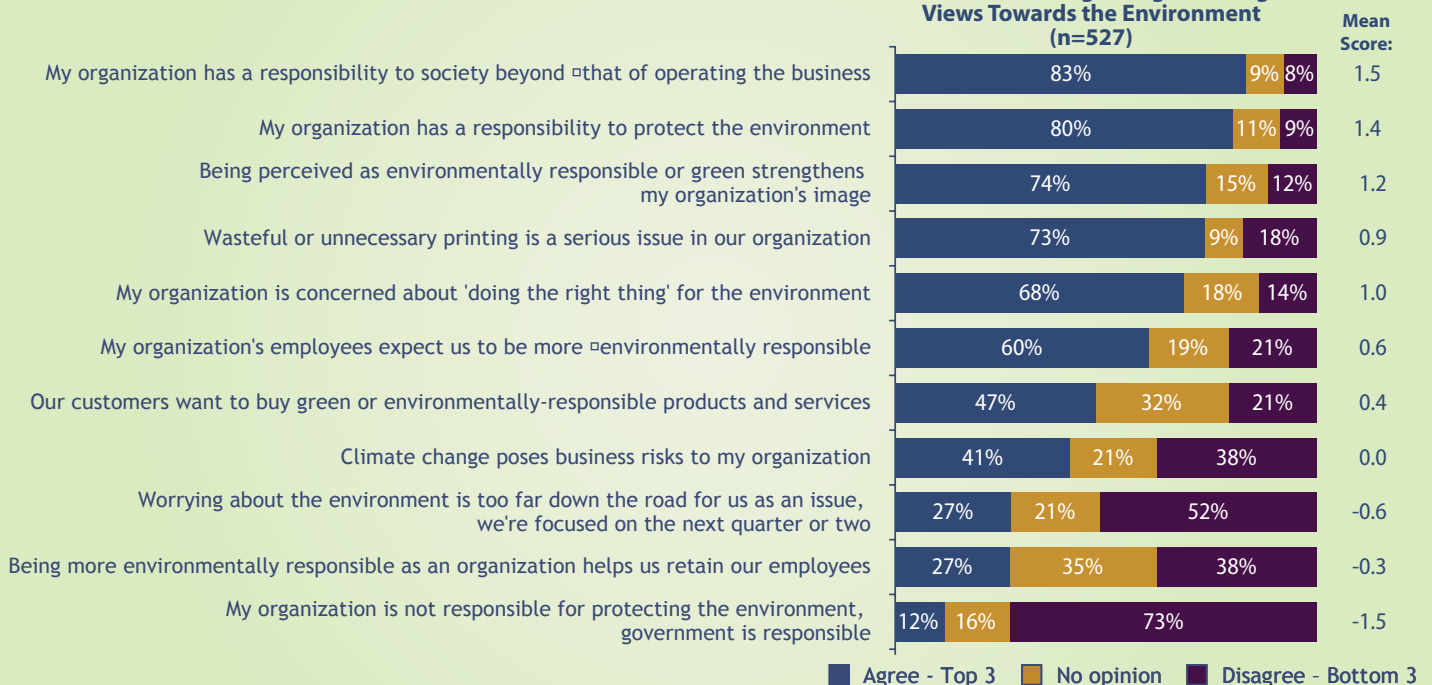# What's Your Green Strategy For Talking With Customers?

Environmental sustainability is a hot topic among both consumers and businesses. And if you are a company that provides goods and services to other businesses, it is important to understand how your business customers think about green issues today and what that means for how you should be doing business with them. Hansa recently completed its third annual Green TECHpulse® study, which has important findings for anyone marketing on a green position or message.

Our 2010 study surveyed 527 U.S.-based IT and business decision-makers evenly split among midsize organizations with 100-999 employees and enterprise organizations with 1000+ employees. These decision-makers represented a broad range of industry segments, and nearly half (45%) of the enterprise decision makers represented publically-traded companies.

Despite The Economy, Environmental Sustainability Is a Priority for Businesses

Regardless of business size, four out of five decision makers (83%) believe that their organization has a broader duty to society and is responsible for protecting the environment. Moreover, nearly three quarters (74%) of decision makers also believe that being perceived as environmentally responsible is good for business. These results bolster the

Decision Makers' Beliefs Regarding Their Organization's Views Towards the Environment (n=527)

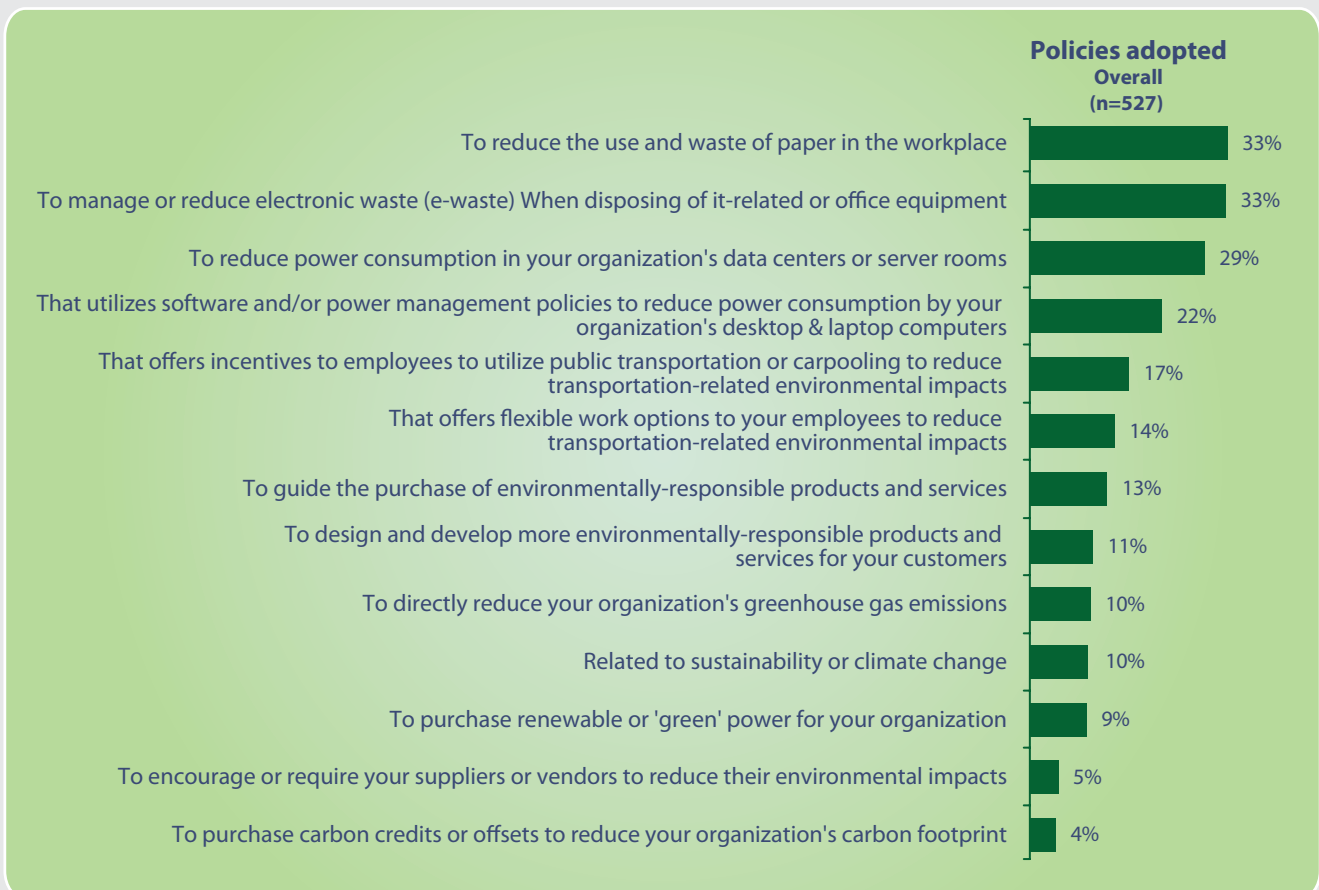| Statement	Agree - Top 3	No opinion	Disagree - Bottom 3	Mean Score:
My organization has a responsibility to society beyond that of operating the business	83%	9%	8%	1.5
My organization has a responsibility to protect the environment	80%	11%	9%	1.4
Being perceived as environmentally responsible or green strengthens my organization's image	74%	15%	12%	1.2
Wasteful or unnecessary printing is a serious issue in our organization	73%	9%	18%	0.9
My organization is concerned about 'doing the right thing' for the environment	68%	18%	14%	1.0
My organization's employees expect us to be more environmentally responsible	60%	19%	21%	0.6
Our customers want to buy green or environmentally-responsible products and services	47%	32%	21%	0.4
Climate change poses business risks to my organization	41%	21%	38%	0.0
Worrying about the environment is too far down the road for us as an issue, we're focused on the next quarter or two	27%	21%	52%	-0.6
Being more environmentally responsible as an organization helps us retain our employees	27%	35%	38%	-0.3
My organization is not responsible for protecting the environment, government is responsible	12%	16%	73%	-1.5

importance of environmental sustainability as a business issue despite the economic downturn that has hampered overall business performance over the past two or more years, a conclusion that is further reinforced by the finding that most decision-makers (52%) believe that environmental issues are not something that can be postponed or deferred until later.

Of course, it is important to keep in mind that business decision makers are also consumers. A vast majority of decision makers (86%) indicate that "doing the right thing" is important to them at a personal level. As a marketer of B2B products and services, it is important to keep in mind that business decision makers will bring the consumer and personal values to business decisions. A related, and even more fascinating result, is that

female decision-makers tend to have even stronger views regarding the environment than their male counterparts, another result that has important marketing and sales implications. What types of conversations are your sales executives having? What are they emphasizing? What questions are they asking?

Businesses Are Putting Their Money Where Their Mouth Is

So how do corporate values and personal attitudes translate into action? Many businesses are investing in greener solutions and business practices. A third of businesses have adopted policies to reduce paper use, power consumption in data centers, and e-waste when disposing of IT and office equipment. Among larger enterprise-size organizations, the adoption rate of these

Policies adopted
Overall
(n=527)

Policy	%
To reduce the use and waste of paper in the workplace	33%
To manage or reduce electronic waste (e-waste) When disposing of it-related or office equipment	33%
To reduce power consumption in your organization's data centers or server rooms	29%
That utilizes software and/or power management policies to reduce power consumption by your organization's desktop & laptop computers	22%
That offers incentives to employees to utilize public transportation or carpooling to reduce transportation-related environmental impacts	17%
That offers flexible work options to your employees to reduce transportation-related environmental impacts	14%
To guide the purchase of environmentally-responsible products and services	13%
To design and develop more environmentally-responsible products and services for your customers	11%
To directly reduce your organization's greenhouse gas emissions	10%
Related to sustainability or climate change	10%
To purchase renewable or 'green' power for your organization	9%
To encourage or require your suppliers or vendors to reduce their environmental impacts	5%
To purchase carbon credits or offsets to reduce your organization's carbon footprint	4%

sustainability policies (and others) is substantially higher, most likely because of broader governance requirements and shareholder expectations. Some businesses are beginning to extend their sustainability efforts beyond their inwardly-facing internal policies and practices and are re-thinking and re-designing products and services for their customers. Approximately one in ten companies reported initiatives to create and offer more environmentally-responsible products and services. Although this represents only a minority of companies, this percentage is expected to increase in subsequent years as companies re-position themselves in a greener, lower-carbon economy and seek competitive advantage in their respective markets.

How has green impacted corporate spending? Approximately one in eight companies overall (one in four among enterprises) indicate they have adopted a greener purchasing policy. More than a third of companies with these policies mandate the recycling of printer and copies ink/toner cartridges. In addition, greener purchasing policies call for purchasing products with recycled content like office paper and remanufactured equipment, but these policies are also being applied to the purchase of IT hardware such as computers and printers. The vast majority (87%) of organizations purchase at least some greener IT hardware, but less than two in five (37%) of companies indicated that greener device purchases comprised at least half of their total hardware device purchases. The biggest barriers limiting the purchasing of greener products are the perception that greener products carry a cost premium and a general wariness regarding green washing. Hence, a challenge for

marketers of greener products is identifying ways to overcome these fears.

Relating Product Benefits to Product Satisfaction and Purchase Intent

One of the unique features of the Green TECHpulse® study is that it measured the product benefits experienced by businesses from their purchases of greener IT hardware products. The types of benefits ranged from more tangible and quantifiable benefits such as energy savings and reduced use of toxics to more "feel good" kinds of benefits like decreased worry about harming the planet and satisfaction from "doing the right thing." The survey examined 14 different types of received benefits, which were categorized as either cognitive or affective (emotional) in nature. Increased energy savings and reduced power costs were cited as being the most beneficial, but decision makers also readily acknowledged the value of the "feel good" benefits of greener products. Decision makers in enterprise-size businesses noted the importance of these "feel good" benefits even more so than their counterparts in midsize organizations. Thus, even among business decision-makers, the importance of valuing the emotional side of green should not be underestimated.

An even more important result from the study is that these "feel good" or emotive benefits actually positively contribute to increased product satisfaction and future purchase intent. Using an advanced analytical technique known as structural equation modeling, the Hansa team developed a model that demonstrates how increases in the perceived benefits experienced from using greener

products leads to increased satisfaction and purchase intent. How do you increase the perceived benefits? For the cognitive types of benefits such as reduced energy consumption, there is no substitute for demonstrated product performance. Greener products, like all products, have to deliver. As a marketer, it's imperative to show your product can reduce energy costs or shrink the customer's carbon footprint. This information can be delivered via product-specific messaging. To deliver increased emotive benefits, a marketer can craft specific messaging to reassure customers and prospects and offer them peace of mind. The key point, though, is that it is not an "either/or" proposition; it's both. Because both the cognitive and emotive benefits of greener products are valued by customers, it is important to demonstrate that the customer will receive both types of benefits. The Hansa model also demonstrated which of these benefits should be emphasized and in what order with different customer segments. One size does not fit all.

Dr. Paul Schwarz is Vice President for Sustainability Research and Green Market Insights at Hansa. This summary contains only a selection of information from our comprehensive, annual Green TECHpulse® 2010 report. If you are interested in learning more about the 2010 study, sponsorship opportunities for the next Green TECHpulse® study, or learning more about our green research practice, please contact Dr. Paul Schwarz at 503.242.0186 or email Paul at pschwarz@hansagcr.com.

Hansa provides a full range of qualitative and quantitative research services. Our experienced research and consulting team, including PhD-level statisticians, uses innovative, data-driven methodologies tailored to our clients' research needs.

We pride ourselves on our ability to truly understand the voice of the customer and translate that voice into winning strategies for brand development, marketing communications, customer relationship enhancement, and product/service innovation.

HANSA GCR

Hansa GCR is a full-service market research and consulting firm. Looking through the lens of the customer experience and applying psychological principles of human motivation, it offers best-in-class research in areas relating to Customer Relationship Equity, Brand Solutions, Market Assessment, Green and Sustainability, and Product/Service Innovation. Hansa GCR is part of R K SWAMY HANSA, an emerging global group with 1,100+ professionals offering Creative Communication, Market Research, Data Analytics, Brand Consulting, Interactive and Healthcare Communication Services.

For further information about Hansa GCR, please visit us on the Web at www.hansagcr.com, contact us via email at customresearch@hansagcr.com, or call us at +1 503.241.8036.