Non-technical Summary
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RRC8 Project No. 45, Summer 2009

The paper looks at “green markets” where some products carry an environmental label that certify environmental-friendly conduct of the producer. Such environmental labels are thought to be a tool to reduce pollution in a market-conform way without direct regulation. The aim of this paper is to describe consumer behavior in such markets and to estimate statistically whether the environmental labels indeed influence consumer decisions in the marketplace.

The paper argues that when a consumer buys a product with an environmental label she effectively makes a contribution to the public good of pollution reduction by supporting a less polluting firm. Previous research shows that in such situations consumers can have different motivations for contributing:

- personal gratification,
- pressure from others to do so, or
- interest in the collective result.

The article incorporates these motivations in a consumer choice model and discusses which ones can be separated from the others using statistical analysis. This involves methodological difficulties, because consumer decisions are interdependent in such situations. The study offers a solution to these problems in terms of statistical methodology.