products.

The most positive answers were in the 'upward trend' cluster. These respondents said it increased very well, that is 'an upward trend' definitely and they make up 27 % of the sample. On the other hand we have the same percentage of respondents that said that it did not develop over the last few years, it is pretty steady, did not change a lot.

Then we have one cluster that we called 'gradually - more awareness' as in this cluster most respondents said it increased slightly, awareness is larger about these issues but it is not the same level as in cluster 'an upward trend'. They are a quarter of the sample. It is important to mention that from these clusters defined there are over 50 % of respondents that said there is a positive development of market for environmentally friendly products. Also we think these results depend on different locations in the UK as there are differences in levels of development.

We have one cluster where respondents did not know answer to this question. Our interpretation is that it is sometimes hard to evaluate what happened in the past and these respondents decided not to assume with their answers.

Also we have one cluster which we could not name as answers were various.

Now we will show some of direct statements from our respondents.

One of our respondents said: 'Probably it increased 100% in the last few years'. We can say this is a very positive view on the development. We believe this is true as it depends also on the place in the UK.

Also on this question we have one answer that showed us an upward trend but also something else: 'It certainly grew, a lot of products came out but people do not pay that much attention'. From this answer we see that offers are on the market, it did not change a lot when it comes to purchasing behaviour.

This can tell us there is much more need to work on changing consumer behaviour but probably in some way on businesses as well.

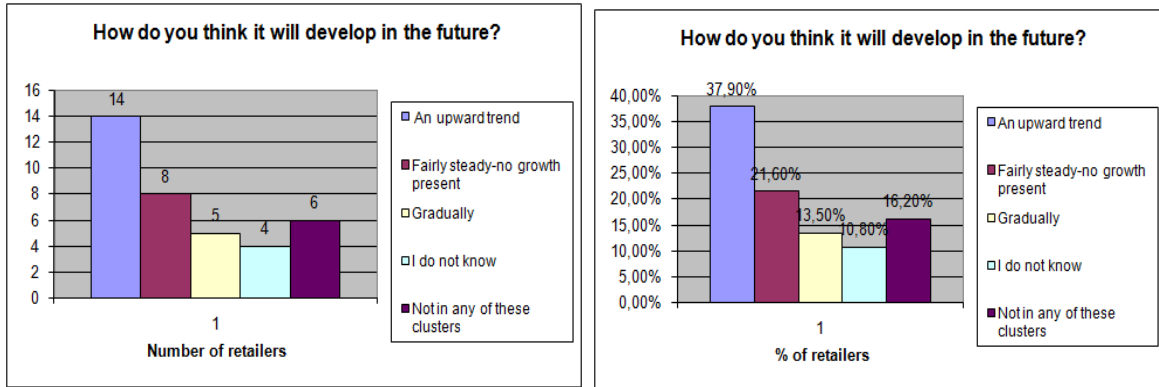
Then one of the answers from 'gradually-more awareness' cluster was: 'People are more aware about it, but brand and price are still the most important'. So it increased and people are more aware of it but we got some knowledge that still brand and price are the most important.

From this answer we can speculate that it should not be lot experimented with prices but also with brands when it comes to sustainable consumer behaviour. Probably there is an opportunity to go in creation of brand that will have sustainability incorporated, as people affiliate with brands maybe sometimes more than with sustainability.

In the cluster 'fairly steady- no growth present' one of our respondents said: 'Keep in the line no improving' or other said: 'Not much, it is stable'.

From these answers we can say that in some stores it did not change a lot over the last few years. Maybe they had a good start and it stayed that way, or it needs to improve in the future.

Then from cluster that we did not name, we have some interesting findings for this outdoor segment like: 'More natural things instead of synthetics' or 'Less with clothing more with packaging'. From these we can see how they see specific development in this segment. So they related development to a change in what customers are looking for more natural materials instead of synthetics. Also one respondent told us that it did not change so not much about core of a product, it is more around a product, related to packaging.



Figures 30 and 31: Number and percentage of retailers answering to the question 4

Question 4: How do you think it will develop in the future?

When it comes to prediction of development for the sustainable products and its market we can see from the graph above that around 38 % of retailers are positive in their predictions. They think that sustainable products will definitely have an upward trend in the future. Some of their statements are:

'It will definitely increase, it will be more people willing to pay, and cost will go down' or 'It can only grow in the future'.

In addition to these there is an interesting finding that some of these retailers from this cluster relate positive trend with government intervention. An example of such statement is: 'They will have to grow, it will be a significant pressure from the government '. We can say that this is probably due to government programs to promote sustainable consumption and production in the UK.

On the other hand we have almost a quarter of the sample who think that will be fairly steady and no growth present. To support this statistic some of the statements are: 'It will stay the same' or 'It cannot go any further, large range of offers'. For these retailers maybe we can say that they are affected by recession in sales so they think it will hardly improve. Moreover there is a statement showing relation of price and trend: 'It depends on manufacturers, if they make environmentally friendly products regularly available and cheaper, but however I think that market will not dramatically change'. As we can see it seems that some retailers believe that trend/development will be really dependent on prices. The cheaper, it will be better, available to the wider range of customers.

And then we have around 14 % of the sample that think it will grow gradually.

In this cluster 'gradually', we mean more slowly that it will not improve that much. Again as in the previous cluster where we have a relation between price and development, it is repeated again. As retailers in this cluster think that it will not develop due to price issue so their statements are: 'It will grow slowly, because sustainable products are more expensive' or 'It will grow a little bit, not too much a few percents, because people will not be willing to pay more'.

We also have a cluster where respondents do not know about development of market for sustainable products and trend, but what is more important that these respondents their uncertainty and non speculation relate to economic climate. For example some of them said: 'Hard to predict depends on the economic conditions as well' or 'Honestly I do not know depends on economy'. We think this is expected as maybe environmentally friendly products are more expensive than usual and are more sensitive to economic conditions and economic climate as customers need to give more money for more environmentally friendly products.

Then from the cluster that we did not name as there are different answers not belonging to some of these categories and more addition of something new, for example this statement: 'To be honest it is a very slow process especially in eco clothing industry comparing to food industry '. From this statement we can speculate there are differences in different industries and market segments but we will mention this more in comparison with other study results.

All in all, when analyzing development/trend for environmentally friendly products we can say that over a half of respondents see it as an upward trend as the most optimistic and as a gradual increase in this segment. If this is based on their experience in the retail industry we believe that we can partially rely on these predictions.

To get more knowledge about what sustainability features are customers interested in this segment we asked retailers to find out from their experience.

Question 5: What sustainability features are customers interested in?

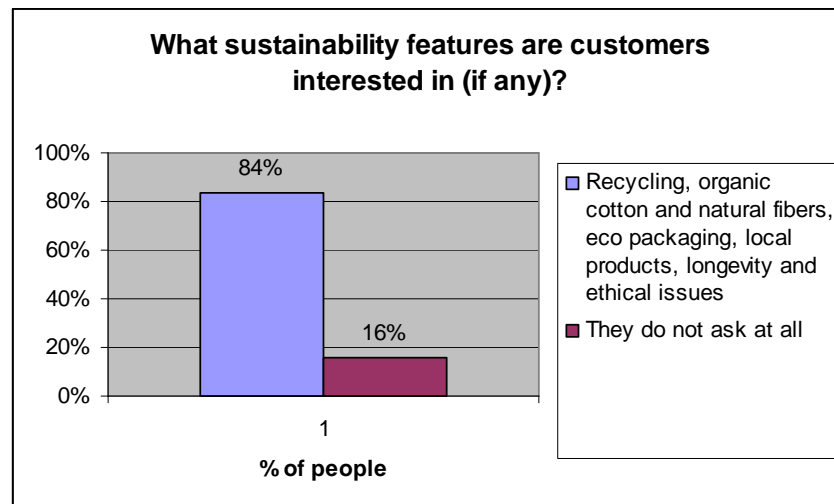


Figure 32: Number and percentage of answers to the question 5

When retailers were asked about sustainability features that customers are interested in, there were different answers. Out of 37 retailers 6 or around 16 % of the sample answered that customers do not ask at all about sustainability features. However 31 out of 37 that is around 84 % of the sample answered that customers ask about different features such as recycling, organic cotton and natural fibres, eco packaging, local products, longevity and ethical issues.

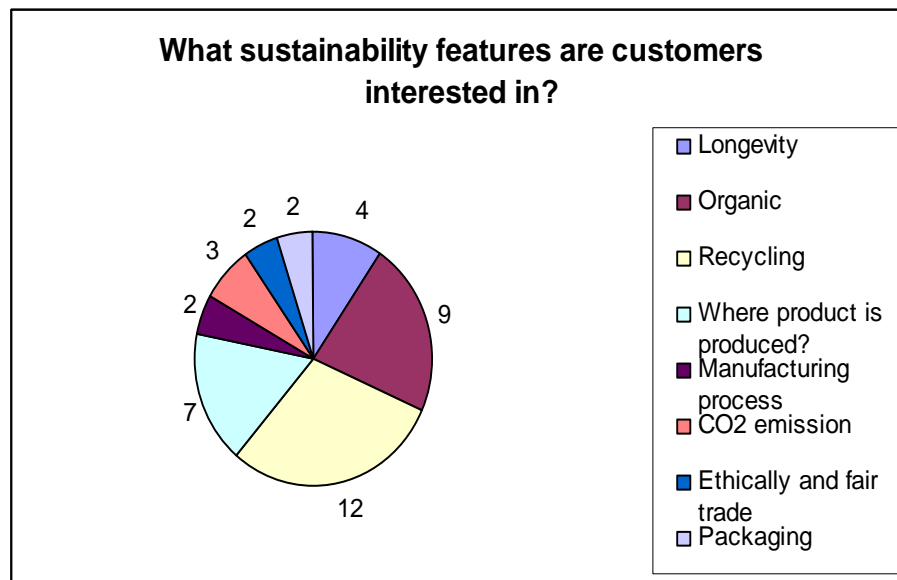
In the following part we will use some of direct statements from our respondents in order to get better understanding: 'Most of our customers are interested in organic cotton and the way and where it is produced (China or somewhere locally), but when it comes to the price they are not willing to pay more for sustainable products'.

'The most important thing for our customers is how long it will last and guarantees'.

On the other hand we will also give an example showing that customers are not interested in sustainability features. One of these statements: 'Well to be honest they do not ask at all, they are not bothering about it'.

We also found one interesting finding that some stores are made from recycled materials: 'We receive a lot of questions; our shop is made from recyclable material'

To get more knowledge what were frequent features in the following part we will analyze frequency of sustainability features.



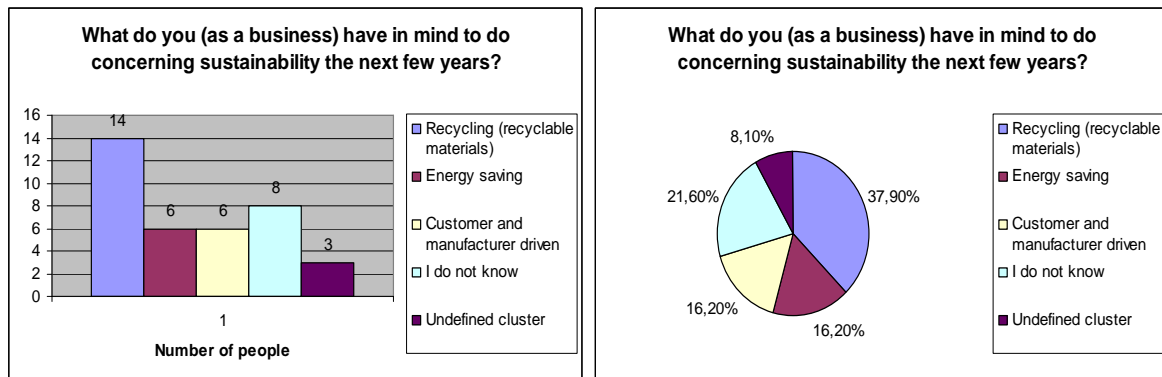
Figures 33: Number and percentage of answers to the question 5

The most frequent sustainability feature in our study is recycling or 12 times appeared in our sample. We think this is expected as most people relate sustainability with recycling. But in this feature recycling we have 7 times asking about recycling at disposal or at the end of life. Moreover we have 5 asking about recycled fibres used in manufacturing process.

The second most frequent feature was whether products are organic; mostly as this is outdoor equipment whether it is organic cotton. Then customers were also interested in where products are produced whether locally or somewhere else and we got 7 out of 31 that is a quarter of the answered sample. Also customers are interested in longevity of products, and this was also 10 % of the sample. In the end we have similar frequencies of other features like packaging, CO2 emissions and other mentioned in the graph above. We can say that in this segment customers are mostly interested in recycling either at disposal or in manufacturing, organic cotton and longevity. These results are similar with results that DEFRA (2008) found that we will compare in the following chapter on comparison of our results with other studies.

As sustainability and sustainability consumption are important for sustainable development, in the last question we wanted to find out what are plans of our retailers/managers to do concerning sustainability the next few years.

Question 6: What do you (as a business) have in mind to do concerning sustainability the next few years?



Figures 34 and 35: Number and percentage of answers to the question 6

On the figures above we can see that the largest proportion of our respondents have plans regarding recycling either as a process or use of recyclable materials. 38 % of respondents said their plans are in direction of recycling.

For example some of these statements are: 'Very little, waste recycling, we also recycle clothes for customers' or 'Use recyclable materials as we can'.

In this cluster also we have interesting answers about business plans for offers in the future: 'Keep doing what we are doing now, sell recyclable and organic items' or 'Recycling and going towards eco friendly products'. We think this is a useful piece of information for manufacturers of environmentally friendly products that some retailers that are currently selling environmental friendly products in the

future have plans to expand their offers when it comes to sustainable products. These results are similar to sustainability features people were asking so we can say in general that when it comes to both business and consumer perspectives', recycling is very important for the both.

Then the second largest percentage of answers around 22 % belong to cluster named 'I do not know'. This is expected as maybe this is the most private question but even from these answers we got something like they will probably follow the trend on the market or that their plans will depend on sales.

The following two clusters have the same results and sharing equally 16 % for energy saving plans and plans that are customer and manufacturer driven.

In the first one mainly answers are in direction of saving energy either through more efficient light bulbs or through heating. We can say that probably these plans are also cost driven. Some of statements from this cluster are: 'Reduce energy and heating' or 'Energy saving bulbs'.

Also 'Customer and manufacturer driven' is an interesting cluster as it also can signal to manufacturers to offer more environmentally friendly products. For example these are statements showing this: 'Company will continue to buy environmentally friendly products from different suppliers', 'It depends on manufacturers that will be the main driver' or 'We will try to do business with suppliers who are offering sustainable products'.

We see from these statements that some retailers are heavily relying on manufacturers and suppliers and it is a very important message for them to widen their offer of environmentally friendly products.

In the 'Undefined cluster' we also have some interesting findings. For example one of these is: 'We will try to comply with government regulations' where we can see that minority of retailers from our sample have plans to follow government regulations. Our assumption is that maybe this respondent thinks that government will have much more stringent regulations regarding sustainability and that businesses will have to adapt to new rules.

On the other hand we have one more knowledgeable statement: 'We will try to lower car output by 10%, making transportation to cost lower, and also we have environmental awareness courses for our employees'. From this statement we see that this store already has environmental courses for their employees and that is good news to hear. Also other part of this statement tells us that again cost driven plans when it comes to transportation use and decrease of 10 %. This will also benefit environment.

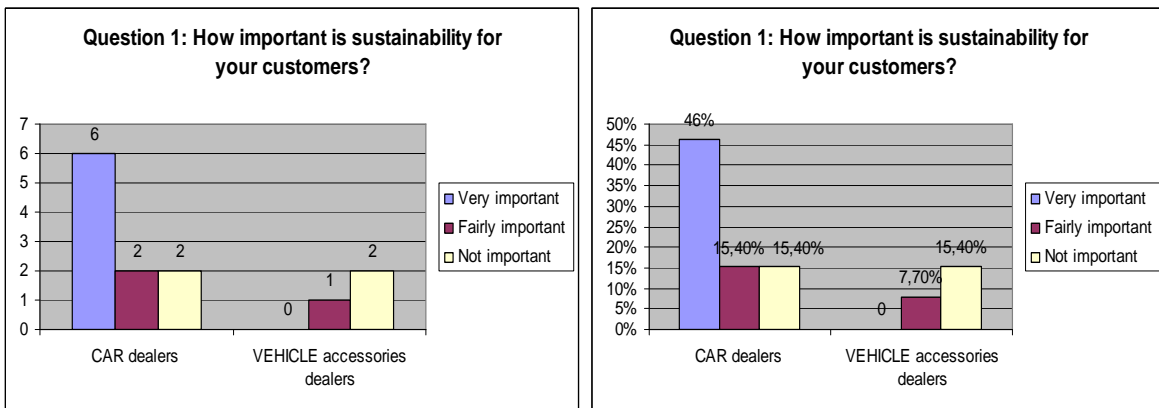
From these answers we can say that one large proportion is oriented to recycling and then we can say other large proportion is oriented to cost savings and listening to what will be given either through regulation or supply.

Solutions are probably in all three important parts businesses, customers and governments.

3.4 QUESTIONS FOR VEHICLE ACCESSORIES AND CAR DEALERS

In this part we will analyze data that we gathered with car dealers and vehicle accessories dealers. The sample size is 13 retailers/managers, 10 car dealers and 3 vehicle accessories dealers.

Question 1: How important is sustainability for your customers?



Figures 36 and 37: Number and percentage of answers to the question 1

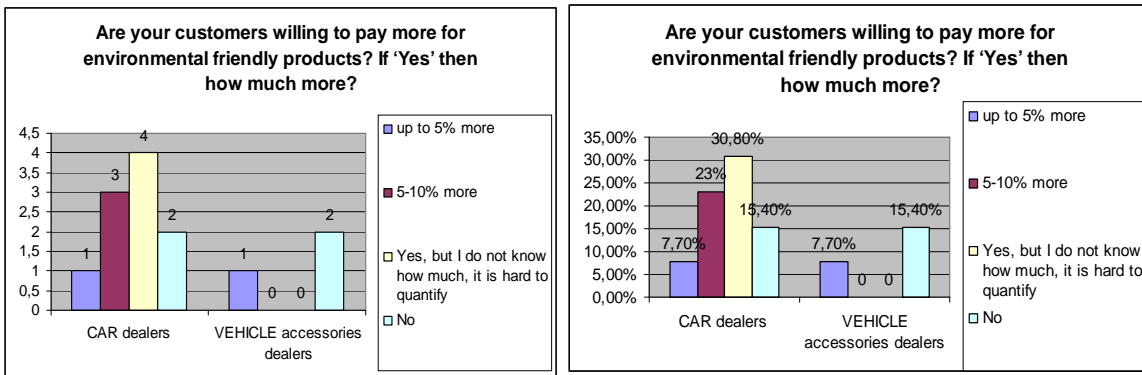
In this first question we were testing attitudes of customers toward sustainability. We will analyze both the vehicle accessories dealers and car dealers together, as we think we will get more valuable information.

When it comes to importance of sustainability for their customers 46 % of respondents said that sustainability is very important. Around 23 % of respondents said that sustainability is fairly important. So it gives over two thirds of respondents who said that sustainability is either very or fairly important. On the other hand 31 % of respondents said that sustainability is not important for their customers.

For two thirds of customers in this segment sustainability is important comparing to one third whom it is not important.

To test their attitudes we asked our respondents questions about customers' behaviours and willingness to pay more for environmentally friendly products.

Question 2: Are your customers willing to pay more for environmentally friendly products/features? If 'Yes' then how much more?



Figures 38 and 39: Number and percentage of answers to the question 2

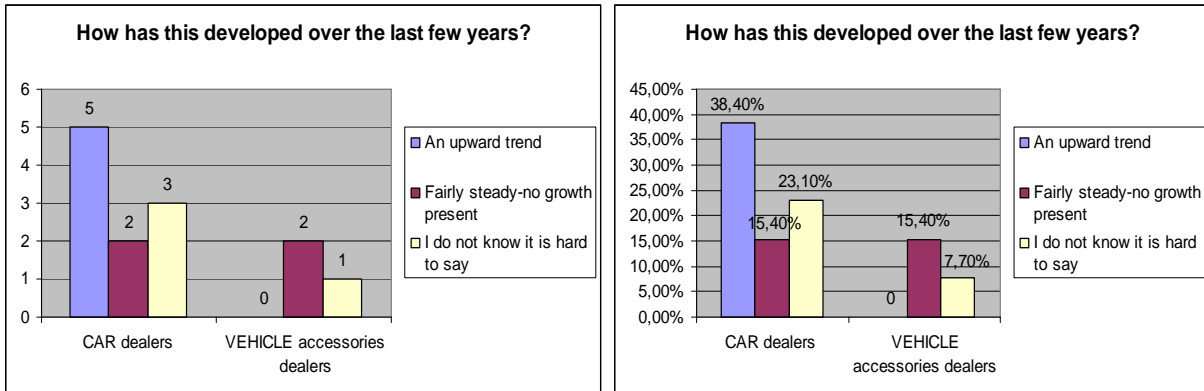
In the figures above we have two interesting findings of 31 % respondents equally responding to this question. In the first group are those respondents who said that customers are willing to pay more but it is hard to quantify how much. The same number said, that customers are not willing to pay more for environmentally friendly products/characteristics. Then we have the last group that said that customers are willing to pay more for sustainability features and in this group there are more than a third of respondents. From this group 23 % of respondents said customers are willing to pay 5-10 % more comparing to 15 % that are ready to pay up to 5 % more.

It is important to say when we compare attitudes and behaviour, or first question and second question there are very similar results. In the first question 2 thirds of respondents said that sustainability is important for their customers. Then in the second question we have the same results of willingness to pay more where 2 thirds of respondents said that customers are willing to pay more.

The same proportion of customers has positive attitudes on sustainability. Sustainability is important for customers in the all selected segments, including outdoor equipment and car and vehicle accessories dealers. Similar results were for the second question as 2 thirds of respondents said that customers are willing to pay more for environmentally friendly products/characteristic. One third in all three segments had non-supporting attitudes and behaviour towards environmentally friendly products.

This is an important finding as we think that all the three segments are interrelated and that by its common analysis we can get more knowledge. However results showing maximum willingness to pay more for environmentally friendly products are different. This difference is especially obvious in the outdoor equipment where maximum willingness to pay is 20 % more comparing to car and vehicle accessories of 10 % more. This is expected as there is a difference in base price for car and vehicle accessories. It is expected to be lower than in the outdoor equipment.

Question 3: How has this developed over the last few years?

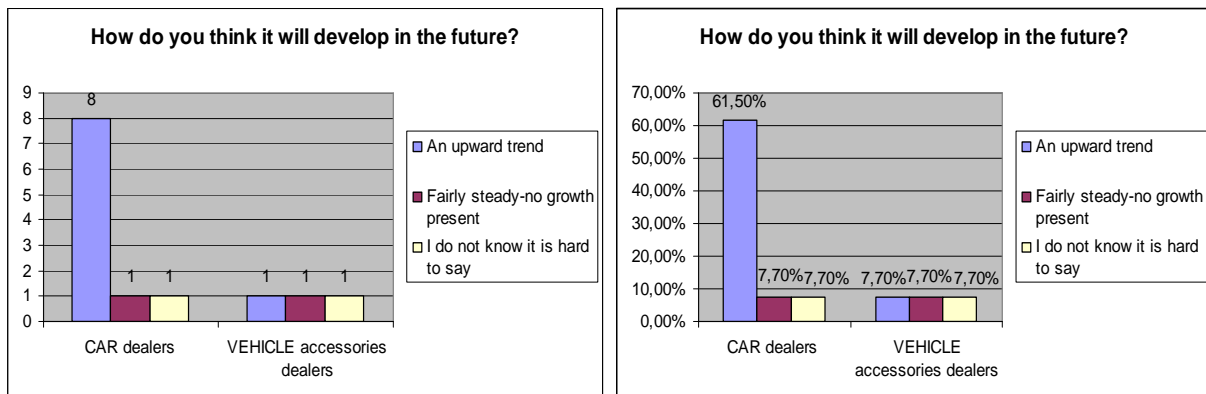


Figures 40 and 41: Number and percentage of answers to the question 3

In this segment the largest percentage of responses is in 'An upward trend' cluster a little bit less than 40%. Respondents from this group said that it is an upward trend and that people are more aware of it. These are some statements: 'People are more conscious of gas emissions' or 'It is more developed than three years ago'. We think these results are good as it is important that sustainable consumer behaviour is improving in this segment. On the other hand we have a third of respondents that answered that there is no growth present and that is fairly steady. Some of statements from this cluster are: 'Not really we do not have a lot of change' or 'I do not see any improvement over the last few years'. We think these results are expected as maybe except some hybrid cars and fuel efficiency customers have not been offered with a wider offer. Then we have a cluster where respondents said they 'do not know' again around a third of them. Probably it is not easy to go back and see changes. So if we compare these results with the outdoor equipment we can say that better results (in terms of more positive change) are present in the outdoor equipment. But as all these three are correlated we think that there could be a positive influence from one segment to another in terms of more sustainable consumption and sustainable consumer behaviour.

Then we asked how our respondents think it will develop in the future. We wanted to get predictions for the future from their experience.

Question 4: How do you think it will develop in the future?



Figures 42 and 43: Number and percentage of answers to the question 4

We can see from figures 42 and 43 very positive projections. The largest proportion around two thirds of respondents said that they think it is going to be 'an upward trend'. From the groups, car dealers and vehicle accessories this projection for a positive trend is mainly related to more hybrid and eco-friendly cars.

Some statements from this cluster are:

'More hybrid and electric cars in future, it will increase' or 'I think it will become more important, and hybrid cars will become more popular'.

From other statements we can see relation to fuel prices like: 'Fuel price will go up, so it will be more people willing to buy hybrid and other eco friendly cars'.

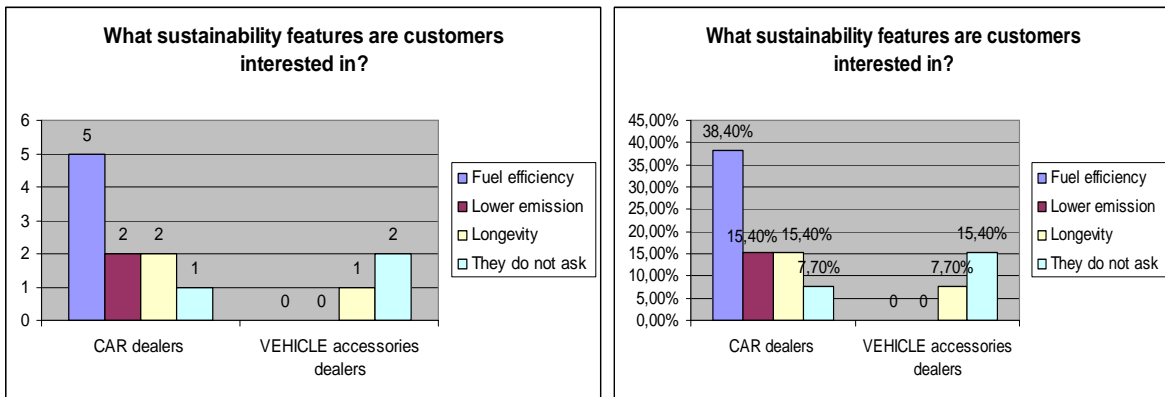
We think these projections and especially the last one related to increase in fuel price is partially related to fuel tax in the UK that has risen in 1995 from 39.4 p. to 53.65 p. in 2007 for unleaded petrol (Petrolprices, 2010). There were slight changes from 2007 to 2009. In 2010 there is a small increase by a 1p a litre and then again in October 2010 by another 1p and then on the 1st January 2011 by 0.76p (Petrolprices, 2010).

When we compare these results to the outdoor equipment segment, we can say that in this segment there are double more respondents that said 'an upward trend'. Our assumption is that probably outdoor equipment is more currently developed when it comes to environmentally friendly products comparing to car and vehicle accessories segment. On the other hand we have two clusters sharing equally 15%. One is 'fairly steady-no growth present' and other one is 'I do not know'. For this analysis there is an interesting statement from 'do not know' cluster: 'I do not know, but mostly it depends on government and how they will tax the fuel; currently new government came so what do we know what they will do'. This is again related to government regulations as similar statements were present in the outdoor equipment segment.

It seems that retailer/managers in some answers see development through regulations that will be set by government.

Then again we asked as in the outdoor equipment about sustainability features that customers are interested in.

Question 5: What sustainability features are customers interested in?



Figures 44 and 45: Number and percentage of answers to the question 5

When analyzing sustainability features in this segment the largest percentage goes to fuel efficiency a little bit less than 40 % of respondents. This is expected as this is strongly related to cost economy and customers want to drive cars that are fuel efficient. The second largest percentage is lower emission that is around 15 % of respondents. We can say this is a more typical sustainability feature. Fuel efficiency together with lower emission is a good combination for sustainable development.

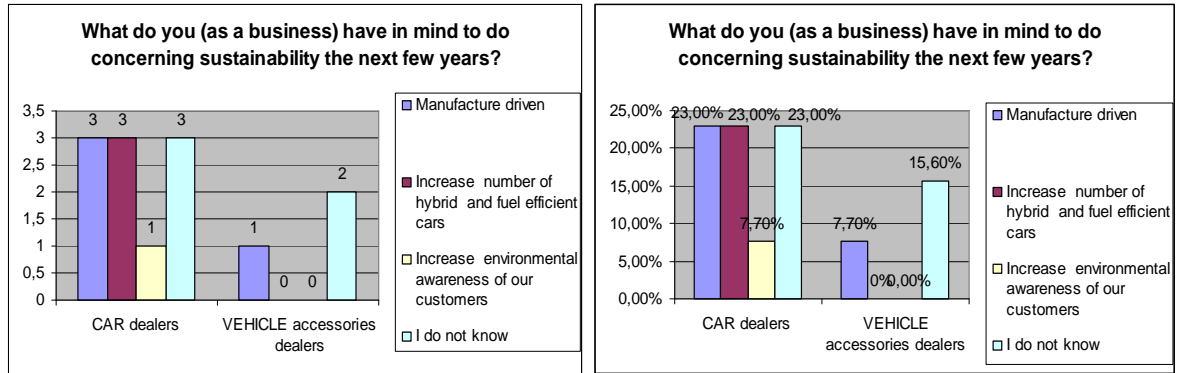
Around 22 % of respondents said that longevity is a feature that customers are interested in. This is also important piece of information for producers to produce longer lasting cars and vehicle accessories as customers want to buy longer lasting products.

However there are also around 22 % of respondents that said customers do not ask at all about sustainability features. We think a quarter of customers who do not ask about sustainability features is not a bad result. We have on the other hand 75 % of customers who ask about sustainability features.

If we compare this segment to the outdoor equipment, there are more customers in the outdoor equipment that ask about sustainability features of products. Probably this is due to larger offer and availability of environmentally friendly products in the outdoor equipment segment.

In the last question we asked retailers/managers about their plans regarding sustainability in the future.

Question 6: What do you (as a business) have in mind to do concerning sustainability the next few years?



Figures 46 and 47: Number and percentage of answers to the question 6

We have two distinctive groups for the business plans concerning sustainability. On one hand there are 23 % of respondents who plan to increase number of hybrid and fuel efficient cars. Probably this is driven by customer demands.

These are some statements from this cluster: 'We will try to order more fuel efficient cars' or 'Increase hybrid range'.

On the other hand there are 23 % of respondents who said they are manufacturer driven. Probably this is because they are dealers and not producers and can not so easily change their offers. We have here a message to manufacturers that they are again important players and that retailers will follow what they offer. Moreover we had in the previous answers that customers are also interested in more fuel efficient cars, lower emission cars as well as longevity.

These are some statements from this cluster: 'We are very dependent on manufacturers, so what they do, we will follow that' or 'It depends on manufacturers, if they produce more sustainable products we will offer them to our customers'.

On the other hand there is a large proportion of respondents around 40 % that said 'do not know'. This is a quite large proportion and it is not signalling a good message. It seems that transportation and convenience of car use is very hard to change.

We also have an answer that showed plans about education of customers about environmental impact of cars. It is 8 % of our sample but we think it is good that there are also plans for education of customers as that is important for increasing environmental awareness about car use.

3.5 COMPARISON OF OUR STUDY RESULTS TO OTHER STUDY RESULTS

Our first question was testing customers' attitudes towards sustainability. Our study results were positive as in the outdoor equipment around two thirds of respondents said that for customers sustainability is either fairly or very important. Similar results were also in the vehicle accessories and car segment where around two thirds of respondents said that sustainability is either very or fairly important for customers. Other studies found similar results when testing attitudes of customers. A study done by PricewaterhouseCoopers (2008) found that over 80 % of 4 thousand customers surveyed, demonstrated awareness and concerns about sustainability issues. For example in this study 80 % of consumers said they are 'worried' about climate change.

Moreover in a study done by DEFRA (2008) where consumers were asked on their attitudes on eco-friendly purchasing, 52 % strongly agreed or tended to agree that they "try not to buy products from a company whose ethics they disagree with". We think our results even though with much smaller sample are similar with other study results and it shows its larger reliance.

One of the reasons for an increase in awareness about sustainability in eco-friendly purchasing behaviour is media coverage on these issues that increased. On the figure below we can see a positive trend.



Figure 48: Increase in media coverage on sustainability (PwC-Factiva, 2008)

This is an upward trend in the media coverage on sustainability issues and it is probably one of good influencers and improvements over the last years in the UK.

When comparing our results for the second question on willingness to pay for more environmentally friendly products again we have similar results as other studies. In our study we found that over two thirds of customers in the both segments are willing to pay more for environmentally friendly products.

There are similar results in a study done by DEFRA (2008) where 45 % of respondents, strongly agreed or tended to agree that they 'would be prepared to pay more for environmentally friendly products'.

In this study (DEFRA, 2008) over a quarter of respondents disagreed that are not ready to pay more. In our study results are similar as one third of customers are not willing to pay more for environmentally friendly products.

As it is important to have an estimate on percentage that customers are willing to pay we will see also check other study results. In the PwC study (2008) top six UK grocery's products were examined and it was found that price premium was over 40 % for some environmentally friendly products.

In our study we found that maximum willingness to pay for environmentally friendly products is 20 % price premium in the outdoor segment, but it is important to say that this was only 10 % of respondents. On the other hand in the car and vehicle accessories segment maximum price premium is 10 %. The most frequent price premium is 5 % in the both segments.

Moreover PwC study (2008) found that willingness to pay a social or environmental premium on everyday items was closer to c.20 %. This is similar to our results that showed a premium of 20 % for the outdoor segment and a lower premium of 10 % for the car and vehicle accessories segment as prices are larger.

Also one more study showed similar results on customer willingness to pay more for environmentally friendly products. In the EU Commission study (EU attitudes, 2008) results showed that customers would pay more for environmentally friendly products: 7 in 10 said they would be willing to pay up to 20 % more. Our findings about customer willingness to pay more for environmentally friendly products also showed that around 70 % of customers are willing to pay more to 20 % more.

In our third study question retailers/managers were asked about development of this market for sustainable products or in more general sustainable consumer behaviour over the last few years. Over 50 % of our respondents in the outdoor equipment said it developed gradually or it is an upward trend. In the car and vehicle accessories segment around 40 % said it is an upward trend.

On the figure below there is an analysis of the market for sustainable goods that supports our results PwC (2008).

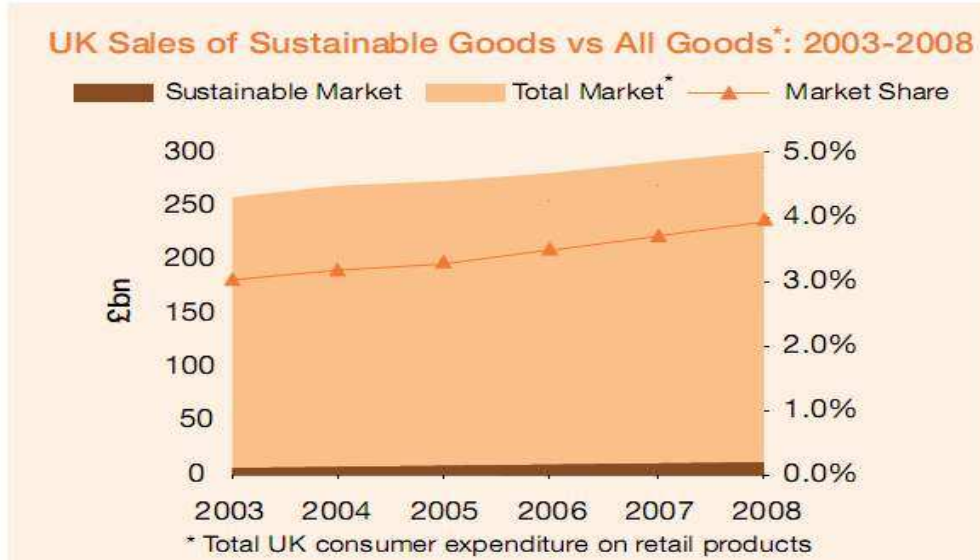


Figure 49: UK sales of sustainable goods (PwC, 2008)

UK sales of sustainable goods rose over the recent years. From 2003 and onwards there is an increase. As these are sales for total market of sustainable products, some differences are probably present in different market segments.

Even though we are not analysing sustainable food market where there is the largest growth in the UK over the last few years, we will mention some growth rates. According to (Sustain, 2009) fair-trade penetration has grown from 20 % shoppers few years ago to 50 % in 2009.

For our study it is important to mention that growth is present in Fairtrade and organic clothing purchase in the UK. There is a growth from 2005 to 2008 from 7 % of shoppers to 17 % in 2008 (PwC, 2008).

Also in the car segment there are also statistics showing there is an increase in purchase of efficient cars on the figure below.

Purchase efficient cars

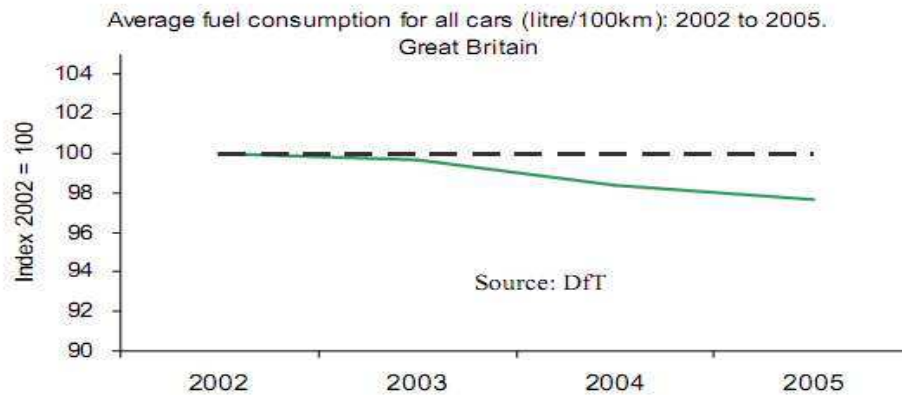


Figure 50: Purchase of efficient cars from 2002-2005 (DfT, 2006)

We see there is a decrease in the fuel consumption and it was a fall of 2.5 %.

Also we asked our respondents on development's projection of market for environmentally friendly products. Results showed that over half of respondents said they think it will be an upward trend or a gradually increase in the outdoor equipment. Moreover in the car and vehicle accessories segment there are even more positive projections. More than a half of respondents see an upward trend in the market for sustainable products.

We think these results could be taken seriously as results of a study (EUbarometer, 2008) showed that consumers clearly show that want to buy more sustainable products in the future. In this study 58 % said they want to buy more environmentally friendly products.

In addition to this a MamboTrack study (2009) showed that 61 % of respondents indicated significant interest in expanding their earth-friendly practices by buying clothing made from earth-friendly materials such as organic cotton, bamboo and hemp.

The most frequent sustainability feature that customers are interested in the outdoor equipment segment was recycling. It seems that other study results showed similar results. For example in the Greendex survey (2008) the British were among the top three countries when it comes to recycling actions undertaken. It seems that recycling is very present in the UK and that customers usually relate it to sustainability features.

Also over the 30 % of the EU citizens, among them the British were the most likely to select minimising waste and recycling as the actions having the greatest impact on solving environmental problems (EU barometer, 2008).

DEFRA's (2008) results showed that 71 % of respondents were engaged in recycling more and intended to continue to do the same in the UK.

Other sustainability features in our study were longevity, the way products are produced, where products are produced, packaging and similar results were found in other survey. A survey done by (PwC, 2008) showed that customers care more about what they buy, how it is made, what it is made from, how far it travels and how it is packaged.

In our study we had a mix of different features and we found that usually customers are interested in different features and do not want to compromise on some to get other sustainability feature.

Also in the car and vehicle accessories segment customers want to have more fuel efficient cars as our study results showed. Also some other studies showed that people are reluctant to change their behaviour in transportation sector and that people just love convenience of car use (DEFRA 2008&Greendex 2009).

However we found through our interviews that customers are largely affected by taxes on fuels and they want to pay lower taxes especially for companies' cars.

In our analysis we showed some statements that showed us a large influence of regulations on retailers/managers.

Our study results showed that the business sustainability plans were in direction of recycling and energy efficiency in the outdoor equipment segment. In the car segment plans are to increase offer of fuel efficient and hybrid cars.

It seems again as other studies showed that the business side plans are in a large proportion in direction of recycling (EUbarometer, 2008).

Also we have interesting findings in the both segments related to government regulation plans. Also customers and manufacturer driven was something that was found in our study.

It seems that statistics were very similar to some other studies but we think beside these statistics we have more knowledge about sustainable consumer behaviour in the UK and especially in the selected segments through statements.

In the following part we did interviews with experts on sustainable consumer behaviour in the UK to get better understanding and then we will make overall conclusion of this paper.

3.6 INTERVIEWS WITH EXPERTS IN SUSTAINABLE CONSUMER BEHAVIOUR IN THE UK

Toby Kent- PwC expert on sustainability and retail in London-UK

Toby Kent leads on sustainability and retail in PwC's London office. He is also author and co-author of many sustainability related studies and one of the most relevant studies for our project where he is an co-author is: 'Sustainability are consumers buying it?' On the 20th May we conducted a 20 minute phone interview with him talking about sustainable consumer behaviour in the UK or trying to get from expert answers on similar questions that we asked retailers/managers.

1. *How important is sustainability for customers in the UK?*

It is a mix picture, as you know in your academic report there is always a definition point. Sustainability means many different things to many different people. If you take a look research that PwC 75 % said they are concerned about climate change and PwC contacted about 6000 UK customers. It seems that in a very broad sense that they are very worried about the impact of climate change. Climate change is not the same as sustainability but it is important aspect of it. The British consumer is worried about linkages to sustainability but at the same time that does not mean that they will necessarily make their decision on that basis or their purchasing decision will be based on sustainability.

2. *Are they willing to pay more?*

It will depend by products. In the segment of out door equipment probably some specialist or enthusiasts are willing to pay a little bit extra for a specific product. That is not the problem. In our research we found that what is important for the UK customer to buy more sustainable products is trust. What we found when they told them that their products are sustainable is trust, do I actually trust this product is sustainable? There are many producers including different perspectives on sustainability so consumers do not know any more whom they should really trust. In our research we found four main barriers to sustainable purchasing behaviour and they are price, confusion and trust and lack of alternatives.

To overcome these barriers we conducted some additional testing called conjoint analysis which is a way of testing the way people are likely to behave rather than survey who has some misleading. We conducted for an everyday item and discovered that for example for a cup of coffee if people genuinely understood the impact that coffee will have they were ready to pay 10 % more, if they really believed they are doing for the environment benefit of buying that.

Or for example products which they buy occasionally for example a luxury chocolate they said they were ready to pay 40 % more , that would be for example for a chocolate of 10 euro for 14 euro. You have to take that information with a degree of care. You have to be careful, you can not say just because this product is sustainable customers will pay 10 % more.

You have to imply sustainable aspect with all, a luxury chocolate with beautiful packaging, all content explained, it is not just a sustainability aspect.

3. *How has this developed over the last few years?*

I think it is the most easily characterized by where you previously had a relatively small number of niche market players selling sustainable products. Increasingly, it is changing that these products are becoming mainstream products, everyday items. For example from Body Shop message of universalism is spreading.

4. *How do you think it will develop in the next few years?*

I think we can think about sustainability in the context of 3 generations. First generation of sustainability is in the late 1990s, it is really driven by relationship with stakeholders, gaining respect in interrelations with them. Second generation again who lined with better understanding of commercial aspect, brand image all the actions that are fundamental to how we perceive. Looking ahead where we are now heading up, we are at the begging of third generation. The future will end up with the third generation. The third generation can be characterized by companies with deep understanding that firms can do their business different way. New forms of merging, new forms of co operations and an important aspect is that companies beginning to compete for the sustainability market and distinguish based on sustainability aspect. Communication will be increasingly important, buy that product because it is good and fun.

5. *What is happening in non-food segment?*

For example Persil and Ariel detergents that are from two different brands Unilever and Procter&Gamble both launched new detergents. They were directed to saving electricity and in that saving environment and saving money. So washing clothe on lower temperature, there are fewer environmentally impacts. More campaigns probably that will be related to saving aspect. For example in the out door equipment probably is Patagonia the only who is known.

6. *What about market share in environmentally friendly products in the UK?*

It is hard to quantify. From 2007 Fair trade increased by one third and organic reduced by half. Fair trade is known brand, people know more about this brand. Probably recession took some parts.

Comments on interviews

From the first answer we can see that customers are worried about sustainability issues. Toby told us that even though consumers are worried, it does not have to be that they will make their purchasing decision based on sustainability. We think this is important as through this interview we found out that the British customers want everything in products they buy. They want quality, good packaging and all features that are important for a product. Then if on these sustainability features are added, it is a winning combination. Also from this expert we found that trust is important for customers who buy environmentally friendly products.

When talking on barriers Toby told us that the first barrier is price. Also he told us that important barriers are confusion, trust and lack of alternatives.

In our study we found from interviews that price is one the largest barriers when it comes to purchase of environmentally friendly products.

Some of statements describing price as a barrier in our study are: 'We tried couple of times to offer but they do not want to pay more' or 'At the moment customers are not willing to pay more environmentally friendly products, as British market is very discount driven, for example customers have option to buy a 5 pound T-shirt or to pay 45 pounds for an organic cotton, and most will choose the a 5 pound one'.

We think that from the question on development of sustainable consumer behaviour in the UK we found out that sustainability is just not niche market anymore. 'Sustainability is becoming integrated into mainstream products'. This is important to know for the UK market for all producers and especially for the segments that we investigated.

An interesting finding from this interview was also on prediction of development as he thinks that we are now at the begging of third generation where sustainability is important for merging, cooperation, differentiation of product and that we will see more of this in the future.

In addition to this we conducted an interview with one more PwC expert Peter Collins on sustainable consumer behaviour in the UK. We will use some important insights from this interview and the whole interview can be found in the Appendix.

Peter told us that recession negatively affected sustainable consumer behaviour in the UK. We also found this in our study in statements of our respondents.

We also wanted to find out from his experience development of market for sustainable products over the last few years. He told us that the level of certification has increased significantly. Moreover he added: 'Well known and market leading FMCG (fast moving consumer goods) brands have adopted these certified attributes (Rainforest Alliance, FSC, Marine Stewardship Council, Fairtrade, etc). There are multiple examples of that. I would also highlight the fact that these attributes are being offered alongside other more sustainable attributes (reduced packaging, carbon footprinted, reduced energy in production, reduced energy required in consumption) at no or little price premium. This is a crucial change. The barriers (expanded below) that consumers face are being addressed by market leaders, not just niche brands (looking to attract a price premium)'.

From this interview we can see that barriers are recognized by producers and they are addressing these such as already mentioned price, availability and trust.

Also we wanted to find out from this expert what would be a solution for more sustainable consumer behaviour. Peter told us: 'Remove the barriers through innovation increase choice influencing and education on the issues. Companies can and are making it easier for consumers to make more sustainable choices by creating products aimed at mainstream (not niche) consumers that offer no compromise on price, efficacy/quality or convenience. They are finding ways to engage consumers on the issues in more accessible and effective ways. In doing so, they are changing expectations and therefore the nature of competition in many sectors. In making it a competitive issue will encourage further innovation'.

When it comes to the outdoor segment and car and vehicle accessories all the mentioned issues from these interviews are going to be even more relevant in the near future. In comparison to sustainable food market which is mainly investigated there is going to be larger change in the future in the outdoor equipment and vehicle accessories as these are not well developed yet.

CONCLUSION

Going through different perspectives we saw that sustainable consumer behaviour in the UK is very important. We started with explaining all three perspectives on sustainability and showed there is a need for their high interrelations.

Then we showed there is a need for more sustainable consumption from the limited earth capacity to rising commodity and raw material prices. After giving a case for more sustainable consumer behaviour we started with explanation of green consumer through history based on five major categories: demographic, knowledge, values, attitude and behaviour. Through exploring different studies covering these five major categories we found that they were changing throughout the history. There cannot be determined a model on sustainable consumer behaviour with the exact demographical characteristics, knowledge or any other characteristics mentioned above.

Investigating the existing EU's and the UK's regulation we found it is changing over the past years.

At the EU level there is a sustainable consumption and production programme that includes different areas of action. In the UK there is a national sustainable development plan and many other instruments explained that will encourage greater sustainable consumption.

After giving a background intro to the mentioned issues, we then started with investigation of sustainable consumer behaviour in the UK.

Firstly, the world tracking survey on sustainable consumer behaviour was analysed. This was National Geographic survey Greendex that showed the British position is in the second half of all the ranking countries, the 13th position out of 17. This is not so good result but it was shown that the Great Britain had improvements in some areas such as purchase of more eco friendly products, consumption of locally grown food and energy saving. It is important to mention that transportation index did not improve at all as this was a comparison study from 2008 to 2009.

After checking the UK's ranking in the worldwide survey, we then investigated sustainable consumer behaviour in the UK only.

The main findings of this survey were that environmental awareness increased and the British are more aware of the environmental issues. Also it was found that they are starting to buy more environmentally friendly products. When it comes to actions that are undertaken mostly British are undertaking recycling. Also this survey showed reluctance of changing transportation behaviour because the British like to travel by car.

But as these surveys were more in general not related to any specific segment of the industry, we did our own research in the outdoor equipment and car and vehicle accessories segment.

Results showed that in the both segments outdoor equipment and car and vehicle accessories sustainability is important for customers. Over two thirds in the both segments said sustainability is either fairly or very important for customers.

When analyzing customers' willingness to pay, again around two thirds in the both segments said that customers are willing to pay more for sustainable products. Also there are some respondents who did not quantify how much customers are willing to pay more.

The most frequent willingness to pay for environmentally friendly products in the outdoor equipment was up to 5% more, comparing to car and vehicle accessories of 5-10% more.

However maximum willingness to pay was larger in the outdoor equipment with 20 % more, while in the car and vehicle accessories this was up to 10 % more.

Probably this is due to larger prices in the car and vehicle accessories segment. We also need to mention that from this answer we found out that price is the main barrier while purchasing sustainable products.

Also we found this through the interviews with experts on sustainable consumer behaviour in the UK.

Our respondents in the both segments told us that market for environmentally friendly products developed well over the last few years. This answer was in less than a half of the sample. When analyzing projection on development of this market in the future, more positive projections were in the car and vehicle accessories segment. In this segment around 40 % respondents said they see it as an upward trend. This can tell us maybe that the outdoor equipment segment is better developed. But as this customer can be in the both segments we can expect better development for the car and vehicle accessories segment.

In the outdoor equipment segment recycling is the sustainability feature that customers are mostly interested in, comparing to fuel efficiency in the car and vehicle accessories segment. It seems there is a large percentage of customers that think recycling is important sustainability feature. Other two studies, DEFRA's and Greendex showed similar studies.

Also in the both segments many retailers related their plans with sustainability to government regulations and following the same.

When asking about plans regarding sustainability in the outdoor equipment segments recycling is again the most frequent answer. On the other hand in the car and vehicle accessories segment plans are to increase number of fuel efficient cars and hybrid cars and to follow what manufactures do.

We think this is an important piece of information for manufacturers that retailers will follow what they do.

Through interviews we found there is a shifting from niche products sustainable market to mainstream products market. This is important for the segments that we investigated, as we think it is more mainstream product market.

Based on our research we think there is going to be positive development of market for products having incorporated sustainability features.

Our research showed there is a large awareness about sustainability features in the selected segments. Also customers are willing to pay more for environmentally friendly products in the both segments. It is important to say that still price is a barrier for more sustainable products purchase. Supported with our study results currently products with sustainable features incorporated are overpriced. We think if prices would be up to 10 % more in the investigated segments, this would be a winning combination for more sustainable consumer behaviour in the UK.

Also it is important to mention that manufacturers of the products in the selected segments can produce more products that have sustainability features incorporated. We say this as our results showed there is a large awareness among customers on sustainability in the selected segments. Moreover also retailers have plans to increase their offers of products that have sustainability features incorporated and to follow what manufacturers will do.

Our projections about development of sustainable consumer behaviour in the UK are very positive. In the future probably also regulations will be stricter. Probably customers will demand more products that have sustainability features incorporated.

Doing nothing for the business side in the outdoor segment and car and vehicle accessories is no longer an option. We think consequences of doing business unethically or in an environmentally unfriendly manner in the investigated segments can be large in the long run.

All in all we think future will bring more sustainable consumer behaviour in the UK in general and in the outdoor equipment and vehicle accessories. Business side should seriously involve in this market in order not to lose the game and market share. With all market players' involvement, consumers, businesses and regulators we will witness more sustainable consumption that can lead us to more sustainable development in the future.

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-APPENDIX-

Sustainable consumer behaviour in the UK

These are the interview questions for retailers

Please answer the following questions

Question 1: How important is sustainability for your customers?

Question 2: Are your customers willing to pay more for environmental friendly products/features? If 'Yes' then how much more?

Question 3: How has this developed over the last few years?

Question 4: How do you think it will develop in the future?

Question 5: What sustainability features are customers interested in?

Question 6: What do you (as a business) have in mind to do concerning sustainability the next few years?

Question 3: How has this developed over the last few years? (Out door equipment dealers-ALL ANSWERS)

No	An upward trend	Fairly steady-no growth present	Gradually - more awareness	I do not know	Not in any of defined clusters
1.	'Upward trend definitely'	'People are more concerned about sustainability- fairly steady'	'Gradually going up - people are looking for eco products'	'I do not know'	'More natural materials instead synthetics'
2.	'Highly'	'Not much, it is stable'	'Increased slightly'	'I do not know'	'Less with clothing more with packaging'
3.	'Probably it increased 100% in the last few years'	'Still the same'	'More people are aware about the problem'	'I do not know to be honest I am here just for 1 month'	'A lot of manufacturers are going in that way '
4.	'It certainly grew, a lot of products came out but people do not pay that much attention'	'Fairly steady, because in the UK currently we have a trend of high volume low- price'	'Much more awareness, not huge movement, they are not doing serious thing'		'Increased in supply'
5.	'Upward trend'	'It has not in the last few years'	'People want it more, but price is very high to become really upward'		'We tried couple of times to offer but they do not want to pay more'
6.	'It grows, people want to buy more'	'Keep in the line no improving'	'People are more aware about it, but brand and price are still the most important'		
7.	'It is an upward trend, things are getting better'	'It has not develop'	'Customers pay more attention and meet the market needs'		
8.	'Very well'	'It did not develop, people like idea but they do not want to pay more'	'People are more willing to pay'		
9.	'10% increase on the market'	'Not much change'	'It will develop more but not that quickly-depends on recession, because environmental friendly products are more expensive, people need more money to buy them'		
10.	'It is definitely an upward, awareness is increasing'	'Fast start 10 years ago, but last three years ago it slows down'			

Question 6: What do you (as a business) have in mind to do concerning sustainability the next few years? (ALL ANSWERS)

No	Recycling (recyclable materials)	Energy saving	Customer and manufacturer driven	I do not know	Undefined cluster
1.	'We have dropping points in store (recycling)- Patagonia.'	'Energy saving bulbs'	'Customer driven, depends on customers, are they willing to buy sustainable products; if YES we will contact suppliers who are offering sustainable products'	'I do not know, probably we will follow the trend'	'To be honest it is not a big issue for us'
2.	'Very little, waste recycling, we also recycle clothes for customers'	'We will do a minimum because we are limited, building is very old, we will use energy saving bulb and other general procedures'	'Company will continue to buy environmental friendly products from different suppliers'	'I do not know, honestly'	'We will try to comply with government regulations'
3.	'Recycle garment'	'Light saving bulbs'	'It depends on manufacturers, that will be the main driver'	'I do not know, it depends on sales'	'We will try to lower car output by 10%, making transportation to cost lower, and also we have environmental awareness courses for our employees'
4.	'We recycle everything that we can'	'Reduce energy and heating'	'I do not know we will see what Patagonia will do'	'I do not know, we will see in the future'	
5.	'We are doing little things such as waste recycling. Also we are using sustainable bags and other recycled packaging'	'We do not use lights that much, we are saving energy whenever we can'	'We will offer more environmental friendly products from different brands. But if we do not sell them that will be the problem, then we will take them out. Disparity between values and actions'	'I do not know, depend what our headquarter will tell us to do regarding sustainability'	
6.	'Recycling, a lot of recycling in our store'	'Long term plan, we are planning to rebuild store following sustainability principles, we will try to reduce lightening and energy mainly'	'We will try to do business with suppliers who are offering sustainable products'	'I do not know'	
7.	'Use recyclable materials as we can'			'I do not know'	
8.	'Keep doing what we are doing now, sell recyclable and organic items'			'I do not know, we do not have any specific plan'	
9.	'We do recycle things in store'				
10.	'Recycling waste and products, we will try to run efficient business'				
11.	'Recycling and going towards eco friendly products'				
12.	'We have recyclable bags, and we will recycle as much as we can'				
13.	'We use recyclable plastic, 70% of our products are recyclable'				
14.	'Recycling what we can'				

Question 1: How important is sustainability for your customers?

Type of dealers	Very important	Fairly important	Not important	Number of dealers/retailers
CAR dealers	6	2	2	10
VEHICLE accessories dealers	0	1	2	3
Total number:	6	3	4	13

Question 2: Are your customers willing to pay more for environmentally friendly products/features? If 'Yes' then how much more?

Type of dealers	up to 5% more	5-10% more	Yes, but I do not know how much, it is hard to quantify	No	Number of dealers/retailers
CAR dealers	1	3	4	2	10
VEHICLE accessories dealers	1	0	0	2	3
Total number:	2	3	4	4	13

Question 3: How has this developed over the last few years?

Type of dealers	An upward trend	Fairly steady-no growth present	I do not know it is hard to say	No of dealers/retailers
CAR dealers	<p>1. 'People are more conscious of gas emissions'</p> <p>2. 'People are buying more efficient car, because of the price of the fuel, so upward trend definitely'</p> <p>3. 'It is more developed than three years ago'</p> <p>4. 'More media coverage, people are more concerned, it is becoming more important'</p> <p>5. 'It is becoming more important, people are more aware, it is present in the press, so probably it is more developing'</p>	<p>1. 'Hard to say, but I think that is steady over the last few years'</p> <p>2. 'I do not see any improvement over the last few years'</p>	<p>1. 'I do not know just working for six months'</p> <p>2. 'To be honest I do not have idea'</p> <p>3. 'I do not know'</p>	10
VEHICLE accessories dealers		<p>1. 'Not really we do not have a lot of change'</p> <p>2. 'No change at all, it is the same'</p>	1. 'I do not know I did not think about it'	3
Total number:	5	4	4	13

Type of dealers	An upward trend	Fairly steady-no growth present	I do not know it is hard to say	Number of dealers/retailers
CAR dealers	5	2	3	10
VEHICLE accessories dealers	0	2	1	3
Total number:	5	4	4	13

Question 4: How do you think it will develop in the future?

Type of dealers	An upward trend	Fairly steady-no growth present	I do not know it is hard to say	Number of dealers/retailers
CAR dealers	8	1	1	10
VEHICLE accessories dealers	1	1	1	3
Total number:	9	2	2	13

Type of dealers	An upward trend	Fairly steady-no growth present	I do not know it is hard to say	No of dealers/retailers
CAR dealers	<p>1. 'More hybrid and electric cars in future, it will increase'</p> <p>2. 'More and more hybrid cars'</p> <p>3. 'Upward trend, definitely'</p> <p>4. 'Upward trend'</p> <p>5. 'I hope that will increase'</p> <p>6. 'Definitely increase'</p> <p>7. 'I think that will become more important, and hybrid cars will become more popular'</p> <p>8. 'Fuel price will go up, so it will be more people willing to buy hybrid and other eco friendly cars'</p>	1. 'It will probably stay the same'	1. 'I do not know, but mostly it depends on government and how they will tax the fuel; currently new government came so what do we know what they will do'	10
VEHICLE accessories dealers	1. 'I think it will be more and more sustainable cars available on the market and it will develop very quickly in the future'	1. 'It is the same, some amount as two years ago'	1. 'I do not know'	3
Total number:	9	2	2	13

Question 5: What sustainability features are customers interested in?

Type of dealers	Fuel efficiency	Lower emission	Longevity	They do not ask	Number of dealers/retailers
CAR dealers	5	2	2	1	10
VEHICLE accessories dealers	0	0	1	2	3
Total number:	5	2	3	3	13

Question 6: What do you (as a business) have in mind to do concerning sustainability the next few years?

Type of dealers	Manufacturer driven	Increase number of hybrid and fuel efficient cars	Increase environmental awareness of our customers	I do not know	Number of dealers/retailers
CAR dealers	1. 'We will follow manufacturers and their ideas' 2. 'I did not think about it, that depends on manufacturers' 3. 'We are very dependent on manufacturers, so what they do we will follow that'	1. 'Increase hybrid range' 2. 'We will try to order more fuel efficient cars' 3. 'We will try to offer more green cars'	1. 'We will follow the trend and educate our customers increasing their environmental awareness'	1. 'I do not have idea' 2. 'I do not know' 3. 'I do not know we will probably follow the trend'	10
VEHICLE accessories dealers	1. 'It depends on manufacturers, if they produce more sustainable products we will offer them to our customers'	0	0	1. 'I did give much of though to be honest' 2. 'I do not know, but probably try to do what we are doing'	3
Total number:	5	2	3	3	13

Type of dealers	Manufacture driven	Increase number of hybrid and fuel efficient cars	Increase environmental awareness of our customers	I do not know	Number of dealers/retailers
CAR dealers	3	3	1	3	10
VEHICLE accessories dealers	1	0	0	2	3
Total number:	4	3	1	5	13

Full interview with PwC expert on sustainable consumer behaviour Peter Collins

1. *How important is sustainability for customers in the UK?*

Concern and awareness on the issues is high - it is a mainstream issue and not restricted to an informed niche. Our research indicates that over 70% of the UK population are concerned about climate change and 75% claim to have made changes to their lifestyle as a result of these concerns. Our research also indicates that this has changed little during the economic downturn although recent research from others has suggested that recent issues over climate change science has negatively affected consumer engagement with the issues

2. *In your opinion are they willing to pay for a sustainable product? If 'Yes' how much more?*

This is a tricky question to answer. If you ask consumers if they are willing to pay a premium they will generally answer positively. However, there exists a 'value-action gap' In other words consumers say one thing in a survey but act differently at the point of purchase.

3. *How has sustainable consumer behaviour or market for sustainable products developed over the last few years based on your experience?*

Changes to the market for more sustainable products have been significant and I would characterise these changes as the 'mainstreaming' of more sustainable products. For one thing, availability of 'certified' products in the mainstream (supermarkets etc) has increased substantially. Secondly, well known and market leading FMCG (fast moving consumer goods) brands have adopted these certified attributes (Rainforest Alliance, FSC, Marine Stewardship Council, Fairtrade, etc). There are multiple examples of that. I would also highlight the fact that these attributes are being offered alongside other more sustainable attributes (reduced packaging, carbon footprinted, reduced energy in production, reduced energy required in consumption) at no or little price premium. This is a crucial change. The barriers (expanded below) that consumers face are being addressed by market leaders, not just niche brands (looking to attract a price premium), they are becoming mainstream product attributes and therefore changing consumer expectations Lower temperature washing detergent is the perfect example of this.

4. *How do you think it will develop in the next few years?*

More mainstreaming.

5. *What are sustainability features that customers in the UK are interested in?*

Consumers face a series of barriers in selecting more sustainable products, these create dilemmas. Consumers want to be able to make more sustainable choices but they do not want to compromise on price, efficacy/quality or convenience. Market leaders are recognising this and are solving these dilemmas by removing the barriers (price, confusion, lack of trust).

6. In your opinion what is a solution for more sustainable consumption that will bring us toward more sustainable society?

Remove the barriers through innovation increase choice influencing and education on the issues. Companies can and are making it easier for consumers to make more sustainable choices by creating products aimed at mainstream (not niche) consumers that offer no compromise on price, efficacy/quality or convenience. They are finding ways to engage consumers on the issues in more accessible and effective ways. In doing so, they are changing expectations and therefore the nature of competition in many sectors. In making it a competitive issue will encourage further innovation.