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Green marketing

## Green marketing

Green marketing is quickly making the shift from trendy marketing tactic to cultural movement as more and more consumers demand environmentally friendly products, made in a sustainable way.

From 2008 to 2009, consumer demand for green products grew 15 percent<sup>1</sup> and 70 percent of consumers now say they would purchase a green product over a comparably priced, non-green option.<sup>2</sup> What's more, an estimated two-thirds of consumers who already purchase green products have maintained this habit through the somewhat murky economic climate.<sup>3</sup> Proof, perhaps, that going green is no longer a trend but a lifestyle.

Businesses that have already picked up on this change and are currently pursuing a green business model or green marketing strategy are reaping such benefits as<sup>4</sup>:

- **Increased revenue**—as the green market grows, so does the opportunity to appeal and reach new audiences with product change, new product development and marketing.
- **Reduced costs**—using fewer resources in product development and marketing can equate to fewer dollars spent in the long run.
- **Enhanced brand reputation and market value**—doing good is valued and respected among consumers. If consumers feel better about making a purchase because of its environmental benefits, they will also feel better about your brand.
- **Risk mitigation**—as study after study shows the damaging effects of resource exhaustion and pollution, governments are stepping in to enforce stricter environmental regulation in many industries. Going green can help your business stay ahead of the curve.
- **World salvation**—doing your part to preserve and maintain the only planet we can call home is reward in and of itself.



<sup>1</sup> "Green is Gold - Consumers Want Eco-Friendly Products | @ - Good for Business." AirDye. Web. 20 Jan. 2010. <<http://blog.airdye.com/goodforbusiness/2009/06/08/green-is-gold/>>.

<sup>2</sup> "The New Green Marketing | Marketing & Advertising Market Groups from AllBusiness.com." Business Resources, Advice and Forms for Large and Small Businesses. Web. 15 Jan. 2010. <<http://www.allbusiness.com/environment-natural-resources/environmentalism/11493602-1.html>>.

<sup>3</sup> "Green is Gold - Consumers Want Eco-Friendly Products | @ - Good for Business." AirDye. Web. 20 Jan. 2010. <<http://blog.airdye.com/goodforbusiness/2009/06/08/green-is-gold/>>.

<sup>4</sup> "The Business Benefits of Going Green |." EcoStrategy Group. Web. 20 Jan. 2010. <<http://ecostrategygroup.com/2008/09/the-business-benefits-of-going-green/>>.

If you thought green marketing was just about marketing products that are specifically created for the green market, like solar panels or wind turbines, you're not seeing the big picture. Green marketing is also about leveraging the green benefits of any product to appeal to the conscientious consumer. Get in on it now to do your part and to grow your business.

## Learning the lingo: What exactly is green marketing?

The American Marketing Association defines green marketing as efforts by businesses and organizations to produce, promote, package and reclaim products in a manner that is sensitive or responsive to ecological concerns.<sup>5</sup>

In short, it's just like marketing but motivated by the environment and appealing to the environmental concerns of consumers. It's also sometimes referred to as 'sustainability marketing' or 'ecological marketing.' The deeper you go into examining the green industry, the more definitions there are to be aware of. Consider this your primer in green marketing lingo<sup>6,7</sup>:

### **Carbon footprint**

A measurement of the effect a process or action has on the climate in terms of the amount of greenhouse gases it produces. Greenhouse gases, such as water vapor, carbon dioxide, methane, nitrous oxide, and fluorocarbons, are considered by many to directly contribute to global climate change.

### **Carbon neutral**

Reducing energy use and compensating for the amount of carbon dioxide a business or corporation generates through either obtaining energy from renewable sources or offsetting through measures like tree planting or investing in wind farms.

### **Compostable**

Product or packaging advertised as compostable must break down into usable compost in a safe and timely manner in a composting facility or in a home compost pile or device.



<sup>5</sup> "Dictionary." American Marketing Association. American Marketing Association. Web. 15 Jan. 2010. <<http://www.marketingpower.com/layouts/Dictionary.aspx?dLetter=G>>.

<sup>6</sup> "Eco Green-Speak commonly used green words and phrases - Green marketing." Melissa Data. Web. 15 Jan. 2010. <<http://w1.melissadata.com/greenmarketing/green-glossary.htm>>.

<sup>7</sup> "Federal Trade Commission." Guides for the Use of Environmental Marketing Claims. Web. 15 Jan. 2010. <[http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=b2333ddf96abf25788ef3037ffc40a&tpl=ecfrbrowse/Title16/16cfr260\\_main\\_02.tpl](http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=b2333ddf96abf25788ef3037ffc40a&tpl=ecfrbrowse/Title16/16cfr260_main_02.tpl)>.

### **Degradable**

A product or package that completely breaks down and returns to nature in a reasonably short period of time after consumer disposal.

### **Natural**

One of the most ambiguous of all the green terms, 'natural' products don't necessarily have any environmental impact but rather are assumed to be made of natural materials or ingredients as opposed to those that are manmade. While a product marketed as 'natural' may sound better to the consumer, in many cases it's just talk. Think about it: poison ivy, anthrax and gasoline are technically 'natural', but that doesn't mean they're better for you or the environment.

### **Organic**

Currently, the only products that can accurately claim to be organic are those that are considered to be agricultural products. This term is regulated by the United States Department of Agriculture (USDA) and all organic products are required to meet specific guidelines to seek USDA Organic certification.

### **Ozone safe or friendly**

This term is generally used to describe a product or packaging that does not harm the upper ozone layer, such as aerosol cans which do not emit chlorofluorocarbons (CFCs). However, this term can be deceptive: just because a product or package does not harm the upper ozone does not mean it does not contribute to smog or ozone formation at lower levels within the atmosphere.

### **Recyclable**

A product or package that can be collected, separated or otherwise recovered from the solid waste stream through an established recycling program.

### **Recycled**

A product or package that is produced from recycled content. This recycled content has been recovered or diverted from the solid waste stream, either pre-consumer (during the manufacturing process) or post-consumer (after consumer use).

### **Refillable**

A product or package with a system in place to provide collection and return of the packaging for refill by consumers.



## Sustainable

Refers to methods of farming, construction, manufacturing and generating electricity in ways that don't rely on exhaustible resources—like coal or oil—and can be used infinitely.

Lastly, the term 'green' in reference to a product or service can encompass one or many of the above green terms. It's primarily used to refer to green consumerism as a whole.

## Meet the green consumer(s)

Besides understanding the terminology of green marketing, and before your business considers pursuing a green marketing strategy, conduct some research of green consumers to better understand how best to reach them and how to develop a strategy that will hold the most appeal.

The stereotype was once thought that the green consumer was a granola-munching, sandal-wearing, wealthy, Baby Boomer to Gen-X woman. But it seems she was just the pioneer—the green market has expanded so much so that today it's impossible to assume such sweeping generalizations.

While certain research does suggest that the most predominant demographic in the green market is both men and women over the age of 55, there are varying degrees of green consumers in all demographics. These degrees are often referred to as shades of green.<sup>8</sup>

**Deep greens** are the most loyal and the most willing to pay more for green products. They buy green or go home. These consumers make up 19 percent of the U.S. population.

Next down the ladder are the **medium greens**. These consumers embrace the environment, but usually only let it sway purchase decisions when such purchases add to their lifestyle and if the results of a green product are evident.

The so-called agnostics of the green market are the **light greens**. Making up 16 percent of the U.S. population, these consumers will only buy green products if the products fit into their lifestyle and their budget.

Many obstacles still exist when attempting to appeal to the green consumer—research suggests that many consumers are still skeptical of environmental claims



<sup>8</sup> Weinberg, Irv, and Carolyn Parrs. "The Tao of Green Marketing." *MarketingProfs: Marketing Resources for Marketing Professionals*. 4 Aug. 2009. Web. 15 Jan. 2010. <<http://www.marketingprofs.com/9/tao-of-green-marketing-weinberg-parrs.asp>>.

made by marketers and many are still relatively uneducated on the terminology.<sup>9</sup> This translates into the need for marketers to not only educate the consumer in order to be successful, but also to demonstrate any green claims or express them in a way that is not shielded in jargon or ambiguity.

## Rules of engagement

Speaking of jargon and ambiguity, some marketers have gone down a not-so-great (or legal) path known as “greenwashing.” This is when businesses or marketers use the green lingo mentioned previously in a way that is inaccurate, misleading or overly ambiguous. Before developing a green marketing strategy, it’s crucial to realize that green marketing claims, like all advertising claims, are regulated and enforced by the Federal Trade Commission (FTC). Except, the terminology that continues to change and develop in the green marketing industry creates a slightly more treacherous slope than marketing in other industries. Without being familiar with the Guides for the Use of Environmental Marketing Claims, commonly referred to as the Green Guides, set forth by the FTC, businesses may accidentally find themselves in hot water.

Get to know these Green Guides by visiting the FTC’s web site:

<http://www.ftc.gov/opa/reporter/greengds.shtm>.

In plain English, Charles Franklin and Kenneth Markowitz, attorneys in the global climate change practice of law firm Akin Gump Strauss Hauer & Feld, suggest three measures marketers can take to avoid run-ins with regulators, consumers and watchdog groups<sup>10</sup>:

### 1. Put your marketing money where your facts are

A marketer or business should be able to back up any claims made in green marketing efforts. According to the FTC, the accuracy of a green marketing claim isn’t just based on fact and research, but the average consumer’s point of view. So even if you are marketing truthfully, if a consumer could interpret claims to mean something differently, your business could be held accountable for deceptive advertising. A popular example of this is the phrase “Please recycle.” Consumers equate products with this phrase to be recyclable. Therefore, if your product packaging has this printed anywhere on it but the packaging or the product is not recyclable, this is considered by the FTC to be deceptive.

<sup>9</sup> “Green Marketing: The Competitive Advantage of Sustainability.” Department of Environment and Resource Management. Web. 24 Jan. 2010. <<http://www.derm.qld.gov.au/>>.

<sup>10</sup> Markowitz, Kenneth, and Charles Franklin. “2009: A Year of Change for Green Marketers - GoodWorks - Advertising Age.” Advertising Age. 1 Apr. 2009. Web. 15 Jan. 2010. <[http://adage.com/goodworks/post?article\\_id=135724](http://adage.com/goodworks/post?article_id=135724)>.



## 2. Qualify your claims

When you use green claims to market, be sure you are specific—don't leave any room for a consumer to become confused or misled by claims that are so vague they may be open for interpretation. Phrases like "new environmentally friendly formula" or terms like "eco-friendly" without an explanation of why or how—and in the actual marketing efforts, not the fine print—should be avoided. Alternatively, specific claims that can be easily substantiated, like "This shirt is made from 100% recycled fibers" or "This brochure was printed on recyclable paper using soy-based inks," are acceptable and generally less likely to fall under scrutiny.

## 3. Seek guidance

A quick call to the legal department or a trusted attorney is well-worth it prior to giving the green light to a multi-million dollar green campaign.

Because many consumers still have skepticism over green marketing claims, it's doubly important in making sure your product or service delivers in the ways that it is marketed. It might be gathered from the information up to this point that if a business is not willing to stand by claims or to disclose the facts or if a business is not genuinely concerned about the environmental impact of its products or services, it may be best to sit the green marketing strategy out for a while. Consumers are savvy—if a business is disingenuous they will know...just like if a business is being deceptive, the FTC will know.

## Developing a strategy

If your business is still skeptical about the potential of green marketing opportunities, consider running test markets. Take an existing product and market it focusing only on the product in one market and adding focus to the green benefits or environmental impact messages to the marketing in the another market as a way to gauge interest and demand for a green alternative.

Should a business decide that it is prepared to take on the responsibility of green marketing in order to reap significant reward, it must first take on a solid strategy. Determine what it is that your business is hoping to accomplish through green marketing efforts: to create brand awareness in the green market, to create brand awareness among green-minded consumers, to demonstrate social responsibility, or to comply with environmental legislation.



Then, develop a strategy that will meet these objectives. Many green marketing strategies are part of overall marketing strategies, especially if the product or service being marketed is not specific to just the green industry or has mass appeal. Market the product or service first with the secondary focus on the green benefits or considerations makes sense across all industries and will act to further drive home the point with consumers that a product as green for a benefit other than marketing opportunities.

On the most basic level, green marketing strategies, like traditional marketing strategies, depend on consideration of the Four Ps, but with a twist:

### 1. Product

In green marketing there are three basic paths: marketing a green product, marketing a product by highlighting green benefits or attributes, or using green marketing materials and processes—such as e-communications or recycled papers and soy inks—to market any product or service. As mentioned, marketing a product by highlighting benefits or attributes often has the greatest success because it stands to resonate with a broader audience, and because the product is the focus, not the green, it will not exclude any shade of green consumer.

### 2. Price

It's no secret that price has historically been seen as a major barrier to green marketing with many consumers unwilling to pay premium for green products, but a secret is, that many green products have cost-efficient benefits in the long run despite upfront sticker-shock costs. Green marketing strategies should address the long term savings while finding the magical price point. "When rock bottom pricing is unavailable, great value can still add up to sales," says Kim Gordon, a green marketing coach and author of "Maximum Marketing, Minimum Dollars."<sup>11</sup> Gordon recommends looking at non-green competitor pricing and structuring the pricing of your business's green products to challenge them, thus incentivizing your product. Case in point? Online diaper retailer, [Swaddlebees](#), combats the (seemingly) somewhat steep price tag of its product by conveying the fact that making the switch to cloth can save a family over \$2,000 per child from birth through toilet training.<sup>12</sup>



<sup>11</sup> Gordon, Kim T. "3 Tips for Successful Green Marketing--Green Marketing--Entrepreneur.com." *Entrepreneur*. 28 May 2009. Web. 15 Jan. 2010.

<http://www.entrepreneur.com/marketing/marketingcolumnistkimtgordon/article201912.html>.

<sup>12</sup> Weinberg, Irv, and Carolyn Parrs. "The Tao of Green Marketing." *MarketingProfs: Marketing Resources for*

### 3. Place

Green products are no longer limited to health food coops or online retailers. Appeal to wider audiences by choosing product placement based on the product, not the green. Remember, only the dark green consumers will go out of their way to purchase green products or services, all other shades of green will rely on a placement of convenience like major retailers or easy-to-find Web sites with quick and easy e-commerce functionality.

### 4. Promotion

Don't limit advertising or pitches of green products strictly to outlets with a green focus—again green has greater appeal than that. Messaging should focus directly on the value or benefit a product provides to the consumer. "Saving the planet is a big promise and a meaningful one to many consumers," says Gordon. "But, it will have more teeth if you relate that claim to a personal benefit such as improving one's health or saving money."<sup>13</sup>



Green marketing strategies should also reflect the values of the green consumer. Many consumers who fit into all shades of green consumerism are values-driven. Green marketing strategies that encompass brand awareness around a business's culture or values can be quite successful. Sharing how the "way" a business conducts business, how a business treats employees, or how a business is working to reduce carbon footprints all hold appeal to the values-driven consumer. Pursuing organic certification and Energy Star ratings are great examples of this strategy.

Not quite convinced? This approach is reflected in recent survey findings that concluded that 77% of consumers believe they can make a positive difference just by purchasing products from socially and environmentally conscious companies.<sup>14</sup>

Major outdoor equipment and clothing retailer, Patagonia®, has touched on this strategy in its mission statement, saying that Patagonia aims to "build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis."

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Marketing Professionals. 4 Aug. 2009. Web. 15 Jan. 2010. <<http://www.marketingpros.com/9/tao-of-green-marketing-weinberg-parrs.asp>>.

13 Gordon, Kim T. "3 Tips for Successful Green Marketing--Green Marketing--Entrepreneur.com." Entrepreneur. 28 May 2009. Web. 15 Jan. 2010. <<http://www.entrepreneur.com/marketing/marketingcolumnistkimtgordon/article201912.html>>.

14 Weinberg, Irv, and Carolyn Parrs. "The Tao of Green Marketing." MarketingPros: Marketing Resources for Marketing Professionals. 4 Aug. 2009. Web. 15 Jan. 2010. <<http://www.marketingpros.com/9/tao-of-green-marketing-weinberg-parrs.asp>>.

They walk the walk, too—in 2008 they launched a feature called The Foot Print Chronicles®, interactive mini Web site that allows consumers to track the impact that Patagonia products have on the environment from design to delivery.<sup>15</sup>

Patagonia's tracking site pioneered many transparency efforts of other businesses—which happens to be another green marketing strategy. Another outdoor clothing...or rather, shoe, retailer, Timberland® began label each product with detailed environment metrics—similar in appearance to a nutrition label. These metrics, devised by Timberland and based on an equation explained in detail on their Web site, gives consumers a picture of the energy and resources used in developing product, and its impact on the community and the environment.<sup>16</sup>

Other green marketing strategies that have worked for many major companies are those of education and environmental brand stewardship.

Proctor and Gamble sought to better understand the environmental impact of laundry in order to potentially change its marketing approach. What they found in research was that the greatest environmental impact of doing laundry came from the usage of a washing machine and hot water consumption. Not only did Proctor and Gamble recognize a need in the market for a product that addressed this, they found the perfect opportunity to market it through education with these research findings. Tide® Coldwater was born.<sup>17</sup>

Another retailer that has chosen success by way of the education strategy, is green paint and flooring company, BioShield. Bioshield worked with marketing firm, Mind Over Markets to educate consumers about the hazards of indoor air pollution through a campaign called "Beauty Without the Beast." Both company and marketing firm recognized that above all, they were appealing to consumers who sought to beautify the home. They simply appealed further to consumers on a deeper level by including messages like "A baby crawling on a conventional carpet inhales the equivalent of four cigarettes a day" that were substantiated by credible sources like the Environmental Protection Agency (EPA) and Scientific



<sup>15</sup> Weinberg, Irv, and Carolyn Parrs. "The Tao of Green Marketing." *MarketingProfs: Marketing Resources for Marketing Professionals*. 4 Aug. 2009. Web. 15 Jan. 2010. <<http://www.marketingprofs.com/9/tao-of-green-marketing-weinberg-parrs.asp>>.

<sup>16</sup> "6 Green Marketing Strategies for Successful Sustainable Brands |." *Green Business Innovators, helping businesses be more successful by being green*. Web. 15 Jan. 2010. <<http://www.greenbusinessinnovators.com/6-green-marketing-strategies-for-successful-sustainable-brands/>>.

<sup>17</sup> "6 Green Marketing Strategies for Successful Sustainable Brands |." *Green Business Innovators, helping businesses be more successful by being green*. Web. 15 Jan. 2010. <<http://www.greenbusinessinnovators.com/6-green-marketing-strategies-for-successful-sustainable-brands/>>.

American Magazine. After the implementation of this campaign, BioShield experienced a 63 percent increase in sales.<sup>18</sup>

## Walk the walk

While it's possible to successfully market a green product or service when a business or corporation has not gone entirely green in all areas of business, it's much more difficult to get consumer buy in if said business is trying to position itself in the green market. In the very least, make sure your business's green marketing efforts aren't hypocritical—green products should be presented in green packaging, promotional and collateral materials accompanying green products should be made in an environmentally conscious way. Don't create a disconnect between the marketing stance your business is taking on a particular product or service and the way in which you conduct business.

## Measuring green marketing efforts

Green marketing efforts can be measured just like traditional marketing efforts. Measuring green efforts, however, provides not only value and demonstration of return on investment to leadership; it provides further transparency for future marketing efforts and appeal to consumers. Statistics on the use marketing supplies like paper or packaging or energy and resources saved in the overall green marketing process can serve to reinforce or position the environmental mind of your business's brand.

Overall, green marketing is a marketing approach that can be the tie between multiple demographics. When done effectively and strategically, it can also result in increased revenue, reduced costs, enhanced brand reputation and more. But above all else, green marketing is a lifestyle change that will help your business contribute and do its part.



<sup>18</sup> Weinberg, Irv, and Carolyn Parrs. "The Tao of Green Marketing." *MarketingProfs: Marketing Resources for Marketing Professionals*. 4 Aug. 2009. Web. 15 Jan. 2010. <<http://www.marketingprofs.com/9/tao-of-green-marketing-weinberg-parrs.asp>>.