HOW TO GREEN YOUR BUSINESS MARKETING & GREEN CERTIFICATIONS
How To Green Your Business Series

• Last Week (May 27th): Operations

• Today (June 3rd): Marketing & Green Certifications

• Next Week (June 10th): Financing
Agenda

- Consumer Trends and Preferences
- Advantages and Barriers of the Green Market
- Marketing Strategies and Techniques
  - Examples
- Green Certifications
Sustainability: Framework

Today’s Consumer Trends

- **My Wallet, My Way**
  - Consumers’ expectations for on-demand **CONVENIENCE** are blurring the lines between digital and brick-and-mortar retail, driving immediacy not just in shopping, but also expanding it into any consumer interactions with businesses.

- **Get Smart**
  - The world of synced devices will become mainstream as trusted companies move into the market and join the convenience-driven, data-collection revolution.

- **Fight For Your Rights**
  - Growing awareness of customer rights and corporate misbehavior will see consumers demand more fairness and justice from companies, with consumer input becoming almost integral.
Today’s Trends, Continued

- **Gender Agenda**
  - People are questioning traditional notions of gender, rejecting the restraints of stereotypes and embracing the freedom to be themselves and do what they want.

Source: http://www.mintel.com/en/us-consumer-trends-2015/?gclid=CjwKEAjwnKCrBRCm1YuPrtWWoQMSJAC-5UYknKNU6HhsMG31k8y3cGpebpcHb2R-6Dy67TTp362ecBoCS1Xw_wcB
Who Shops On-line?

- The conventional wisdom is that women drive shopping trends, since they control up to 80% of household spending. However, when it comes to e-commerce, men drive nearly as much spending online in the U.S. as women.

- Men are more likely to make purchases on mobile devices. Fifty-seven percent of women made a purchase online in 2013, compared to 52% of men, according to a study conducted by SeeWhy. But 22% of men made a purchase on their smartphones last year, compared to 18% of women.

- Millennials, those consumers aged 18 to 34, remain the key age demographic for online commerce, spending more money online in a given year than any other age group. They spend around $2,000 annually on e-commerce. This, despite having lower incomes than older adults.

- Boomers and seniors have adopted mobile commerce. One in four mobile shoppers in the U.S. is over the age of 55. That's about even with their share of the overall U.S. population.

- Online shoppers tend to live in households with higher-than-typical incomes. An Experian survey found that 55% of e-commerce shoppers in the U.S. live in households with incomes above $75,000 (40% were in households earning $100,000 and above). The median household income in the U.S. is around $50,000, according to the Census.

- Read more: http://www.businessinsider.com/the-surprising-demographics-of-who-shops-online-and-on-mobile-2014-6#ixzz3bWTciqny
Consumer Generations

- **Generation Z**—2000 until now
  - Want to Make Impact on World
- **Generation Y**—Millennials—1980–2000
  - Shaped by Technology
- **Generation X**—Early 1960’s to early 1980’s
  - Cynicism
- **Baby Boomers**—Post WW2—1960
  - Retired or Retiring, many with high income
- **WW2 and Earlier**
U.S. Age Structure

- **0-14 years**: 19.4% (male 31,580,349/female 30,221,106) [Gen Z—about 20%]
- **15-24 years**: 13.7% (male 22,436,057/female 21,321,861) [Millennial]
- **25-54 years**: 39.9% (male 63,452,792/female 63,671,631) [Millennial & Gen X] {Millennial and Gen X=53%}
- **55-64 years**: 12.6% (male 19,309,019/female 20,720,284) [Younger Baby B] [about 13%]
- **65 years and over**: 14.5% (male 20,304,644/female 25,874,360) [Older Baby B and WW2] [about 15%]
  - Note: over 55 = 28%

Source: http://www.indexmundi.com/united_states/age_structure.html
Green Segmentation

Looking at Green Consumer through different lenses
- Green Generation Outlook
- Green Adoption Perspective
- Greenness of Lifestyle
- Green Motivations
Green Generations

- **Baby Boomers**
  - 54% are “socially conscious shoppers”

- **Generation X**
  - Environmental concerns seen through a lens that aligns social, educational and political issues

- **Generation Y “Millennials”**
  - New leaders of modern green movement
  - Likelihood of purchasing green products and services are very high

- **Generation Z “The Green Generation”**
  - Fully integrated into the green culture
Green Generations

- **Baby Boomers**
  - Born between 1946-1964
  - Led protests against Vietnam and Big-Business
  - 54% consider themselves to be socially conscious shoppers
Green Generations

- **Generation X**
  - Born between 1964 and 1977
  - Raised on CNN – awareness of global issues
  - Witnessed
    - Union Carbide
    - Chernobyl
    - Exxon Valdez
  - See environmental concerns through a lens that aligns social, educational, and political issues
Green Generations

- **Generation Y**
  - Leaders of the modern day green movement
  - Born between the early 80’s and 90’s
  - Quick to challenge anything that seems unethical or inauthentic
  - They believe that climate change is a result of humans
  - They carry reusable water bottles and coffee mugs.
  - They care about quality of life and are less likely to sacrifice all in the quest for the almighty dollar.
Green Generations

- **Generation Z**
  - Green is here to stay
  - Reduce, reuse, and recycle are as common as reading writing, and arithmetic
  - Steeped in the green culture and will carry it into the future.
Millennials Buy Green

Strong green consumption trends shown by Millennials

- Twice as likely as Baby Boomers to own a hybrid car
- Seven times as likely as Boomers to own an electric car

- Consumers will increasingly demand sustainable:
  - Business Practices
  - Products
  - Services

DDB, Lifestyle Study, 2012

Intuit Report, 2012
Green Segmentation

- **By Color**
  - Green-thusiasts
  - Green Steps
  - Green Bits
  - Green Speaks
  - Green-less
Green Segmentation

- Green-less (29%)
  - Lowest Attitudes & Lowest Behaviors
  - Unmoved by environmental issues & alarms

- Green-bits (19%)
  - Behaviors Higher Than Lower Attitudes
  - Don't care but doing a few things

- Green-steps (25%)
  - Moderate Attitudes & Moderate Behaviors
  - Aware, concerned, taking steps

- Green-speaks (15%)
  - Behaviors Lower Than High Attitudes
  - Talk the talk more than walk the walk

- Green-thuskiasts (13%)
  - Highest Attitudes & Highest Behaviors
  - Environment is a passionate concern

Green Segmentation – By Color

Source: Yankelovich, July 2008
Green Segmentation – By Color

- **Green–thusiast**
  - Environment is a passionate concern
  - 13%

- **Green Steps**
  - Aware, concerned and taking some action
  - 25%

- **Green Speaks**
  - Talk about green, but do less / more attitude than action
  - 15%

- **Green Bits**
  - Don’t care, but do a few things
  - 19%

- **Green-less**
  - Unmoved by green issues and alarms
  - 29%

Source: Yankelovich, July 2008
Green Lifestyle Segmentation

Green Lifestyle Segmentations

- LOHAS: 17%
- Naturalalities: 19%
- Drifters: 24%
- Conventionals: 25%
- Unconcerned: 15%

Source: http://www.lohas.com/
Lifestyle of Health and Sustainability (LOHAS)

- **Characteristics:**
  - Buys the most sustainable products regardless of price
  - Motivated by using the most sustainable new technology
  - 19% of the U.S. adult population
  - 80% Caucasian, 8% African American, 4% Latino, 2% Asian
  - 23% have children under 18
  - Median Income of 68,000
  - $117B annually on “Personal Health”
    - Natural and organic foods
    - Dietary supplements

- **Lifestyle of Health and Sustainability Website (LOHAS):** [http://www.lohas.com/](http://www.lohas.com/)
Naturalities

- **Characteristics:**
  - “Mind-body-spirit” philosophies and/or prayer are motivated by green buzzwords but do not overtly understand sustainability/environmentalism
    - Anti-bacterial
    - All Natural
    - Organic
  - Healthy lifestyle
  - 15% of the U.S. adult population
  - 60% female
  - 72% Caucasian, 23% African American
  - Average household income of $43,000
Drifters

- **Characteristics:**
  - Driven by trends more than by deeply held beliefs.
  - Know about green living but they haven’t integrated into their lifestyle like LOHAS consumers.
  - They are motivated by fashionable, affordable options that fit their budget
  - Represent 25% of the U.S. adult population
  - Evenly split between genders
  - 77% Caucasian, 10% African American, 4% Asian, 4% Latino
  - Younger and concentrated in metropolitan areas
  - Median income of $60,500
  - Green community, celebrities and social media reaches them
Conventional

- **Characteristics:**
  - Conventional will buy green products like Energy Star because of the economic benefit, not the environmental benefit.
  - Reduce waste to save money
  - Respond to cost/benefit arguments
  - 24% of the U.S. adult population
  - 57% male
  - 82% Caucasian, 7% African American, 2% Asian, 4% Latino
  - 26% have children in the home
  - Median income of $69,4000
Unconcerned

**Characteristics:**

- Unconcerned with sustainability and green lifestyles
- Do not buy green
- Need to understand how individual actions can have a global impact.
- Represent 17% of the U.S. adult population
- 54% male
- 80% Caucasian, 11% African American, 2% Asian, 3% Latino
- 25% have children in the household
- Demographics skew towards white males in the South with lower than average income and education
- Median income is $50,800
Green Motivations

- Outdoor Enthusiasts
- Animal Lovers
- Resources Conservers
- Health Fanatics
Green Motivations

- **Outdoor Enthusiasts**
  - Hike, fish, climb, ski, and other outdoor activities
  - Value the environment as a means of recreation
  - Eco-gear is a perfect for this customer
Green Motivations

- **Animal Lovers**
  - Pets, shelter animals, and wildlife are important
  - Likely to be vegetarian or vegan
  - Likely to avoid leather
  - Leads an animal conscious lifestyle
Green Motivations

- **Resource Conservers**
  - Feel smart when saving money
  - Share information with others
  - Reduce waste / operating costs at home and at work
Green Motivations

- **Health Fanatics**
  - Understand that the environment impacts health
  - Willing to pay a premium for healthier products
  - Prefer organic food because of concern about the long term consequences of pesticides
  - Believe that sustainability preserves health
### Consumers Interested in Green

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>72%</td>
<td>of consumers want to learn more about corporate sustainability initiatives</td>
</tr>
<tr>
<td>75%</td>
<td>of consumers would be more likely to buy a product or service if the company is making an effort to be sustainable</td>
</tr>
<tr>
<td>82%</td>
<td>of consumers are likely to purchase a product that represent Corporate Social Responsibility</td>
</tr>
<tr>
<td>93%</td>
<td>of Americans have done something to conserve energy in the last two years</td>
</tr>
</tbody>
</table>

Source: SolarCity Inside Energy
Questions to consider

- Which shade(s) of green do my consumers fall in to?
- Which lifestyle segmentation do my consumers fall in to?
- What motivates the segment I am marketing to?

- Who are the leaders of today’s green movement?
- Which generation(s) do my consumers fall in to?
- Why is it important to differentiate between generations?

- Is it more important to market towards motivation than segmentation?
- How does my marketing plan engage green consumer motivations?

- How will I convince my consumers that green products are worthwhile?
- How much effort do I need to put in to reversing negative perceptions about green products?
Green Motivators
Green Motivators

- **First mover advantage**
  - Capture market share early
  - Establish fit
  - Embrace the burden of educating the public and developing the market
Green Motivators

- **Investor attractiveness**
  - Investors prefer companies with less inherent risk
  - Green companies have lower risk of fines and suits
Green Motivators

- **Employee recruiting and retaining**
  - Employees prefer green workspaces
  - Employees prefer jobs where they feel that they make a difference
Green Motivators

- **Regulatory Advantage**
  - Proactive companies avoid fines
  - Regulatory action damages the brand
Barriers to Buying Green

Barriers can be avoided, but must not be overlooked
Barriers to Green Buying

- **Availability**
  - Consumers want the most convenient option

- **Understanding**
  - Most do not understand the benefit of green products
  - Companies must explain the benefits and help consumers understand

- **Cost**
  - Most important barrier
  - Increased cost leads consumer to purchase other products
  - Companies should be able to:
    - Show the quality
    - Explain the benefit resulting from the higher price
Barriers to Buying Green

- Lack of Awareness
- Negative Perceptions
- Distrust
- Higher Prices
Barriers to Buying Green

- **Lack of Awareness**
  - *May not know that there is a green alternative to consider.*
  - Especially true if you are the first green product in your market.
  - *Lack of Awareness of why green is important*
    - Need to be educated before they can buy green.
Barriers to Buying Green

- **Negative Perceptions**
  - Green products are more expensive
  - Less effective
  - Hard to find
  - Resistance to change
Barriers to Buying Green

- **Distrust**
  - Skepticism about green washing
  - Calls into question the ability to provide proof that companies are actually living up to their claims.
  - It does little to make a green product if your company is not also employing green operations.
Barriers to Buying Green

- **Higher Prices**
  - Early green products were more expensive
    - As green tech improves, prices will fall
  - Some customers will pay more
  - Some customers will not pay more
Education & Transparency Important

- **Education is Required**
  - 52% of consumers feel uninformed about brands’ energy profile
  - 63% of consumers do not know where to find information on a company’s CSR efforts and results

- **The Age of Brand Transparency**
  - Social media and online reviews creating transparency
  - 70% of consumers rely on consumer opinions posted online
  - 29% of smartphone users have downloaded an app related to their environmental impact
    - Generation Y: 38%
    - Generation Z: 44%

Source: SolarCity Inside Energy
Green is a Price Tiebreaker

- **Not willing to pay for it**
  - Unwilling to pay a premium for green
  - 67% unwilling to pay more for an environmentally safer product
  - 76% will not accept a lower standard of living to conserve energy
    - DDB Lifestyle Study, 2012

- **Green is a Tiebreaker**
  - 82% of consumers more likely to purchase a product that demonstrates a company’s CSR initiatives
    - Cone Communications, 2012
  - 75% of employed adults say they would be more likely to buy a company’s products or services if they learned it was making a great effort to adopt environmentally conscious practices
    - Gibbs & Soell, Sense & Sensibility
Cost & Quality Key to Sustainable Purchasing

- Cost and Quality are key to competing for market share

Source: BBMG & Globalscan, The Regenration Roadmap, 2012
Four P’s of Marketing:

- Product
- Price
- Place
- Promotions
Marketing Strategy

Four elements of marketing your product or service

Source: http://www.chanimal.com/resources/marketing-basics/marketing-mix-4p/
Product

A tangible good or an intangible service that is marketed to a consumer.
Product

- **Sustainable-marketed product considerations:**
  - Sourcing of materials
  - Ingredients used
  - Manufacturing of the product

- **Considerations include:**
  - Using all natural and organic materials
  - Sourcing local and through fair trade suppliers
  - Utilizing environmentally friendly materials
  - Using lean manufacturing and distribution methods that minimize carbon footprint
Product

- **Example: Unilever (corporate owner of Ben & Jerry’s)**
  - Committed that all ingredients in Ben & Jerry’s is:
    - Sourced through fair trade suppliers and certified by 2013

- **Example: Starbucks**
  - Began purchasing Fair Trade Certified coffee in 2000
  - Fair Trade Certified coffee: empowers small-scale organized cooperatives to invest in farms and communities, protect the environment and develop business skills to compete in the global marketplace
Example: Seventh Generation (leader in natural household cleaning products)

- Has practiced sustainability throughout its marketing mix for over 20 years
- Entire product line of household and personal care products:
  - Designed and manufactured to minimize impact on the environment
  - Use all natural, renewable, and recyclable resources
- Seventh Generation is working to “help protect human health and the environment”
Example: General Electric

- Committed to utilizing clean technologies and reducing its environmental footprint
- Pledged to double its investments in the R&D of environmentally friendlier technology
  - Budget went from $700 million in 2004 to $1.5 billion in 2010
- Consistently been named in the top ten of the Global 100 Most Sustainable Corporations
Example: Pax World (leader in sustainable investing)

- Full integration of environmental, social, and governance (ESG) factors into investment analysis and decision making in its mutual fund offerings
- Provides the intangible service of investment advice with a strong sustainability conscience
Price

The monetary (or bartered) amount a consumer pays for a product or service based on the product or service's value or worth.
Price

- For sustainable products, **pricing has been an issue limiting a product’s or services’ acceptance and market growth**
- **Green products tend to be more expensive**, because the costs may be higher than their conventional counterparts
- The **higher price can be a barrier**, as some consumers may want to purchased green products, but do cannot pay a higher price
- If consumers do not receive additional value from a sustainable product they **will not pay a premium for it**
- If a product is competitive in terms of price, product, place, and promotion, with traditional products and services, then **sustainability can give it a competitive advantage**
Price

- Marketers need to minimize the price barrier by:
  - Reducing the price point to be closer to its conventional counterparts
  - Marketing efforts to raise perceived value to command a premium
- Some **green marketers use effective targeting to minimize the price gap** by targeting people who are better off financially or people who strongly believe in green products and services
Price

Example: Starbucks

- Has done a commendable job in creating greater perceived value
- Able to command premium pricing due to its perceived value
- Experience Economy
Place

Where the product can be purchased and includes how the product is distributed to the purchase location.
Place

- Can be a physical store or a virtual store on the internet
  - Example: Amazon
    - Huge E-tailer
    - One of the best and biggest examples of a business that has no brick and mortar storefronts
    - Allows the company to be more sustainable and reduce costs
Place

- Sustainability focused retailers with brick and mortar storefronts are moving toward more sustainable practices.

  - **Example: Kohl’s**
    - Implementing solar energy panels in some of their stores

  - **Example: Walmart**
    - Building more energy efficient stores
    - Using more alternative fuels in its trucks
    - Reducing packaging
A place-related sustainable marketing aspect of increased interest is **buying locally**

- 65 percent of consumers reported that local goods have a positive impact on the environment (2011 Nielsen Survey)

Consumers are **concerned about the environment and carbon emissions from transporting goods** over a long distance

Companies are recognizing the **interest in buying local and increasing their use of local suppliers**

- **Examples: Whole Foods & Eat N Park**
  - Buys from local farmers and fisheries
Retailers are increasingly scrutinizing their suppliers and demanding that products meet high sustainability standards

Example: Walmart

- Implemented a sustainability scorecard
- Evaluates suppliers and vendors product development cycle
- Ensures that they are implementing sustainable practices and continually looking to improve
- Walmart has stated that they will not carry the products if suppliers and vendors are not meeting the demands
Distribution channel is a significant consideration for sustainable marketing practices

Sustainability-minded companies want to reduce their carbon footprint through a variety of efforts:

- Transportation with fuel-efficient loads
- Using alternative energy sources
- Optimizing distribution routes
Promotion

The communication tools and tactics that a company uses to promote and market their product.
Promotion

- **Brand:** Strong sustainable brands have a brand image of the product or service having a positive impact on people and the environment.

  - **Example: Stonyfield**
    - Brand: “healthy food, healthy people, healthy plant”
    - Stems directly from the company’s strategic vision
    - Brand image of product has a **positive impact on people and the environment**
Promotion

- **Marketing Promotion Tools**
  - Advertising, PR, Personal Selling, Consumer and Trade Promotion, Digital Marketing, Mobile Marketing, Social Media

- **When determining which mediums to utilize marketers should consider:**
  - Marketing objectives
  - Effective reach of mediums among identified target audiences
  - Budget
Promotion

- **Advertising**: communications designed to increase awareness and encourage the purchase of a product or service and is a paid medium.

- Methods are more interruptive based versus permission based:
  - TV, print, banner ads, radio, billboards, cinema advertising
  - **Example: Nike**
    - **Better World campaign**: first 100% recycled television advertising, reusing film from previous campaigns
    - Example of a sustainability principle that **benefitted the bottom line**:
      - Reduced the cost to produce a new commercial and the energy costs for the production shoot
Promotion

- **Public Relations**: influencing, informing and persuading consumers and is often not a medium directly paid for.
  - **Earned stories**: earn stories and media coverage
  - **Press releases and conferences, fact sheets, letters to the editor, blogs, trade shows, radio and TV talk shows, endorsements**

- **Example: Toyota Prius**
  - Received endorsements from influential eco-friendly organizations such as United Nations, Sierra Club, National Wildlife Federation
  - Helped to establish *Toyota’s green brand image and credibility*
  - **Press releases and print ads** helped Toyota maximize awareness of endorsements
promotion

- **Personal Selling**
  - One-on-one selling, word of mouth, cold calls, sales meetings, product presentations, demonstrations
  - **Example: Simply Green Biofuels (biofuel company based in Portsmouth, New Hampshire)**
    - Most successful marketing tools was **cold calling** music industry performers touring in the region
    - The technique landed an account filling famous musicians’ tour buses
    - Earned credibility and awareness
Promotion

- **Consumer Promotions**: programs that directly influence the consumer to purchase the product and include a price incentive.
- For sustainable marketing they often include an **incentive or donation that helps people and the planet**
  - **Example: Toms Shoes, One for One Movement**
    - Founded on the premise that for **every pair of shoes sold, one pair would be donated to a child in need**
    - Consumers **want to feel good** about what they purchase
    - Has **donated more than 400,000 shoes**, evidence that consumers embraced the cause
Promotion

- **Event Marketing**: use of an existing event or the creation of an event to engage prospective consumers, build awareness, and market a company’s products and services

- Methods include:
  - *Trade shows, flash mobs, interactive exhibits, pop-up stores*

- **Example: Volkswagen**
  - Creates **interactive exhibits in key cities globally** to help consumers change their habits to reduce their carbon footprint
  - **Exhibits include**: glass bottle recycling bank arcades, piano-based steps in subways to encourage more walking
  - Making an impact by making consumer habit changes fun
Promotion

- **Social Media**: involves social sites that help *generate awareness and get customers engaged in a relationship with a brand* and talking to each other about the brand.

- **Permission-based marketing**, and consumers have to engage on their own and give “permission” to marketers to engage with them.

- Social media provides a **platform for marketing your green initiatives**.

- Offers the opportunity to **deliver your message to the masses quickly**.
Promotion

- **Social Media**
- **Green Marketing TV tips for using social media for green marketing**
  - Make it easy for your audience to join the conversation
  - Write shareable content
  - Keep your message consistent
  - Participate in others’ blogs and conversations
  - Keep your brand consistent
Promotion

- Social Media
  - Facebook
  - Twitter
  - Instagram
  - Foursquare
  - Pinterest
  - Snapchat
  - YouTube
  - LinkedIn

- Video: [https://www.youtube.com/watch?v=MenEPdJK1nc](https://www.youtube.com/watch?v=MenEPdJK1nc)
Promotion

- Social Media

- Social Media Sites are becoming more popular
  - *Facebook remains the most popular social media site*
  - Mediums that saw *significant increases of adult users*
    - Twitter
    - Instagram
    - Pinterest
    - LinkedIn
Social Media

Nearly two-thirds of Americans are now smartphone owners
- 64% of American adults own a smartphone
- Up from 58% in 2014 and 35% in the spring of 2011

Highest among younger Americans
- 85% of Americans age 18-29 use smartphones

Higher as education level increases
- 78% of college graduates use smartphones

Higher annual income
- 84% of those living in households of $75,000 or more per year use smartphones

Source: http://www.pewinternet.org/2015/04/01/chapter-one-a-portrait-of-smartphone-ownership/
Promotion

- **Social Media**
  - Multi-platform use is on the rise
    - 52% of online adults use 2 or more social media sites
    - Increase of 10% from 2013-2014
  - More than half of all online adults 65 and older (56%) use Facebook
    - Represents 31% of all seniors
  - Over half of internet using young adults ages 18-29 (53%) use Instagram
    - Almost half of all Instagram users (49%) use the site daily
  - The share of internet users with college educations using LinkedIn reached 50%
  - Women dominate Pinterest
    - 42% of online women now use the platform
    - 13% of online men sue the platform

Promotion

- **Social Media**
  - Images increase the effectiveness of an advertisement
  - Campaigns with images have a **42% higher click through rate** than campaigns without images
  - **70% of your ad's effectiveness** on Facebook can be attributed to the type of picture you chose

- **Tips**
  - Use in-action photos
  - Use pictures of people
  - Use pictures of things
  - Include pictures with words
  - Use picture of words
  - Include strange or silly images

Promotion

- **Social Media**
  - **Example: Toms:** Shoe company that has gained popularity with their “one for one” policy, where they donate one pair of shoes to a child in need for every pair purchased.
    - Captured audience using social tools and campaigns
  - **Annual One Day Without Shoes campaign**
    - Asks patrons to go barefoot to raise “global awareness for children’s health and education”
  - **Campaign is through social media**
    - Dedicated page on their website
    - Host Instagram meet-ups in several social savvy cities
    - Pinterest board of shareable fact photos and participant photos

Social Media

Example: Tom’s of Maine (Kennebunk, Maine-based care company owned by Colgate)

- Well-known for its sustainable positioning and using social media to engage consumers
- Introduced new Wicked Fresh toothpaste and mouthwash with ads running on Facebook’s newsfeed page
- Ads: “Wicked Fresh” sweepstakes, a contest, and an online instant win game
- Also, used Twitter to promote the contest
Promotion

- **Social Media**
  - **Example: Loomstate:** eco-friendly clothing company that **excels at blogging and using social content to attract consumers**

- **Act Natural Blog**
  - Offers easy-to-read, interesting blog posts
  - Blogs are relevant to the current sustainable culture
  - Feature easy-to-read bullets
  - Provides information on how to get involved and how the company is supporting each cause
    - [http://actnatural.loomstate.org/](http://actnatural.loomstate.org/)

Promotion

- **Cause Marketing**
  - Deeply held values that motivate consumers to seek and purchase green products
  - Great way to **capitalize on values and show solidarity** with value-motivated consumers
  - **For-profit and not-for profit companies join in a marketing goal**
    - Different from corporate donations
    - Organizations present themselves as working together
  - **Follows the trend of marketing with value rather than with product or personal lifestyle**
    - Provides a benefit to consumer’s values
    - Of Americans aged 13-25, 89% would switch brands to support a good cause
    - 79% of all consumers would change in support of a good cause
Cause Marketing

An important process in cause marketing is choosing an organization to partner with.

- This choice can be made informatively by applying green interests driving consumer purchases.
- Example: If consumers are driven by a love for animals, the World Wildlife Fund would be a potential partner.

5 Tips for Cause Marketing

- Allow the consumer to select their own cause.
- Ensure that the cause is relevant to both the consumer and your business.
- Choose an established not-for-profit as a trusted partner.
- Provide incentives for involvement, such as saving time or money.
- Provide emotional incentives, such as alleviating guilt or feeling like they are making a difference in a larger cause.

- 2010 Cone Cause Evolution Study
Cause Marketing

Example: Warby Parker: medium-sized glasses company

- Buy a pair, give a pair program
- For every pair of glasses purchased the company donated an equivalent dollar amount to their non-profit partners
- Non-profit partners are working to train men and women in communities around the world to perform basic eye exams
- The company also distributes glasses to communities
- Warby Parkey has been able to donate over one million pairs of glasses to communities worldwide

Source: http://www.groundswell.org/8-medium-sized-companies-that-are-championing-unique-causes/
Promotion

- **Cause Marketing**
  - **Sevenly**: medium-sized apparel company
    - *Partners with a new charity every week*
    - **During the week:**
      - 7$ from every item sold goes directly to that charity
      - Sports health benefits, animal rescue operations, clean drinking water campaigns, etc.
    - Since the site launched in June of 2011, more than **$4.2 million has been provided from Sevenly to charitable organizations.**

Loyal Tree

- Customized, mobile loyalty program that runs on your existing point-of-sale

- **Attributes**
  - Fully Customized for your business
  - Point-of-Sale Integration into existing systems
  - Expand your customer reach by granting access to thousands of new customers in the area

- **Gives Employees Time to do Tasks Relevant to their job**
  - No New training needed
  - Hardware Free
  - 100% Fraud Proof and theft protection guarantee

- **Direct Way to Reach Customers**
  - Direct-to Device Messaging
  - Utilize Keywords
  - Bonus Points for Certain Purchases

- **Transaction Cloud**
  - Itemized Sales Data
  - Detailed Customer Profiles
  - ROI Made Easy so businesses know what leads to new sales

Source: http://www.loyaltree.com/merchants.html
Squarespace

- **Website builder that allows a business to focus on writing weblog entries and publishing files and pictures**
  - Business does not have to worry about designs or updates
  - Environmentally Friendly Company

- **Efficient Computing**
  - Cloud infrastructure achieves more than 20 times the efficiency of a normal server
  - Reduces the power that the company consumes

- **Green Energy**
  - 100% of the energy Squarespace buys is Green-e certified renewable

- **Reducing Footprint**
  - Office location is in a low impact urban area: employees use public transportation or bikes
  - Server recycling: ensures that servers are given an honorable retirement or recycled
  - Nearly paper free: uses other mediums to communicate and collaborate
  - Carbon Offsets: Sterling Planet certified the company as a 100% carbon-balanced business

Source: [http://www.squarespace.com/green/](http://www.squarespace.com/green/)
Responsible Advertising

- Guidelines to Responsible Advertising
- Avoid Greenwashing
Important to place legitimate claims and sources of information on products, packaging, and services

The Federal Trade Commission (FTC) and EPA have developed guidelines to ensure environmental marketing claims do not mislead consumers

- Must indicate the percentage of recycled material
- State exactly the amount reduced and compare it to something
- Manufacturer must prove that toxicity of a product to claim it is non-toxic
- Be careful about making vague or general statements
- Be certain that the product is recyclable before placing a claim on it

Source: http://www.consumer.ftc.gov/articles/0226-shopping-green
Green Products from a Dirty Company

- Creating a green product from a product that is not otherwise operating in the most sustainable way possible will not carry much weight in the marketplace
- Greening must start internally before a green offering in the market
Greenwashing

- **Isolated Claims**
  - Making claims such as using 100% recycled paper on a product that contains no paper hurts the brand
  - Claims should be relevant to the product
Greenwashing

- **Exaggerated Benefits**
  - Claiming that 100% of energy used to make a product is green when only half of it is green is exaggerated
  - Claiming that a product is fully recycled when only some parts are recycled is also exaggerated
Greenwashing

- **Irrelevant Claims**
  - Claims that make no real difference, even if they are true, should be avoided
  - Claiming that a product is “CFC-free” is irrelevant because CFC’s are already illegal
Greenwashing

- **Misleading Images**
  - By using images such as flowers coming out of smoke stacks or other images that do not reflect the actuality of the situation
  - This doesn’t give any information and it is clear that the smoke stacks are not making flowers. Without further explanation, this sort of imagery can be inflammatory
Greenwashing

- **Lesser of Two Evils**
  - A slight greening to product that is unsustainable is not acceptable
  - Offsetting the carbon from a car race does not negate the massive use of fuel at the race
  - Claiming that beef is raised with less water than its competition forgets that beef is a large cause of the environmental issues of the day
Greenwashing

- **False Labels**
  - “Creating” new labels internally or merely marking your product with a “green circle” that resembles a true certification is the newest sin of green washing
Greenwashing

- **Fiction**
  - Claims that are not true and using labels that are not earned is fiction
Green Certifications
Green Certifications

- **Certification Defined:**
  - Refers to the confirmation of certain characteristics of an object, person, or organization.
  - This confirmation is often, but not always, provided by some form of external review, assessment, or audit.
Types of Certifications

- **First-Party Certification**
  - An Individual or organization providing the goof or service offers assurance that it meets certain claims

- **Second-Party Certification**
  - An association to which the individual or organization belongs provides assurance

- **Third-Party Certification**
  - Independent assessment declaring that specified requirement pertaining to a product, person, process, or management system have been met
Benefits of Certifications & Standards

- **Increased Efficiency**
  - Easier processes are established

- **International Recognition**
  - ISO standards and other certifications are recognized worldwide

- **Factual Approach to Decision Making**
  - Auditable processes that provide reliable data

- **Improves Relationship with Suppliers**
  - Clear rules for suppliers to follow

- **Documentation**
  - Ensures consistency throughout production and accountability of staff

- **Consistency**
  - Minimized room for error
Certification: ISO Standards

- **ISO does not certify organizations**
- **Issuance of ISO compliance certificates**
  - Certification bodies audit organizations
  - Issue ISO compliance certificates upon success
- **Authorization**
  - Formal accreditation bodies authorize the certification bodies
  - Accreditation and certification bodies both charge fees
- **Worldwide Acceptance**
  - Accreditation bodies have mutual agreements
  - Ensure that certificates issued by one of the Accredited Certification Bodies and accepted worldwide
Certifications: ISO Standards

- **ISO 14001**
  - Framework for a strategic approach for environmental policy, plans and actions
  - General requirement for an environmental management system
  - Intention is not to specify levels of environmental performance
  - Promote effective and efficient environmental management in organizations

- **ISO 50001**
  - Framework for industrial plants
  - Could influence up to 60% of the world’s energy use
  - Objectives:
    - Help organizations better use energy
    - Create transparency
    - Promote energy management best practices
    - Energy efficiency throughout the supply chain
    - New Energy efficient technologies

Source: [http://www.iso.org/iso/home/standards/certification.htm](http://www.iso.org/iso/home/standards/certification.htm)
Certification: ASHRAE Standards

- **The American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)**
  - Develops standards for those concerned with design and maintenance of indoor environments
  - **Applied independently or with ISO50001 and LEED**
  - Guide for **energy efficiency**:
    - Heating, ventilation, air-conditioning, refrigeration
  - **Offers**:
    - Classes, seminars, expose in the U.S.
    - New energy technologies, energy saving opportunities

Source: https://www.ashrae.org/education--certification/certification
Certification: Global Reporting Initiative

- **Global Reporting Initiative (GRI)**
  - Most widely accepted Sustainability Reporting Framework in the world
  - Allows stakeholders to compare sustainability related data
  - **Mission**: Disclosure of environmental, social, economic performance
  - **Guidelines**:
    - G3.1
    - New G4
  - Useful tool for management decisions, reducing costs, brand reputation, market differentiation
  - Benchmarking & corporate governance tool

Source: https://www.globalreporting.org/reporting/reporting-support/gri-training-and-workshops/certified-training-program/Pages/default.aspx
Domestic Certifications

- Green Seal
- Agriculture, Manufacturing, and Electricity: Certified by Scientific Certification Systems
- Chlorine-Free Products: Certified by Chlorine Free Products Association
- Energy Efficient Products: Certified by the U.S. Government’s ENERGY STAR Program
- Organic Produce: Certified by the USDA National Organic Program
- Renewable Energy: Certified by the Green-e Certification Program
- Wood Products: Criteria set by Forest Stewardship Council; Certified by Scientific Certification Systems and Smartwood
International Certifications

- **European Union Eco-Label**
  - Voluntary scheme designed to encourage businesses to market products and services that are kinder to the environment and for European consumers
- **Canada’s EcoLogo Label**
  - Certifies products from the United States and Canada in over 120 categories
- **Germany’s Blue Angel**
  - Provides ecolabeling for a wide variety of products
- **Scandinavia’s Nordic Swan**
  - Allows companies to apply for an ecolabel in over 66 categories
- **Japan’s EcoMark**
  - Provides product certification and ecolabeling for several product types
- **Taiwan’s Green Mark and Energy Label**
  - Provides certification and ecolabeling for green and energy efficient products
General Certifications

- **Global Eco-labeling Network (GEN)**
  - Two North American programs successfully audited
  - [http://www.globalecolabelling.net/](http://www.globalecolabelling.net/)

- **Ecologo**
  - Launched by the Canadian Federal Government
  - Certifies that products have met rigorous life cycle assessment

- **Green Seal**
  - Independent non-profit organization
  - Differentiation in developing their standard-setting process
  - Collaborates with industry, government, academia, and the public
  - Creates their formally approved, science-based standards
  - [http://www.greenseal.org/](http://www.greenseal.org/)
Paper & Wood Certifications

- **FSC Certified (Forest Stewardship Council)**
  - Independent, nongovernmental, not-for-profit organization
  - Certification is completely voluntary
  - Accredits forest managers, manufacturing companies, and controlled wood products that exhibit responsible consumption of forest products
  - [https://us.fsc.org/](https://us.fsc.org/)

- **Processed Chlorine Free & Totally Chlorine Free**
  - Not-for-profit organization
  - Accreditations meant to distinguish paper products that do not use chlorine or chlorine compounds in the processing
  - Chlorine free processing helps keep rivers and water supplies clean
  - Label is reserved for recycled content paper with at least 30% post consumer content
  - [http://www.ecolabelindex.com/ecolabel/processed-chlorine-free](http://www.ecolabelindex.com/ecolabel/processed-chlorine-free)
Building Product Certifications

- **CRI Green Label & Green Label Plus**
  - Issued by the Carpet and Rug Institute
  - Indicate that carpet, carpet backings, cushions, and adhesives emit low VOC
  - Given to carpeting products that exceed the green building requirements dictated by California schools
  - Focuses on post-consumer content, VOC emissions, the absence of PBDE flame retardant, LCA, and recycling

- **Floor Score**
  - Developed by the Resilient Floor Covering Institute (RFCI) in conjunction with Scientific Certification Systems
  - Certifies hard surface flooring and flooring adhesive products for compliance
  - Rigorous indoor air quality and low-VOC emissions requirements
  - [http://www.scsglobalservices.com/floorscore](http://www.scsglobalservices.com/floorscore)
Office Furnishing Certifications

- **Level**
  - Based on standards created by the Business and Institutional Furniture Manufacturers Association (BIFMA)
  - Addresses a company’s social actions, energy usage, material selection, and human and ecosystem-wide health impacts
  - [http://levelcertified.org/](http://levelcertified.org/)

- **SCS Certified Indoor Advantage**
  - Based on BIFMA established standards for low-emitting office furniture systems and seating
  - Indoor Advantage Gold certifications includes:
    - Paintings and coating, adhesives and sealants, carpet, insulation, wall coverings
Water Delivery Certifications

- **WaterSense**
  - Issued by the U.S. EPA for products 20% more water efficient than average products in the same category
  - Must perform as well or better than less efficient counterparts in categories such as:
    - Toilets, faucets, urinals, and showerheads
  - Identifies a water-efficient product that has been independently tested and certified to meet EPA WaterSense criteria for efficiency and performance.
  - Signifies an organization's commitment to promoting water efficiency, demonstrated by a signed partnership agreement between that organization and EPA.
  - [http://www.epa.gov/watersense/](http://www.epa.gov/watersense/)
Food & Agriculture Certifications

- **Fair Trade Certified** [http://fairtradeusa.org/](http://fairtradeusa.org/)
  - Overseen by Fairtrade Labeling Organizations International and TransFair USA
  - Validates ethical practices for producers and handlers
  - Products include bananas, oranges, cocoa, coffee, shortbread, cotton, dried and fresh fruits and vegetables, juices, nuts and oil seeds, quinoa, rice, spices, sugar, tea, and wine

- **Whole Trade Guarantee** [http://www.wholefoodsmarket.com/mission-values/whole-trade-program](http://www.wholefoodsmarket.com/mission-values/whole-trade-program)
  - Whole Foods grocery retailer
  - Label given to products that meet **standards for ethical trade, environmental impact, and quality**

  - Developed organic food standards
    - 95% organic, 95% permissible materials=USDA Organic Seal
    - 70-95% organic=“made with organic ingredients label
  - Certifications: food items, food production & distribution centers,
Recycled Content Certification

- **SCS Certified Recycled Content**
  - Validates that a product contains pre-consumer or post-consumer material
  - *Pre-consumer material*: has been diverted from the waste stream during the manufacturing process
  - *Post-consumer material*: generated by households or by commercial, industrial and institutional facilities in their role as end-users of a product that can no longer be used for its intended purpose
  - Materials generated in a process and capable of being reclaimed within the same process are excluded
Renewable Energy Certification

- **Green-e** [http://www.green-e.org/](http://www.green-e.org/)
  - Certifies environmental commodities and products to mitigate climate change and build a sustainable energy future

- **Green-e seeks to:**
  - Bolster consumer confidence in the reliability of retail electricity products reflecting renewable energy generation.
  - Expand the retail market for electricity products incorporating renewable energy.
  - Provide customers clear information about retail clean energy products to enable them to make informed purchasing decisions.
  - Encourage the deployment of electricity products that minimize air pollution and reduce greenhouse gas emissions.
Electrical Product Certifications

  - Organized by the U.S. EPA
  - One of the **most recognizable eco-labels**
  - Rates products such as **appliances, electronics, and lighting** on energy efficiency
  - **Additional certification given to new homes with:**
    - Superior heating and cooling efficiency
    - Feature Energy Star certified appliances and fixtures

  - U.S. DOE **initiative to label solid state, mainly LEDs**
  - Performance metrics displays similar to food nutrition labels
  - Lighting Facts seeks to:
    - Guard against **exaggerated green claims**
    - Help consumers understand **reliability, output, color consistency, and energy usage of lights**
Green Building Certifications

- **LEED** [http://www.usgbc.org/leed](http://www.usgbc.org/leed)
  - Created by the USGBC
  - Rates design and construction practices that would define green building
  - Throughout North America, in over 30 countries, with over 6,300 projects
  - **7 credit categories to earn points:**
    - Site Selection, Water Efficiency, Energy & atmosphere, Materials & Resources, Indoor Environmental Quality, Regional Priority, Innovation in Design
  - Four Levels of Certification: **Certified, Silver, Gold, Platinum**

- **Living Building Challenge** [http://living-future.org/lbc](http://living-future.org/lbc)
  - Philosophy, advocacy tool and certification program
  - Addresses development at all scales
  - **7 Performance Areas:**
    - Site, Water, Energy, Health, Material, Equity, Beauty
  - Provides a framework for design, construction and the relationship between people and the environment
Green Building Certifications

- **Class-G** [http://www.class-g.org/](http://www.class-g.org/)
- Mission: to enable organizations to track and improve their sustainability initiatives
- Focuses on providing an affordable, easy-to-implement sustainability tracking program
- **Features**
  - Affordability: Low-cost barrier to entry
  - Ease of Use: Easy to use yes/no checklist of 100+ most essential sustainability factors
  - Transparency: Explicitly publishing sustainability claim and the ability for anyone to submit comments as to the veracity of the sustainability claims
  - Tracking: Dashboard of all rated locations, with the ability for clients to leverage best practices to elevate lesser performing locations
  - Continuous Improvement: Maintaining a wish list of planned sustainability initiatives
  - Engagement: Tools to communicate to employees, customers and other stakeholders exactly what sustainability initiatives have been implemented

[http://www.class-g.org/](http://www.class-g.org/)
Green Technology Certification

- **Electronic Product Environmental Assessment Tool (EPEAT)** [http://www.epeat.net/](http://www.epeat.net/)
  - Offered by the Green Electronic Council
  - Covers *desktops, laptops, monitors, and other workstations*
  - Energy Star Specifications
  - **Reduced levels of harmful environmental and health substances**
  - End-of-life take back program required
Green Hospitality Certification

- **Green Key Eco-Rating Program**
  - [http://greenkeyglobal.com/](http://greenkeyglobal.com/)
  - Awards 1-5 Green Key rating
  - Provides **guidance on reducing environmental impact and costs**
  - Offers direction concerning:
    - Reduced utility consumption
    - Employee training
    - Supply Chain Management
HOW TO GREEN YOUR BUSINESS
MARKETING & GREEN CERTIFICATIONS

Next Week (June 10th):
Green Financing

Thank You for Attending!!