Carbon Down

SME Market Segmentation Analysis

Attitudes towards climate change
Market research report
October 2011

Carbon Down is a climate change partnership between VECCI and the Victorian Government.

CONTENTS

→ INTRODUCTION

In Part 1 of this report, the results of research conducted to determine the current knowledge, attitudes and behaviours (KAB) regarding climate change among small and medium enterprises (SMEs) in Victoria were presented. The benchmark KAB research was conducted in 2008. The research was repeated again in 2011 and Part 1 of this report summarises the changes in knowledge's, attitudes and behaviours since 2008.

The objectives and methodology of the complete 2011 KAB study are outlined in Part 1. In this section, we focus specifically on one component of the research, which was designed to create a basic market segmentation model. The goal of this part of the research was to segment the market into specific categories in order to identify which businesses are more receptive to carbon-reducing activities than others and should therefore be targeted. An independent research agency created a simple and straightforward segmentation that can easily be applied in future projects and will help guide communications to different target audiences.

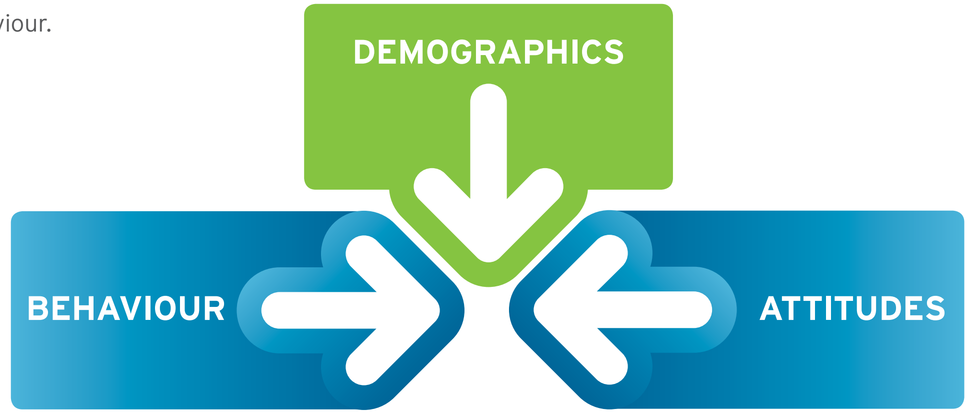
The research also provides insight into the characteristics of each segment according to their knowledge, attitudes and behaviour. This section of the report contains the results of the market segmentation analysis.

PLEASE NOTE: Rounding has been used to approximate the value of each figure used in this report to the nearest whole number. If the first decimal is greater than or equal to five, the number is rounded up. If the first decimal is lower than five, the number is rounded down. Due to this rounding, it is possible that sum totals add up to 99% or 101%.

→ SEGMENTING SME BUSINESSES

There are generally three approaches to creating a market segmentation:

1. By demographics
2. By attitudes
3. By behaviour.



In the 2011 KAB research, attitudes were used to segment the SME market because the qualitative research clearly demonstrated they are a strong differentiator in the SME world. Some businesses are clearly driven by a specific belief system, so SMEs were asked to say with which of the following statements they agreed and their responses determined to which of four segments they belonged:

- → I believe climate change is a serious issue that needs to be addressed now – this is the view expressed by the segment described as 'Believers'
- → I believe climate change is an issue, but there are some questions that still need answering – this is the view expressed by the segment described as 'Debaters'
- → I'm not convinced climate change is as serious an issue as they say – this is the view expressed by the segment described as 'Doubters'
- → I don't believe climate change is happening at all – this is the view expressed by the segment described as 'Sceptics'.

In addition, research participants were also given the chance to respond with a 'don't know'.

Personal beliefs about the environment help to profile the individual segments further. Therefore, as well as categorising the SME market by personal attitudes towards climate change, responses to two other questions were used to create the segmentation model:

- → Level of personal concern about climate change (from 'very concerned' to 'not at all concerned')
- → Attitudes about whether climate change is caused by human activity or is a naturally occurring process.

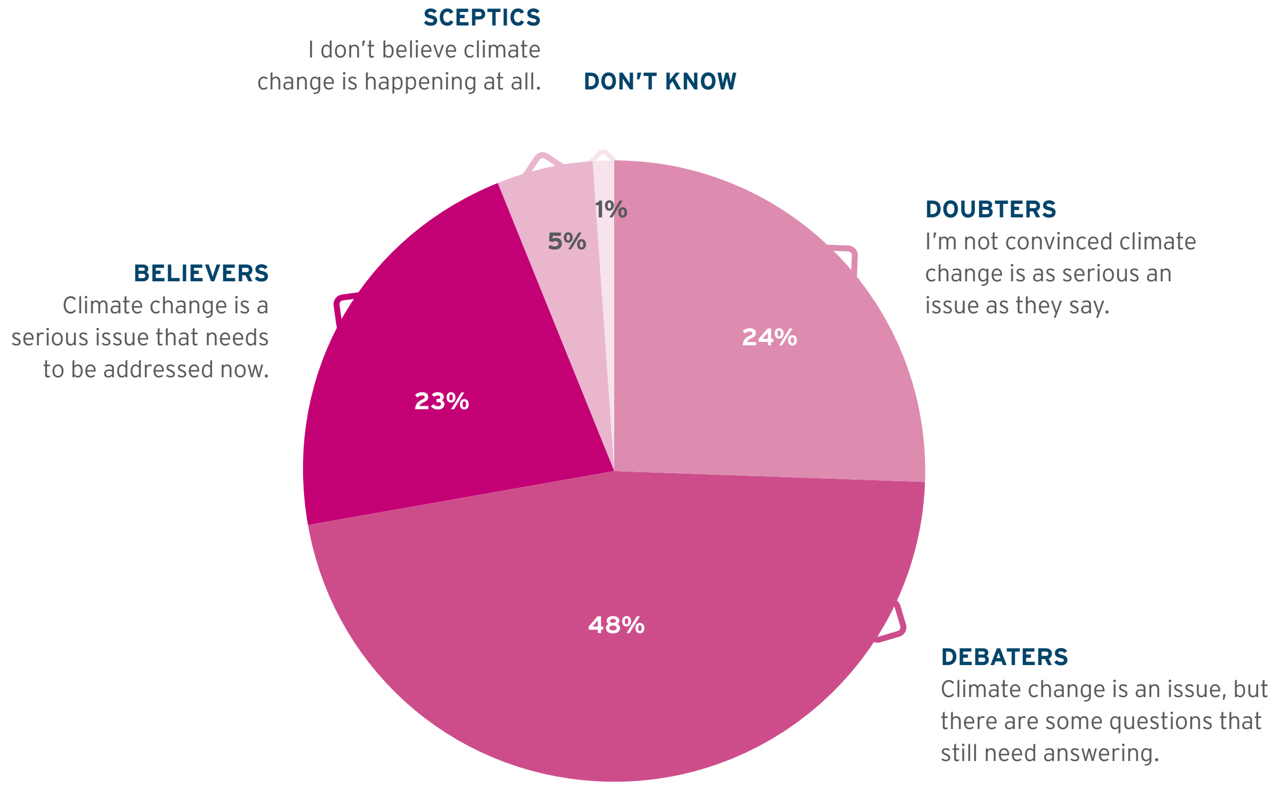
→ OVERVIEW OF THE SEGMENTS

The research revealed four distinct attitudinal segments:

- → Just under one quarter (23%) of the SME market are 'Believers'
- → Almost half (48%) of the SME market are 'Debaters'
- → Just under one quarter (24%) of the SME market are 'Doubters'
- → A small proportion (5%) of the SME market are 'Sceptics'.

Note: One per cent responded 'don't know' when asked about their personal beliefs to climate change so could not be categorised into one of the four segments.

Figure 1: Personal beliefs about climate change (%)



KA9. refer to next page for question.
Base size: CATI respondents, n=908.
* Please note that results for Sceptics are shown on a low base size and are therefore indicative only.

Figure 2: Segments by sex, age and location

KA9. PLEASE INDICATE WHICH OF THESE STATEMENTS BEST DESCRIBES YOUR CLIMATE CHANGE BELIEFS?

		TOTAL CATI	MALE	FEMALE	METRO	NON METRO	UNDER 45	OVER 45
BELIEVERS	1. I BELIEVE CLIMATE CHANGE IS A SERIOUS ISSUE THAT NEEDS TO BE ADDRESSED NOW	23	22	26	26	17	23	23
DEBATERS	2. I BELIEVE CLIMATE CHANGE IS AN ISSUE, BUT THERE ARE QUESTIONS ABOUT IT THAT STILL NEED ANSWERING	48	46	52	46	49	52	47
DOUBTERS	3. I'M NOT CONVINCED CLIMATE CHANGE IS AS SERIOUS AN ISSUE AS THEY SAY	24	25	18	21	29	20	24
SCEPTICS	4. I DON'T BELIEVE CLIMATE CHANGE IS HAPPENING AT ALL	5	5	3	6	4	4	6
	5. DON'T KNOW / CAN'T SAY	1	1	1	1	1	1	1
	6. REFUSED	0	0	0	0	1	0	0
		908	**691**	**217**	**562**	**325**	**249**	**647**

KA9. I'm now going to read out some statements to describe opinions towards the concept of climate change, be it due to human influence or natural cycles. Please indicate which of these statements best describes your beliefs.

PROFILE OF BELIEVERS

Just under one quarter (23%) of the SME market are 'Believers'. This segment is more likely to:

- Be female
- Be managers in a business rather than owners of a business
- Be more highly educated
- Be motivated by the desire to be 'environmentally friendly'
- Make decisions based on both concerns about the environment and costs (not just costs)
- Be aware of the benefits in adopting environmentally friendly business practices
- Be more knowledgeable about climate change, and more likely to believe that pollution generated in Australia harms people everywhere, although they still don't fully understand the contribution the SME sector as a whole makes towards carbon emissions
- Be cognisant of the demand for green products and services
- Perceive that 'being green' will give their business a 'competitive edge'
- Feel they are more able to make sustainable changes than the average SME
- Trust government and scientists when it comes to information about climate change.

PROFILE OF DEBATERS

Almost half (48%) of the SME market can be described as 'Debaters'. This segment is more likely to:

- Make decisions based on both concerns about the environment and costs (not just costs)
- Believe that their business can do something about the environment
- Be receptive to communications that focus on saving time and money.

PROFILE OF DOUBTERS

Just under one quarter (24%) of the SME market are 'Doubters'. Like 'Sceptics', they display a comparatively defeatist attitude. This segment is more likely to:

- Make decisions based on costs alone
- Believe that action on climate change is of no use without the cooperation of India and China
- Not see the worth of doing things if other businesses don't do the same
- Indicate it is too expensive to change current business practices.

PROFILE OF SCEPTICS

Only five per cent of the SME market is made up of 'Sceptics'. It should also be noted that this segment was calculated from a low base size, therefore the data is indicative only. Nevertheless, the research suggestions that this segment, like Doubters, is more likely to:

- Make decisions based on costs alone.
- Believe that action on climate change is of no use without the cooperation of India and China or without getting all other businesses involved.
- Not see the worth of doing things if other businesses don't do the same.
- Indicate it is too expensive to change current business practices.

→ WHAT THE SEGMENTS HAVE IN COMMON

While each of the four segments can be easily distinguished from each other in a number of ways concerning their knowledge, attitudes and behaviours, it should be noted that there are some aspects where they share more in common:

- All businesses undertake a wide variety of environmentally friendly practices regardless of their attitudes to climate change, with the only notable exceptions being their use of air-conditioning and the disposal of rubbish and waste
- Few SMEs (19% in total) monitor their carbon emissions, with little difference between Believers (25%) and Debaters (22%)
- Only six per cent regularly calculate their carbon emissions
- Most do not understand the significant impact made by the SME sector as a whole towards carbon emissions in Australia, so there is a clear need for more education – even amongst Believers – of the contribution that SMEs make.

→ DETAILED ANALYSIS OF THE SEGMENTS

The 'greener' segments of Believers and Debaters are more likely than the average SME to be female, well-educated and senior managers (rather than business owners). In terms of industries, they're more likely to be found in Manufacturing, Professional/Scientific Services and Arts/Recreation.

Figure 3: Characteristics of segments - Part 1

GENDER	TOTAL CATI	Believers	Debaters	Doubters	Sceptics
Male	76	72	74	82	84
Female	24	28	26	18	16

LEVEL OF EDUCATION	TOTAL CATI	Believers	Debaters	Doubters	Sceptics
Yr 10 or below	11	9	12	10	22
Yr 11	9	5	10	12	13
Yr 12	19	17	19	20	18
Apprenticeship	5	3	5	4	11
Other TAFE	9	6	8	12	7
Diploma	14	14	14	14	7
Bachelor degree or higher	31	45	30	24	22

JOB TITLE	TOTAL CATI	Believers	Debaters	Doubters	Sceptics
Business owner	74	70	71	81	80
Senior manager	26	30	29	19	20

INDUSTRY	TOTAL CATI	Believers	Debaters	Doubters	Sceptics
Manufacturing	18	22	18	12	18
Wholesale Trade	10	9	11	8	11
Retail Trade	9	8	10	11	9
Accommodation and Food Services	17	14	16	19	18
Transport, Postal and Warehousing	17	8	19	21	18
Information Media and Telecommunications	3	5	3	3	0
Financial and Insurance Services	3	2	3	4	7
Rental, Hiring and Real Estate Services	3	2	3	5	4
Professional, Scientific and Technical Services	3	7	2	4	0
Administrative and Support Services	3	4	3	3	2
Education and Training	3	5	3	1	2
Health Care and Social Assistance	3	4	4	1	2
Arts and Recreation Services	4	7	3	3	0
Other Services	3	2	3	3	9

Base size : CATI respondents, n=1008 / 257 / 470 / 224 / 46*
* CAUTION : low base size.
Figures in blue boxes denote trends within segments.
See the KAB report for full list of questions.

The research revealed a clear differentiation between segments in terms of age: Believers and Debaters tend to be younger, with Sceptics more likely to be aged 55+.

Figure 4: Characteristics of segments - Part 2

AGE	TOTAL CATI	Believers	Debaters	Doubters	Sceptics
21-24	1	1	1	0	2
25-34	7	7	9	5	4
35-44	19	20	20	17	13
45-54	32	32	34	34	22
55-64	29	29	28	27	42
65-85	8	7	7	12	13

YEARLY BUSINESS REVENUE	TOTAL CATI	Believers	Debaters	Doubters	Sceptics
Less than $100K	7	8	7	6	16
$100 - 299K	11	15	9	11	2
$300 - 499K	8	9	8	7	16
$500K - 999K	14	15	15	11	4
$1-2M	13	12	12	14	16
$2-3M	6	6	6	8	4
$3-5M	7	5	6	8	11
$5-10M	8	9	9	6	11
$10-20M	6	5	6	8	2
>$20M	5	4	6	6	4
I don't know / can't say	4	5	5	4	2
Refused	10	6	11	12	11

NUMBER OF EMPLOYEES	TOTAL CATI	Believers	Debaters	Doubters	Sceptics
0-4	38	37	38	37	47
5-19	26	27	25	29	22
20-49	22	21	22	23	20
50-99	14	15	16	11	11

1. REGIONAL VS METROPOLITAN	TOTAL CATI	Believers	Debaters	Doubters	Sceptics
Metro	62	71	60	55	69
Regional / Rural	36	27	37	44	29
Both	2	2	3	1	2

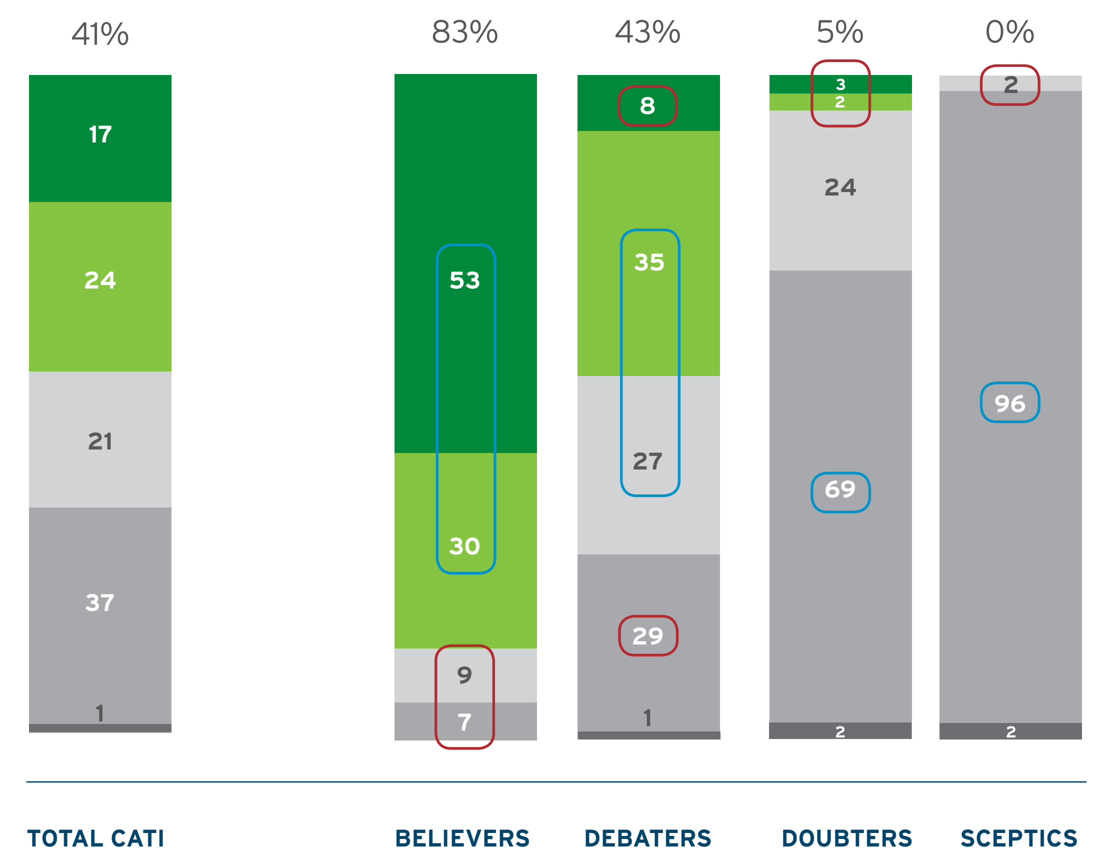
2. REGIONAL VS METROPOLITAN	TOTAL CATI	Believers	Debaters	Doubters	Sceptics
VECCI	13	14	12	15	11
AIGroup	3	2	3	3	2
Franchise Council	0	0	1	0	0
Industry-specific Association	44	42	45	43	51
Professional Association	9	12	9	8	4
Other (SPECIFY) ^s	3	4	3	2	0
None	34	34	34	35	38

Base size : CATI respondents, n=1008 / 257 / 470 / 224 / 46.
*CAUTION : low base size.
Figures in blue boxes denote trends within segments.
See the KAB report for full list of questions.

→ PERSONAL CONCERN TOWARDS CLIMATE CHANGE FOR EACH SEGMENT

Believers act from a very strong personal concern about climate change, with 83% of them claiming to be 'fairly to very concerned' about climate change. In contrast, very few Doubters and Sceptics show any concern at all about climate change (3% and 0% respectively).

Figure 5: Personal concern about climate change (%) - Total CATI vs. segments



YES - VERY CONCERNED
YES - FAIRLY CONCERNED
YES - SLIGHTLY CONCERNED
NO - NOT AT ALL CONCERNED
DON'T KNOW

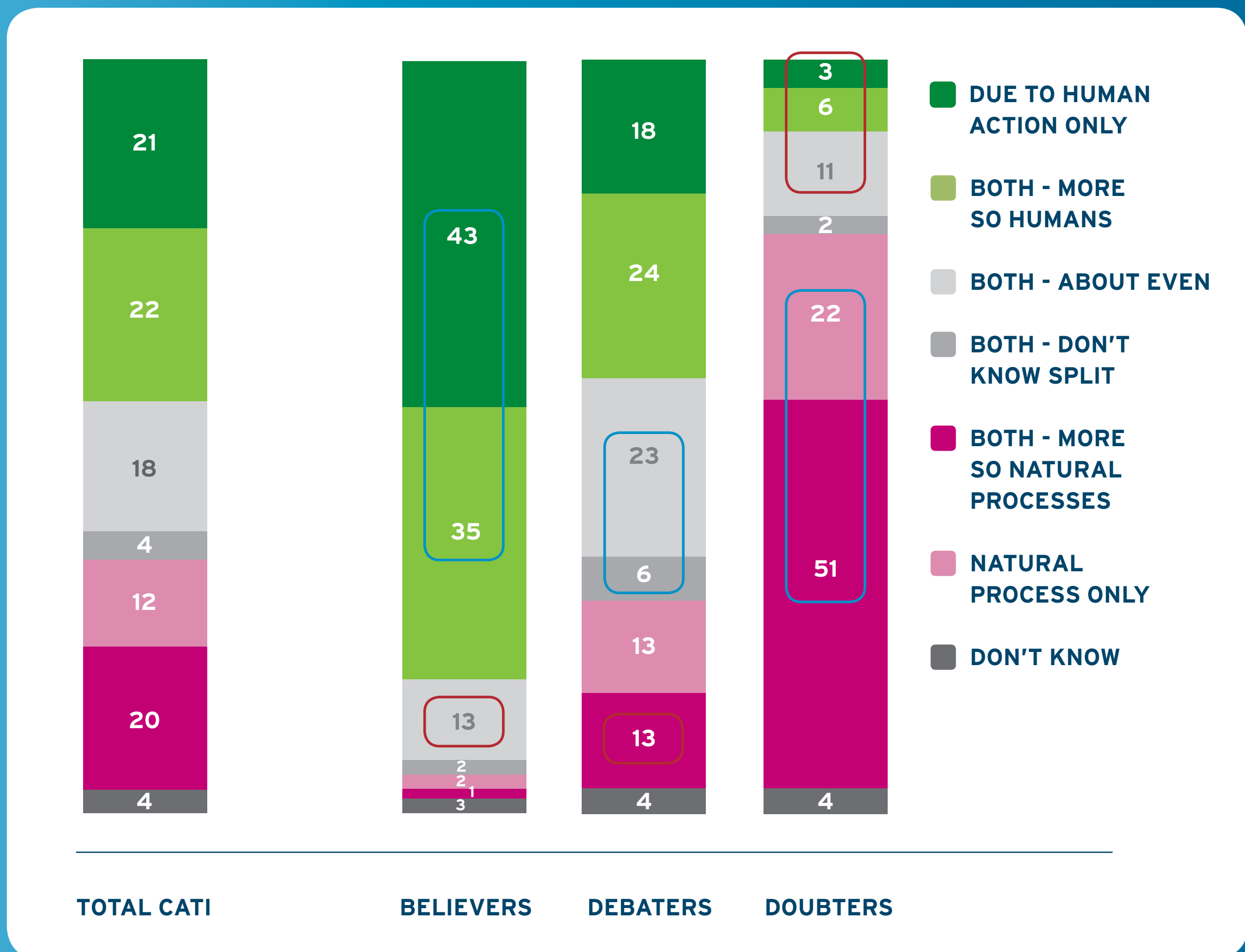
Figures in red box: significantly lower than 'Total CATI'.
Figures in blue box: significantly higher than 'Total CATI'.
KA7. Overall, are you personally concerned about climate change?
Base size: CATI respondents, n=1008/257/470/224/46*
* CAUTION: low base size.

→ BELIEFS ABOUT THE CAUSES OF CLIMATE CHANGE BY SEGMENT

Beliefs about whether climate change is caused by human action or not is another differentiator.

79% of Believers say climate change is primarily caused by humans, while 73% of Doubters believe it is a natural process.

Figure 6: Cause of climate change - Total CATI compared to segments



Note : this question was only asked of Believers, debaters and Doubters.
Figures in white box : significantly higher than 'Total CATI'.
See next page for details.
Base size : CATI respondents, n=1008 / 951 / 257 / 470 / 224.

Figure 7: Beliefs on causes of climate change by sex, age and location

KA10. DO YOU BELIEVE THAT THIS CHANGE IN CLIMATE CHANGE IS DUE TO HUMAN ACTION OR AS A RESULT OF NATURAL PROCESSES?

	TOTAL CATI	MALE	FEMALE	METRO	NON METRO	UNDER 45	OVER 45
DUE TO HUMAN ACTION ONLY	21%	20%	22%	23%	17%	21%	20%
NATURAL ONLY	12%	20%	18%	17%	25%	19%	20%
BOTH - MORE HUMAN	22%	20%	27%	22%	22%	24%	21%
BOTH - MORE NATURAL	20%	14%	9%	11%	%14	10%	13%
BOTH - EVEN	18%	18%	16%	18%	16%	19%	17%
BOTH - DON'T KNOW SPLIT	4%	4%	5%	3%	5%	3%	4%
DON'T KNOW / NOT SURE	4%	4%	3%	5%	2%	3%	4%

→ PERSONAL BELIEFS ABOUT THE ENVIRONMENT FOR EACH SEGMENT

Figure 8: Personal beliefs about the environment
- Total CATI vs segments
(Top 2 box % – 'strongly agree')

	TOTAL CATI	Believers	Debaters	Doubters	Sceptics
Global financial crisis is still affecting business	30	32	27	34	38
There is little demand in business for green products & services	29	19	28	39	40
It's not worth me doing things to help the environment if countries such as India and China don't do the same	28	10	25	48	49
Human ingenuity will ensure that the planet remains liveable	22	24	17	29	29
Pollution generated in Australia harms people all over the world	18	41	14	7	7
It's not worth me doing things to help the environment if other businesses don't do the same	17	9	14	26	38
Being environmentally friendly gives my business a competitive edge	12	20	11	7	11
I am willing to pay more for supplies in order to protect the environment	10	25	7	3	2
By reducing its impact on the environment my business can save money	8	15	7	4	7
It is too expensive to change business practices to help the environment	12	5	9	21	27
The price on carbon won't affect my business financially	9	12	7	9	11
There's nothing my business can do about the environment	9	1	6	18	31
The effects of climate change are too far in the future to really worry me	8	1	4	16	33
In total small businesses produce a large amount of greenhouse gas	5	13	4	1	0

Figures in red box : significantly lower than 'Total CATI'.
Figures in blue box : significantly higher than 'Total CATI'.
KA15. Please tell me whether you agree or disagree with each statement.
Base size : CATI respondents, n=1008 / 257 / 470 / 224 / 46*
* CAUTION : low base size.

→ ABILITY TO MAKE SUSTAINABLE CHANGES WITHIN SEGMENTS

Believers feel they are more able to make sustainable changes than the average SME.

Therefore they are more receptive to 'green' messaging and represent easier targets for communication and activities than other segments.

Figure 9: Ability to make sustainable changes - Total CATI compared to segments

	TOTAL CATI	Believers	Debaters	Doubters	Sceptics
Your business can't afford the initial financial outlay and wait for the return on investment	35	24	34	46	40
You don't know who to trust to get advice on improving energy efficiency	35	23	34	43	51
If the business had the free time/capital you would invest in expanding the business rather than considering energy efficiency measures	31	18	29	44	51
You don't know how to improve your business energy efficiency, but would be interested if it was made easy	27	32	27	26	4
The energy bill for your business is a relatively small percentage of business costs, therefore energy efficiency is a low business priority	25	18	24	30	40
Your business has already done everything it can to make improvements to energy efficiency	18	12	18	20	22

Figures in red box : significantly lower than 'Total CATI'.
Figures in blue box : significantly higher than 'Total CATI'.
U1. To what extent do you agree or disagree that.
Base size : CATI respondents, n=1008 / 257 / 470 / 224 / 46*
*CAUTION : low base size.

Qualitatively, we know that the 'Doubters' and 'Sceptics' are more focused on cost reduction rather than 'being green'.

Figure 10: Segmenting SME businesses : Summary

BELIEVERS DEBATERS | **DOUBTERS SCEPTICS**

DRIVEN BY CONCERN FOR THE ENVIRONMENT AND COST

AGREE MORE STRONGLY THAT ....

MIX OF ENVIRONMENTAL CONCERN AND COST

- → Pollution generated in Australia harms people all over the world
- → Being environmentally friendly give their business a competitive edge
- → They're willing to pay more for supplies to protect the environment
- → By reducing the impact on the environment, their business can save money.

DRIVEN BY COST

AGREE MORE STRONGLY THAT ....

LITTLE CARE FOR THE ENVIRONMENT

- → They have little demand for green products and services
- → It's not worth helping the environment if countries like China and India don't do the same
- → It's not worth doing things if other businesses don't do the same
- → There's nothing their business can do about the environment
- → If they had the free time / capital, they'd invest in expanding the business rather than considering energy-efficiency measures
- → Energy efficiency is a low business priority

COST

- → It's too expensive to change business practices to help the environment
- → Their business can't afford the initial outlay and wait for the return on investment.

→ MOST SMES DO NOT UNDERSTAND THE IMPACT MADE BY THE SME SECTOR AS A WHOLE TOWARDS CARBON EMISSIONS IN AUSTRALIA. THERE IS A CLEAR NEED FOR MORE EDUCATION OF THE CONTRIBUTION THAT SMES MAKE.

→ RESPONSE TO INITIATIVES - BY SEGMENTS

Generally, all businesses – including Doubters and Sceptics – undertake a wide variety of environmentally friendly activities. The main differences between the segments lie in the use of air conditioning and common business practices like rubbish and waste.

Figure 11: Activities undertaken by business (%) - Total CATI vs. segments

		Total CATI	Believers	Debaters	Doubters	Sceptics
LIGHTING	Are you switching off lights when not needed?	93	94	94	90	87
	Have you replaced globes with more efficient ones?	77	81	78	73	62
	Have you installed zoned lighting so you have more control over turning off	51	50	56	44	44
	Have you removed globes/lamps in areas that had more light than needed?	34	45	35	27	18
	Have you installed timers to switch lights off?	27	25	28	28	22
AIR CONDITIONING & HEATING	Adjusted the temp to use less power	57	67	61	43	42
	Reduced the amount that you use for heating and cooling	50	56	55	36	42
	Improved insulation or draft proofing	38	42	36	38	38
	Purchased a more efficient heating or cooling system	37	40	37	34	36
APPLIANCES, EQUIPMENT & MACHINERY	Maintaining the equipment to ensure it works efficiently	94	94	94	94	96
	Turning them off when not being used	86	87	86	84	84
	Turning them off standby	57	62	58	53	40
	Purchased more efficient equipment	46	49	49	41	29
TRANSPORT, VEHICLES AND & FUEL	Purchased more fuel-efficient vehicles	45	43	46	44	42
	Reduce number of trips	34	37	34	30	31
	Using different fuels	30	30	31	27	36
	Reduce total distance travelled	26	29	27	23	27
RUBBISH AND WASTE	Are you recycling?	91	92	94	90	80
	Have you introduced recycling for different types of waste	78	82	79	75	62
	Have you changed business practices so materials disposed of in environmentally friendly way?	75	79	78	69	58
	Have you changed business practices so less is produced?	61	67	64	54	42
	Have you reduced?	60	65	63	54	40
	Are you reusing?	57	63	58	50	40

Figures in red box: significantly lower than 'Total CATI'.
Figures in blue box: significantly higher than 'Total CATI'.
B1/B2/B3/B4/B5 Which of the following does your business do?

Base size: CATI respondents, n=1008 / 257 / 470 / 224 / 46*
*CAUTION : low base size.

→ MONITORING RESOURCES - BY SEGMENT

Electricity usage is monitored by 70% of SMEs, with 60% monitoring their waste levels.

Qualitatively we know this is because costs are rising and having more impact on their bottom line than ever before. Greenhouse gas emissions are monitored by about one in five SMEs – it will be interesting to examine whether the Carbon Tax will change this.

Figure 12: Areas monitored by SMEs (%)

	TOTAL CATI	Believers	Debaters	Doubters	Sceptics
Electricity Usage	70	73	72	66	44
Waste	60	70	59	57	47
Fuel Usage	49	45	52	47	44
Gas Usage	26	27	27	26	13
Total Greenhouse Gas Emissions	18	20	21	10	7

Figures in red box : significantly lower than 'Total CATI'.
Figures in blue box : significantly higher than 'Total CATI'.
EMC9 Which of the following has your business specifically focused on monitoring?
Base size : CATI respondents, n=1008 / 257 / 470 / 224 / 46*
*CAUTION : low base size.

Believers are more likely to have implemented the activities below, as opposed to Doubters and Sceptic, particularly in the following areas:

- Making changes to lighting (78%)
- Making changes to transport (39%)
- Assigning a green champion (11%)
- Measured and monitored their carbon emissions (7%).

Figure 13: Implementation of initiatives to reduce carbon footprint - Total CATI vs. segments

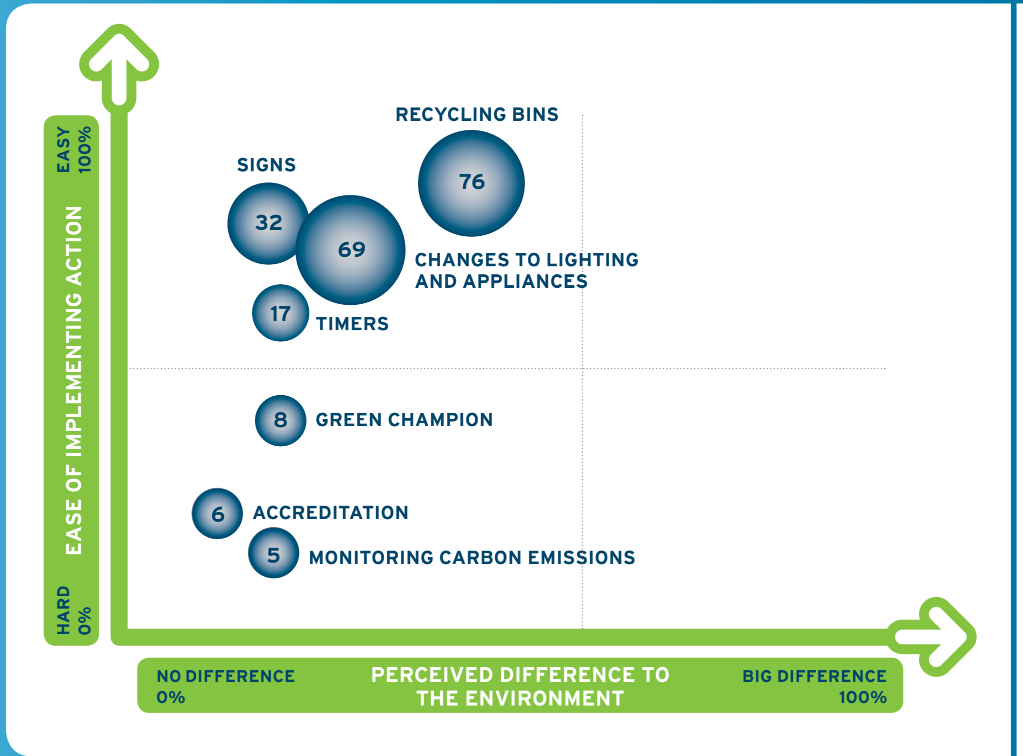
	Total CATI	Believers	Debaters	Doubters	Sceptics
Provided separate bins for recycling of cans and bottles	76	78	79	70	64
Made changes to lighting or appliances to reduce energy use	69	78	70	61	58
Set printers to duplex / double sided printing	47	51	51	39	38
Placed signs around the office to remind people to switch off lights, signs, monitors and/or computers	32	37	34	24	22
Made changes to transport use, or encouraged employees to change their transport use to reduce impact on the environment	28	39	28	18	22
Installed timers on power switches for items such as computers and/or on urns	17	16	20	14	13
Assigned a 'Green Champion'. That is, someone to manage the businesses sustainability and research new ways to reduce the business carbon footprint	8	11	9	4	11
Measured and monitored carbon emissions	5	7	6	4	2
Obtained accreditation for your sustainable business practices	6	6	6	7	13
Obtained accreditation for your sustainable products	5	6	5	6	4

Figures in red box: significantly lower than 'Total CATI'.
Figures in blue box: significantly higher than 'Total CATI.
C10. I am now going to read out a list of specific activities that your business can undertake to reduce its carbon footprint and ask if you have implemented each. Have you.
Base size : CATI respondents, n=1008 / 257 / 470 / 224 / 46*
*CAUTION : low base size.

→ PERCEPTIONS OF RESOURCE EFFICIENT ACTIONS AND THEIR BENEFIT TO THE ENVIRONMENT

Implementation of various initiatives is directly correlated with ease of application. Recycling, placing signs and making changes to lighting and appliances are perceived as requiring little effort. However, none of these actions are generally perceived to make a big difference to the environment.

Figure 14: Evaluation of actions against ease of implementation and perceived difference to the environment



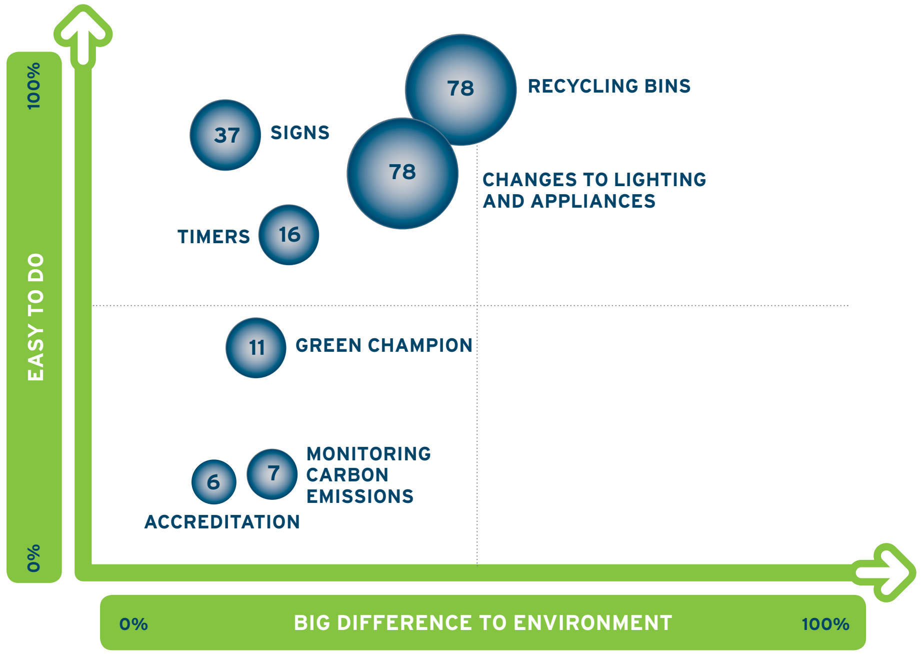
Size of bubble = who have implemented action.
C12a. For each activity, can you please indicate how easy you believe they would be to implement, how much difference you believe they would make to the environment.
Base size : CATI respondents, n=1008

EVALUATION OF ACTIONS FOR EACH SEGMENT

Generally more Believers than Sceptics rate sustainable actions as making a difference to the environment. For example:

- Recycling is seen as making a difference by 80% of Believers/Debaters and 65% of Sceptics
- Accreditation of sustainable practices is seen as making a difference by 21% of Believers but only 7% of Sceptics
- Appointing a green champion is seen as making a difference by 30% of Believers but only 7% of Sceptics
- Making changes to lighting and appliances is seen as making a difference by 20 – 25% of all segments except Debaters (12%).

BELIEVERS



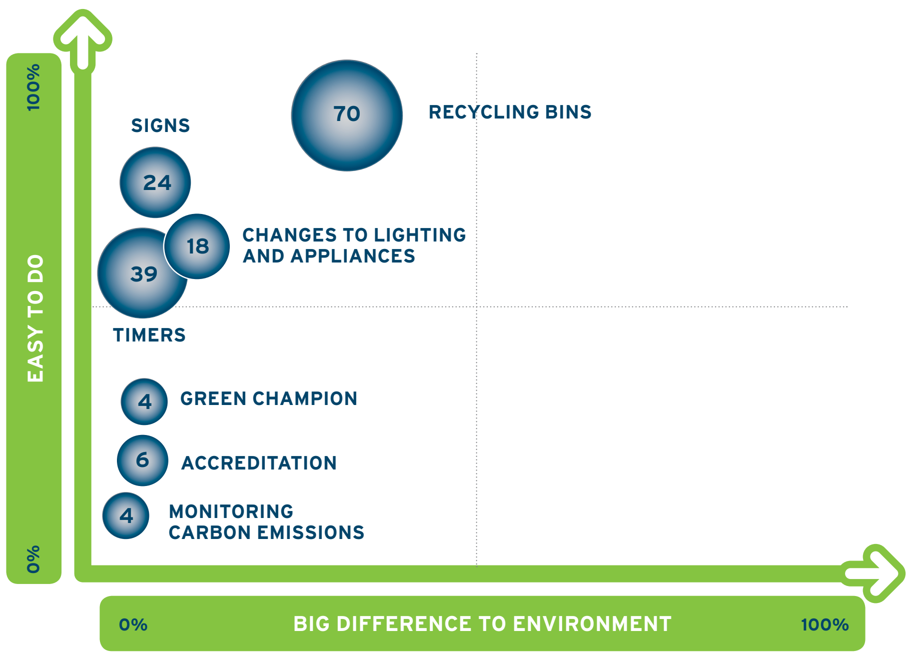
Size of bubble = % who have implemented action.

C12a. For each activity, can you please indicate how easy you believe they would be to implement, how much difference you believe they would make to the environment.

Base size: CATI respondents, n=257 / 470 / 224 / 46*

*CAUTION : low base size.

DOUBTERS



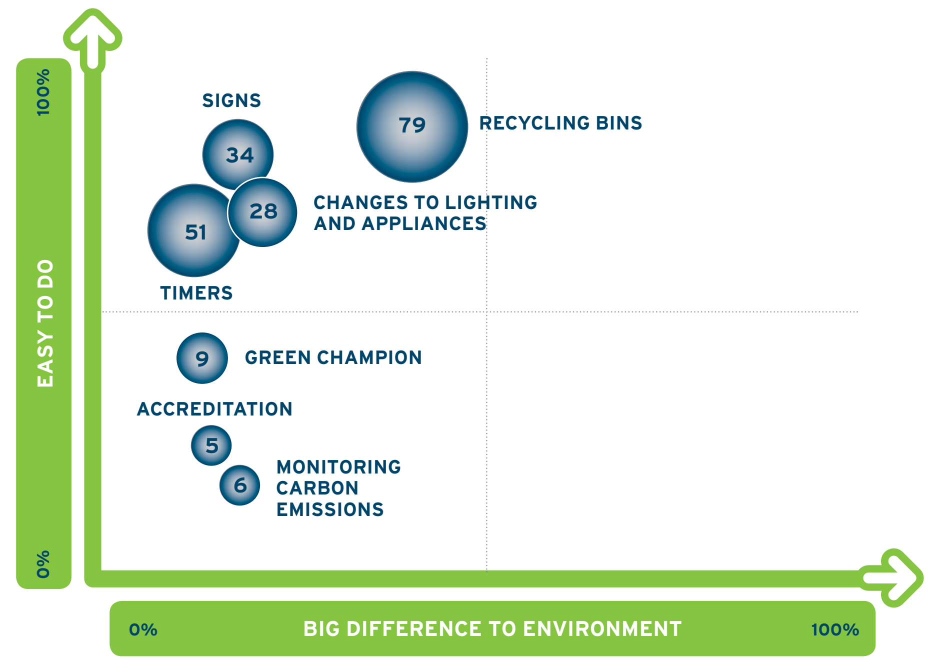
Size of bubble = % who have implemented action.

C12a. For each activity, can you please indicate how easy you believe they would be to implement, how much difference you believe they would make to the environment.

Base size: CATI respondents, n=257 / 470 / 224 / 46*

*CAUTION : low base size.

DEBATERS



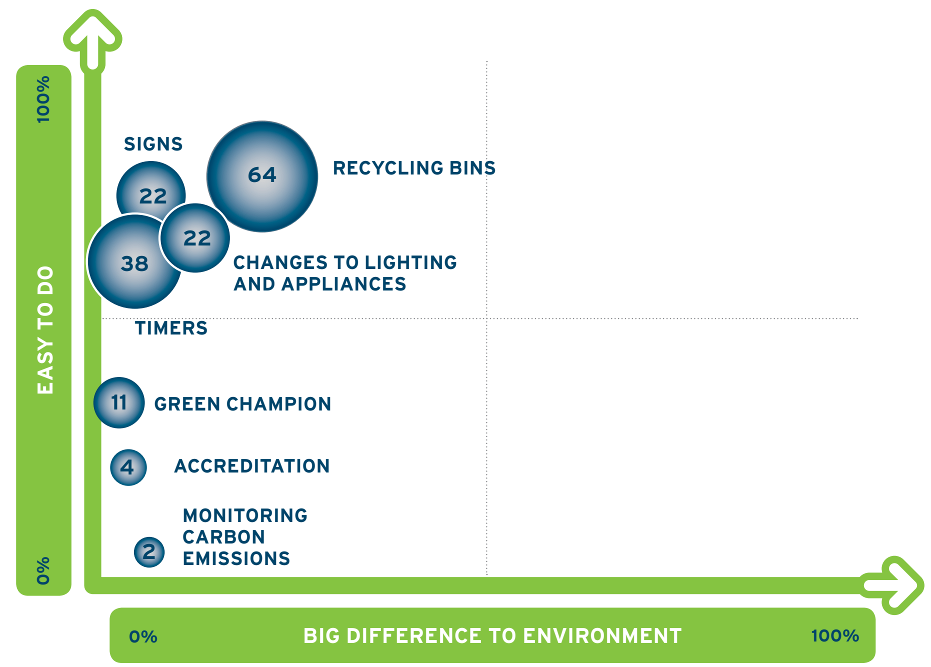
Size of bubble = % who have implemented action.

C12a. For each activity, can you please indicate how easy you believe they would be to implement, how much difference you believe they would make to the environment.

Base size: CATI respondents, n=257 / 470 / 224 / 46*

*CAUTION : low base size.

SCEPTICS



Size of bubble = % who have implemented action.

C12a. For each activity, can you please indicate how easy you believe they would be to implement, how much difference you believe they would make to the environment.

Base size: CATI respondents, n=257 / 470 / 224 / 46*

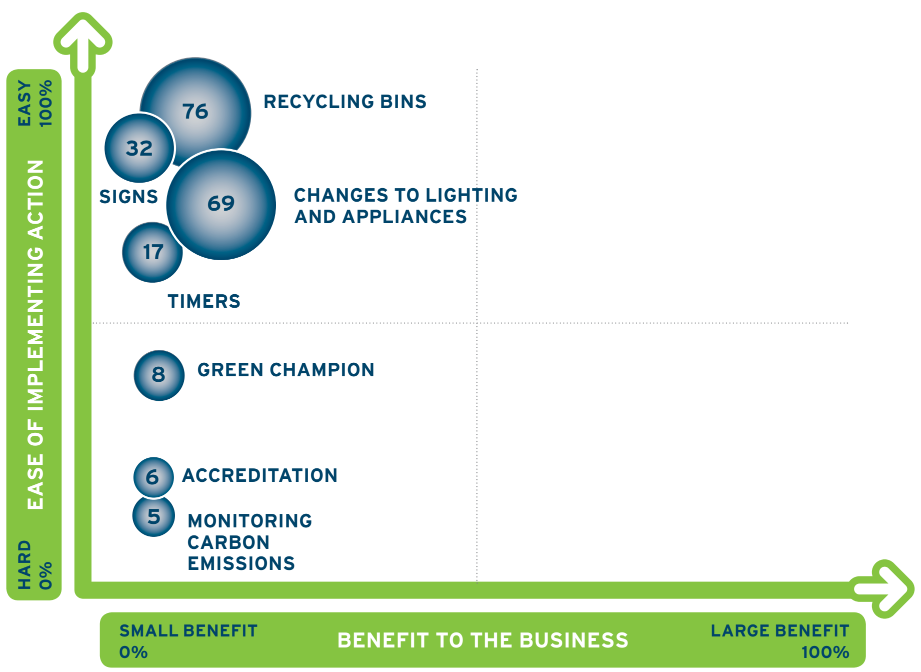
*CAUTION : low base size.

→ PERCEIVED BENEFIT OF INCORPORATING RESOURCE EFFICIENT ACTIONS INTO BUSINESS

Similarly, none of the actions presented to research participants were perceived to be overly beneficial to the business.

The key idea to get across to SMEs is that these changes can be beneficial to their business, not just a cost to 'feel good'. This perception does present a challenge in recruiting SMEs to participate in sustainable initiatives.

Figure 19: Evaluation of actions - Amongst total CATI sample



Size of bubble = % who have implemented action.

C12a. For each activity, can you please indicate how easy you believe they would be to implement, how much difference you believe they would make to the environment.

Base size: CATI respondents, n=1008.

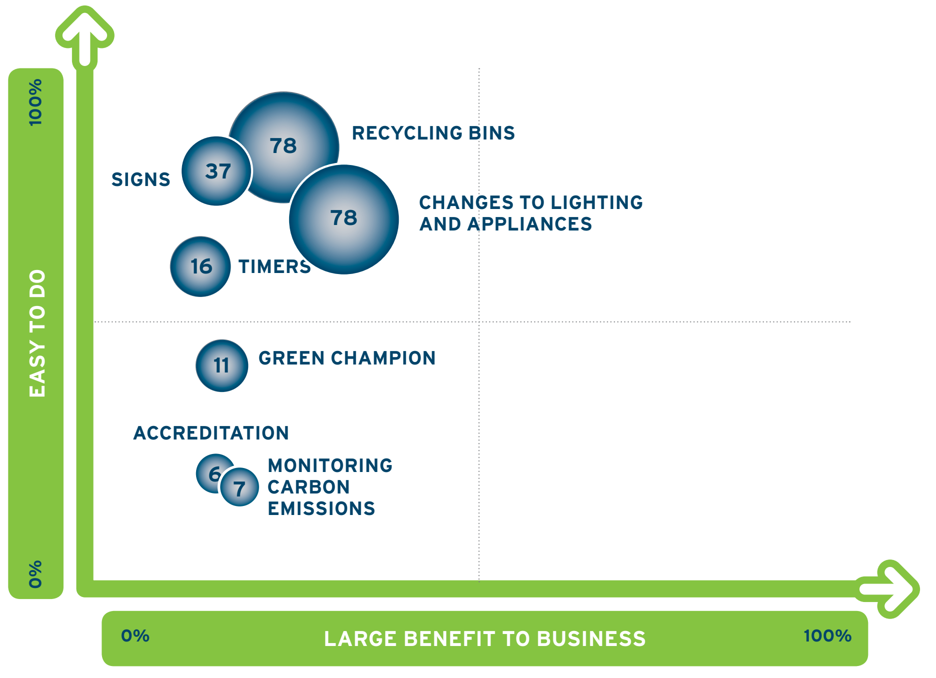
→ EVALUATION OF ACTIONS FOR EACH SEGMENT

Generally more Believers than Sceptics rate sustainable actions as providing a large benefit to their business. For example:

- Recycling is seen as providing a large benefit by 25% of Believers and 15% of Sceptics
- Accreditation of sustainable practices is seen as providing a large benefit by 25% of Believers but only 8% of Sceptics
- Appointing a green champion is seen as providing a large benefit by 30% of Believers but only 7% of Sceptics.

However, making changes to lighting and appliances is similarly rated by all segments: 35% of Believers, 23% of Debaters, 20% of Doubters and 23% of Sceptics believe it will provide a large benefit.

BELIEVERS



Size of bubble = % who have implemented action.

C12a. For each activity, can you please indicate how easy you believe they would be to implement, how much difference you believe they would make to the environment.

Base size: CATI respondents, n=257 / 470 / 224 / 46*

*CAUTION : low base size.

DOUBTERS

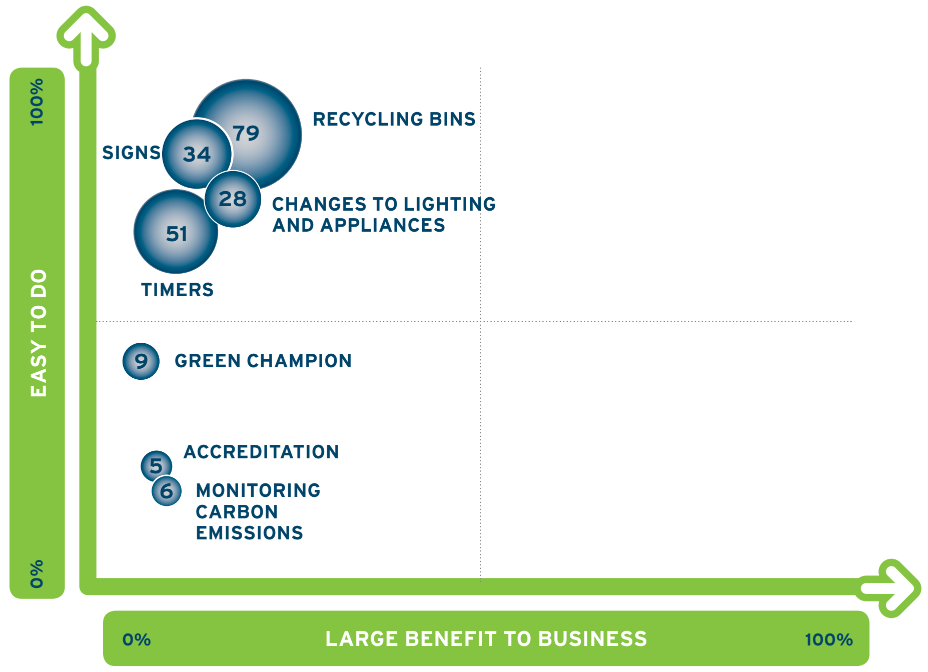
Size of bubble = % who have implemented action.

C12a. For each activity, can you please indicate how easy you believe they would be to implement, how much difference you believe they would make to the environment.

Base size: CATI respondents, n=257 / 470 / 224 / 46*

*CAUTION : low base size.

DEBATERS



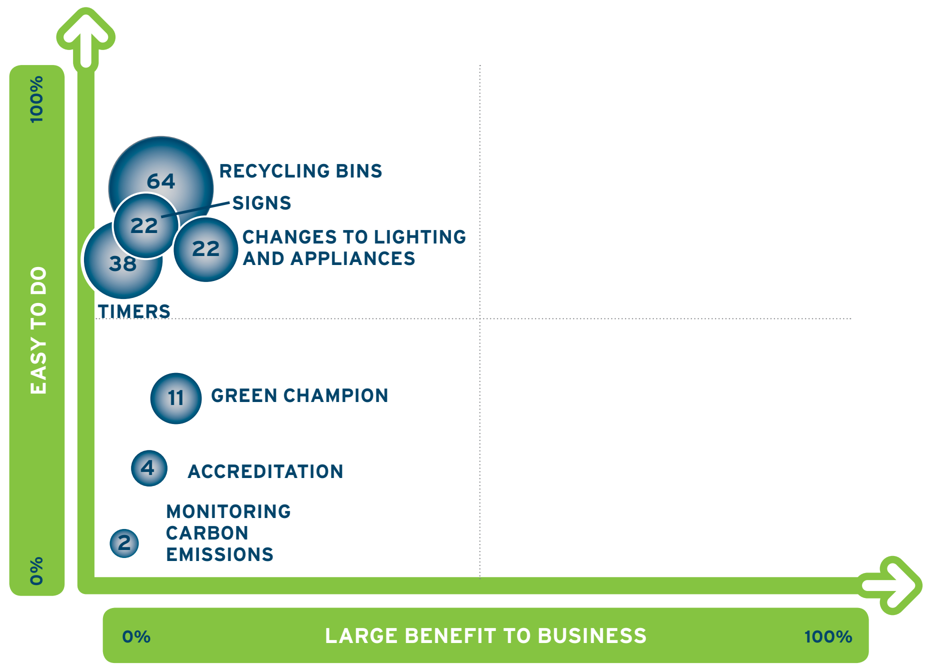
Size of bubble = % who have implemented action.

C12a. For each activity, can you please indicate how easy you believe they would be to implement, how much difference you believe they would make to the environment.

Base size: CATI respondents, n=257 / 470 / 224 / 46*

*CAUTION : low base size.

SCEPTICS



Size of bubble = % who have implemented action.

C12a. For each activity, can you please indicate how easy you believe they would be to implement, how much difference you believe they would make to the environment.

Base size: CATI respondents, n=257 / 470 / 224 / 46*

*CAUTION : low base size.

→ OUTCOMES OF SUSTAINABLE ACTIONS

The main outcome of implementing the various initiatives has been making people more aware of avoidable costs (52%), with staff attitude (36%) and productivity (34%) trailing at some distance. Doubters and Sceptics see very little positives, whilst Believers fully appreciate the outcomes.

Thinking about all of the actions your business has implemented to be more sustainable, has the implementation of any of these...

Figure 24: Outcomes of sustainable initiatives (%) - Total CATI vs. segments

	TOTAL CATI	Believers	Debaters	Doubters	Sceptics
Made people more aware of the costs of wasting water / electricity / etc.	52	66	55	39	36
Changed your staffs attitudes and behaviours to sustainability	36	45	41	22	22
Made the business more efficient or productive	34	44	35	23	27
Caused more environmental initiatives to be implemented by staff	29	40	33	17	2
Been something that you have been able to advocate or promote about your business	22	30	22	15	13
Increased staff morale	21	34	21	13	9
Re-energised you / your role	19	29	22	9	4
Attracted new customers or clients	7	14	6	2	4

Figures in red box : significantly lower than 'Total CATI'. Figures in blue box : significantly higher than 'Total CATI'.
C13. Thinking about all of the actions your business has implemented to be more sustainable, has the implementation of any of these.
Base size : CATI respondents, n=1008 / 257 / 470 / 224 / 46*
*CAUTION : low base size.

→ SEGMENTING SME BUSINESSES: SUMMARY AND RECOMMENDATIONS

Businesses in the SME sector fall into one of four attitudional segments when it comes to attitudes to taking action on climate change and reducing carbon dioxide emissions. One quarter are defined as 'Believers' who think that climate change is a serious issue that needs to be addressed now, with approximately 50% classified as 'Debaters' who believe some questions still need to be answered about climate change. Almost one quarter are 'Doubters' while only a very small proportion (5%) are 'Sceptics'.

In order to maximise the results of any programs designed to improve environmental sustainability, it would be more effective to primarily target Believers, with 'Debaters' as a secondary target:

- 'Believers' are more receptive to 'green' messages in general
- 'Believers' run their business as an extension of themselves, however saving the environment is still not their main priority: they are still a business and therefore costs do matter.

In terms of profile, 'Believers' tend to be well educated, aged less than 54 years, and tend to be employed as senior managers in manufacturing, professional services, arts and recreation.

In terms of messages, both 'Believers' and 'Debaters' will be receptive to communications that focus on saving time and money. However, while they are intrinsically 'green', 'Believers' still need some education, as they don't fully appreciate the impact of SMEs on the production of greenhouse gases.