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Environmental Marketing – Trends & Tips (or how not to greenwash)

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Renewable Energy Markets Conference
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Be informed

(because greenwashing risks everything)

- Green marketing trends
- Market complications
- Greenwashing trends
- Examples and tips
- Key lessons



Communications &
Marketing



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Leadership

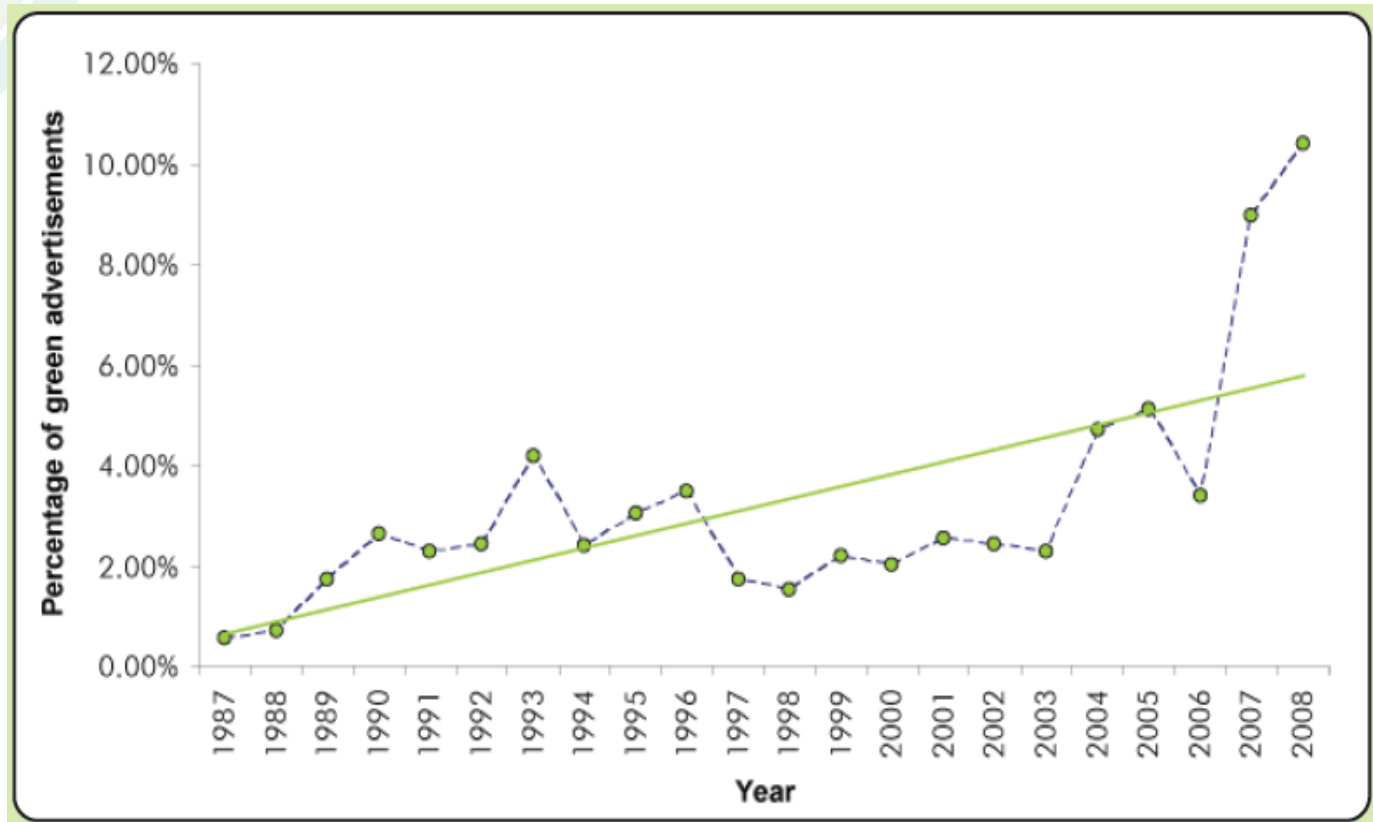


Certified. Sustainable. Leadership.

Scientific Validation
& Trust



Challenges



Average of: Vanity Fair, Sports Illustrated, Time Magazine, National Geographic, Forbes

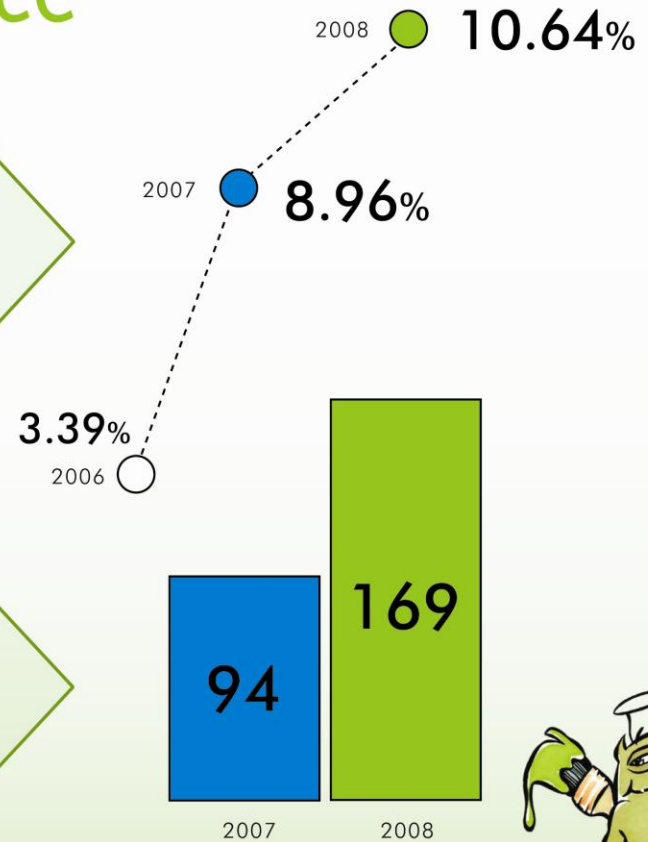


Explosion of “green”

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More ads are making 'environmental claims'.
'Green' ads have more than tripled in the last three years.

More products are claiming to be 'green'.
The average number of 'green' products per store almost doubled between 2007 and 2008.





Complicated products



Complicated laws

Complicated consumers



RAW NUTZ*	HERBs*	MOSS*	WEEDs*	SCUM*
Righteous & Willing Nature Unspoiling Total Zealots	Hopeful Eco- Ranting Buyers	Masses of Sustainable Starters	Waiting for Everyone Else Demographic	Stubborn Comatose Undereducated Mainstream



Greenwash ('green'wash, -wôsh):

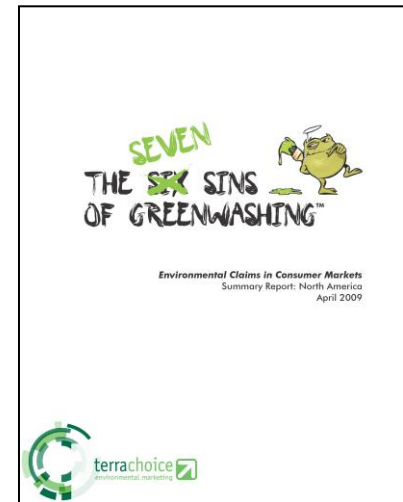
“the act of misleading consumers or customers about the environmental practices of a company or the environmental benefits of a product or service”





SEVEN THE ~~SIX~~ SINS OF GREENWASHING™

- Annual study (2010 soon to be released)
- 2009 – Category-leading ‘big box’ retailers in US, Canada, UK and Australia
- US and Canada: 2,219 products making 4,996 environmental claims
- Key findings:
 - More products making claims
 - Eco-labeling is on the rise
 - 98% of products committing a “Sin”
 - Emergence of “fake labels”
 - Greenwashing still rampant, and an international challenge
 - Toys, baby products, cosmetics & cleaning products have most claims & most greenwashing



www.sinsofgreenwashing.org



94%



Sin of the Hidden Trade Off

*Suggesting “green”
based on one or two attributes
while ignoring other important
environmental issues*

Example:

“Support nuclear power – it’s a great green alternative because of the reduced GHG emissions over coal.”

Tips:

- *Understand full LC impacts.*
- *Don’t purposefully distract.*
- *Emphasize single message but provide “fine print”.*
- *Don’t be shy – no product is perfectly green.*



57%



Sin of Vagueness

So broad or poorly defined that its real meaning is likely to be misunderstood by the consumer

Examples:

- “Earth-friendly energy”
(with no details on sources)
- “Made with solar power”
(but only for 20% of operations)
- “Green renewable energy”
(for large storage hydro)

Tips:

- *Avoid meaningless or vague terms.*
- *If needed, define what you actually mean.*
- *Can still be resonant with consumers – just be specific.*



43%



Sin of No Proof

Can't be substantiated by easily accessible supporting information

Example:

- “Pencils made from renewable energy, therefore with less GHG emissions than any other pencil”

(with no substantiating data or explanation available)

Tips:

- *Understand full LC impacts.*
- *Confirm the science case.*
- *Make evidence available.*
- *Rely on third-party certifications.*



39%



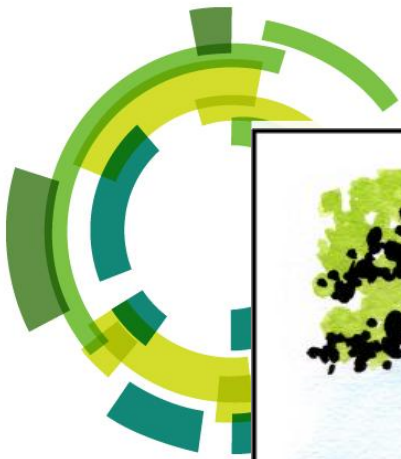
Sin of Worshiping False Labels

Gives the impression (through words or images or both) of 3rd-party endorsement where none actually exists



Tips:

- *If some form of certification is important, don't fake it – get certified.*
- *Favor labels that are independent, accredited and look at full life cycle.*



11%



Sin of Irrelevance

May be truthful but is unimportant and/or unhelpful for those looking for genuinely greener products

Example:

- “No fishes or fish habitat were harmed in the making of these electrons”
(for solar energy)
- “Low mercury emitting wind power”

Tips:

- *Don't claim benefits if shared by most of market.*
- *Don't make meeting regulations seem “green”.*
- *Use legitimate points of competitive difference.*



4%



Sin of Lesser of Two Evils

May be true, but risk distraction from the greater environmental impacts of the category as a whole

Example:

- “Clean Coal”

Tips:

- *Help customers find products based on what’s right for them.*
- *Don’t make customers try to feel green about unnecessary or harmful choices.*



0%



Sin of Fibbing

Just plain false.

Examples:

- “Our electricity from natural gas is Green-e and EcoLogo certified”

Tips:

- *Be creative and be clever.*
- *But always tell the truth.*
- *Always.*



FTC Green Guides

(Guides for the Use of Environmental Marketing Claims)

- Proposed revisions released October 6, 2010
- Basics remain unchanged – claims must be:
 - True & accurate
 - Relevant & specific
 - Not misleading or subject to misinterpretation
 - Substantiated by competent & reliable evidence
 - Materially important & meaningful
- ***What's new: Carbon Offsets & Renewable Energy***



FTC Green Guides

(Guides for the Use of Environmental Marketing Claims)

Renewable Energy (RE)

- Good news – formal guidance
- Mirrors some best practices already being used
- Mostly for products made with RE or RECs
- Key elements:
 - Consumers may interpret differently than intended
 - Can use RECs or renewable energy
 - Specify percentage RE (if made from other than 100%)
 - Specify renewable source
 - Don't double count (i.e. sell-off RECs and still count as RE)



Key Lessons

- Green marketing is on the rise
- Markets, products and laws are complicated
- All consumers can be reached

BUT....

- Don't underestimate consumers or regulators
 - Understand all of the potential impacts
 - Be able to substantiate your claim
 - Seek true 3rd-party certification or endorsement
 - Provide meaningful & relevant details
 - Don't create a misleading logo
 - Don't lie



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Thank You.

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