

## Collectivists, individualists and indifferents



Consumers increasingly prefer to purchase sustainable and healthy products. This trend is important if we are to meet the [United Nations Sustainable Development Goals](#).

However, most evidence about consumer preferences is based on self-reported purchases rather than consumers' actual purchases. Moreover, when asked, consumers tend to *overstate* their sustainability and health-conscious purchases.

The problem with this situation is that companies wishing to market their sustainable and health-conscious products are faced with incomplete information about their market opportunities. Managers are asking:

- How big is the market for sustainability and health-conscious products?
- How many consumers consistently purchase sustainability and health-conscious products?
- What differentiates consumers who purchase sustainability and health-conscious products from other consumers?

Our [recent study](#) assessing consumers' actual purchases of sustainable and health-conscious products addresses these questions.

By relying on product labels, we investigate consumers' actual purchases across more than 370,000 purchasing transactions and five categories of product labels promoting (1) social equity/fair wages, (2) ecological sustainability, (3) personal health, (4) organic production, and (5) vegan lifestyles.

Additionally, we consider whether consumers are motivated more to purchase products that offer personal benefits vs. public benefits vs. both.

Our findings reveal three consumer types: "collectivist consumers," "individualist consumers" and "indifferent consumers."

### Collectivist consumers

Collectivists allocate more of their total spending towards sustainability and health-related products that offer personal benefits – such as goods that may improve their personal health. Additionally, more than the other consumer categories, collectivists allocate a greater portion of their total spending towards products that offer public benefits – such as products that improve ecological sustainability or guarantee fair wages to workers.

Collectivists account for 7 per cent of total consumers in our sample. While this number is proportionally small, collectivist consumers allocate 28 per cent percent of their total purchases towards sustainability and health-related products. This sizeable allocation is greater than any other consumer group.

### **Individualist consumers**

Like collectivist consumers, individualists purchase products that offer more personal benefits – such as goods that promise improvements to personal health. However, these consumers differ from collectivists in one important way. They tend to spend far less of their total purchases on products that promote public benefits – such as products that improve ecological sustainability or guarantee fair wages to workers.

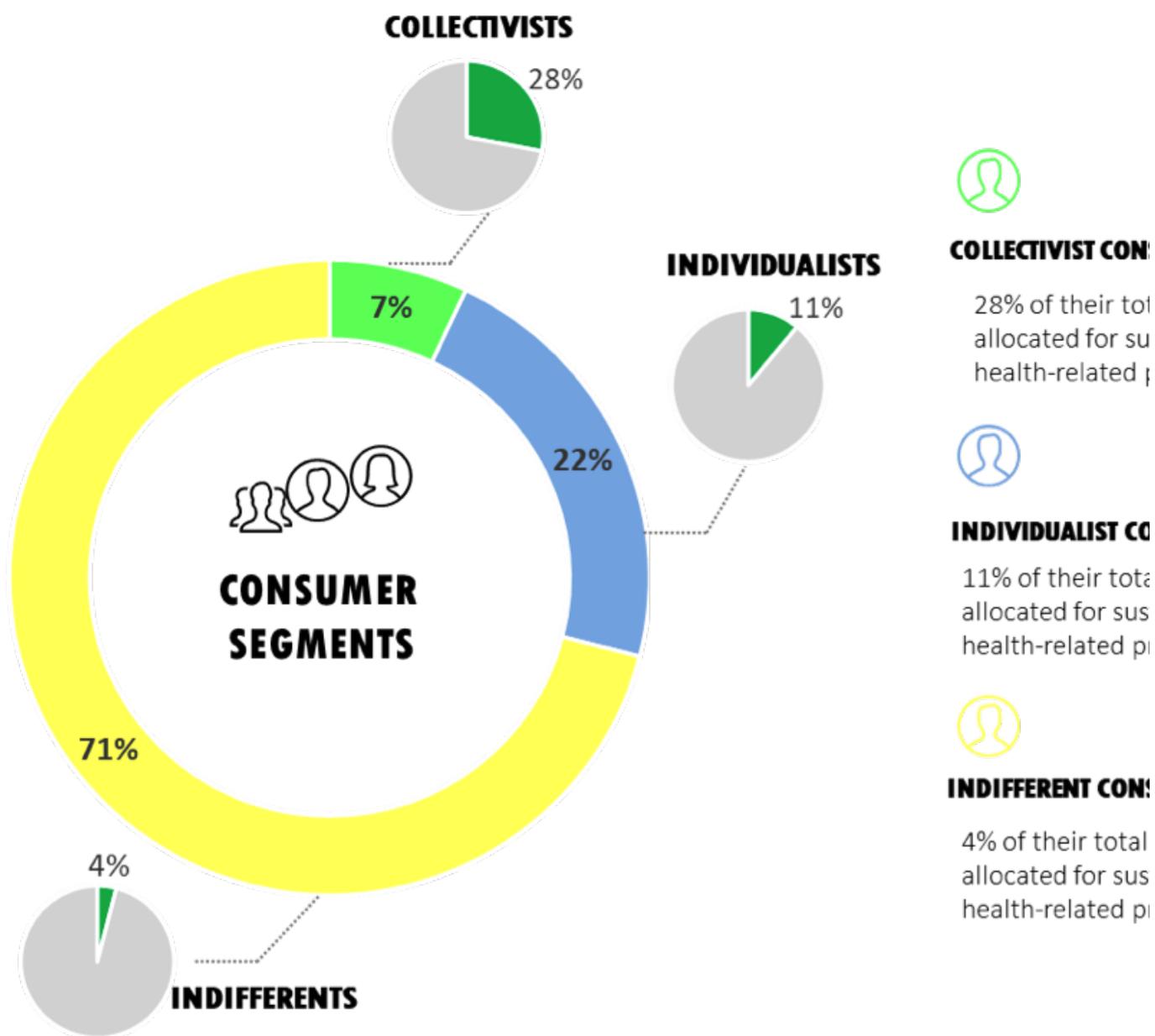
Individualists represent 22 per cent of total consumers. These consumers spend about 11 per cent of their total purchases on products that bear one or more sustainability and health-related labels.

### **Indifferent consumers**

Indifferent consumers are not persuaded to purchase any sustainability and health-related products, regardless of the benefits they offer. Indeed, indifferents' purchases of sustainability health-related products most likely occur by accident.

Indifferent consumers represent the majority (71 per cent) of total consumers. Indifferents allocate only 4 per cent percent of their total purchases towards sustainability and health-related products.

### **Figure 1. Consumer segmentation based on actual sustainability and health-related purchases**

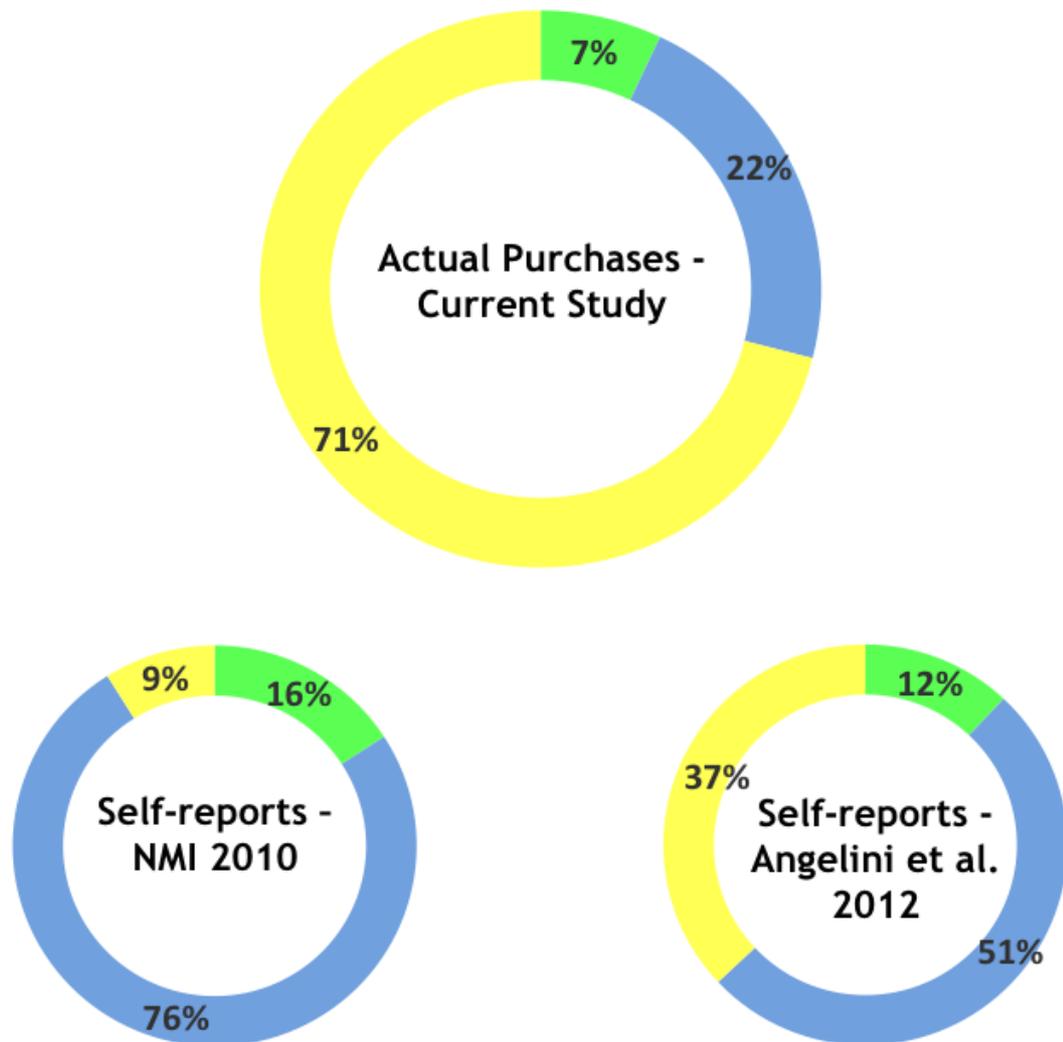


**How these findings compare with self-reports**

In comparing our findings to research based on consumers’ self-reports, we show that consumers’ actual purchases of sustainability and health-related purchases differ significantly from their self-reported purchases in that actual purchases are sizeably lower.

One prior study indicates that 16 per cent of consumers self-report that they make personal and environmental stewardship a priority in their purchases, 76 per cent report being engaged in sustainability in some way, and 9 per cent report not being concerned about social and environmental stewardship (NMI, 2010). Another study shows that 12 per cent of consumers self-report that they actively purchase sustainability-oriented products, while 51 per cent of consumers report inconsistent behaviour and 37 per cent report not being concerned about sustainability issues (Angelini et al., 2012).

**Figure 2. Consumer segmentation frameworks: A comparison of studies using actual vs. self-reported data**



### Why our findings matter

With only 7 per cent of the consumer market consistently purchasing sustainability and health-related labels, it would be easy to conclude that product labels are ineffective at influencing the consumer market. One business response may be to avoid developing labelled products. However, it is important to recognise that the combined purchasing power of collectivists and individualists accounts for 29 per cent of the total market. This proportion is noteworthy. Firms that can deliver products which appeal to these consumers may be rewarded with considerable market opportunity.

Another key finding relates to indifferents' low interest in sustainability and health-related labels. One reason may simply be consumers' lack of awareness ([Darnall and Aragon-Correa, 2014](#); [Darnall et al., 2017](#); [Testa et al., 2015](#); [Wei et al., 2017](#)). If so, then our study identifies a significant need to increase consumer education and awareness about sustainability and health-related product labels. Such awareness can bolster the market for sustainability and health-related products and assist with meeting global sustainable development goals.



---

**Notes:**

- This post is based on the authors' paper [Market segmentation of consumers based on their actual sustainability and health-related purchases](#), published in *Journal of Cleaner Production* 192, 270-280.
  - The authors thank TIM-Telecom Italia and the other partners involved in the LivLab Project (Unicoop Tirreno, the National Research Council (CNR) and Bruno Kessler Foundation).
  - The post gives the views of its authors, not the position of LSE Business Review or the London School of Economics.
  - Featured image credit: Photo by [sydney Rae](#) on [Unsplash](#)
  - When you leave a comment, you're agreeing to our [Comment Policy](#).
- 



**Silvia Sarti** is a postdoctoral researcher at the Institute of Management of Sant'Anna School of Advanced Study in Pisa, Italy. She is working on sustainability management, consumer behaviour and green consumption. She holds a PhD in management from Sant'Anna School of Advanced Study, an MSc in economics and management and a BA in business economics from University of Perugia, Italy. [silvia.sarti@santannapisa.it](mailto:silvia.sarti@santannapisa.it)



**Nicole Darnall** is a professor of management and public policy at Arizona State University in the School of Public Affairs and the School of Sustainability. She is associate director of ASU's Center for Organizational Research and Design (CORD), team leader of the Sustainable Purchasing Research Initiative, and a visiting professor Institute of Management of Sant'Anna School of Advanced Study in Pisa, Italy. Her research examines the factors that facilitate and impede organisational and individual sustainability behaviours. [ndarnall@asu.edu](mailto:ndarnall@asu.edu)



**Francesco Testa** is associate professor at the Institute of Management, Sustainability Management area at Scuola Superiore Sant'Anna (SSSA). He specialises in the economics and management of innovative environmental policy instruments and their relationship with the economy fundamentals and competitiveness. His research has received significant support from the European Commission. [f.testa@sssup.it](mailto:f.testa@sssup.it)