

# In Good Company

How New Zealanders  
assess the sustainability  
of brands

November 2019

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# Foreword

**New Zealand's business community is increasingly looking at how we can embed sustainability into its strategies, practices and communications, but most businesses are hesitant to talk about what they're doing.**

In Good Company tells us that New Zealanders really want to know more about what businesses are doing, and that there is a big opportunity for the business community to better show their leadership.

This research gives businesses new information on the different ways that sustainability factors into people's purchasing decisions, and gives us deep insight into what business sustainability leadership looks like to New Zealanders.

And with more than four in five New Zealanders saying that everyone has a responsibility to do more around living sustainably, businesses can be confident that people will look for, and notice, their sustainability activity.

It doesn't have to be a one-size-fits-all approach, and this research provides pointers for some different industries on current consumer sentiment about that sector's sustainability activity, and where they can start to make some changes.

It is heartening to see that the influences on New Zealanders' perception of brands are a mix of previous experiences with that brand, formal communications channels, packaging, and conversations with friends and family, among some other factors.

This should embolden the business community to keep looking at all the ways it can have transparent and meaningful connections with customers, and support their values around sustainability just like you'd like them to know about, understand, and support, your business's sustainability goals.

I encourage all businesses to talk with everyone at their workplace – from your brand and marketing team through to your CEO and Board – about the In Good Company results that show that New Zealanders are saying that business sustainability is important to them, and they want to know more about it.

**Karen Silk**

Sustainable Business Council Chair

Acting GM Experience Hub, Westpac New Zealand



## Online survey

In October 2019, Perceptive conducted an online survey of New Zealanders over the age of 18.



## Sample size

2,045



## Margin of error

+/- 2%



## Representative of New Zealand

The results were weighted to Statistics New Zealand census data (gender, age and location), to achieve a nationally representative sample.

## Industries measured

Sampling was stratified to achieve industry-level results across eight industries:



Automobile



Broadband and  
mobile retailer



Electricity retailer



Fuel retailer



Fashion/apparel



Financial institutions



Large retailer



Supermarket

The eight industry sectors included in this research were chosen on the basis that they were consumer-facing, sold products or services that most New Zealanders would buy for their household, and there were multiple brands within that sector for New Zealanders to choose from.

The survey was conducted through Perceptive's online consumer panel which consists of consumers from around the country.

# Key insights

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- Sustainability is a mainstream concern for **87%** of New Zealanders.
- New Zealanders are more likely to associate environmental practices, than social initiatives, with ‘sustainable business’.
- As industries, electricity retailers and supermarkets are perceived to be doing the most when it comes to sustainability.
- Five of the eight brands perceived to be doing the most to become more sustainable are either supermarket brands or electricity retailers. However, **18%** of New Zealanders are unable to identify any brand as being a leader through their sustainability practices.
- New Zealanders say that reducing packing and plastic best drives perceptions on why brands are sustainability leaders, followed by investing in/providing renewable energy.
- **13%** said choosing a brand that operates in a sustainable manner is the most important factor in their purchase decisions, behind quality and price. Operating in a sustainable manner rated above convenience and customer service.
- Across all eight industries, at least **47%** of New Zealanders say they care about sustainability when choosing a brand/product to purchase. However, the perceived sustainability of a brand/product will only influence purchasing decisions for at least **34%** of New Zealanders.
- Previous experiences with a brand have the greatest impact on sustainability perceptions (**40%**), followed by both paid and unpaid communications.
- **71%** of New Zealanders do active research around the sustainability of a brand before purchasing.
- When doing research to assess a brand’s sustainability, New Zealanders most frequently visit a company’s website (**44%**) and read articles/reviews (**44%**).
- When asking what brands could do to help people better assess their sustainability, **26%** of people say they want brands to be more transparent and honest. **26%** also say advertising/more promotion is a good way to communicate sustainability.



# New Zealanders' attitudes towards sustainability

Q. Please state your agreement to the following statements:



87%

believe that New Zealand as a country should aim to be more sustainable.



85%

feel that everyone in New Zealand has a responsibility to do more around living sustainably.



81%

want the government to do more to help New Zealand become more sustainable.





# Perceptions of business sustainability

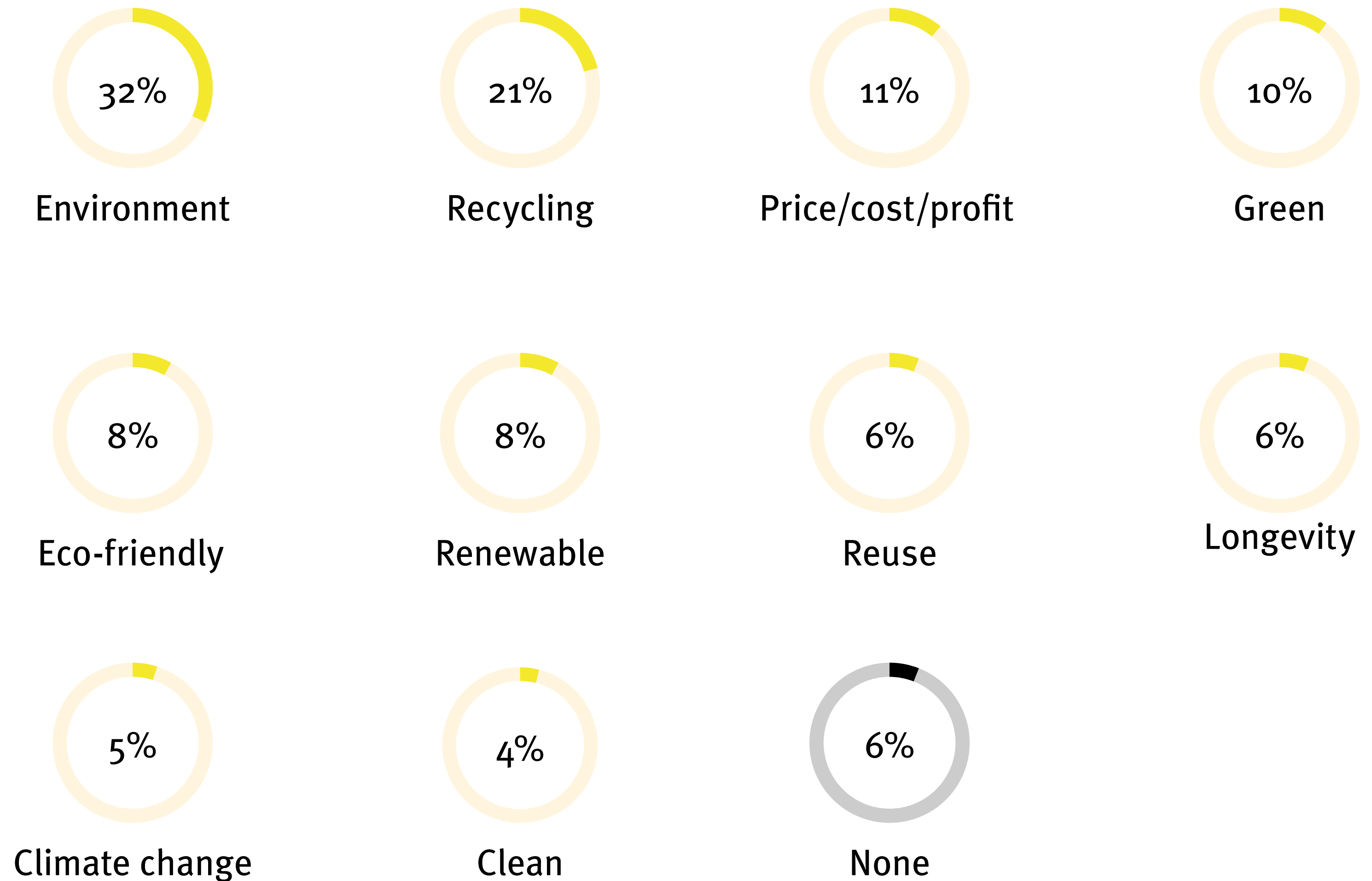




# What ideas or words do New Zealanders associate with sustainable businesses?

New Zealanders most commonly associate the concept of business sustainability with environmental related words and ideas.

Q. When businesses talk about sustainability what are the three words you most associate with that?



Base: All, (n=2,045)



# What do New Zealanders associate with sustainable businesses?

Continued.

Q. Of the phrases below, which do you most associate with “sustainable business”?



## 75%

associate environmental practices with sustainable business.



## 57%

associate social initiatives with sustainable business.



However, among 25-34 year olds

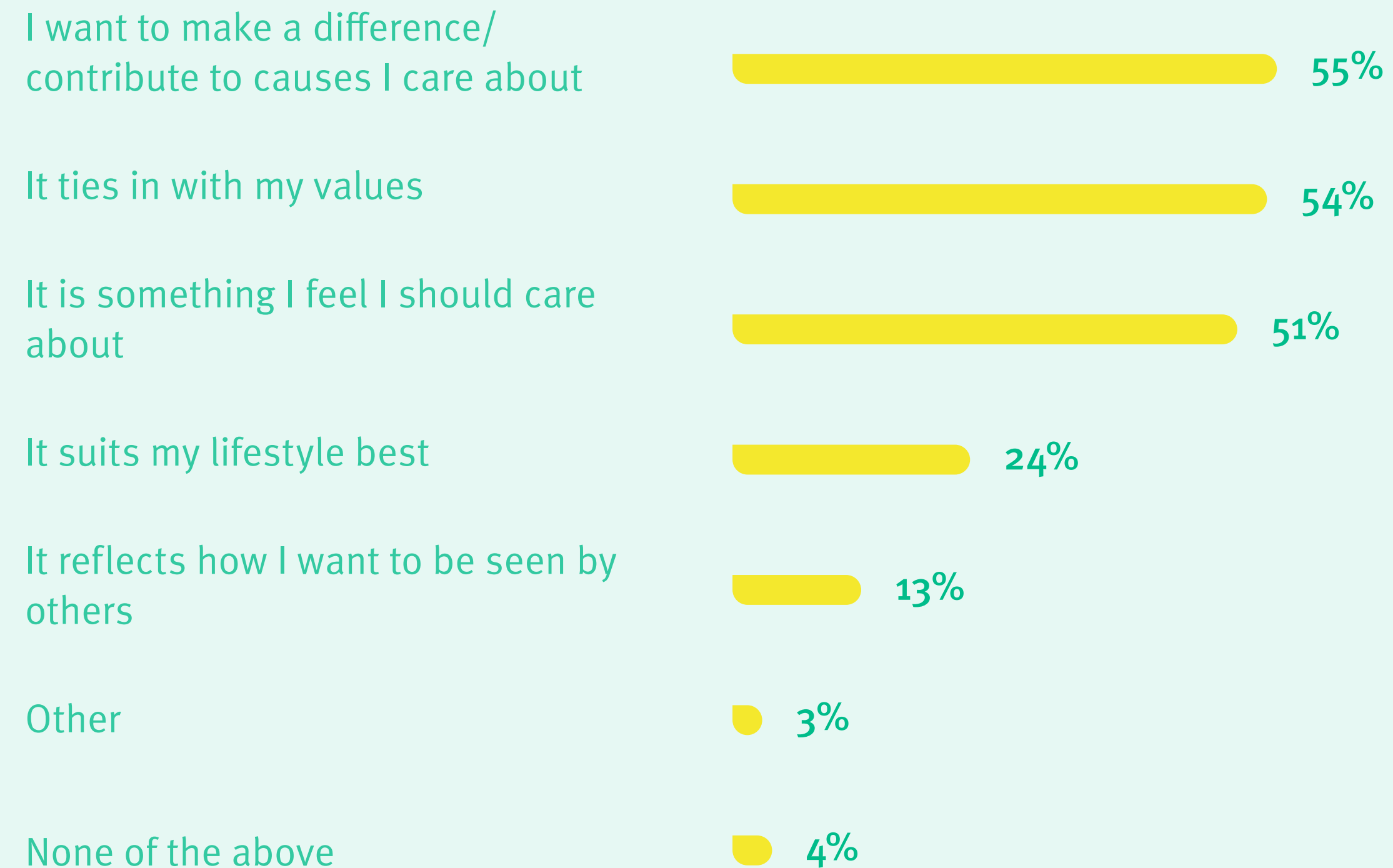
## 67%

associate social practices and initiatives with sustainable business.



# Reasons why people care about sustainability

Q. Which of the following are reasons why you care about sustainability when choosing a [retailer in industry x] to purchase from? (Select all that apply)



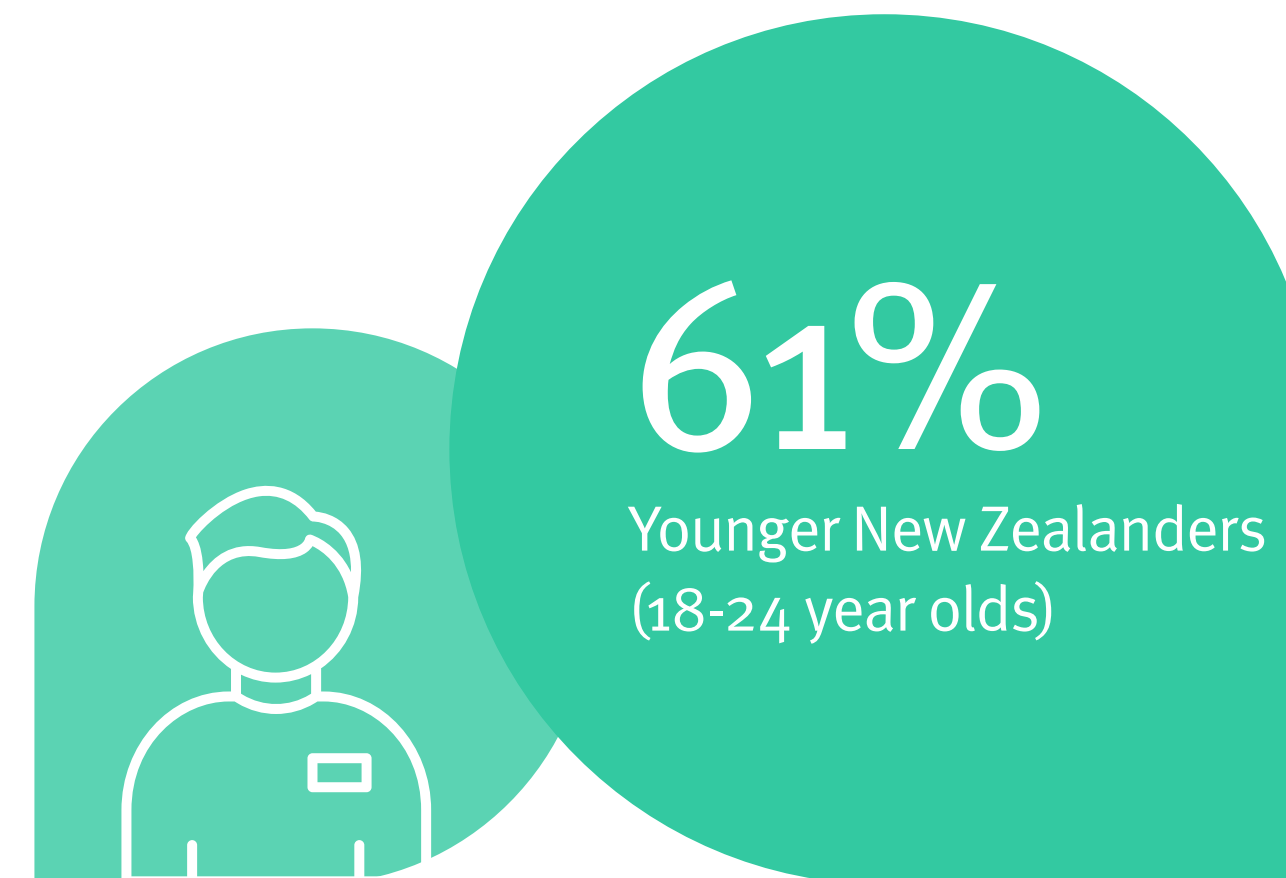
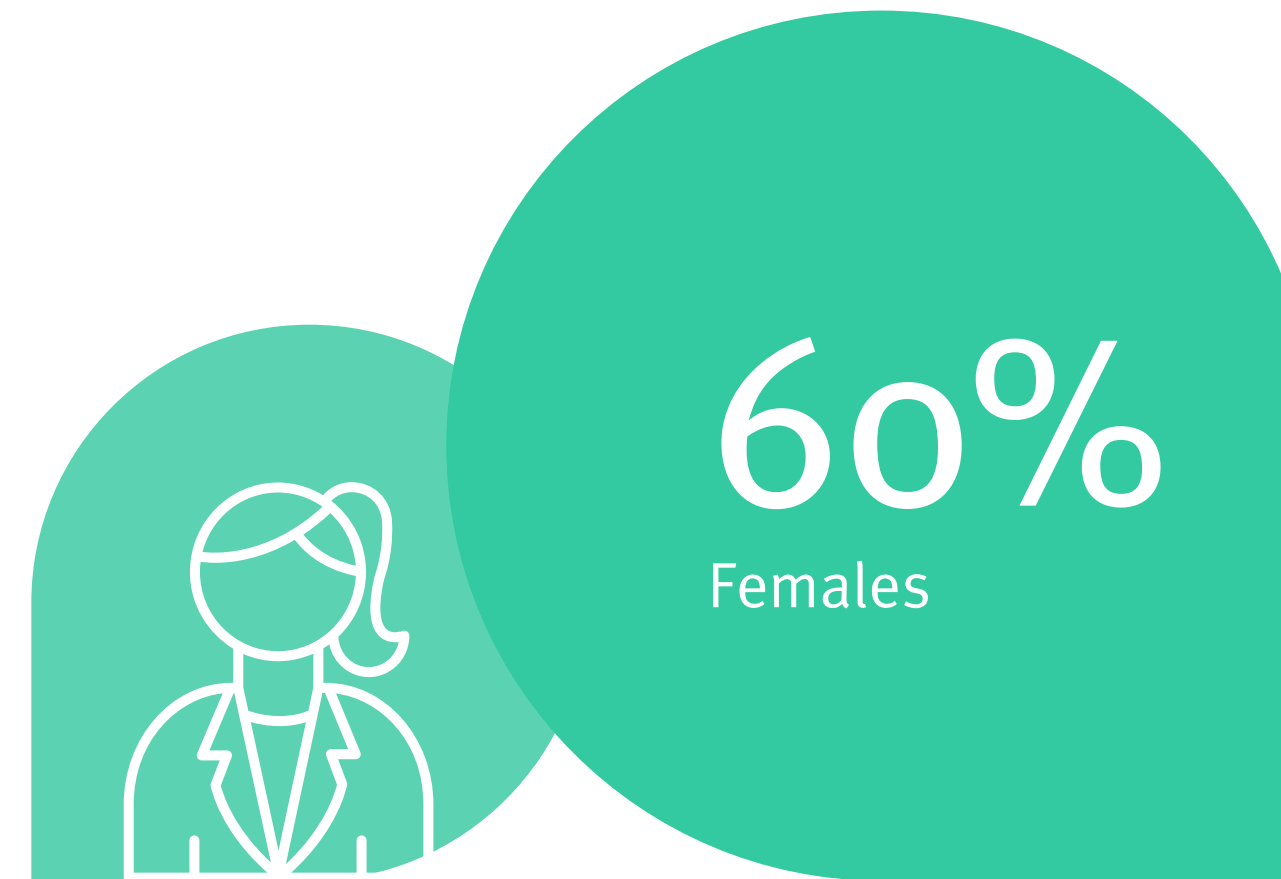
Base: Those who agreed with the statement “I care about the sustainability of brands/products when purchasing from [industry x]” (n=1,247)



# Reasons why people care about sustainability

Continued.

In particular, wanting to make a difference/contribute to causes people care about is a reason among:



**20% of 18-34 year olds** say they care about sustainability when purchasing products/services as a result of it reflecting how they want to be seen by others (compared to **13%** across all New Zealanders).

Older New Zealanders in contrast are more likely to say 'it ties in with my values' **61%** vs **54%** across all New Zealanders.



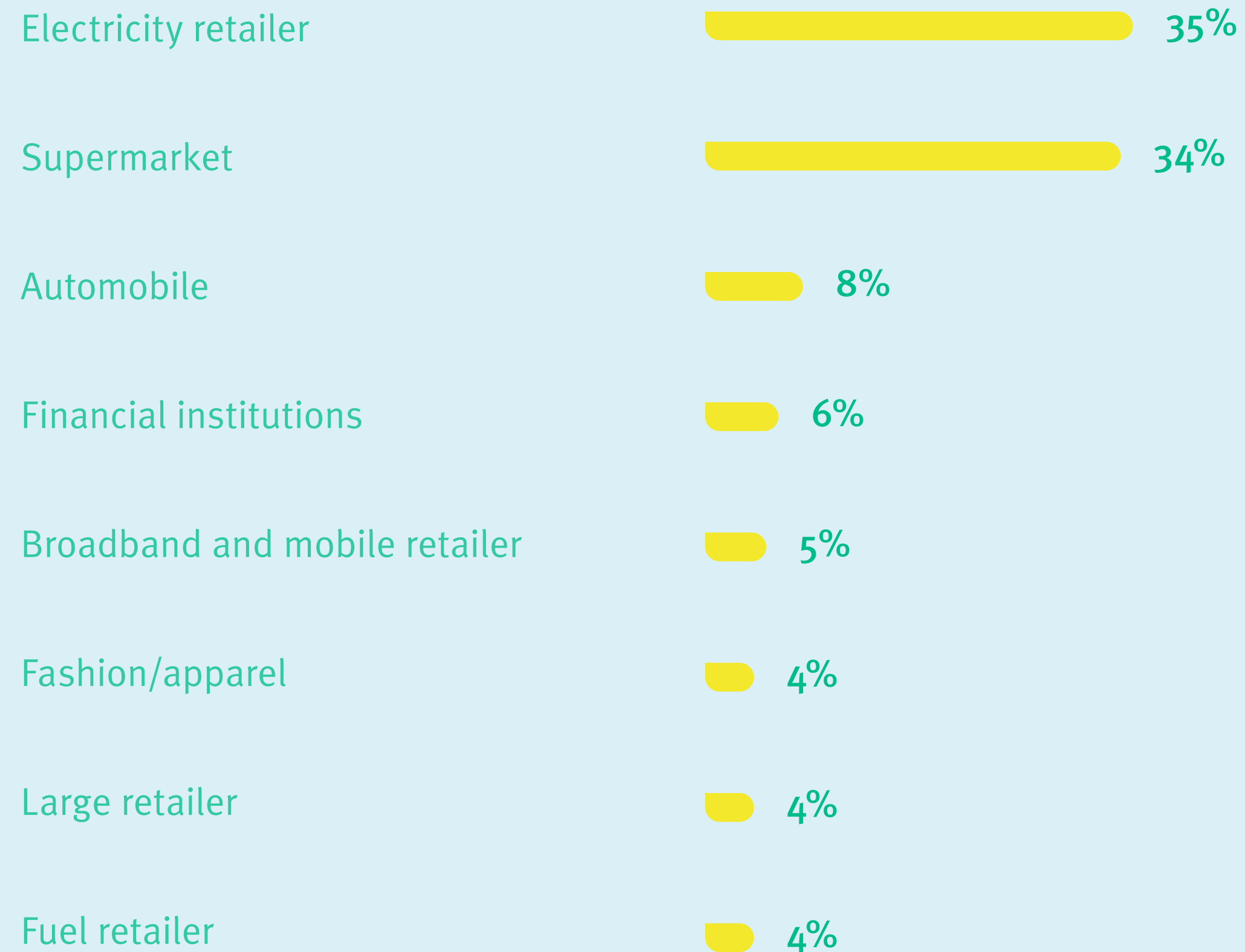
A photograph of a modern building with a glass facade and a lush vertical garden wall. The building is partially obscured by a large white circle. The vertical garden is composed of various green plants and flowers, creating a vibrant, natural-looking wall. The glass windows reflect the sky and the surrounding environment.

# Perceptions of industry and brand sustainability leaders



# Industries that are perceived to be doing the most to become more sustainable

Q. And which industries do you feel are doing the most to become more sustainable?\*



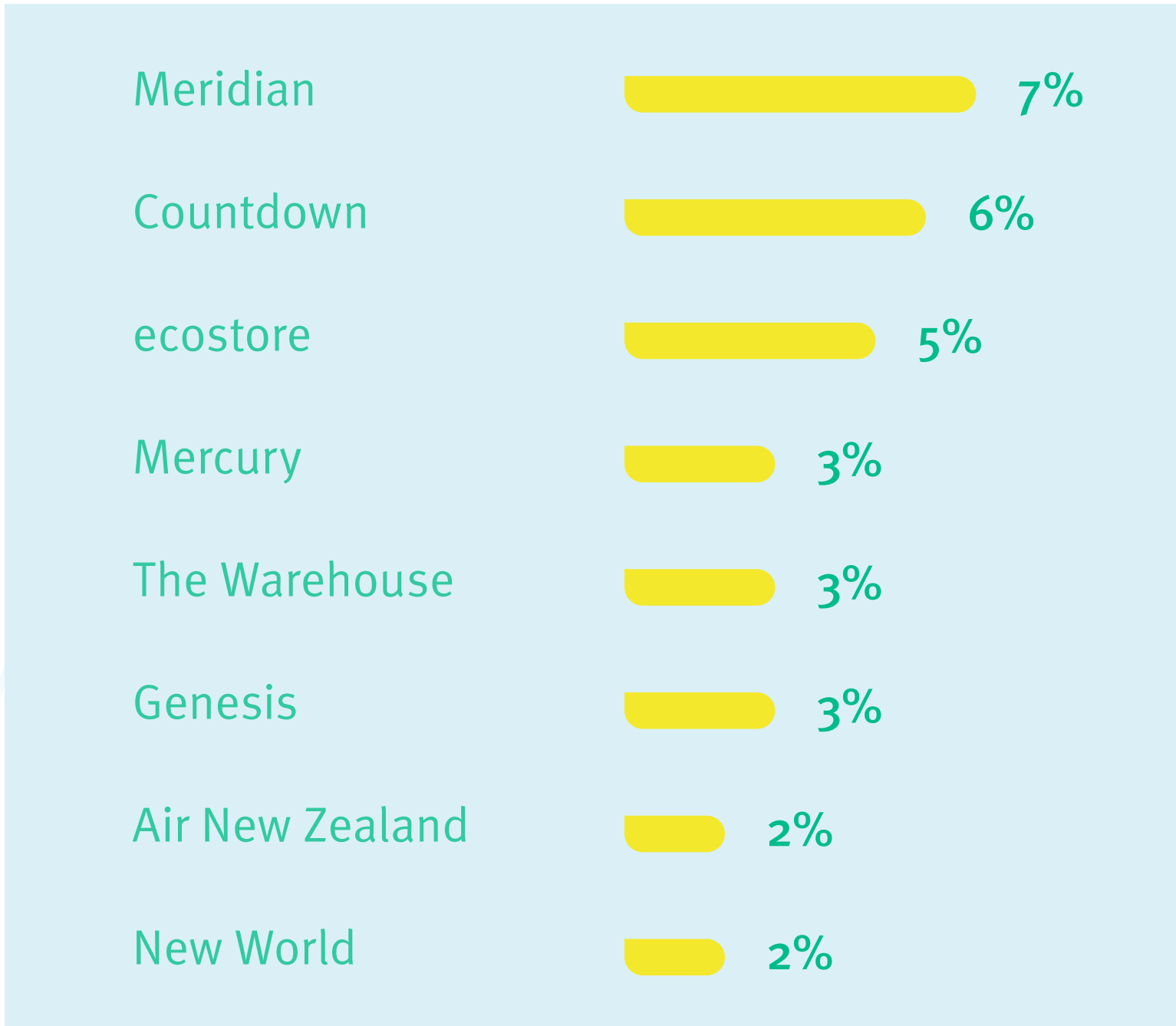
\*Percentages reflect the proportion of times each industry was ranked 1

Base: All, (n=2,045)



# Companies that are perceived to be doing the most to become more sustainable

Q. Thinking generally about brands you know of or use, what is the first brand that comes to mind when you think of one being a leader through their sustainability practices?\*



\*Shown are brands that received a result of 2% or more

Base: All, (n=2,045)



18% of New Zealanders are unable to associate a consumer brand with being a leader through their sustainability practices.



The companies who are perceived to be doing the most, heavily favour those in the electricity and supermarket industries.



# Why brands are perceived as being leaders in sustainability

Q. Why do you perceive [brand x] to be a leader in sustainability?



44%  
Reducing plastic/  
improving packaging

Among 18 - 24  
year olds  
**64%**  
identified  
reducing plastic/  
improving  
packaging.

“The company  
is continuously  
looking to  
alternative  
greener energy  
sources.”

“Getting on board with  
electric cars, finding  
ways to provide power  
without hurting the  
environment.”



25%  
Investing in/providing  
renewable energy

7%  
Investing in electric  
vehicles/bikes



“They were the  
first to stop using  
single use plastic  
bags, customers  
were educated and  
boxes are used.”

“They only generate  
using renewable  
energy, they have  
a focus on the  
environment even  
though it costs them  
more.”



20%  
Sustainable/  
ethical sourcing

3%  
Helping the  
community  
with this issue



“They source  
their energy  
from natural  
resources.”



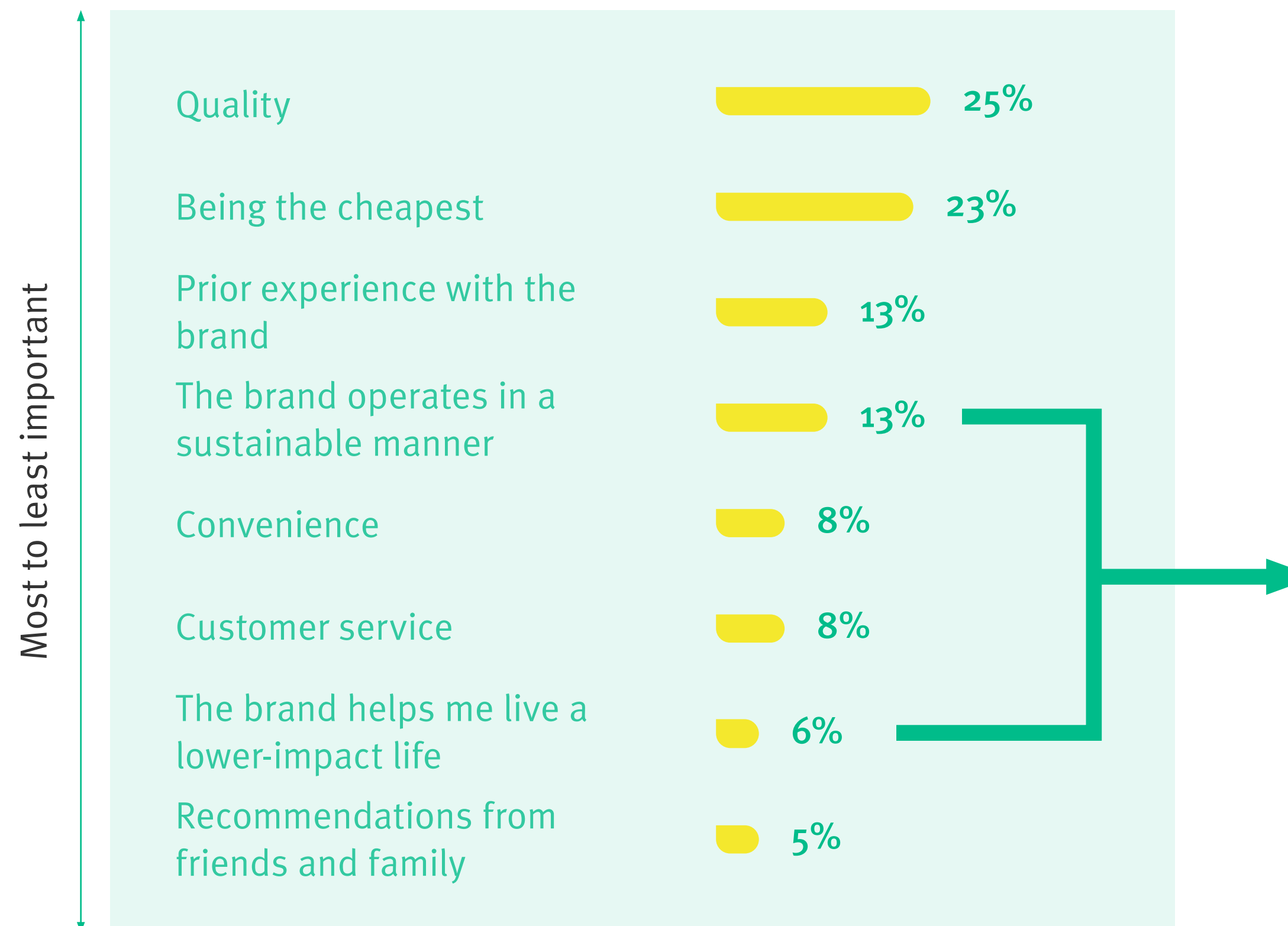
The background image shows a bright, modern cafe or office space. Large windows on the right side let in natural light. Several large potted plants, including palm trees, are placed throughout the room. People are seen sitting at wooden tables, some working on laptops. The ceiling has exposed ductwork and hanging light fixtures. A circular logo with a star and the letter 'B' is visible on the wall. The overall atmosphere is clean, bright, and professional.

Factors and channels  
that influence  
purchasing decisions  
and perceptions of  
sustainability leaders



# Factors that influence the purchase decisions of New Zealanders

Q. Thinking about when you are deciding which brand of [retailer in industry x] to purchase from, how important are the following factors when making your choice?  
(Please rank each option in order where 1 is the most important and 8 is the least important)\*



For **19%** of New Zealanders, choosing a brand that either operates in a sustainable manner or helps them live a lower-impact life is the most important factor in their purchase decisions across eight industries.

\*Percentages reflect the proportion of times each attribute was ranked 1

Base: All, (n=2,045)

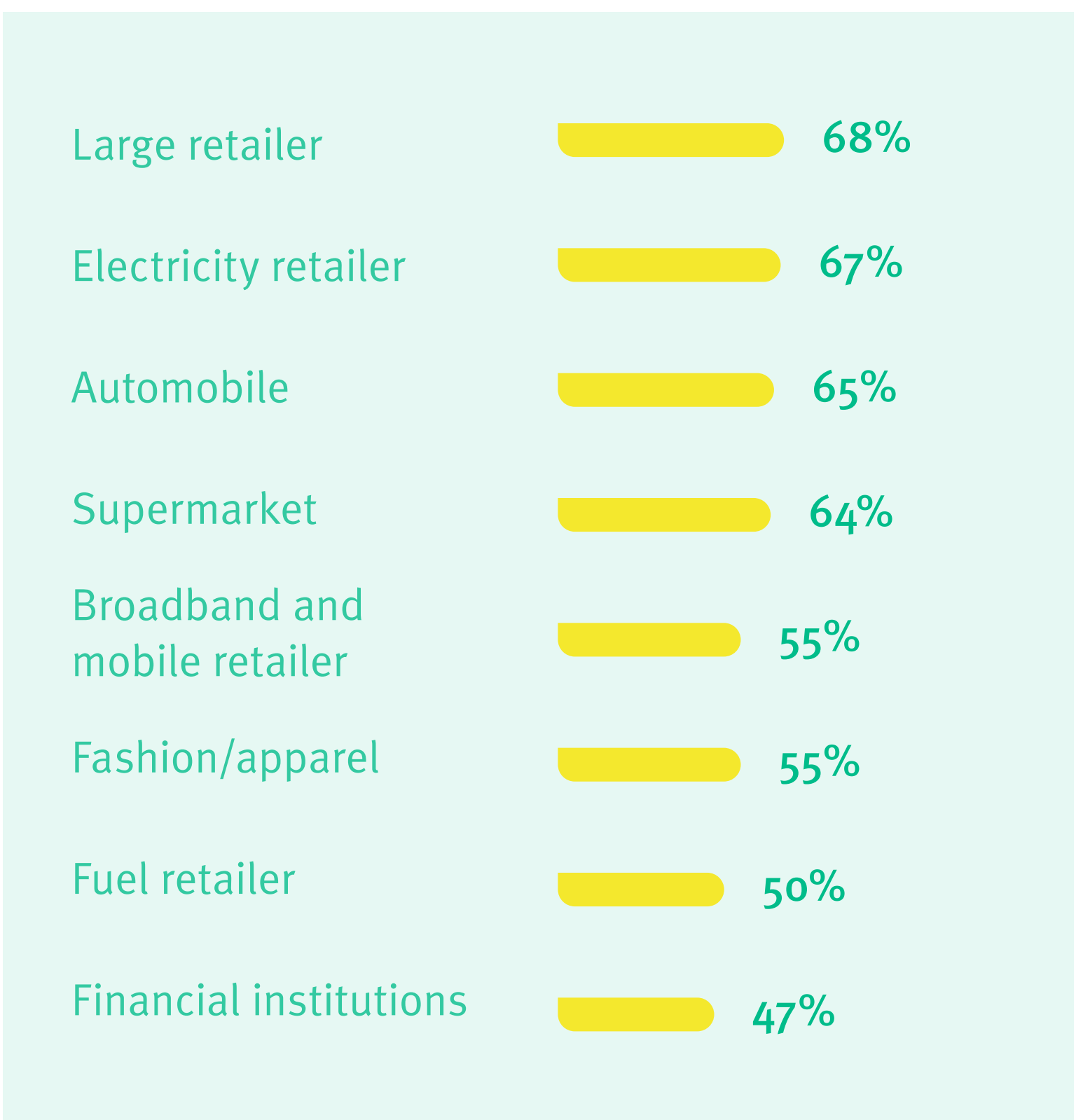


# The impact sustainability has on purchase decisions

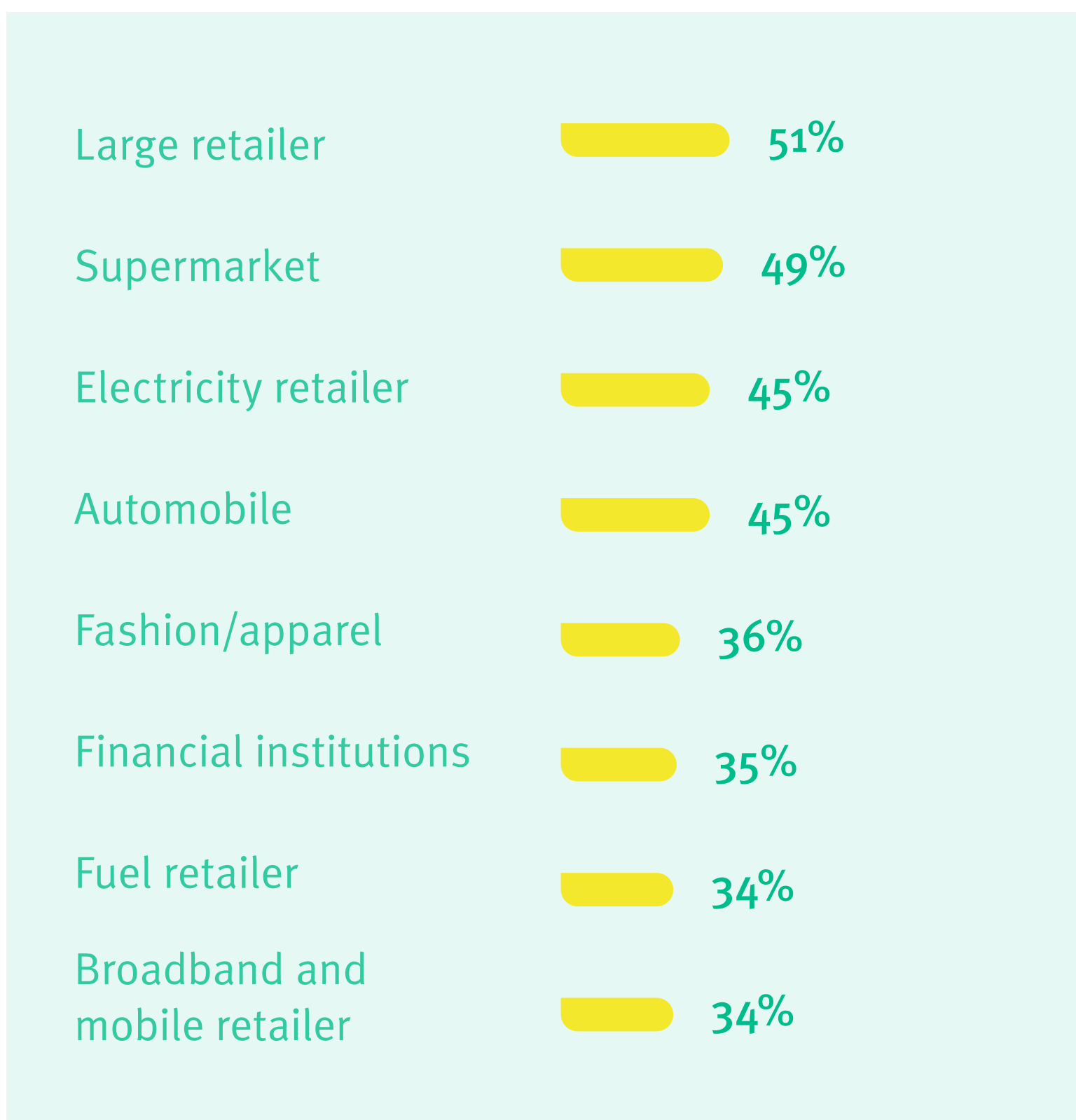
Q. Please state your level of agreement to the following questions.\*

Across all eight industries, at least 47% of New Zealanders say they care about sustainability when choosing a brand/product to purchase from.

I care about the sustainability of brands/products when purchasing from [industry]



My purchase decisions are influenced by how sustainable a brand/product is when purchasing from [industry]



\*Those who either agree or strongly agree

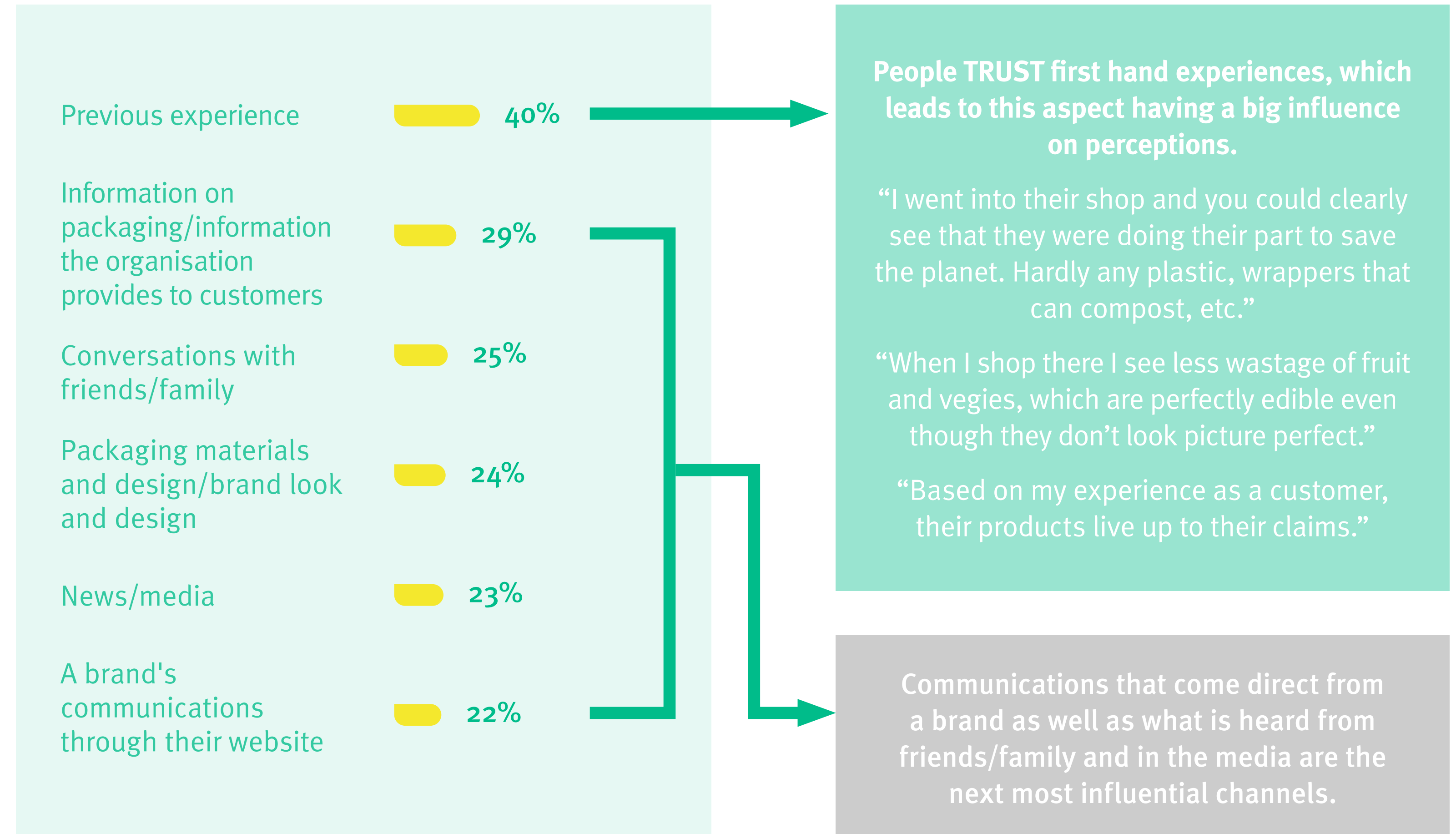
Base: All, (n=2,045)



# Channels that influence perceptions of a brand's sustainability

Q. What level of influence does each of the below have on your perceptions of how sustainable a [retailer in industry x's] products/brand is?\*

Previous experience has the greatest influence on perceptions of a brand's sustainability.



Base: All, (n=2,045)

\*Percentages reflect those who scored 8, 9 or 10 on the scale



# Research that New Zealanders do to assess a brand's sustainability

Q. What research do you do to assess the sustainability of a [retailer in industry x's] products/brand prior to purchasing?  
(Select all that apply)

71% of New Zealanders do active research around the sustainability of a brand before purchasing



44%

Look at a company's website



44%

Read reviews/articles



35%

Read labels/information provided



31%

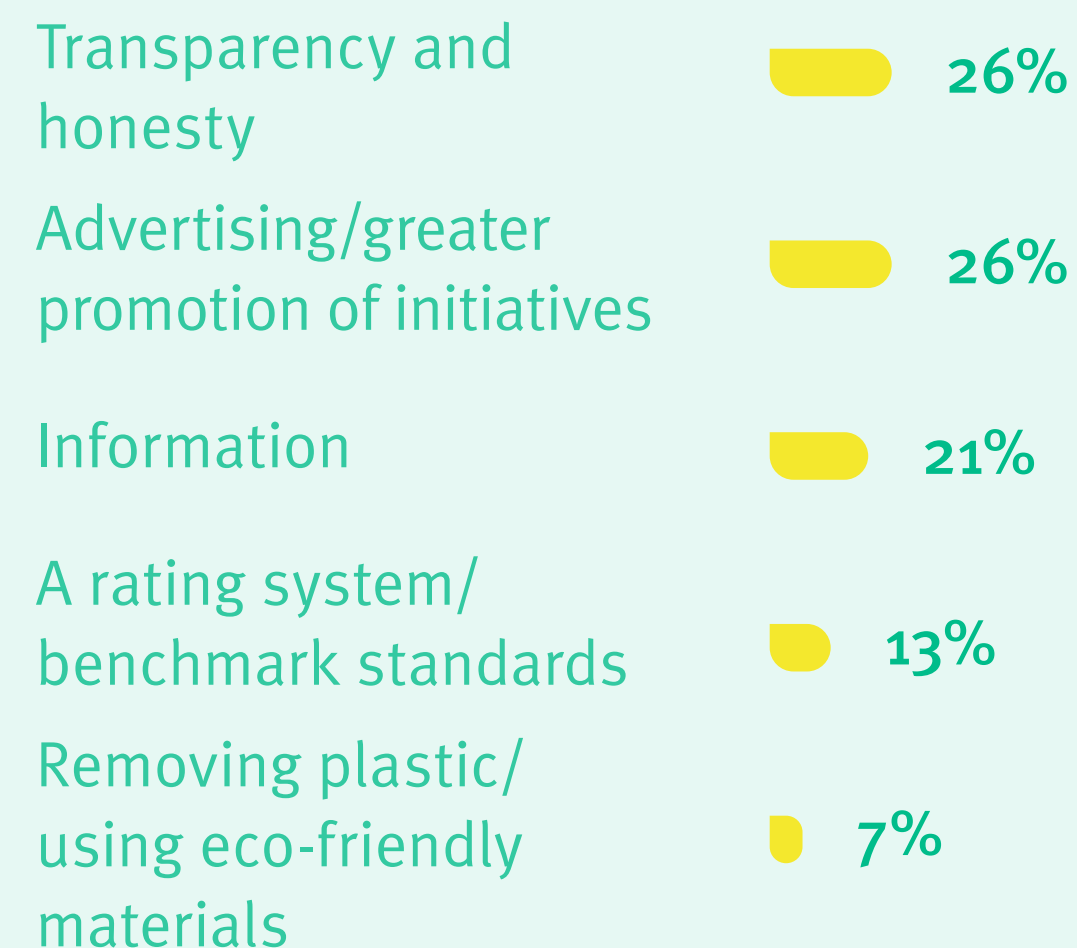
Talk to friends/family



# How brands can help people better assess their level of sustainability

Q. What is the one thing brands could do to help you better assess their level of sustainability?

New Zealanders believe that organisations providing more advertising, honesty and transparency, and general information surrounding their sustainability practices are the most effective ways to help consumers assess their levels of sustainability.



“Be more transparent in what they are doing and where their products come from.”

“Be honest and upfront. Don’t pretend to be perfect if that’s not the reality. There’s a lot of greenwash around sustainability and that’s overwhelming. I just want truths.”

“Actually advertise the sustainable things in their company. The consumer doesn’t know unless you create advertising on tv or social media etc with your sustainable practices.”

“Publicise it more. A lot of organisations are doing some great things, we just don’t hear about it enough.”

“Have information available instore and online about what they are doing – easily digestible information.”



The background image shows a bright, modern interior space, likely a lounge or common area. It features a large, circular skylight in the ceiling, which is surrounded by a wooden slat structure. The ceiling is made of horizontal wooden planks. The floor is a light, polished surface. In the foreground, there are several long, white tables and chairs. Some chairs are yellow and black, while others are grey. In the background, there is a bar area with a counter and stools. To the right, there are glass-walled rooms or offices. A red sofa is visible on the far right. The overall atmosphere is clean, bright, and contemporary.

Industry results



# Industry results



## Automobile

A brand helping people live a lower-impact life has a higher influence on purchase decisions in the automotive industry (**11%** vs 6% overall).

New Zealanders are also more likely to do active research to assess the sustainability of an automobile brand prior to purchasing (**82%** vs 71% overall), where reading reviews and looking at a company's website are particularly common.

However, previous experiences (**42%** vs 40% overall) and conversations with friends/family (**27%** vs 25%) have the most influence on sustainability perceptions.



## Broadband and mobile retailer

Sustainability is deemed to be less important when choosing a broadband/mobile retailer (**9%** vs 13% overall), however, it is still the 4th equal most important factor when purchasing in this industry (where quality and price are the most important).

In line with the most influential factors overall, previous experience has the biggest influence on sustainability perceptions, while conversations with friends and family is the second most important and ranks higher compared to industries overall (**28%** vs 25% overall).



# Industry results



## Fashion/apparel

Sustainability ranks as the third most important factor when purchasing fashion/apparel (**14%** vs 13% overall).

Fashion/apparel retailers, however, are perceived to be doing less than retailers in other industries to become more sustainable.

New Zealanders are more likely to read labels/information provided to assess the sustainability of a fashion/apparel brand (**42%** vs 35%) while they are also more likely to look at a company's website.

Packaging materials and design also have more of an influence on sustainability perceptions in this industry (**29%** vs 24% overall).



## Electricity retailer

Sustainability plays more of a role in purchase decisions of electricity retailers.

Sustainability: **17%** vs 13% overall.

Helps me live a lower-impact life: **10%** vs 6% overall.

Being the cheapest however, is the key factor (**36%** vs 23% overall).

Previous experiences, conversations with friends and family, and website communications are all stronger determinants of sustainability perceptions in the electricity retailer industry compared to industries overall.



# Industry results



## Financial institutions

Sustainability is the fourth equal most important factor when choosing a financial institution (**11%** vs 13% overall), ranking behind quality, price and prior experiences.

New Zealanders are less likely to do research to assess the sustainability of a financial institution prior to choosing one (**30%** don't do any research vs 29% overall).

Among those who do research, the organisation's website is the most commonly used channel (**49%** vs 44% overall).



## Fuel retailer

Sustainability is comparatively less important to New Zealanders when choosing a fuel retailer (**9%** vs 13% overall), where price (**36%** vs 23% overall) and convenience (**19%** vs 8% overall) are the most important factors.

New Zealanders are also much less likely to research the sustainable nature of a fuel retailer before choosing one to go to compared to when purchasing from other industries (**45%** don't do any research vs 29% overall).

In addition, fuel retailers are perceived to be doing less than retailers in other industries to become more sustainable.



# Industry results



## Large retailer

Sustainability is the second most important factor (behind quality) when New Zealanders are choosing a large retailer to shop at (**20%** vs 13% overall).

In addition, New Zealanders are more likely to do active research to assess the sustainability of a large retailer prior to purchasing (**78%** vs 71% overall).

Large retailers, however, are perceived to be doing less than retailers in other industries to become more sustainable.

Research to assess the sustainability of a large retailer is most commonly carried out by reading labels/information provided (**54%** vs 35% overall).



## Supermarket

Supermarkets are one of the industries perceived to be doing the most to become more sustainable in New Zealand.

Sustainability plays less of a role when choosing a supermarket to purchase from.

Sustainability: **10%** vs 13% overall.

Helps me live a lower-impact life: **5%** vs 6% overall.

New Zealanders are also less likely to do any research to assess the sustainability of a supermarket prior to choosing one to purchase from (**32%** don't do any research vs 29% overall).

Information on packaging has more of an influence on sustainability perceptions for supermarkets (**35%** vs 29% overall).



# Industry Results

Factors that influence the purchase decisions of New Zealanders

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Q. Thinking about when you are deciding which brand of [retailer in industry x] to purchase from, how important are the following factors when making your choice? (Please rank each option in order where 1 is the most important and 8 is the least important)\*

\*Percentages reflect the proportion of times each attribute was ranked 1

Base: All, (n=2,045)

	Automobile	Broadband and mobile retailer	Fashion/apparel	Electricity retailer	Financial institutions	Fuel retailer	Large retailer	Supermarket
Quality	36%	34%	34%	10%	22%	10%	35%	20%
Being the cheapest	9%	24%	16%	36%	17%	36%	15%	26%
Prior experience with the brand	13%	12%	13%	11%	20%	11%	11%	11%
The brand operates in a sustainable manner	10%	9%	14%	17%	11%	9%	20%	10%
Convenience	4%	6%	5%	3%	5%	19%	4%	16%
Customer service	5%	9%	8%	8%	11%	4%	8%	7%
The brand helps me live a lower-impact life	11%	2%	6%	10%	5%	8%	5%	5%
Recommendations from friends & family	12%	4%	4%	5%	9%	3%	2%	4%



# Industry Results

Research that New Zealanders do to assess a brand's sustainability

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Q. What research do you do to assess the sustainability of a [retailer in industry x's] products/brand prior to purchasing? (Select all that apply)

Base: All, (n=2,045)

	Automobile	Broadband and mobile retailer	Fashion/apparel	Electricity retailer	Financial institutions	Fuel retailer	Large retailer	Supermarket
Look at the company's website	57%	44%	45%	52%	49%	20%	49%	32%
Read reviews/articles	63%	46%	37%	47%	44%	28%	51%	34%
Read labels/information provided	38%	28%	42%	25%	31%	23%	54%	40%
Talk to friends/family	40%	29%	27%	36%	33%	23%	32%	28%
Talk to a customer service rep/other business representative	32%	22%	14%	28%	22%	14%	23%	13%
I don't do any research to assess xxx's sustainability prior to purchasing	18%	30%	34%	17%	30%	45%	22%	32%



# Industry Results

Channels that influence perceptions of a brand's sustainability

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Q. What level of influence does each of the below have on your perceptions of how sustainable a [retailer in industry x's] products/brand is?\*

\*Percentages reflect those who scored 8,9 or 10 on the scale

Base: All, (n=2,045)

	Automobile	Broadband and mobile retailer	Fashion/apparel	Electricity retailer	Financial institutions	Fuel retailer	Large retailer	Supermarket
Previous experiences	42%	39%	42%	42%	40%	28%	51%	37%
Information on packaging / Information the organisation provides to customers	25%	25%	36%	29%	22%	22%	40%	35%
Conversations with friends/family	27%	28%	24%	30%	25%	16%	28%	24%
Packaging materials and design / Brand look and design	23%	22%	29%	21%	18%	18%	33%	27%
News/media	22%	23%	30%	28%	18%	23%	21%	21%
A brands' communications through their website	24%	21%	21%	29%	23%	15%	24%	21%
Conversations with customer service staff/business representatives	19%	25%	20%	26%	23%	17%	24%	17%
The organisations a brand sponsors/partners with	16%	21%	23%	23%	20%	15%	20%	22%
A brands' advertising through television, radio and magazine ads etc	16%	14%	17%	25%	17%	18%	16%	21%
A brands' advertising through social media (i.e. Facebook and Instagram)	13%	14%	18%	17%	17%	16%	13%	21%

Biggest to smallest influence overall





Thank You

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