



Choosing the Right Shade of Green

Keep your marketing programs in sync with the environment

By: Richard MacLean

Forest green. That's the ticket! No, seriously. Gettyimages® recently conducted a survey on environmental images and colors most appealing to consumers. Forest green was the runaway leader among shades that included olive, kelly and lime.

The green marketing buzz has reached a roar, prompting all manner of marketing research. For example, green consumer markets have been differentiated into five colorful segments: 1. True blue greens (strong values and politically active); 2. Greenbacks (willing to spend extra for the eco-product); 3. Sprouts (talk the talk but usually don't walk it); 4. Grouzers (uninformed and ruled by lowest price); and 5. Browns (could care less). Although research indicates about half fall into the last two categories, there are still billions to be made in this marketplace.

What about differentiation among the suppliers? Here is my take on the landscape: 1. DNA green (companies founded from the get-go on eco-principles – e.g., Patagonia); 2. Brilliant green (companies whose leadership believes that brilliant results can be obtained through a green strategy – e.g., NRG Energy's David Crane); 3. Product green (narrowly focused on specific products – e.g., Toyota's Prius Hybrid); 4. Bandwagon green (jumping onboard without a clear strategy and typically undertaken to rebuild a damaged reputation); 5. Gangrene (without a plan and slowly dying from the competition).

What's right for you?

Of course there is overlap among my somewhat tongue-in-cheek categories, but the point is that one needs to decide first what approach is right for the company. While the overall intent may be to increase market share and build brand, a poorly-crafted strategy can actually damage both. For example, the Malaysian Palm Oil Council spent tens of thousands of dollars for a global eco-marketing campaign and what it got instead



was ridicule in the *Wall Street Journal* under the banner “False ‘Green’ Ads Draw Global Scrutiny.”

Clearly, there are eco-friendly strategies that, beyond a doubt, provide a bottom-line financial benefit. There are also some actions that, in retrospect, companies should have taken even though they added costs, were not required by regulations and were not common practice among the competition. Think Superfund and the scores of defunct or materially-impacted companies in its wake.

The environmental dimension is particularly challenging because marketing managers are often unfamiliar with the technical and regulatory nuances of this specialized area. The unintended consequence of this lack of understanding is two-fold. First, they can believe that their company’s environmental performance is outstanding based on a narrow set of metrics: no regulatory citations and no major PR eruptions. Viewed in this light, they can be more than willing, indeed at the forefront, to push some state-of-the-art green campaign. The reality may be that the company has been just lucky.

Second, they are influenced by what they read in the media or see spotlighted by their peers and trade associations. With little or no input from the environmental staff, they already may have focused on some plan of action that, on the surface, appears great, but is not necessarily the best use of resources or even environmentally responsive for their specific company.

These green efforts can quickly take on a life of their own as marketing or communications departments charge ahead under the CEO’s blessing. All the while, the environmental staff may be stressed to the max knowing that the underlying infrastructure is shaky in supporting such a public stance. Think BP and explosions in Texas as well as spills in Alaska.

Green Considerations

- Long-term business objectives
- Relevance to the nature of the operations and products (i.e., their “environmental footprint”)
- Maturity of the environmental infrastructure (i.e., compliance systems)
- Importance of brand image
- Relevance of community and regulatory trust as a factor in securing operating permits
- Expectations
 - Public
 - Employee
 - Shareholders
 - External stakeholders (e.g., Non-governmental organizations, media, etc.)
- Need to change/reverse poor public image from legacy issues, not necessarily those related to environmental concerns
- Industry trends
- Sector trends

the right shade of green

Going brilliant green

Selecting the right shade of corporate green takes planning and a strategy that integrates a range of factors (see **Sidebar**). In general, a company with a large environmental footprint that depends on operational permits and their brand's reputation has the most to gain (or lose). For example, a pharmaceutical or mining company needs a radically different strategy than, say, a company that supplies accounting services to the military.


But the very first step in any public pronouncement on greenness must start with the fundamentals, namely, a rock-solid environmental management system. The reason that GE has been so successful in its green marketing program, Ecomagination, which has lasted more than two years, is that their core systems are focused on unwavering, letter-of-the-law regulatory compliance. If there are weaknesses in your systems, these have to be resolved aggressively and placed in sync with the marketing plan. Until these are fixed, launching a public display of greenness would be risky.

Once this is accomplished, there are a number of tools to test whether a marketing plan is sound. And sound it must be because just as companies have gotten quite sophisticated in communicating their messages, so too have environmental activists, regulatory and non-governmental agencies become in probing for weaknesses.

These overseers of the public interest look at the facts supporting the product, the tradeoffs, the transparency of the disclosures, overly broad and sweeping benefit claims, green assertions applied to inherently risky products, duplicitous behavior and so on. For example, Toyota may have won green accolades, but they also have been criticized for being opposed to tougher engine emission standards. A product may appear green but it also may cause secondary or not immediately obvious problems, as in the case of ethanol-based fuels.

The media also has become increasingly skeptical and cautious regarding claims of greenness. For example, Daniel Gross in the *Time* magazine article, "Pocket More Green with Green Hype," wrote, "Patriotism used to be the last refuge of scoundrels. Now that refuge might be environmentalism." While the former was directed at such periods as McCarthyism, the latter clearly was directed at companies that attempt to wrap their products and actions under a false banner of green.

Some companies, recognizing the difficulty in navigating this terrain, have turned to rating organizations such as LEED by the Green Building Council, eco-labeling such as Green Seal and Eco-label and certifying organizations such as the U.S. Energy Star and the Forest Stewardship Council. But again, just because a product may be certifiable does not mean that the company won't run into some embarrassing situation. And the labeling, certifying and rating organizations cover the spectrum from credible to sham.

The bottom line is that a green marketing program is a potentially high-reward but high-risk area. Traveling down this path takes a carefully researched strategy. Don't just jump on a bandwagon that you have colored forest green. 



Richard MacLean is President of Competitive Environment Inc., a management consulting firm established in 1995 in Scottsdale, Arizona and the Executive Director of the Center for Environmental Innovation (CEI), a university-based nonprofit research organization. He can be reached via e-mail at maclean@competitive-e.com. For Adobe Acrobat, electronic files of his writings, visit his website at www.Competitive-E.com.

©Copyright 2004-2008 Brilliant Publishing, LLC - Brilliant Results™ is a B2B monthly publication about the promotional & incentive market sector with executive circulation to Fortune 1,000 companies & non-profits. Visit www.brilliantpublishing.com. Reprinted with permission from Brilliant Results™ Vol. 5 No. 3.