ENVIRONMENTAL SUSTAINABILITY: WHO CARES?

A segmented landscape of engagement, challenges and opportunities

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Five key takeaways

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Globally, there is an increasing acknowledgement that we face an environmental crisis. However, urgent day-to-day issues are often higher priorities.

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Citizen concerns, attitudes, priorities and actions are not homogenous when it comes to environmental and social issues.

03

Consumers can be split into five segments based on what they feel and how they act: Activists, Pragmatists, Conflicted Contributors, Busy Bystanders and Disengaged Denialists.

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If we understand how different segments in different parts of the world feel and act, we can better educate, engage and drive constructive behaviour change through relevant and respectful solutions and messaging.

05

To engage multiple segments, brands need to think about presenting sustainability as a co-benefit, not the primary benefit.

Setting the context: awareness, priorities and expectations

With an increase in the frequency and intensity of weather events across the world, it is hard to ignore the effects of climate change. Two-thirds of the global population say they have experienced these effects in their region (this figure being as high as nine in ten in parts of the global south),[1] with 83% of people saying that we are heading for environmental disaster unless we change our habits quickly.[2] Corrective activity is viewed as a shared responsibility between government, industry, and citizens.[3]

So, awareness and concern about climate change is growing. However, urgent and immediate issues of day-to-day survival can take priority over important "long-term" matters such as climate change. This is illustrated in Ipsos' *What Worries the World* survey[4] where issues such as inflation, poverty & social inequality, unemployment, and healthcare take precedence over climate change. However, as global temperatures continue to rise, and significant weather events increase in frequency and impact, these two issues are expected to become increasingly intertwined. Our ability to *thrive on this planet* will be increasingly linked in our minds to *our care of the planet.* Ultimately, **sustainability is about people, planet, and prosperity.**

This view of sustainability is reflected in the expectations that citizens have of multinational companies not just to protect the environment (E) but also to improve society (S) and practice good governance (G).[5] And there are in-market examples that illustrate the dangers of treating these pillars of ESG in silos.[6]

83% of people say that we are heading for environmental disaster unless we change our habits quickly. ”

It cannot be assumed though that citizen concern, attitudes, priorities, and actions are homogenous when it comes to the environment and social issues. If government and businesses are to engage citizens and consumers with planet-friendly legislation or services and instigate positive behaviour change, it is necessary to understand different citizen views and actions across the globe.

It is also useful to keep in mind that prior Ipsos research has already highlighted that most citizens expect sustainability to be delivered as a co-benefit rather than "the benefit".[7] We also see that there is often a gap between what people believe to be true and what is reality when it comes to sustainability, so there is a real need to inform and educate.[8]

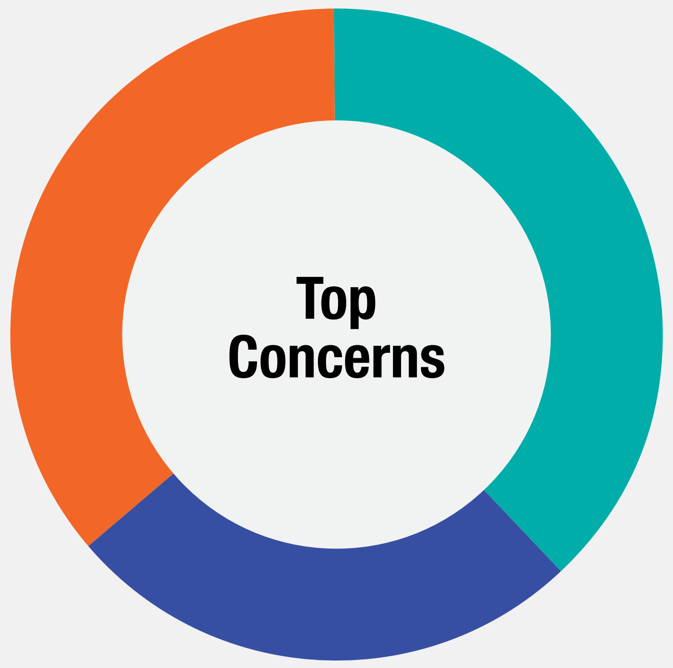
> It cannot be assumed that citizen concern, attitudes, priorities, and actions are homogenous when it comes to the environment and social issues. ”

Figure 1: Citizens' views of top priorities for multinational companies

E — **Protecting the Environment** including protecting and caring for our natural environment

S — **Improving Society** including treatment of employees & diversity, working conditions

G — **Practicing good Governance** including tax strategy, executive remuneration



Improving society remains the top priority for multinational companies among consumers globally, but only by a small margin over the environment

36% (Environment) **38%** (Society) **26%** (Governance)

Base: *Either 1,000 or 500 citizen-consumers per country aged 18-65 in 28 countries, December 2021*
Source: *Ipsos Global Reputation Monitor 2021*
Q: When it comes to the role of multinational companies in corporate responsibility how important are each of the following areas? Please rank the below areas were 1 is most important and 3 is least important.

The segmentation of sustainability

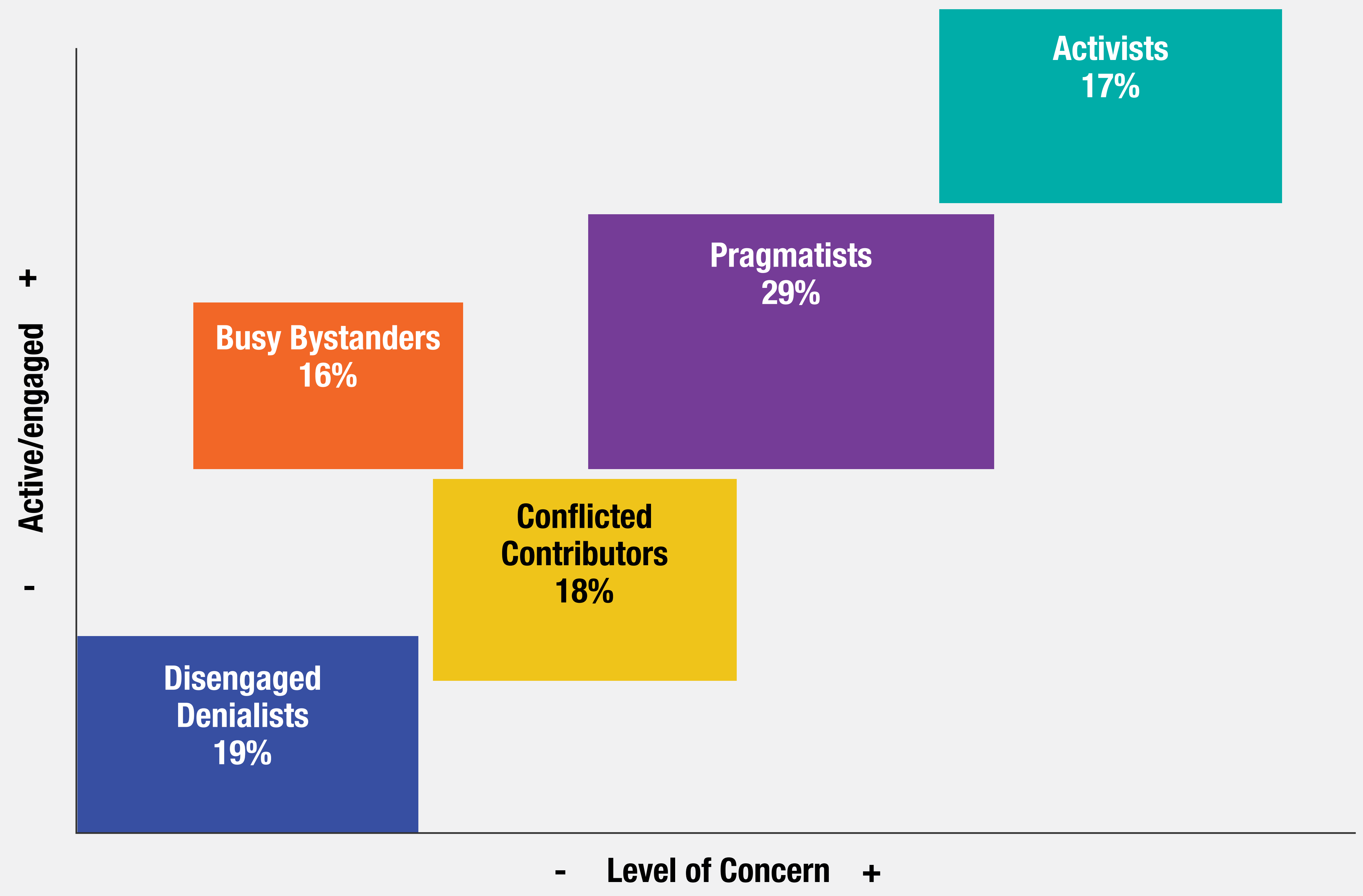
Ipsos conducted a global segmentation study covering 15 markets (via the Ipsos Essentials survey) across all continents.[9]

The segmentation addressed the following themes: beliefs, values and attitudes towards the environment, concern for the environment, perception of positive action, willingness to act, actions currently being taken, personal challenges faced, purchasing behaviour and expectations of different bodies to act (government, business, and individual citizens). These questions equated to 47 variables which were analysed using an exploratory hierarchical cluster analysis and a K-means cluster analysis.

In short, we segmented the population on the bases of how they feel and what they do.

The results of the analysis identified five segments, which can be broadly explained across two main dimensions: level of concern for the environment and the amount of action/intended action there is by individuals to reduce their own impact on the planet. In addition, a social overlay was added to understand the importance of an array of social issues (e.g. working conditions, diversity, equality and inclusivity, providing for local

Figure 2: Overview of segments across two dimensions – level of concern and action/engagement



Base: *10,000 adults aged 18-74 in Canada and the United States and aged 16-74 in Australia, Brazil, China, France, Germany, Italy, Spain, India, Japan, Mexico, South Africa, South Korea, and the United Kingdom.*
Source: *Ipsos Essentials*

communities, and good education and access to opportunities for all employees) to each of the resultant segments (see Figure 2). While it is a useful starting point, this overview hides much nuance regarding the profile, barriers/challenges, and opportunities that each segment presents.

When it comes to targeting, engaging, and employing different methods to drive more positive behaviour, a more detailed understanding of each of the segments is required, but, in summary, the segments can broadly be described as follows:

Figure 3: Overview of segments

Activists (17%)	Pragmatists (29%)	Conflicted Contributors (18%)	Busy Bystanders (16%)	Disengaged Denialists (19%)
Skewed to be slightly younger and more female. Believe the environment is at a critical stage and the world must act now. Will compromise lifestyle for environment. As consumers, they are a key audience for sustainable products and services. It is the lead benefit and they are willing to pay more for it. Supporting local is important to them. They'll look for companies that direct efforts towards sustainability in production.	**Skewed to be slightly older and more affluent. Concerned about the environment. Will take action through low-cost, home-oriented actions, but will compromise if necessary.** Likely to embrace new products/ policies if they are easy to adopt. They are not deterred by cost when deemed reasonable. Pragmatists look to buy domestic products over foreign-made ones and supporting local is important. Companies can entice by using reusable energy and recycled materials in products/packaging.	**Financial situation takes precedence over their environmental concern. Skewed to be slightly less educated.** Likely to support community-based policies/services and welcome government intervention. Sustainability should be presented as a co-benefit, as they are not willing to pay more for ethical/ sustainable products – price prevails. They'll look for companies to limit their contribution to chemical pollution.	**Skewed slightly to be married, employed Millennials. See many barriers to action on climate change, believing it to be inconvenient, expensive and not a priority.** More likely to engage with frictionless products and services in the sustainability space. Convenience and routine are prevailing factors in their choice. Can be enticed by companies conserving energy and that offer products/packaging that use recycled materials.	**Environment is either not a concern, not an immediate one, or it is largely overblown. Less inclined to take action. Some believe that companies should not focus on this.** Limited 'care' towards the environment. Possible to win over by initiatives with sustainability as a co-benefit. A quarter do not believe companies should focus on limiting their environmental impact. Those who do believe look for them to conserve energy and use recycled materials in products/packaging.

Source: *Ipsos*

Activists

This segment, which accounts for 17% of the global population, is convinced the environment is at a critical stage and the world must act now. They are skewed to be slightly younger and female and are willing to compromise their lifestyle for the environment. They are therefore also more likely to be engaging in more notable lifestyle changes, such as reducing meat and dairy consumption and not owning a car. While they are more environmentally literate than other segments, they may nevertheless still struggle to navigate the different trade-offs involved in living a sustainable life. One reason for this is that, as a younger segment, they are likely to have less spending power than some other segments. As a result, they may currently lack the capacity to pay more for sustainable or ethical products and services.

They are more likely to be making a wide range of significant life decisions for which they will want products, services and information-support in a manner that is timely and relevant. This segment also has an important function in signalling and modelling desirable behaviour to the wider population. They are likely to be embedding routines into their lives, hence passively educating and normalising behaviours that may be unfamiliar to many other members of the public. This means they have the potential to help others see that their actions are not individual, isolated acts but part of a wider movement, and as such, more meaningful.

The key challenge for governments, brands and employers is that this segment is likely to be quite challenging – willing to hold others' promises to account. This also holds for social and governance issues such as diversity & inclusivity (D&I), good working practices and good education/opportunities for all.

It is important to avoid silos in addressing these issues and it is better to operate in partnership with this segment, effectively crowd-sourcing guidance on the degree to which marketing strategies and government policy are doing enough. Disruptor/insurgent brands are more likely to appeal to this segment.

Pragmatists

Making up almost a third of global citizens, this segment is skewed to be slightly older (Boomers) and more affluent; they provide an important counterpoint to the more vocal Activists. They do share a high level of concern about the environment compared with most, but they will be more 'slow burn' in the way they operate, looking for sustainable solutions at

home which can be readily incorporated into their everyday lives. They are keen to put in place structures, buy products, and support policies that provide a coherent pathway for sustainable behaviours. They are also most focussed of all segments on social issues.

We can hypothesise that this segment has a strong set of core values that they operate by, embedded as part of their identity, the sort of person they see themselves as. This is evidenced by this segment over-indexing on the onus being more on the individual to take action to improve the environment and fight climate change. They are likely to need little support in making behaviour changes happen but at the same time will be critical of brands and government policies that do not help them enact behaviours that they consider to be important.

That said, their actions often don't have the greatest impact, which is indicative of the 'Believe-True' gap[8] – believing the steps they are taking are having a more significant impact than they are. They are genuinely well-intentioned, but their actions are often misaligned to that which truly make a difference. So, there is a need for education and guidance on the impact that government initiatives and business can bring.

Properly directed, their spending power and cultural currency will give them influence. Given their scale and resources, this could become the most impactful of our segments. They have more money to spend and are more willing to pay a reasonable premium for sustainable and ethical products. They also believe more strongly than other segments that private companies should do more and therefore may be more critical of new products/ services that do not have a sustainable focus. Understanding the way they view environmental and social issues and the sorts of solutions and support they are looking for is therefore key.

> Pragmatists are genuinely well-intentioned, but their actions are often misaligned with those that truly make a difference. ”

Conflicted Contributors

This is a segment that accounts for almost a fifth (18%) of the global population. They are concerned about the environment, but their financial situation often takes precedence over sustainability-related behaviours. This is an understandable position given that everyone has a range of competing needs and wants – particularly those who are struggling financially and who will necessarily need to focus on the short-term needs of housing, employment, energy usage and food.

On this basis, the challenge is how governments and brands can insert themselves into the narrow cognitive bandwidth of this segment to engage with them, offering substantive ways in which there is perhaps not a stark trade-off between financial constraints and the environment – but that the two can in fact be compatible. This requires communication that reflects the way this segment understands the world, empathises with their situation, and offers tangible and relevant solutions.

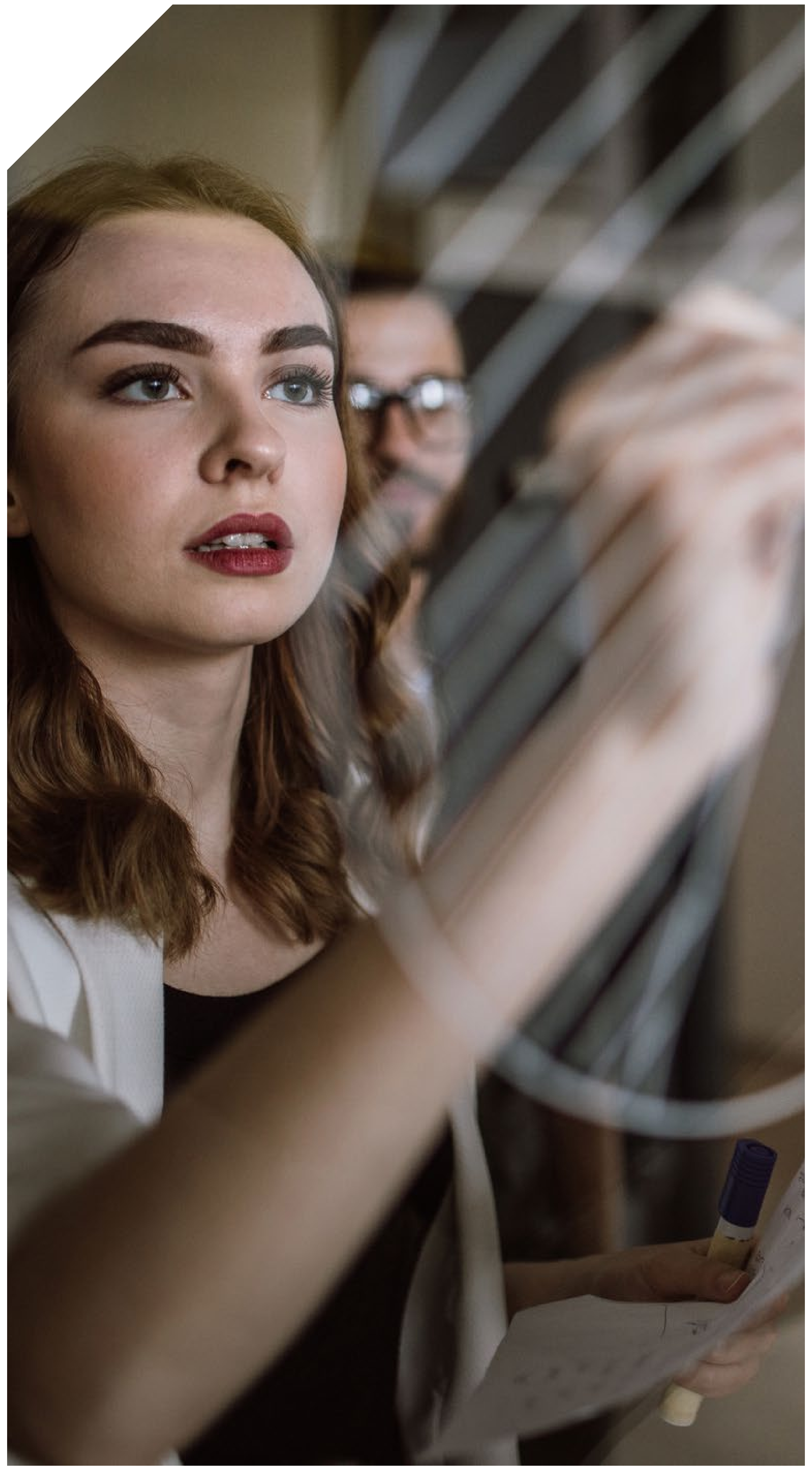
There may also be quite significant cultural barriers to overcome, given that narratives around sustainability have become somewhat aligned in people's minds with a particular set of values and lifestyles rather than something that is relevant for everyone. In essence - this segment is lost at 'paying' more for sustainable products and services. If they are to be engaged then sustainability needs to be delivered as a co-benefit and not the primary benefit,[7] which is the expectation of all but the most sustainably motivated and financially capable.

Busy Bystanders

This is the smallest of the segments, representing 16% of the global population. They are skewed towards being Millennials who are married and more likely to be in full-time employment. It is a segment with some attitudinal conflict when it comes to sustainability. They generally acknowledge the issue - and are likely to share personal guilt regarding their inaction - but are still more likely to believe that concern for climate change is overblown.

The main challenge for this segment seems to be the many barriers they put up towards acting, believing that it is inconvenient, not a priority, and more effort than it is worth – all driven no doubt by their busy lives.

The challenge with this segment is to 'disrupt' their intuitive response to sustainability, challenging their assumptions that concern is overblown. To do this, a range of strategies can be used – such as driving curiosity in how climate change is taking place or challenging their sense of rightness in their preconceptions. Without this disruption, there will be limited opportunity to engage and participate in 'sense-making' on the topic.



Again, there is likely a set of political, social and identity barriers in addition to their knowledge. They may well perceive that people like them do not act on climate change: a critical barrier to acting.

The biggest opportunity is to *remove friction* to drive engagement with more sustainable behaviours. If we lose our Conflicted Contributors at the verb 'pay', *we lose our Busy Bystanders at the verb 'do'.*

Disengaged Denialists

For this segment accounting for one in five (19%) global citizens, the environment is either not a concern, not immediate, or a largely overblown issue. They are less inclined to take environmental action themselves, nor expect it from anyone else, including government or companies. There is a faction within this segment that exhibits fatalism, tending to believe that it is too late to prevent environmental collapse. As such, they are less inclined to take individual action to reduce their impact on the environment.

This segment would clearly be the most difficult to crack for any marketer or policy maker. But all is not lost. It will be important to find areas of common ground and to build from there. A key to having the conversation is to avoid value-laden judgemental discussion (whose values are 'better') and focus instead on the outcomes – what are the implications of not acting that can be agreed on? Then from here find ways to mitigate them.

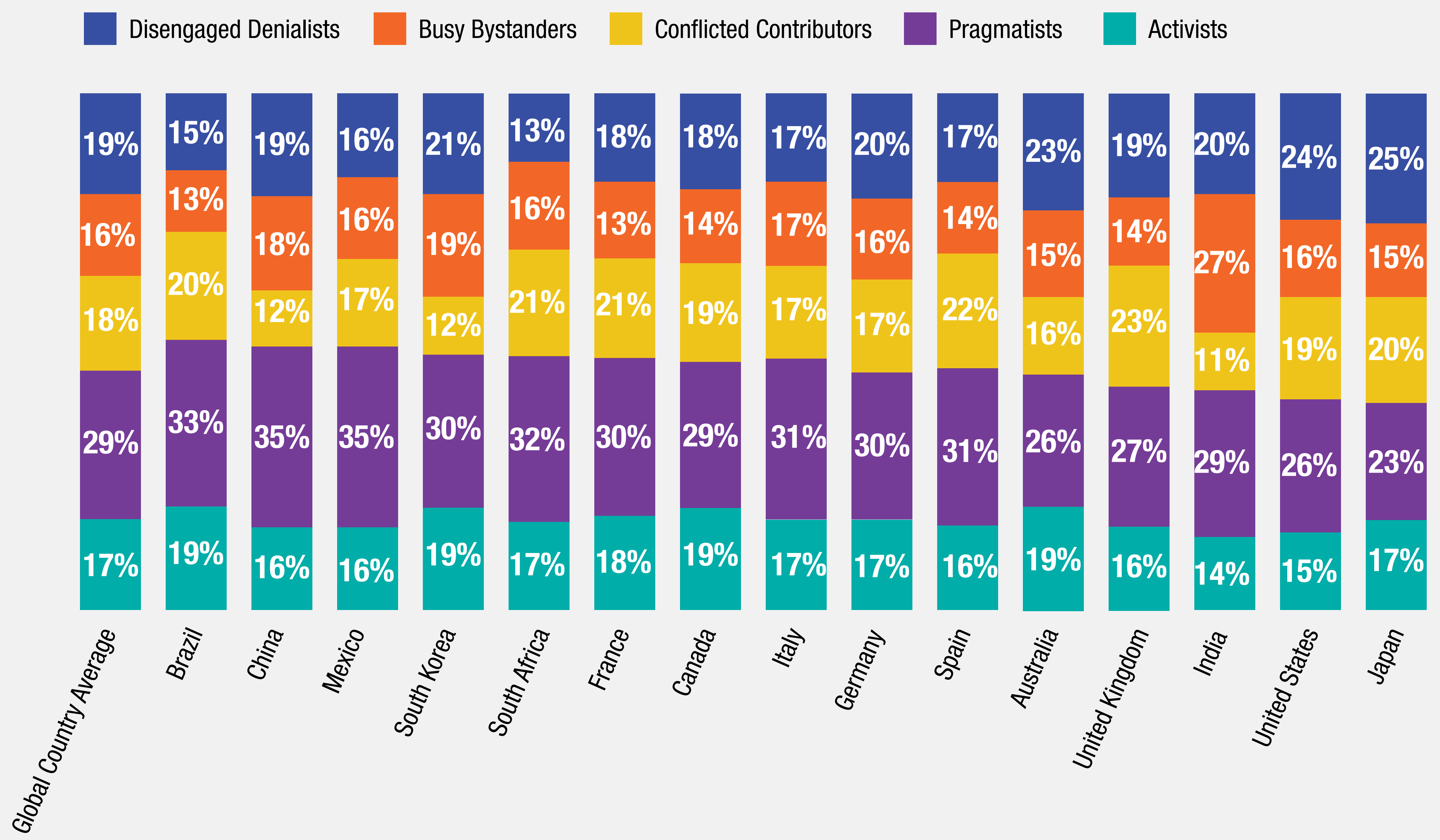
It is important to be respectful of this segment, as their position may be driven by lower awareness of the global situation and that they are more inward looking, having more immediate and pressing needs. But when the realities of environmental and social issues come to the fore, they have the potential to be strong allies. They need to be brought into the conversation 'locally' after better understanding their sensitivities. There is also an important signalling act here for the wider population of the importance of accepting a diversity of viewpoints.

Geo-diversity in environmental concern

But how do these segments play out across the globe? Which attitudes drive different regions of the world? And which are more typical of some regions than others?

We find these different ways of dealing with environmental concern across the 15 markets included in the survey. The share of Activists tends to be quite stable, ranging from 14% to 19%. On the other side of the spectrum, we do start to see bigger differences for the Disengaged Denialists, with few people denying environmental emergency in Europe, Brazil and Canada and a much higher share of Denialists in US, Japan and Australia. We also observe a particularly large segment of Busy Bystanders in India. Pragmatists are the biggest segment in most countries. Understanding how these segments distribute in a specific market can help brands and institutions adjust their targeting and messaging accordingly.

Figure 4: Segments by market



Source: *Ipsos Essentials*

Shifting dimensions

This segmentation represents the ‘here & now’ within the current political and socio-economic context. And due to the intrinsic link between sustainability and what is going on in the wider world, it is likely that attitudes and behaviours linked to sustainability issues will evolve over time.

For example, we only need to consider the impact of the pandemic, inflation, and war on people’s sustainability priorities – protecting ourselves, saving money, using less fuel, being more careful to avoid waste. Impending environment-related legislation (local/national/global) and Net Zero targets will also affect not only businesses but also the choices available to consumers and citizens.

Hence, monitoring the shifting concern and activity surrounding sustainability (and the environment specifically) and how this may impact the form and size of the segments over time is critical (as well as introducing new dimensions where necessary/relevant). Even between February and August 2022 we observed a change in the segment sizes with an increase in the Activists, predominantly driven by changes in the shifting focus of citizens in France, Mexico, Germany, South Korea and the UK.

Understanding the ‘why’ behind these local shifts is also key to engaging citizens and consumers. In these cases, it is likely that for Europe this has been driven by the extreme heat waves experienced over the preceding months with associated wildfires and record-breaking temperatures.

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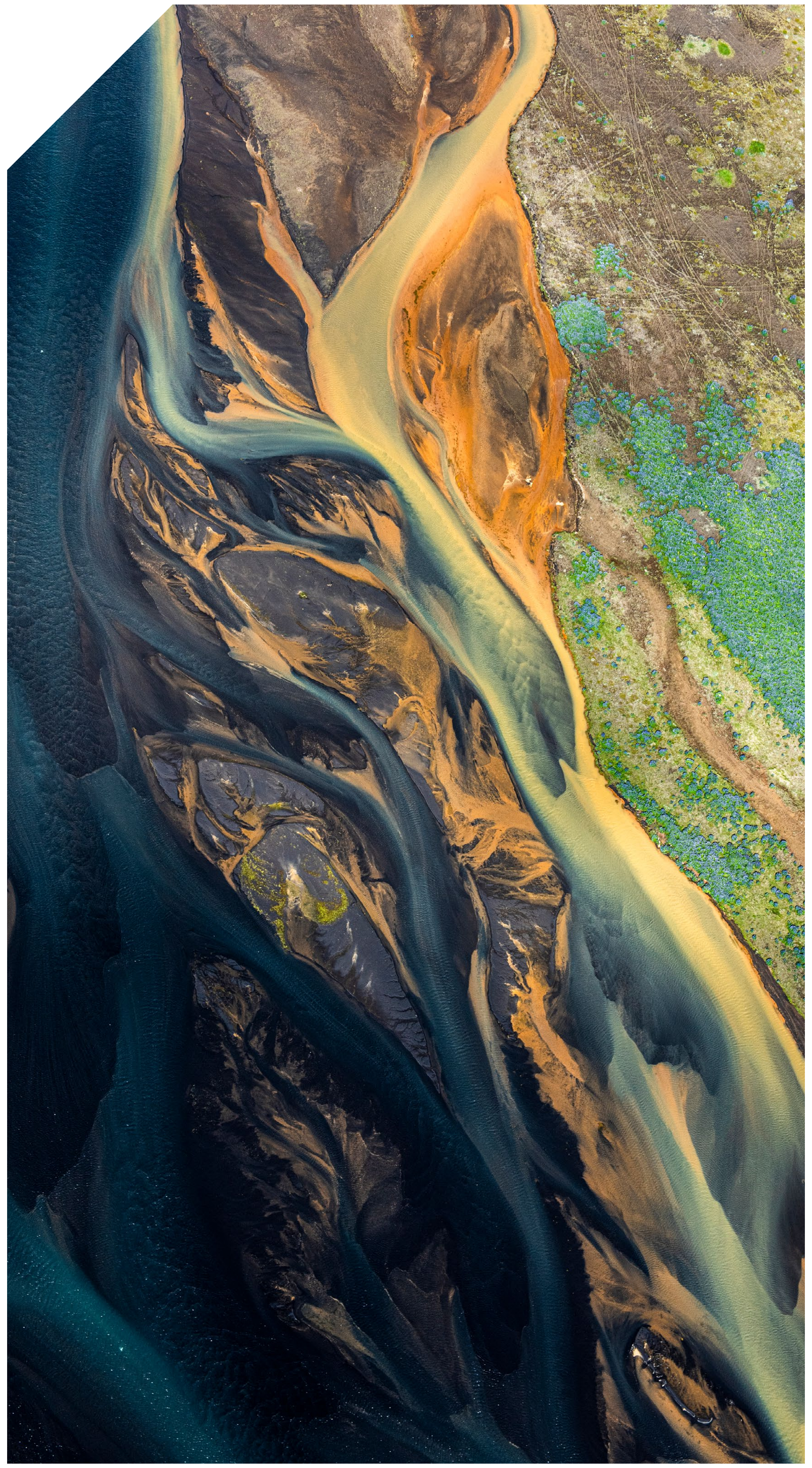
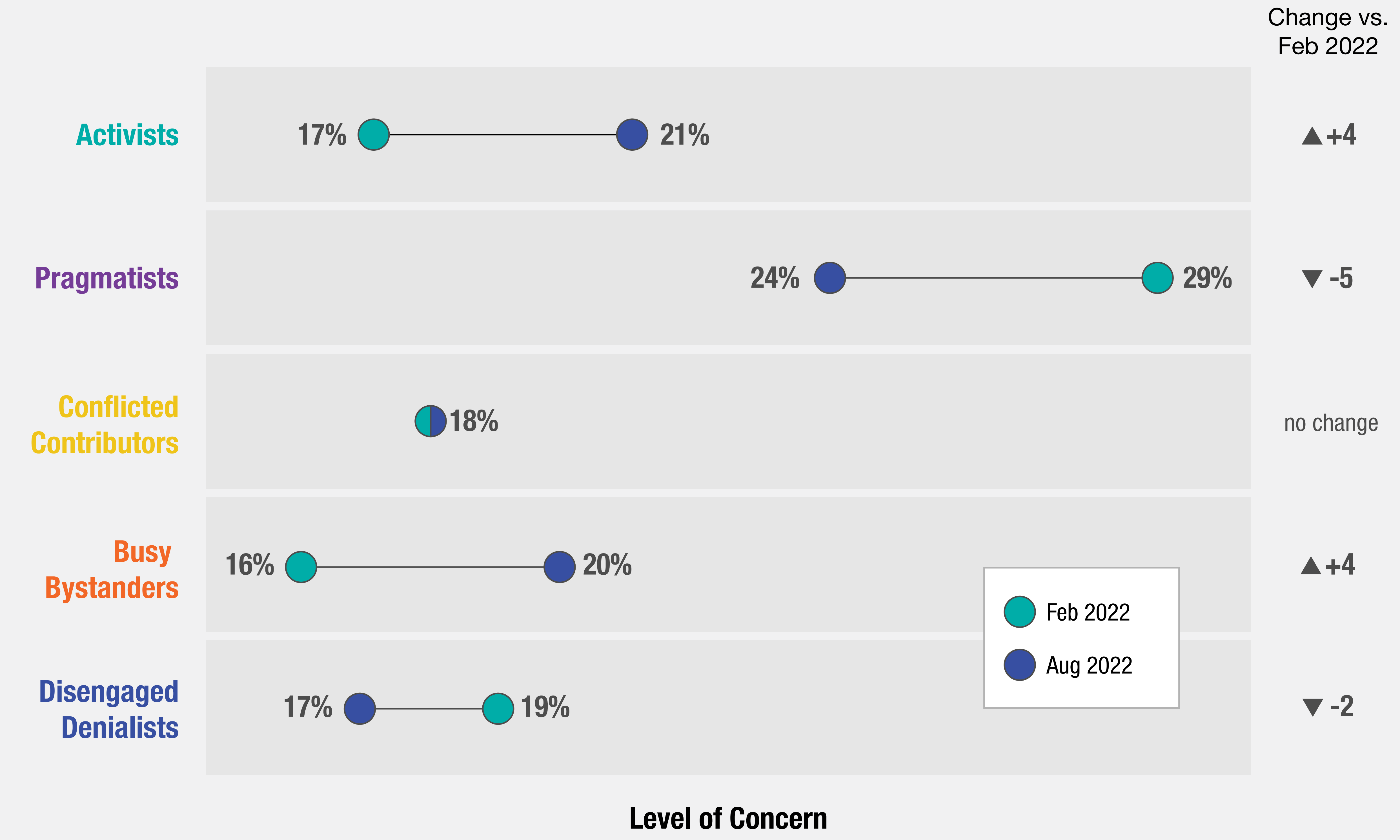


Having this depth of understanding about the underlying characteristics, attitudes, behaviours, and expectations of citizens and consumers means that there is a greater chance of engaging them with more sustainable products, services, solutions, advice, and incentive. Using a 'typing tool' to recruit to these segments provides a sharper lens on how people may feel and act in response to change. This provides the opportunity to combine other research and insights with the current picture of how sustainability sits in the minds of different groups of consumers.

Figure 5: Shifting segment sizes from February to August 2022



Note: ▲ or ▼ indicate change vs. Feb 10 - 13 (statistically significant @ 95% C.I.)
Base: *10,000 adults aged 18-74 in Canada and the United States and aged 16-74 in Australia, Brazil, China, France, Germany, Italy, Spain, India, Japan, Mexico, South Africa, South Korea, and the United Kingdom.*
Source: *Ipsos Essentials*

From understanding to activation

The five segments identified highlight the need to consider different strategies for citizen engagement. How we approach each will vary.

Activists walk the talk in a high impact way, are a key audience for overtly sustainable products and services and are more likely to embrace and get behind steps taken by government to address environmental issues. They are focussed not only on environment issues but on social topics too and will be ready to hold organisations to account. So, it will be important to ensure that all pillars of sustainability (Environment, Social and Governance) are treated with equal importance and not approached in a siloed manner.

Inspiration for engaging the Activists

Brands that have sustainability credential burnt into their very being such as Patagonia and Toms will appeal to our Activists. These are also brands that have a social kudos linked to them in relation to expressions of environmental and social values held by the wearers.

However, this segment is also a space for brands where sustainability is incorporated into the central offer, such as Natura Brasil in the personal care sector, Triodos Bank, travel company AndBeyond, and mobility solutions through companies like Zipcar.

Pragmatists are intriguing, as they have passion for the environment and are not deterred by cost. They're still cautious about the materiality of their potential behaviours' impact and need more support and confirmation. Their intentions are typically good but could translate better into real impact. The possibility of a 'Believe-True' gap for this segment, where they believe that they are doing all they reasonably can, highlights a potential role for education and guidance by government and business regarding other more significant steps that they could take.

Inspiration for engaging the Pragmatists

The Pragmatics are likely to be attracted by trusted brands which are providing clear messages about their sustainability credentials and potentially with a premium – for example Ecover and Pukka. Their focus is more on the small changes that they can make at home such as composting, insulating their homes, low-energy lightbulbs and recyclable products and packaging. With greater awareness this segment is likely to engage in yet more sustainable choices, particularly if supported by signposting - for example sharing information on carbon footprints (e.g. Oatly) - is one dynamic to drive this.

For a **Conflicted Contributor**, remember that “price prevails”. Sustainability benefits will lose all relevance if they are linked to a higher price. This segment is effectively lost at ‘pay’ and they will very much be looking for sustainability to be delivered as a co-benefit rather than the sole benefit. But their level of concern and engagement do suggest that all things being equal they will make the sustainable choice.

Inspiration for engaging Conflicted Contributors

Allbirds is a New Zealand-American company that produce footwear with strong ethical and environmental foundations. Allbirds Wool Runner (retailed for $95) developed a bit of a cult following, with the brand bringing some ‘social kudos’ around being seen to be Green. But then Amazon entered the space with a copy for just $45, driving huge sales. Albeit not with eco-credentials, but if people can look like they are doing the right thing and get this at a lower price, then the choice to lower cost can be an easy one.

Busy Bystanders are most likely to be employed and at a life-stage where time is their most precious resource. They do not have the capacity to expend much effort or time, hence they are more likely to engage with convenient and frictionless products and services in the sustainability space.

> Busy Bystanders take a slightly defensive position, putting up many barriers towards acting, believing that it is inconvenient, not a priority and more effort than it is worth. ”

Inspiration for engaging Busy Bystanders

This is a segment where it will be the format and dynamic in which sustainability is delivered which will be key to engage these time-poor but still environmentally concerned individuals. The profile of this segment shows that they feel guilty about their lack of action, so removal of friction plus sustainability will be a winning formula. A successful example of this is where the direct-to-consumer model had been combined with sustainability by the toilet paper manufacture Who Gives A Crap. An essential product delivered in bulk, when needed, to your door and packaged without plastic and using sustainable bamboo for the paper is a win-win for this segment.

Although **Disengaged Denialists** have limited interest or in some cases believe that the environment is already doomed, there is no disadvantage to companies and government in delivering solutions and initiatives where sustainability (as with Conflicted Contributors), is delivered as a *co*-benefit rather than *the* benefit. The key is to pull them into the sustainability discourse by connecting with what matters to them more and forming associations which play to their values and needs.

Conclusion

While it can be difficult to focus on matters of long-term strategic importance when two-thirds of the world is worried about paying their bills,[9] we do see an increasing agreement that the planet is in crisis and an expectation that business and government must act.[3]

To develop policy, create new products and services and engage people at scale we have to have a deeper understanding of our target. To do this effectively you need to ask these five questions:

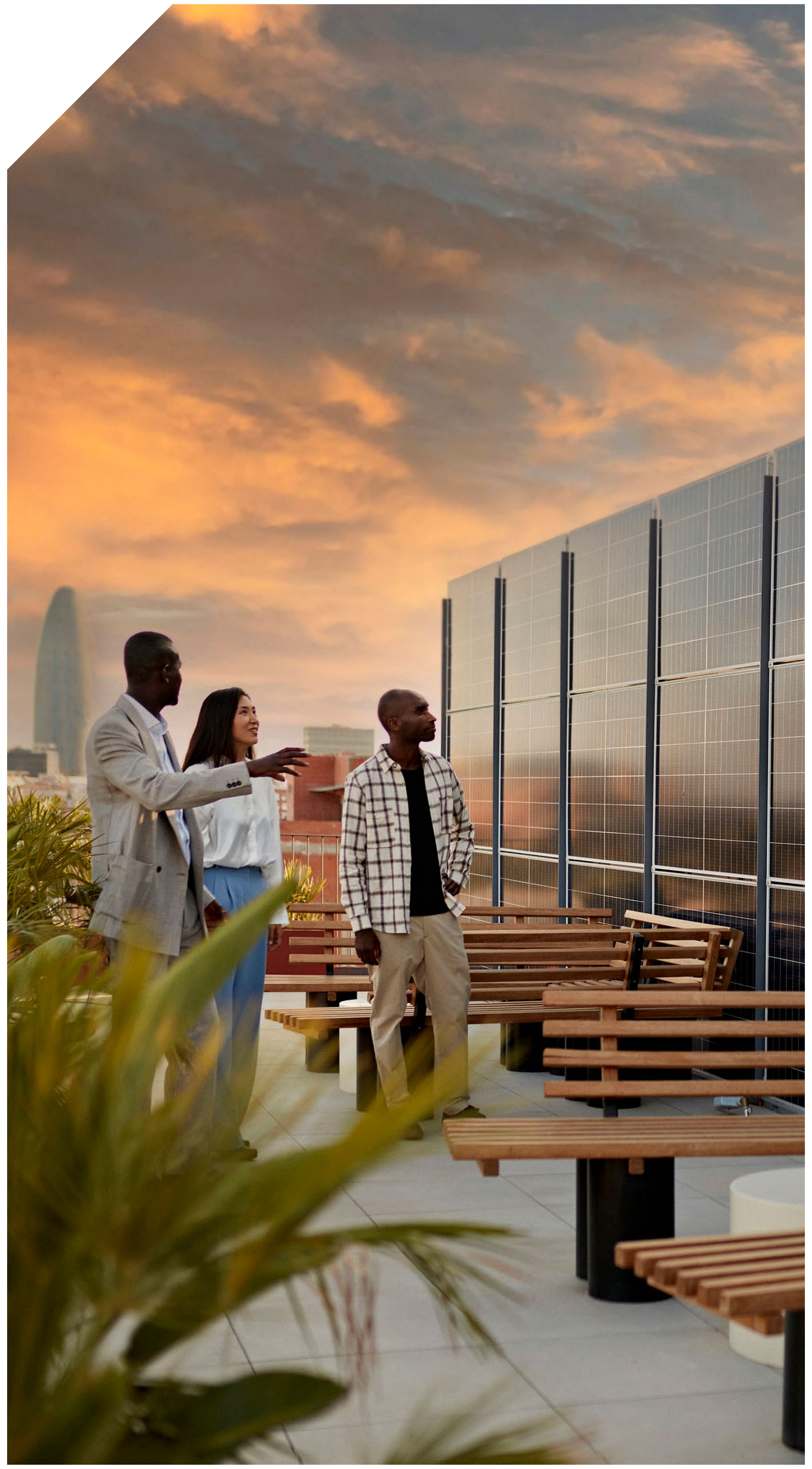
1. Do you truly understand your target consumer/citizen?

2. Are you taking into account differences in culture and context?

3. What are the barriers and challenges to engagement and how do you overcome these?

4. How can you use your sustainability strategy to identify relevant points and channels for interacting with consumers/citizens?

5. Can you find a route to deliver sustainability as a co-benefit for people, planet and prosperity?



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