

# The Fresno Bee

## IRI Finds Green Products Sustain Momentum in Down Economy - Latest IRI Study

Finds 30% of Consumers Feel It's Important to Purchase Eco-Friendly Products; CPG Marketers Must Deliver Against Diverse Wants and Needs of Green Consumers to Drive Growth - Monday, Mar. 16, 2009

CHICAGO -- The growth in popularity of sustainable products—those that are eco-friendly, organic and those produced through fair trade methods—has marched upward for at least the past five years as more shoppers factor in the environmental impact of the products they consume.

According to the latest **IRI Times & Trends Report, "Sustainability: CPG Marketing in a Green World,"** the spectrum of green shoppers is broad and represents a diverse array of consumer demographics, psychographics, values and beliefs. The IRI report examines eight green consumer segments and provides insight into current and emerging sustainability trends that will enable manufacturers and retailers to drive top-line growth in the rapidly evolving green segment of the consumer packaged goods (CPG) market.

"Because green products are considered to be more expensive than 'traditional' products, it would be natural to think that as the economy plunged into recession, prices rose and people lost their jobs, the sale of sustainable products would plummet," says IRI Consulting and Innovation President Thom Blischok. "However, the truth is much more nuanced. CPG marketers need to understand the level of 'greenness' and mindsets for each of the eight consumer segments to really create a clear picture of opportunity. Certainly, some consumers are not spending money on green products, but others are actually maintaining or increasing green spending. A viable green market remains, even in these challenging times; the key is to understand different consumer segments and create messages and products that meet their varied needs."

IRI partnered with research firm TNS leveraging its Shades of Green Segmentation on how the eight consumer segments' view environmental stewardship. Through the integration of this TNS segmentation into IRI's Consumer Network panel, IRI's latest Times & Trends study revealed that each of the following groups has a different appetite for the "right" cost to pay in order to integrate environmental responsibility into day-to-day life:

- **Eco-Centrics:** Engage in a wide variety of green activities; well-informed and actively involved; willing to pay more for eco-friendly products
- **Respectful Stewards:** Community and culturally focused; idealistic; willing to pay for more eco-friendly products
- **Proud Traditionalists:** Hard working and focused on family; run environmentally responsible homes; experiment with eco-friendly products
- **Frugal Earth Mothers:** Prudent, lower-income women; save money wherever possible; focused on good and wholesome
- **Skeptical Individualists:** Highly-educated, high-income men; Not community or spiritually focused; skeptical about corporate green initiatives
- **Eco-Chic:** Young adults, who see green as new and hip; impulse buyers and early adopters; like "the cause" but haven't considered state of environment in depth
- **Green Naives:** Young, lower-income shoppers; have not registered cause/effect of environmental responsibility
- **Eco-Villians:** Middle-income men; small/mid-sized metro areas; black-and-white perspective; have dismissed environmental concerns outright; do not seek eco-friendly products

CHICAGO -- During the last year, Eco-Centrics held steady in their sustainable spending, while Respectful Stewards and Proud Traditionalists, the two closest segments to Eco-Centrics on the green spectrum, increased spending by 15.5 percent and 8.4 percent, respectively. Concurrently, unit sale performance for the three categories during the last year decreased 6.6 percent, rose 3.9 percent and rose 0.9 percent, respectively.

Eco-Centrics are not losing their fervor. These shoppers have simply saturated their baskets with sustainable products. As the economy weakened and prices rose, Eco-Centrics kept their spending constant, yielding lower units purchased. Both Respectful Stewards and Proud Traditionalists have not yet saturated their baskets and are turning to green CPG products with increasing intensity.

The IRI report recommends the following action steps that retailers and manufacturers can take to capitalize on earth-friendly CPG products:

- Broaden merchandising solution consideration sets through cross-merchandising and cross-marketing programs around newer, more innovative product options
- Understand core values across key consumer segments; align product assortment and merchandising programs accordingly
- Conduct frequent and granular consumer segment assessments in order to anticipate and proactively address changing consumer attitudes
- Re-assess product development priorities as well as local market assortments in relation to shifting consumer priorities

### **About the Report**

The **IRI Times & Trends Report, “Sustainability: CPG Marketing in a Green World”** is available from IRI, the leading global leading provider of consumer, shopper, and retail market intelligence and insights for the consumer packaged goods (CPG), retail, and healthcare industries. The findings of this report were compiled based on IRI AttitudeLink™, IRI Consumer Network™, TNS Shades of Green Segmentation and TNS Shopper 360®. To download the report, visit [http://us.infores.com/page/news/times and trends](http://us.infores.com/page/news/times_and_trends).

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