

BY JESSICA TSAI

# MARKETING THE NEW GREEN

Companies should be rightfully proud of their environmental improvements.  
So why can't they market those achievements without seeming mercenary?

UNLESS YOUR COMPANY happens to be in an industry where the environment is literally part of the business model—solar-cell manufacturer, forestry-supply firm, waste-management consultancy—then it's unlikely to have had an enterprisewide sustainability process woven into its corporate DNA. In fact, most companies have never even used the word *sustainability*, and the others probably reverse-engineered some half-hearted “green” initiative as a mere afterthought. 🌱 The reality is that, among existing companies, green processes are usually just a byproduct of cost-saving or efficiency-improving projects. According to Mark Smith, executive vice president at customer engagement specialist Portrait Software, the rare businesses that have truly tackled sustainability “got there as a side effect of their primary goal—making money or saving money. In terms of ‘green marketing’? No one started there.” 🌱 Glitz and glamour, bigger and better: From a traditional marketer's perspective, Smith says, “it's all about gaining attention in a very noisy marketplace.” Whether that involves toxic paint to ensure colors “pop” or non-biodegradable packaging materials designed to endure a rough-and-tumble delivery, marketers have long embraced any and all environmental catastrophes that help get the message across. 🌱 The recession, however, made marketing budgets themselves the scene of a catastrophe—drastic cuts were the order of the day. In early 2009, 71 percent of respondents in Forrester Research's Global CMO Recession Online Survey reported reduced budgets compared to the year prior, with more than half of those bloodied reporting cuts of 20 percent or more. “The interesting side effect [of this] is that those big, grand [campaigns] have been cut back and reined in,” Smith says. The added bonus? It's had a great



effect on the environment as well. Still, sustainability has never been a top consideration for marketing, at least not on the departmental or corporate level. It's usually a single person or small group of people who have a personal stake in environmental activism.

That pretty much describes Seema Haji, the senior product marketing manager at Actuate, a provider of business intelligence solutions. Actuate's companywide green initiatives—and the even-

tual launch of its sustainability management product—can be traced back to the passion of Haji, who calls herself a “pseudo-environmentalist in a corporate world,” having started her own blog, *World-Saving Tips for the Lazy (and Busy)*, a few years before joining Actuate. (You can find her efforts at [bleedinggrass.blogspot.com](http://bleedinggrass.blogspot.com).)

Founded in 1993, Actuate now has more than 4,400 customers worldwide, but it wasn't until 2008 that the company

began thinking seriously about going green—and helping its customers do the same. “We were all brainstorming,” Haji recalls. “My bosses turned to me and said, ‘Oh, yeah—she's a hippie. Let her do this, she'll have fun with it.’ And I really did.”

Word had been trickling up from users that going green was not only emerging as a huge competitive advantage but as a way to cut energy costs and improve brand image. Despite the enthusiasm, though, users didn't know what steps to take.



*Serenity Edwards, director of corporate and social responsibility at the Direct Marketing Association, describes the top six trends in “going green”*

• **Integrating green initiatives into every aspect of the organization:** Companies are trying to link the corporate brand to efforts in social responsibility, Edwards says—and environmental stewardship can affect the bottom line as it improves customer relationships. At United Parcel Service (UPS), for example, new mapping systems enabled a “No Left Turn” rule to eliminate costly left turns from drivers' routes. According to *The New York Times*, UPS spokeswoman Heather Robinson reported that the company shortened delivery routes by 28.5 million miles, saving 3 million gallons of gas and reducing

carbon emissions by 31,000 metric tons. “They're tying their brand image to efficiency and environmental savings,” Edwards says.

• **Using ecolabels and ecologos on products or marketing materials:** Perhaps the most well-known ecolabel is the recycling symbol composed of chasing arrows, created in 1970 by Gary Anderson, who won a graphics and design competition hosted by the Container Corporation of America. Since then, a significant number of labels have popped up, some of which have contributed to an

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After discussions with customers and partners, Actuate developed a set of more than 100 metrics intended to help people understand what they should be tracking: carbon-credit usage, average water consumption by facility, average electrical consumption per employee, to name just a few. At the same time, Actuate wanted users to have the flexibility to define custom metrics according to the needs of their respective businesses and industries. The end result—Actuate for Sustainabil-

ity Management—deploys interactive dashboards, sustainability scorecards, and strategy maps to help companies measure overall employee satisfaction, environmental impact, access to training and education, and community engagement.

At Portrait, going green wasn’t a corporate mandate, but support spread like

wildfire. “A year or so ago, we had a huge green initiative where we plastered stickers all over the place saying we were a green company,” Smith says. The company installed recycling bins around the office; its United Kingdom branch composted food and waste; energy use for computers and lights was more closely

industry malfeasance known as “greenwashing.” (See the sidebar, “The 7 Sins of Greenwashing,” on page 29.) Other widely recognized symbols include the USDA Organic, which signifies the use of organic ingredients in food; Forest Stewardship Council (FSC) indicates wood and paper products produced in methods that advocate responsible forestry; and Energy Star identifies home, building and construction, and electronics that are energy efficient.

When adopting these labels, Edwards warns marketers to be careful—while it can help inform consumers, oversaturation of labels in the market has resulted in label blindness. For the most part, consumers today only recognize a handful of labels. Therefore, marketers must identify whether the logo: a) is credible; b) is meaningful and recognizable by the intended audience; and c) fits with the organization’s message.

• **Engaging customers in green marketing:** Companies are looking to motivate consumers by encouraging them to participate and engage in the campaign or directly with the product. Marketers that send out direct mail pieces can put links directing marketers to participate in green programs online, or do something as simple as ask customers to recycle the mail after reading. Edwards has seen largely positive feedback from marketers who’ve attempted to bring customers into the mix; the number of those doing so is growing but still pretty small, Edwards admits. Only about 100 marketers have enlisted in the DMA’s “Recycle Please” program—a nationwide public education campaign where DMA members are asked to display a “Recycle Please” logo in catalogues and direct mail pieces.

• **Asking and respecting customer choices and preferences:** Segmentation is a practice that goes back to Marketing 101. Companies that are leveraging customer data and respecting their preferences will inevitably have fewer unnecessary mailings. (For more on this, see this

month’s Real ROI case study about U.S. Bank on page 38.) In October 2007, the DMA launched its Commitment to Consumer Choice policy, which among other stipulations, requires all DMA members to provide existing and prospective customers and donors with notice of an opportunity to modify or opt out of commercial communications. By giving consumers this choice, companies are not only acting environmentally responsible, but also reinforcing their corporate responsibilities.

• **Adopting a lifecycle approach:** Companies are selecting green materials and products for their marketing materials and adopting a lifecycle approach that looks at the whole of the campaign, thereby foreseeing areas of potential waste. Edwards sees more marketers adopting recycled and FSC-approved papers and printing, vegetable and soy-based inks, smaller formats and trim sizes, and a reduction in paper use overall. Aromatherapy and skincare treatment provider Declor now only uses Programme for the Endorsement of Forest Certification and FSC-certified paper, despite the fact that it’s 3 percent to 7 percent more costly. This year, the company stopped printing its logo on gold foil and changed it to a deep, eggplant color, in order to ensure that its paper products are 100 percent recyclable. Moreover, the company only maintains relationships with FSC-certified printers and has actually stopped doing business with a printer that wasn’t—until that printer came back six months later newly certified.

• **Shifting to the online space:** Digital marketing was projected to reach \$25.6 billion in 2009, and reach \$55 billion, 21 percent of all marketing spend, by 2014, according to Forrester Research’s United States Interactive Marketing Spend report. Channels included in this report were mobile marketing, social media, email marketing, display advertising, and search marketing. More and more companies are requiring that employees remind email recipients to think about the environment before printing.



monitored and regulated; new window shades were installed to help reduce the need for air conditioning.

“It all started as a grassroots thing,” Smith says, “but then our CFO came around and said it was fantastic. Our electricity and power bills were lower—I don’t think he was expecting it at all.” Cost-cutting certainly wasn’t the main objective, but the savings have earned the attention—and support—of senior-level executives. Even initiatives that have cost more—it’s cheaper and easier to discard than to recycle—are still being encouraged as the company strives to be even more ecoconscious.

Still, other than looking at comparisons between one electric bill and the next, Portrait couldn’t speak to a particular technology that measures a business’s environmental impact—let alone any attendant cost savings. At press time, even Actuate was only just a few months into implementing its own sustainability application. “The stuff they ask us to measure is all about dollars, response rates, mailing volumes,” Smith says. “Not many [companies] have particularly brought it to that next level.”

For some, however, becoming a sustainable enterprise is simply motivated by the desire to do the right thing. Portrait hasn’t yet utilized its green initiatives to enhance its brand image, although Smith admits it’s something he’ll definitely be considering in the future.

Meta Brophy, director of publishing operations for Consumers Union (CU), the parent of *Consumer Reports*, says that her company doesn’t herald its green initiatives in marketing solicitations to its consumers, focusing instead on its industry peers. “CU has worked to lead by example...in hopes that other direct marketers will follow suit and help to build a more sustainable direct marketing community,” Brophy says.

CU abides by the Direct Marketing Association’s Green 15 Standards & Environmental Action Program, which has led to changes in the six principal areas of list hygiene and data management, design, paper procurement and usage, printing, recycling, and pollution reduction. For five years, CU has been a green advocate, sharing its progress and best practices at industry events such as National Postal Forums, New England Mail Expo, New York Nonprofit Conference, and the World Environment Center Roundtable. “We incorporate such initiatives because it’s the right thing to do,” she says, “and generally speaking we save money.”

Gregory Unruh, author of *Earth, Inc.*, has been involved in bridging the gap between the business sector and the sustainability movement. As a professor of global business and director of the Lincoln Center for Ethics in Global Management at Thunderbird School of Global Management, Unruh has found that the only way to get companies to stick to sustainability is by proving that it’s profitable. “The ultimate goal here is to embed sustainability and make it a standard business practice,” Unruh says. “You start with one [practice], set up in a way that—after you complete that one—you create cost-reduction and profitability opportunities that then provide the momentum you need,” he says. “If it makes a profit, companies will do it.” (See this month’s Required Reading, page 15, for an in-depth interview with Unruh.)

Building-products provider BlueLinx has always had a focus on sustainability—by necessity, considering its business

is heavily dependent on wood. BlueLinx long ago made the connection between practicing sustainable forestry and maintaining a sustainable—and profitable—business. Nevertheless, Shiloh Kelly, the firm’s communications and national sustainability lead, contends that being green “wasn’t something to try and sell an extra piece of wood over.” With the launch of its virtual trade show, however, BlueLinx was able to promote a new sustainability program and brand of ecoproducts. (For an in-depth look at BlueLinx’s success, see this month’s Real ROI case study on page 39.)

“The whole aspect of sustainability is to get every last drop from everything you can,” Kelly says. “Not only from a resource standpoint, but from a financial standpoint and a viral standpoint.” To that end, Kelly admits she was especially blown away by the viral impact of the BlueLinx virtual event, and in particular its effectiveness around the company brand.

“Prior to...[our] rollout, our customers didn’t know the depth of our resources or expertise,” Kelly explains. “The calls concerning these matters were few and far between.” After the virtual event, however, top vendors, customers, and media publications were pouring in, soliciting BlueLinx as a primary source of information around sustainable-building products and industry programs. (For more on viral marketing see the October 2009 feature, “The Cure for the Common Virus.”)

Decleor, a French provider of aromatherapy and skincare treatments, has used only essential oils and plant-based ingredients since its founding 35 years ago—factors that Cindy Willette, the company’s director of marketing, admits were taken for granted during most of that time. The company has had certain advantages simply by virtue of its products. For instance, essential oils corrode plastic, so glass bottles were the most natural packaging. However, it wasn’t until the company saw its competitors taking away market share that Decleor realized the importance of strengthening its green marketing.

Similar to BlueLinx, Decleor realized that it, too, needed to be responsible for

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replenishing the resources its products consumed. In 2008, the company launched a three-year, responsible-development project in Madagascar, whereby Decleor would partner with Association Madagascar to contribute to the region's reforestation, install solar electrification in schools, and provide medical equipment to hospitals. (As of press time, 40,000 trees had been planted and a school with 600 students had been equipped with solar electrification.) As part of the promotion, the company sold 100-percent-natural shopping bags at spas and retail stores and promised to plant five trees for every bag purchased. These initiatives have captured the attention of both the consumer and trade audiences, Willette says, citing a 20 percent increase in inquiries coming through the company Web site last year.

And yet, despite the company's eco-friendly roots, some traditional practices remain difficult to weed out. "There are ways of doing things that get ingrained in corporate culture," Willette says. "We need to have this material, this piece, to support this launch in this way. As we started looking at the brand from a bigger picture... [we said], 'Let's take a harder look at what we're doing and decide if we need to do that anymore. Just because it's always been done, doesn't mean it needs to be done.'"

In scrutinizing its marketing and overall business processes, Decleor has not only changed its printing and paper policies (see sidebar, "6 Ways to Promote Green Marketing," page 26), but overall energy consumption fell by 10 percent in the last two years; industrial waste declined by 6.6 percent; paper usage dropped by 14 percent; gas usage was down 23 percent; water usage was down 21 percent; all while production increased 4.7 percent during the same time frame. Seeing the benefits of going green, Decleor is unlikely to revert back to the traditional ways. "Our mantra here is 'less is more,'" Willette says, "so rather than create more, we try to create better."

As a certain amphibian once said, it's not easy being green. A culture that's been trained to be high in both consumption

## THE 7 SINS OF GREENWASHING

In partnership with EcoLogo, a program that provides a certification mark approved by the Global Ecolabelling Network, environmental marketing firm TerraChoice released a report last April describing the seven sins of "greenwashing." TerraChoice defines this concept as "the act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service."

In order to avoid committing greenwashing—which can lead to consumer mistrust, delay true innovation, stir market skepticism, and, thus, damage credibility—the firm warns companies against the following "sins":



- **The Hidden Trade-Off:** Fully understand your product's environmental impact across its entire lifecycle and continue to improve it. Don't overemphasize one facet to hide the drawbacks of another.
- **Lack of Proof:** Back up your claims with scientific evidence and make that information readily accessible to the public.
- **Vagueness:** Clearly articulate how your product or service is environmentally beneficial in a language your customer can understand.
- **Worship of False Labels:** Select eco-labels that are from accredited programs, preferably ones that address a product's entire lifecycle.
- **Irrelevance:** Don't claim to be something you're not or to be something that all or most of your competition shares.
- **Preference for the Lesser of Two Evils:** Connect consumers with the right product rather than pitching a product that may still be harmful and unnecessary but may be more "green" than the next.
- **Dishonesty:** Don't lie—ever. Don't even exaggerate.

*Sources: TerraChoice, EcoLogo*


and waste production took centuries to build—and will be difficult to tear down.

"Start small," Haji advises. "Pick the most important things that will make the most impact and start with that. Start in one department [and] spread this through the rest of the organization."

Reducing paper consumption may be the first and easiest step to take. Encourage your marketing and sales teams to send materials digitally through email or USB flash drives. (If you *really* want to go green, there are bamboo drives, wood drives, and biodegradable, lead-free drives available.)

Sure, you could say that even walking around isn't 100 percent green—the

energy to fuel that movement came from food, which was prepared at a restaurant after being processed at (and shipped from) a factory, and so on. But Kelly says that perspective picks at lesser evils and distracts from the bigger issue, one that companies can finally tackle—and marketers can sincerely boast about.

"With the way technology and innovation has changed, there are huge differences between the evils now," Kelly says. "Anything you do out there has a sustainable effect. It's just whether you're going to ignore it, or do something about it." 

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