

Show you're being green, and customers conserve

August 16 2016, by Greta Guest

A stay in a hotel often comes with a request from management to re-use towels, turn lights off when not in use, and keep the room temperature in a certain range.

These actions help save the [company](#) money and are good for the environment. But do customers comply with these requests, and can the actions backfire?

New research by University of Michigan marketing professor Aradhna Krishna shows that consumers' conservation actions are affected by how green they perceive the company making the request.

"When conservation requires effort on the part of the consumer, there's an inclination for consumers to ask themselves if the company is being green or greedy," said Krishna, the Dwight F. Benton Professor of Marketing at the Ross School of Business. "If they don't see a visible green effort by the company, the request to save resources might backfire."

Krishna and co-authors Wenbo Wang of Hong Kong University of Science and Technology and Brent McFerran of the Beedie School of Business at Simon Fraser University worked with a hotel chain and a Chinese company on a field study to test this effect. Employees of the company attending a training workshop were assigned to stay at either a high-priced hotel or a low-priced hotel.

Some of the rooms had notes asking the customers to turn off the lights, air conditioning and appliances when not using the room. The note also suggested a temperature range for the thermostat. Also, randomly assigned to the test subject rooms was either an environmentally friendly and more costly bamboo toothbrush, or an environmentally unfriendly and cheaper plastic toothbrush.

"The bamboo toothbrush was a signal that the company is committed to conservation and is willing to spend more for it," Krishna said.

The study authors then measured the [electricity usage](#) for each room.

Customers in rooms with the bamboo toothbrush used less electricity when asked to do so in both the high-priced and low-priced hotels. But the same wasn't true in rooms with the plastic toothbrush. It didn't change electricity usage in the low-priced hotel, and customers in the high-priced hotel who received a plastic toothbrush actually used more electricity when asked by the note to conserve power.

"That shows the importance of consistency between a company's green behavior and the behavior it asks of customers," she said. "Customers act green when they see the company doing the same."

The study also suggests spending a little extra to show customers that environmental commitment can still produce a net savings. In their [hotel](#) example, the bamboo toothbrush cost about 12 cents more than the plastic one, but that was more than offset by the electricity savings in those rooms in both the high-price and low-price hotels.

"Our study shows that with a little effort, companies can create an all-around win since they can save money and reduce consumption, which helps the environment," Krishna said.

The study, "Turning Off the Lights: Consumers' Environmental Efforts Depend on Visible Efforts of Firms," will be published in the *Journal of Marketing Research*.

More information: Turning Off the Lights: Consumers' Environmental Efforts Depend on Visible Efforts of Firms:
[www.aradhnakrishna.com/uploads ... 5/green_or_greed.pdf](http://www.aradhnakrishna.com/uploads/.../5/green_or_greed.pdf)

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