

The environment – #1 corporate priority – according to the world's consumers

Half the world's consumers consider it very important for companies to improve environmental policies

Two in three global consumers interested in buying goods that are 'ethically-produced'

Companies' commitment to improving the environment and other Corporate Social Responsibility (CSR) programs are playing an increasingly influential role in consumers' purchasing behavior today, according to the first global survey on company ethics and corporate responsibility released by The Nielsen Company.

Half the world's consumers (51%) consider it very important for companies to improve their environmental policies – ahead of other CSR programs that contribute to improving society (42%).

The Nielsen Company's 51-country survey polled 28,253 online consumers in May this year to provide the first global overview on consumers' attitudes towards company ethics and corporate responsibility.

"A global social conscience is one of the biggest trends to have emerged in the last decade. Globalization, the media and rapid penetration of the Internet have turned key international social and political issues into personal issues. From human rights to poverty and war, and most significantly, the environment – global consumers are collectively speaking out and demanding that corporations make a positive contribution to society," said Amilcar Perez, Vice President, Marketing, Latin America, The Nielsen Company.

According to Nielsen, Latin American consumers are the world's most socially aware, while North Americans consistently lag behind the global average.

Four in five (81%) Mexicans think it's very important that corporations act to improve the environment, and 54 percent consider it very important that companies support social causes.

Mexicans (65%) also topped global rankings for believing it very important that groceries are not manufactured using unethical labor practices.

"There is no doubt that Latin American consumers have a strong affinity with social causes, especially Mexicans," said Perez. "Latin American consumers may be more passionate about environmental and social issues because they feel the effects of these problems closer to home."

““ Latin American consumers have a strong affinity with social causes ””

Amilcar Perez, Vice President, Marketing, Latin America, The Nielsen Company

"There's a strong belief in this region that companies that invest in environmental and social issues ultimately benefit because they heavily publicize their efforts through their marketing and advertising, thus building a more responsible and caring image for their company and increasing their sales appeal in

the eyes of shoppers," said Perez.

Increasingly, companies in Latin America will donate resources to associations or communities that play a part in producing raw materials for products. Because of the strong philanthropic culture of Latin Americans, consumers are strongly encouraged to purchase these products – and they do. Eighty nine percent of Brazilians and 87 percent of Mexicans topped global rankings for their support of ethical products.

Globally, there are big profits to be made from marketing 'ethical' products. Two in three global consumers said they would be interested in buying ethical products to support environmental and social causes. Over 75 percent of Greeks, Chinese, Portuguese and Filipinos also indicated their support. Least interested in buying ethical products are North Americans (57%).



"For many consumers, supporting worthwhile global issues through their shopping choices is the most convenient way for them to satisfy their social conscious appetite," added Perez.

In the past few years in the international grocery and retailer industry, company ethics and CSR have come under increased scrutiny from consumers, as Nielsen's survey results attest.

"Two in five (44%) global consumers said it was very important to them that food/grocery manufacturers use raw materials that aren't harmful to the environment and 35 percent said it was very important that groceries are not manufactured using unethical labor practices," said Perez. Global consumers consider these two factors more important than an FMCG manufacturer/retailer supporting important social causes – 23 percent said this was very important to them.

"These survey results clearly confirm that we are seeing greater consumer awareness of social responsibility and more demand than ever before for positive action from the corporate world. What was once the domain of government leaders, celebrities and dedicated organizations, has become main-stream," said Perez.

Among Latin American consumers, 70 percent said it was personally very important to them that grocery manufacturers use raw materials that aren't harmful to the environment. Sixty one percent of LatAm consumers also said it was very important to them that groceries are not manufactured using unethical labor practices and 48 percent said it was very important that FMCG companies support important social causes.

"Due to the levels of poverty and exploitation in developing LatAm markets, Latin Americans are discouraged from buying products that are manufactured using unethical labor practices," observed Perez.

In contrast, only 34 percent of North Americans said it was very important to them that FMCG manufacturers used environmentally-friendly raw materials, and only 17 percent said they considered it very important that FMCG manufacturers support important social causes.

In Europe, Spain and Portugal were the only two countries to consistently appear in global top ten rankings in believing it very important for companies to actively support social and environmental programs. Seventy six percent of Portuguese and 64 percent of Italians and Spanish said it was very

important to them for companies to implement environmentally-friendly policies. One in three Portuguese and Spanish consumers also said it was very important that companies support key social issues.

When global consumers were asked what the biggest contributions society can make to combat global warming/climate change – North America topped global regions with nine percent claiming they 'don't know'.

Dutch consumers appear the most undecided and most uninterested in supporting social and environmental causes. Sixty-four percent 'didn't know/weren't interested/had no answer', followed by 40 percent of Belgians. One in ten Danish and Russians said it wasn't important to them at all if companies supported social causes

“we are seeing greater consumer awareness of social responsibility”

Amilcar Perez, Vice President,
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Global consumers expect governments to restrict corporate emissions and pollutants, and fund research to combat climate change

While the climate change and global warming debate continues, consumers are divided on what should be done to limit environmental damage but expect governments to take the lead on this increasingly important issue, according to a survey conducted by The Nielsen Company in conjunction with Oxford University.

Consumers in Latin America (LatAm) – the most concerned region globally about the environment – are most adamant that governments should take the lead in combating climate change. Half (52%) of LatAm consumers thought there should be major government-led initiatives for research into scientific and technological solutions – such as low emissions cars, houses and renewable energy – and 47 percent thought governments should restrict companies' emission of carbon dioxide and other pollutants. Over a quarter (28%) said there should be major government investment in improved public transport systems.

"That Latin Americans so strongly believe governments should lead the way on climate change shows their understanding of the scale of the issue and the need for local but organized solutions, not just action by individuals or the governments of richer nations," said Timmons Roberts, former fellow at Oxford's Environmental Change Institute and Professor of Sociology at the College of William and Mary in the U.S. "Public transport, research on renewables, and regulation of industry are all seen as crucial roles for effective government action, which will require substantial building of capacity in Latin American nations."

While North Americans topped global regions in believing people should recycle consumer waste where possible (45%) compared to a global average of 37 percent, they lagged behind other regions in their concern for individual and government

contributions to environmental issues. North Americans ranked at the bottom of global regions in their support for government incentives (tax breaks or subsidies) to individuals for good, less or non-polluting behavior. Only 11 percent of North Americans thought people should use private cars less, compared to a global average of 20 percent.

"While North Americans are increasingly aware of some form of action to address environmental challenge – such as a need for improved waste disposal systems – taxation remains a taboo theme in public discourse. While we may see this resistance erode in the future, there remains a significant difference between attitudes and behavioral change," said Max Boykoff, research fellow, Environmental Climate Institute at Oxford University.

Globally, two in five consumers believe governments should restrict companies' emissions of carbon dioxide and other pollutants, and that there should be major government-led initiatives for research into scientific and technological solutions like low emissions cars, houses and renewable energy.

Over half of Czech, Vietnamese, Filipinos and Spanish consumers were most supportive of their governments to restrict corporate emissions of carbon dioxide and other pollutants while over half of Lithuanians, Mexicans, Russians, Koreans and Portuguese were supportive of major government-led research projects.

“there remains a significant difference between attitudes and behavioral change”
Max Boykoff, research fellow, Environmental Climate Institute, Oxford University



"The environment has become an increasingly important campaign issue for government leaders, and has been top of the agenda in a number of Asian markets, including Singapore and Hong Kong," said spokesperson.

Europeans topped global rankings for taking individual action such as home insulation and shopping locally for produce to limit carbon food miles. Seven of the top 10 global nations which support the purchase of local seasonal foods to cut carbon miles hailed from Europe, led by 40 percent of Austrians and 37 percent of Swiss consumers.

One in 10 Europeans thought homeowners should insulate their houses to combat global warming and climate change and 17 percent said people should purchase goods locally wherever possible. Only European nations featured in the global top 10 rankings for homeowners to insulate their houses. "European attitudes and responses in this survey are reflective of current EU climate policy and political concerns," said Boykoff. "Europe is moving into a second phase of emissions trading, and as governments realize the concrete implications of promises made through the Kyoto Protocol, consumers are increasingly aware of environmental issues such as personal carbon footprints, food miles and home energy options."

One in four Europeans (21%) were also supportive of government incentives for climate-friendly corporate behavior, led globally by Finnish consumers (31%).

Globally, 22 percent of consumers said there should be changes to more energy-efficient light bulbs, fixtures and electrical appliances – led by Asia Pacific consumers (24%), in particular those in Japan (41%) and Hong Kong (35%). Over a quarter (27%) of Asia Pacific consumers also thought people should use private cars less, led by Japanese (37%) and Chinese (30%) consumers.

Four Southeast Asian markets topped global rankings in believing individuals should recycle consumer waste when possible, led by Filipinos (57%), Malaysians and Hong Kongers (55%) and Singaporeans (52%).

"Awareness about environmental issues and climate change has been on the rise in Asia Pacific in recent times, as a result of unprecedented global media coverage," said spokesperson. "Besides expecting local governments to lead the effort, consumers in many countries feel strongly enough to start changing their habits to make their own personal contribution."



Two in three Europeans familiar with Fairtrade: Nielsen

Fairtrade logo plays key role in awareness and recognition

Although one in two global consumers claim to have heard of Fairtrade products, they are more recognized in Europe than in any other global region, according to Nielsen's first global survey on consumers awareness and attitudes towards Fairtrade.

"As a concept that was formalised in The Netherlands in 1988 by a coffee importer to create a market for an ethically produced product, it is no surprise that Fairtrade remains a thoroughly European concept," said Jonathan Banks, Business Insights Director Europe, The Nielsen Company.

According to the Nielsen survey, 69 percent of Europeans claimed to have heard of Fairtrade products compared to a global average of 49 percent. "All top ten nations who claim to have heard of Fairtrade products hail from Europe, led by Finns (98%), UK consumers (97%) and the French (96%)."

While the most widely available Fairtrade products are coffee, tea and chocolate, many supermarket retailers have expanded their offerings to include fresh fruit and flowers as well as premium ranges such as wine, honey, biscuits and rice. In addition, Fairtrade cotton and clothes have also been introduced as part of fashion ranges readily available on the high street as well as department stores.

"Buying Fairtrade products satisfies consumers' social conscience that they are contributing something to make the world a better place," said Banks.

“consumers preferred to buy ethically-produced goods rather than donate to charities”

Jonathan Banks, Business Insights Director Europe, The Nielsen Company

"A recent Nielsen survey revealed that consumers preferred to buy ethically-produced goods rather than donate to charities. Incorporating Fairtrade products into their shopping lists is a convenient way to buy the products they want, while at the same time experiencing the feel-good factor that they have given something back to the producer and their local environment."

Among the 51 percent of global consumers who are aware of Fairtrade products, 49 percent said Fairtrade products could always be recognized for their special labels and logos. "The branding of fair trade products to

differentiate them from other products has been integral to their success in – the Fairtrade logo promotes awareness and recognition of its products and consumers are encouraged to look for and identify with this logo" said Banks. One in three (33%) French consumers and one in five Danes, UK and Irish consumers strongly agreed that fair trade products can always be recognized by their special logo and packaging.

Among other consumers who have heard of Fairtrade products, over 50 percent of Dutch, Greeks, Vietnamese, Irish, Italians, UK, Malaysians, Filipinos and Danes said they agreed that these products could be recognized by the Fairtrade logo.

Interestingly, among consumers who are familiar with Fairtrade products, nearly half of Austrians, Germans, Finns and Spanish claim that Fairtrade products are not always recognized by any special logos or packaging.





As a testament to the increasing popularity, distribution and range of Fairtrade products in recent years, 35 percent of global consumers agreed/strongly agreed that they could purchase Fairtrade products in department stores. In the Nielsen survey, 73 percent of French, 54 percent of Irish and 48 percent of UK consumers who were familiar with Fairtrade products said they agreed/strongly agreed with the statement that Fairtrade products could be bought in department stores. "There's a growing acceptance of Fairtrade products being sold alongside non-Fairtrade products in categories such as skincare, cosmetics and clothes. For consumers to be aware that Fairtrade products are available in department stores is confirmation of the Fairtrade trend broadening out from the supermarket landscape and entering the mainstream," said Banks.

However, where consumers think they can buy Fairtrade products depends largely on the trade structure for Fairtrade products in their country" said xxx. Finns, Swedish and Portuguese consumers say they are more likely to find Fairtrade products in specialized retail outlets. According to the survey, 35 percent of Finns strongly agreed that Fairtrade products are only sold at specialized retail outlets, along with 25 percent of Swedes and 18 percent of Portuguese. Globally, 28 percent of global consumers who had heard of Fairtrade products said they agreed/strongly agreed that these products were only sold in special retail outlets.



And while 39 percent of global consumers who are familiar with Fairtrade products agreed/strongly agreed that they are more expensive than others, the perception that these products are slightly costlier has not curbed their growth. According to the UK Fairtrade Foundation, consumers globally spent £1.6bn on Fairtrade certified products in 2007, an increase of 47 percent compared to 2006.

Among consumers who have heard of Fairtrade, 81 percent of Dutch consumers agreed/strongly agreed that Fairtrade products are more expensive than others, along with 71 percent of Belgians and 65 percent of UK consumers. However, the Austrians, Finnish, Germans and Swedes disagree. Eighty one percent of Austrians and 79 percent of Germans said Fairtrade products are not more expensive than other products – as well as three out of four Finnish and Swedish consumers.

Consumers who say they've never heard of Fairtrade products are the Russians (90%), Turks (86%) and Latvians (79%). Three out of four EEMEA and Latam consumers said they had not heard of Fairtrade products and were the least aware global regions for these products.

About The Nielsen Global Online Consumer Survey

The Nielsen Global Online Consumer Survey, conducted by Nielsen Customized Research, was conducted in April 2008 among 28,253 internet users in 51 markets from Europe, Asia Pacific, North America and the Middle East.

About the Nielsen Company

The Nielsen Company is a global information and media company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in New York, USA. For more information, please visit, www.nielsen.com.