

# TRUST: FINDING THE VALUE IN GREEN CONSUMER PRODUCTS

## A CASE STUDY COMPARING GREEN CLEANING AND PERSONAL CARE BRANDS



Heidi Travis  
Spring 2012

Readers:  
Susan Herbert  
Stan Laskowski

### ABSTRACT

This study examined green consumer product value by comparing 30 top selling green cleaning and personal care brands amongst mainstream, acquired, and niche green companies. Green claims were compared using information found on the package and website. Over the last decade, it was found that niche green companies increased sales and market share more quickly than both traditional and mainstream green brands, despite economic turmoil. The study determined that niche green products inspired greater trust by increasing transparency surrounding: petroleum-free and safe fragrances, inherent biodegradability, animal testing, and 3<sup>rd</sup> party certifications. In order to make sustainable progress, chemical-based commodities such as surfactants were important elements to improve. Ingredient innovation happened to be one convincing way niche green products pushed market change through better design and sourcing. Overall, the green consumer product market is expanding, niche green companies inspire trust and mainstream green brands could learn from trust- inciting attributes. Thoughtful change in the design of green consumer products will create a more sustainable market for consumers and lessen environmental impacts of consumption.

### INTRODUCTION

Niche greens generate a sense of trust through a variety of means including research and development, ingredient selection, 3<sup>rd</sup> party certifications, and community development work. A strong sustainable image is developed by niche green companies by creating a sense of trust. During the last decade, niche green's substantially increased market share, even though niche green marketing budgets and distribution channels were not as extensive as traditional public companies; yet, these small companies have been growing at rates of anywhere from 20-200% a year. Mainstream companies attempted to imitate transparency through quality claims in the launch of their new 'green' brands. Mainstream companies also spent large sums of money on market studies targeting green products to the typical consumer.

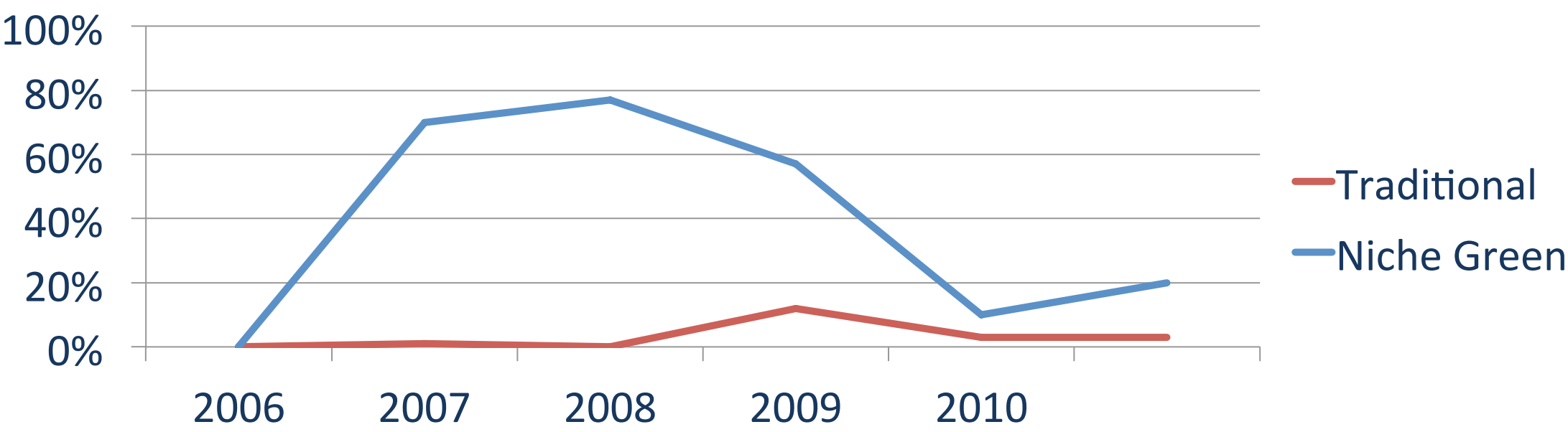
Total Brands	Mainstream	Acquired	Niche Green	All
Cleaners	7	1	3	11
Personal Care	3	5	11	19
All Brands	10	6	14	30

### METHODS

Selected 30 top selling green cleaning and personal care product brands among 24 top selling companies to study packaging, web information, marketing, and overall revenues over time to discern brand value. Green brands were included from *mainstream* traditional companies, niche green's *acquired* by traditional companies, and *niche green* companies. Claims and attributes included in the study appeared on the website or package as obvious to the average consumer. Green claims were compared; however no assessment was conducted as to the validity of claims. For the purposes of this data comparison, growth over time was considered to be more important than sales values in order to determine change over time between mass-market companies and niche greens.



Overall Cleaning Brand Growth:  
Traditional vs. Niche Green



### DISCUSSION: FINANCIAL

- ❖ Green cleaning market sales increased 300% globally between 2003-2008, from \$17.7 million to \$64.5 million. [1]
- ❖ Green personal care products increased 61% in the U.S., from 2005-2010 to \$7.7 billion. [2]
- ❖ A 2010 survey reported that 42% of adults used a greener cleaner during 2009. [3]

### DISCUSSION: GREENER COMPANY

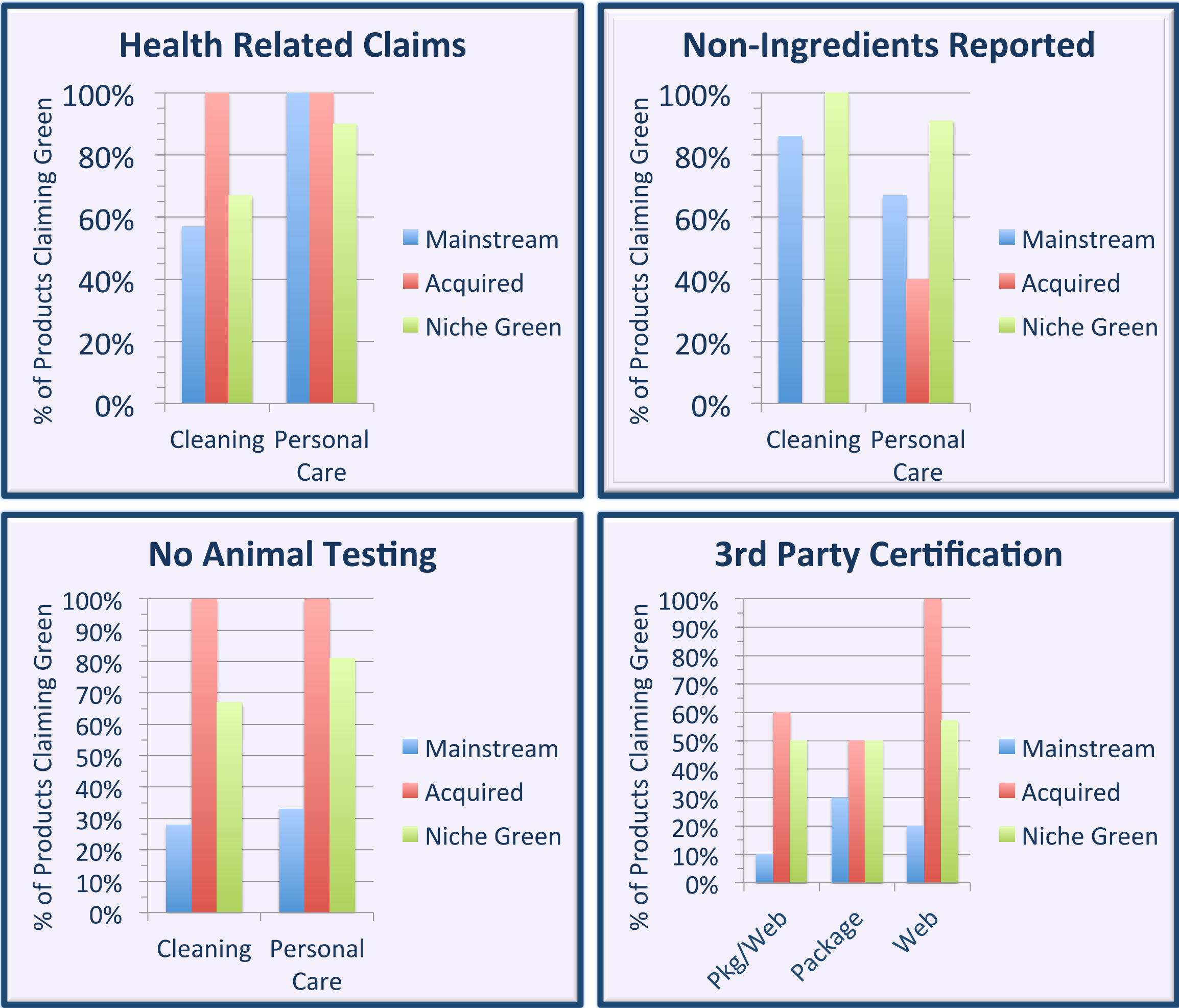
- ❖ Backstory: As an intrinsic part of the company's founding, stories seemed to create trust because the entrepreneurial spirit inspires people. Many of the stories began with *two people trying to create a better product through thoughtful, simple ingredient efficacy.*
- ❖ Local community service was an important company value for most niche greens, in addition to promoting safer products.
- ❖ Investment in product/package design, sourcing better ingredients was a higher budget priority than marketing for many niche greens.
- ❖ Mainstream companies tried to boost green reputation by acquiring green companies and partnering with reputable non-profits.

### WORKS CITED

1. "Green Cleaning for Health." 23. Atlanta: Air Quality Sciences, 2011.
2. "Natural and Organic Personal Care Products in the U.S., 5th Edition." (2011), <http://www.packagedfacts.com/Natural-Organic-Personal-6168595/>.
3. "Green" Household Cleaning Products in the U.S.: Bathroom Cleaners, Laundry Care and Dish Detergents and Household Cleaners." (2010),
4. Stephens, Greg. "Consumer Acceptance of Natural and Organic Personal Care." Inside Cosmeceuticals. <http://www.insidecosmeceuticals.com/articles/2011/02/consumer-acceptance-of-natural-and-organic-person.aspx>.
5. "Surfactant Manufacturers Look for Green but Cheap Petro-Alternatives." (2010), <http://www.icis.com/Articles/2010/10/04/9396996/surfactant-manufacturers-look-for-green-but-cheap-petro-alternatives.html>.

### DISCUSSION: GREENER PRODUCT

- ❖ **Health:** Niche greens made more extensive claims with specifics like hypoallergenic, natural fragrance, and 100% essential oils.
- ❖ **Non-ingredients:** Mainstream claimed no phosphates, perfumes, dyes, other specific harmful chemicals or synthetics. Above mainstream claims, niche greens reported triclosan free and petroleum free.
- ❖ **Biodegradable:** More mainstream products made biodegradability claims; however, niche greens most often used 100% natural ingredients. Biotechnological advances used plant-based sources to create natural surfactants which will reduce oil dependence. [5]
- ❖ **3<sup>rd</sup> Party Certification:** More niche greens certify personal care products. *Non-animal testing* was largest issue among environmental & social concerns, especially in regard to animal safety/vegetarian.[4]
- ❖ **Packaging:** More mainstream products made packaging claims about industry standard level recycled content and recyclability. Niche greens were more innovative, using 100% recycled content & plant-based ink.



### CONCLUSION

- ❖ Each stakeholder should demand a higher standard of ingredients, production, and design: such as *renewable plant-based surfactants.*
- ❖ Niche green companies could do a better job with operational transparency so that lessons learned might help other companies become more sustainable.
- ❖ Mainstream brands should work to build *green* consumer trust through expressing more thought-provoking product stories, valuing ingredient transparency, certifying products, and facilitating health related education.

