

CHEMICALS PRACTICE

How much will consumers pay to go green?

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Will consumers pay more for green? It's a crucial question whose answer could affect the sustainability of industry value chains: after all, many companies will pay a premium for green products and services only if they can charge customers more down the line, according to a recent McKinsey survey of 500 executives. When we then surveyed 1,000 consumers in Europe and the United States, we found that many will pay more—but only up to a point. Upward of 70 percent of consumers surveyed about purchases in the automotive, building, electronics, furniture, and packaging categories said they would pay an additional 5 percent for a green product if it met the same performance standards as a nongreen alternative.

But as the premium increases, the willingness to pay melts away. For all but one category (packaging), less than 10 percent of consumers said they would choose green products if the premium rose to 25 percent. ◦

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Share of consumers picking green, %

