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INVESTIGATING PERCEPTIONS OF U.S. MILLENNIAL BUYERS VERSUS NON-BUYERS OF GREEN CONSUMER PACKAGED GOODS (CPG) ACROSS PRODUCT CATEGORIES

Abstract:

Millennials or Generation Y (born between the early 1980s and the early 2000s) play a considerable role in driving the growth of consumer-packaged-goods (CPG) consumption. In the U.S. alone, millennials account for a quarter of the U.S. population with about \$10 trillion in lifetime buying power and are estimated to spend \$65 billion on CPGs over the next decade. Even though millennials often claim to support green products and movements that do not harm environment, the truth is quite different in their actions. To gain insights into this group, our study aims to examine the differences between millennial buyers (defined as those who have purchased green CPGs in the past 3 months) and non-buyers (those who have not purchased green CPGs in the past 3 months) of green CPG products on their perceptions of the role of different marketing efforts which would increase the likelihood of purchase across four major green household CPG categories (food, health care/cosmetics, cleaning products, and other household products).

Our online study surveyed 1,403 millennials from a small private Midwestern US college, which represent the defined demographic profile and are less likely to be biased comparing to those from either US coast which are more likely to be environmentally conscious. The results obtained from a final valid sample of 380 revealed the statistically significant differences between the buyer and the non-buyer groups in most factors. The results also demonstrated that the buyer groups were likely to agree with the statements that firms' marketing efforts have positive roles in their purchases. Additionally, the results shed lights on the areas that may aid marketers to convert non-buyers to become buyers. For examples, the results disclosed that both groups believe that green products are somewhat (food) to well (health care/cosmetic products) promoted and are available at supermarkets (cosmetic products.) The results also showed that both groups are likely to purchase if the green CPGs are produced by a trusted brand (cleaning products and other household products), are known for its health and wellness benefits (cleaning and other household products) and are healthier options (other household products).

This study not only adds new insights into the growing body of literature to understand the difference between millennial buyers and non-buyers of green CPGs, it also provides additional angles in helping marketers to highlight important elements or adapt their practices to meet the demand of both buyers and non-buyers of green CPGs.

Keywords:

green marketing, millennials, consumer packaged goods, marketing strategy, empirical study

JEL Classification: M31, M10, D12