Consumer Goods Brands That Demonstrate Commitment To Sustainability Outperform Those That Don't

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Committing to sustainability might just pay off for consumer brands, according to Nielsenâ€™s Global Corporate Sustainability Report. In the past year alone, sales of consumer goods from brands with a demonstrated commitment to sustainability have grown more than 4% globally, while those without grew less than 1%.

To gain better insight into the factors that influence consumer sentiment and purchase behavior, Nielsen polled 30,000 consumers in 60 countries across the globe. Consumers were asked how much influence factors such as the environment, packaging, price, marketing, and organic or health and wellness claims had on their consumer-goodsâ€™ purchase decisions.

â€œSustainability is a worldwide concern that continues to gain momentumâ€”especially in Hong Kong where growing populations are putting additional stress on the environment,â€• says Angel Young, managing director, Nielsen Hong Kong and Macau. â€œAn increasing number of consumers in developed regions consider sustainability actions more of an imperative than a value-add.â€•

BRAND TRUST

Topping the list of sustainability factors that influence purchasing for more than half (56%) of Hong Kong consumers: brand trust.
â€œThis indicates an opportunity for consumer-goodsâ€™ brands that have already built a high level of trust with consumers to evaluate where best to introduce sustainable products into the market to drive growth,â€• says Young. â€œOn the f lip side, large global consumer-goodsâ€™ brands that ignore sustainability increase reputational and business risk. This may give competitors of all sizes, the opportunity to build trust with the predominantly young, socially- conscious consumer looking for products that align with their values.â€•

WILLINGNESS TO PAY A PREMIUM

Fourth-nine percent of Hong Kong respondents say they are willing to pay more for sustainable goods, up from 42% in 2014. And itâ€™s no longer just wealthy suburbanites willing to open their wallets for sustainable offerings. Consumers across income levels and categories are willing to pay more, if doing so ensures they remain loyal to their values. Sustainability sentiment is particularly consistent across income levels.

HEALTH AND WELLNESS

Consumers are looking for products that are both good for them and good for society. A productâ€™s health and wellness benefits are influential purchase decision drivers for nearly half of survey respondents (48%). Products made with fresh, natural, and/or organic ingredients carry similar weight with consumers (46%). Finding opportunities to bridge the two is a powerful and impactful way to connect with consumers.

THE ENVIRONMENT

When it comes to sales intent, commitment to the environment has the power to sway product purchase for 26% of Hong Kong consumers surveyed. Commitment to either social value or the consumerâ€™s community are also important (each influencing 34% and 32% of respondents, respectively). Retail data backs up the importance of these influencers.

â€œThe hierarchy among drivers of consumer loyalty and brand performance is changing,â€• says Young. â€œCommitment to s and environmental responsibility is surpassing some of the more traditional influences for many consumers. Consumer-goodsâ€™ brands that fail to take this into account will likely fall behind.â€•

TV ADS

TV ads highlighting a companyâ€™s commitment to positive social and/or environmental impact are influential in the path to purchase for 27% of Hong Kong respondents. Brands that actively reinforce societal commitment must amplify and socialize their message using multiple sources and distribution channels.

Says Young: â€œWhile marketing good deeds is encouraged and expected by consumers, authenticity and credibility are essential. Using multiple communication methods is important to demonstrate good deeds, such as third-party validation

(news coverage), annual reports, affiliation with a respected non-profit or civic organization, employee volunteerism, advertising, or reporting actual work in the community on a web site.Â A balanced approach is key for brand communicators, with the emphasis on demonstrating good deeds versus self-serving promotion.â€•

ABOUT THE GLOBAL SURVEY

The Nielsen Global Survey of Corporate Social Responsibility and Sustainability was conducted between February 23 - March 13, 2015, and polled more than 30,000 consumers in 60 countries throughout Asia-Pacific, Europe, Latin America, the Middle East, Africa, and North America. The sample has quotas based on age and sex for each country based on its Internet users, and is weighted to be representative of Internet consumers. It has a margin of error of Â±0.6 percent. This Nielsen survey is based only on the behavior of respondents with online access. Internet penetration rates vary by country. Nielsen uses a minimum reporting standard of 60 percent Internet penetration or an online population of 10 million for survey inclusion. The Nielsen Global Survey, which includes the Global Consumer Confidence Index, was established in 2005.