The Ergo-Brand Proposition –
Theory and Empirical Evidence for a Differentiation Strategy via Ergonomics

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1. Introduction
This paper outlines the theoretical basis for the Ergo-Brand Proposition and presents empirical evidence from a two-nation survey and a qualitative interview study with consumers. Briefly, the Ergo-Brand proposition suggests that companies can achieve a strategic differentiation sales advantage through goods that are produced under good working conditions (GWC) – produced with good ergonomics – because consumers will preferentially select, or even pay a premium for, goods made under healthy working conditions (Neumann et al., 2014). The aim of this paper is to provide an overview of the “Ergo-Brand” concept and provide data from a quantitative survey and qualitative interviews that shed light on how consumers view this concept. If it proves viable, the Ergo-Brand proposition poses a novel strategy for furthering the objectives of ergonomics and supporting its broader uptake and application by industry (Dul & Neumann, 2009).

2. Method
We explored the theoretical position noted above with empirical evidence from two studies: a quantitative survey of a convenience sample of consumers in both Canada and Sweden; and an interview study with young consumers. 141 participated in the survey – 43 Canadians and 98 Swedish consumers who were polled at a local shopping centre in each community. Data were pooled across country since there were no significant differences on any variable. Where appropriate one-sample T-tests were conducted against a middle 'null' score from the seven point Likert scales used. For the interview study, twenty-one senior level university students participated in semi-structured qualitative interviews. Participants were recruited across all faculties at the university in an effort to capture a broader range of perspectives from this group than might be available from a single discipline (eg Engineering Students). This sample poses a targetable market segment with strong potential for growth in disposable income. The interviews were audio recorded and lasted an average of 45 minutes. The interview transcripts were imported into NVivo and analyzed for themes using the general inductive method of Thomas (2006).

3. Results
Results of the survey showed no differences between consumers in the two countries. Most consumers reported they would preferentially choose stores providing GWC goods as well as GWC goods themselves. The working conditions of goods production however did not supersede priorities like quality or cost. Barriers to purchasing Ergo-Branded goods included their availability and the availability of accurate information about the working conditions in production. The interviews revealed similar results with participants describing the lack of available information on the working conditions in production and their distrust of company messaging on the issue: “… unless there is some type of unbiased certification process that was involved where it would certify or another company got involved to indicate it was and there was no collusion going on between those companies or no allegations being flagged or being out there in the media … it would have to be an unbiased certification to indicate that it was made in a healthy environment”.

In the absence of trusted information participants would either give up using GWC in production as a purchasing criterion or apply proxy indicators like country of origin or perceived brand image as surrogate indicators. Interviewees reported being willing to spend a median 17\% more for a $100 product made under healthy working conditions. While many interviewees reported that purchasing HWC goods could have positive influences on company activities, they also reported that there were limits on what could be achieved, noting that real change would come about only if a substantial number of consumers acted together. One participant noted that “Me, alone buying one thing, absolutely no. …They [companies] don't care because the majority of people can't afford it because it is generally more expensive, right. So if they can't afford it, they're just going to keep going to …. cheaper stores because that's all they can afford.”
4. Discussion
The two empirical studies were consistent and generally supportive of the Ergo-Brand proposition: consumers would prefer to buy goods made under good working conditions. While results are subject to social desirability bias and sample sizes are small, the consistency of the two studies is encouraging. Developing a trustworthy means of communicating the quality of the working environment in production therefore remains as a major research issue.

5. Conclusion
Combined with the proven efficiency and quality benefits available from the application of ergonomics in production system design, the Ergo-Brand proposition points to a further strategic advantage of Ergonomics (c.f. Dul & Neumann, 2009) in helping create products that, by virtue of being made under good working conditions, are preferentially selected by consumers who may also be willing to pay an Ergo-Brand premium. Participants’ expressions of distrust of marketing communications suggest that a third party verification approach will likely be needed to help support this novel business strategy.

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References: