Zwick Center for Food and Resource Policy Outreach Report No. 29

Help Your Customers Understand Green Words and Phrases

Bridget Behe

Ben Campbell

Jennifer Dennis

Charlie Hall

Hayk Khachatryan

April 2014



Charles J. Zwick Center for Food and Resource Policy Department of Agricultural and Resource Economics College of Agriculture and Natural Resources 1376 Storrs Road, Unit 4021 Storrs, CT 06269-4021 Phone: (860) 486-2836

Fax: (860) 486-1932
Contact: ZwickCenter@uconn.edu
www.zwickcenter.uconn.edu

Editor's Note: This article was written with research from Bridget Behe, Ben Campbell, Jennifer Dennis, Charlie Hall, and Hayk Khachatryan.

The green movement, at first glance, has given garden center owners a natural path to attract an ever-growing customer base that is concerned about environmental issues. However, if you're not careful, you run the risk of overwhelming them with mixed messages and misconceptions. Words and phrases like local, organic, eco-friendly and sustainable have become part of the cultural landscape. The problem is, they often mean different things to different people.

So what's your best approach to addressing this problem? Ideally it involves knowing how your buyers might perceive each of these words, giving them a clear definition, and positioning your products in a way that would be most appealing based on these perceptions.

How The Research Was Conducted

During spring 2011, the researchers conducted an online survey to better assess the market for horticultural products in the U.S. and Canada by more fully understanding consumer perceptions of local, organic, sustainable and eco-friendly. A total of 2,511 consumers were surveyed with 68 percent and 32 percent of respondents being from the U.S. and Canada, respectively. Each U.S. state and Canadian province was represented within the survey.

The survey asked a variety of questions around horticultural purchasing and recycling patterns such as whether they were the primary shopper in the household, store type, and whether they purchased local, organic, sustainable or eco-friendly products. Respondents were also shown a list of potential characteristics and asked to mark any and all that they perceived to be related to each of these terms.

Local: Play Up Your Community Impact To Reduce Confusion

In 2007, the New Oxford American Dictionary named "locavore" as its word of the year. The locavore movement encourages consumers to buy from farmers' markets or even to grow or pick their own food, arguing that fresh, local products are more nutritious and taste better.

That's all well and good, but how do you measure local? Some people may equate local to something grown or produced in the same county in which they are buying it. Others may say that as long as it comes from within the state, it's local. Still others may point to a "Made In The USA" label as locally produced.

The other problem is that while the typical standards for local generally imply distance boundaries, there are no specific determinations for local production practices. As a result, local and organic have been used interchangeably by consumers, although they are not the same and imply different production and sourcing methods.

According to the survey, your younger customers in particular are more likely to perceive organic, or no synthetic pesticide use, as a characteristic of local. Not only is this misleading, it is also dangerous to an organic industry that is based on strict regulations and federally approved labels. **What you can do:** If you want to position yourself as a local supplier, promote local production as a vehicle for boosting the economy or giving your customers a fresher product. Survey results indicated that if consumers believed purchasing local supports the local economy and implies a fresher product, they are more likely to perceive that local meant decreasing miles to transport. The more consumers purchased local produce, the more likely they were to perceive that decreased miles to transport was a component of local. In other words, a more knowledgeable consumer will have a better understanding of the value of local.

Organic: Regulations Determine Labeling

According to the Organic Trade Association, sales of organic products in the U.S. and Canada topped \$26.7 billion and \$2.6 billion in 2010, respectively. A key characteristic of organic production is the lack of synthetic pesticides within production. This message of pesticide-free is broadly emphasized throughout marketing material in the U.S. and Canada. However, survey results indicated that only two in three consumers associate no synthetic pesticides with organic. As environmental friendliness and safety increase in importance for purchasing organic, the consumer has an increased probability of correctly associating no synthetic pesticide use as organic. Consumers who purchase organic products more frequently are likely to perceive organic as tasting better and being more nutritious.

The implied connection between organic and local also comes up in this discussion. The survey showed that consumers who buy local and believe environmentally friendliness is important in their purchasing decision have an increased probability that better taste and more nutrition is a perceived trait of organic.

What you can do: Getting certified, despite the price tag, is the easiest and most direct step to positioning your organic products to your customers. This also gives them the best reason to know why they might be paying more for a particular product. As with local, the more knowledgeable your customer is about organic, the more likely they will be to pay for it.



Popular Term

Neither sustainable nor eco-friendly have specific regulations that govern how they are used. The good thing is, this allows you to use them in various ways and tailor your own definition. However, the use of either of these terms in labeling by different retailers to represent varying environmental messages can cause confusion in the marketplace.

Of the four words covered in this article, sustainable is perhaps the most troublesome because it has the most ambiguous meaning. In most cases, the definition of sustainable is thought to be

represented by a three-legged stool: economic viability, environmental responsibility and social responsibility. In order to be recognized as sustainable, all three things must be present.

Survey results indicate that sustainable is often aligned with best management practices rather than environmental characteristics. More respondents also associated socially responsible with sustainable compared to eco-friendly.

What you can do: About a quarter of survey respondents indicated that they had not heard of the term sustainable, which is surprising given the term is becoming more frequently utilized to connote "good for the environment." However, the lack of familiarity offers a unique opportunity for retailers to shape the definition to fit their production practices.

Look at the three-legged stool model, and determine where your company and your products are strongest in each of the areas. Promote these strengths among the many ways you strive to be more sustainable to your customers.

Eco-Friendly: Has Been Weakened Through Overuse

Results from the survey show that eco-friendly is often defined by environmental characteristics. For instance, almost double the number of consumers characterized the term eco-friendly as having reduced greenhouse gases compared to the term sustainable. Further, respondents were more likely to associate being green, energy saving and lower carbon footprint with eco-friendly. Biodegradable and recycling were also more likely to be perceived as characterizing eco-friendly.

The problem is, adding each of these attributes to the definition of eco-friendly can make it difficult if you want to make yourself stand out as an eco-friendly company. Plus, some consumers may see eco-friendly (along with sustainable) as more of a marketing gimmick than a true business practice. If those consumers are shopping at your garden center, they may have a negative connotation about your products. Younger consumers from rural areas are most likely to associate these terms with a sales gimmick.

What you can do: Show specific examples of what you are doing to make your operation ecofriendly. Put up signs highlighting energy savings or reduced water use, and let your customers know what you are doing to reduce your carbon footprint.

5 Tips To Help Your Customers Avoid Confusion

Understanding the differences between local, organic, sustainable and eco-friendly can be a challenge for your customers, especially given the barrage of marketing messages they likely encounter every day. But there are steps you can take to help them navigate this complex maze.

- 1. Be precise in the terminology you use. If you want to promote yourself as strong in one of these areas, make it clear how you fall into that particular category.
- 2. Help your customers understand and come up with their own definitions and perceptions of these words. You can be the voice that helps them understand what they mean.
- 3. Make sure your whole staff has an understanding of the different green terms, and can communicate clearly with your customers.
- 4. Don't oversell any of these words and practices to the point where they might be perceived as a gimmick.
- 5. Use caution when using any of these words on a label. If you do have them on a label, be prepared to back up what they mean.

Bridget Behe is in the Department of Horticulture at Michigan State University. Ben Campbell is in the Department of Agriculture and Resource Economics at the University of Connecticut. Jennifer Dennis is in the Department of Horticulture & Landscape Architecture and Department of Agricultural Economics at Purdue University. Charlie Hall holds the Ellison Endowed Chair in International Floriculture at Texas A&M University. Hayk Khachatryan is in the Food and Resource Economics Department at the Mid-Florida Research and Education Center in Apopka,

Fla. Brian Sparks is senior editor of Today's Garden Center. State funds for this project were matched with Federal funds under the Federal-State Marketing Improvement Program of the Agricultural Marketing Service, U.S. Department of Agriculture.