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The New Rules of Green Marketing Represent a Win-Win-Win for Consumer, Company, and Environment

Marketing Guru and Pioneer Jacquelyn Ottman Offers Proven Strategies and Tools to Effectively Market “Green” to Today’s Mainstream Consumer

140 Character Overview: “Saving the planet” is not nearly as effective as “saving you money” or “saving your health” in green marketing claims @jacobynottman

Green has gone mainstream. What used to be a fringe market that appealed to a faction of eco-hippies is now a bona fide $290 billion industry ranging from organic foods to hybrid cars, ecotourism to green home furnishings. Over the past 20 years, Jacquelyn Ottman has been watching this transition from her perch as green marketing pioneer and adviser to over sixty Fortune 500 companies. In The New Rules of Green Marketing (Berrett-Koehler; February 2011; $21.95), Ottman, considered to be the nation’s foremost expert on green marketing, provides unparalleled insight into the changing needs of mainstream consumers, how companies large and small have responded with fresh green marketing strategies, what it takes to succeed, and what the future of marketing will look like.

Products claiming to be greener have been around since the 1970s – you may faintly recollect those phosphate-free laundry detergents that left clothes dingy, or compact fluorescent bulbs that cast a green haze. But it’s only in recent years that green products have rivaled their “brown” counterparts in quality and ubiquity. As a result, today’s greener products are no longer sold just in health food stores, but in major retail outlets including Safeway and Wal-Mart that bring highly satisfying greener goods to the masses.

Meanwhile, savvy marketers have moved beyond targeting “deep green” consumers with a “save the planet” pitch. Instead, they appeal to today’s newly mainstream consumers by promoting the added value their products provide: better health, superior performance, good taste, cost-effectiveness—and even status. In The New Rules of Green Marketing, Ottman argues that emphasizing these primary benefits is critical to winning over today’s broad swath of mainstream consumers.

According to Ottman, green consumers now measure in the millions in the U.S. alone. They are a diverse bunch that can be segmented into any number of creative ways, including according to specific green interests, as pictured below.

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Drawing on the latest poll data and incorporating lessons learned from her Fortune 500 clients and from other sustainability leaders, Ottman demonstrates how to: spur innovation through a proactive approach to sustainability, design products to be green throughout their lifecycle, and communicate credibly and transparently to avoid accusations of “greenwashing.”

Chockfull of practical checklists at the end of each chapter, an extensive 25-page green marketing resource guide, and dozens of inspiring case examples of the most successful greener products and companies today, Ottman’s work will inspire even the most skeptical managers to pursue green opportunities or risk losing out on one of the most exciting business opportunities of the century.

About the Author

In 1989, Jacquie, an ardent environmentalist since childhood, pioneered green marketing by founding J. Ottman Consulting, Inc. Her mission: apply her blue chip consumer packaged goods expertise gained at top NYC ad agencies, with a creative bent for dreaming up new products and her finely honed strategic instincts to help businesses develop and market the next generation of products designed with sustainability in mind.

With a client roster that includes over 60 of the Fortune 500, including 3M, Nike, GE, Johnson & Johnson and the U.S. Government, Ottman is a sought-after keynoter for conferences and corporate forums around the globe. She is a founding co-chair of the Sustainable Business Committee of the Columbia Business School Alumni Club of New York. She is also the former co-chair of the NYC chapter of O2, the global network of green designers, and for seven years was founding jury chair for the American Marketing Association’s Special Edison Awards for Environmental Achievement in New Products.

In 2004, she spearheaded the Design:Green educational initiative with the goal of jumpstarting eco-design education in the U.S. Underwritten with an Innovation Grant from the U.S. Environmental Protection Agency and endorsed by the Industrial Designers Society of America, Design:Green now continues as a course in the online Certificate in Sustainable Design program of the Minneapolis College of Art and Design.

The author of hundreds of articles on green marketing topics, she blogs at Jacquie Ottman’s Green Marketing Blog (www.greenmarketing.com/blog), as well as for the Harvard Business Review and other websites. Her company’s website is the largest resource on the web on the subject. Her three previous books on green marketing have been translated into five languages.

A graduate of Smith College, she lives in New York City.
Four Generations of Green

The four current generations are each now green, and their consuming power is remarkable if marketers can access them. Target them by what appeals to them uniquely.

**Boomers: The first modern green generation**
This pioneering generation were the first to celebrate Earth Day, in 1970, followed by the first Solar Day in 1971. Their demonstrations of concern gave rise to the National Environmental Policy Act of 1969, the founding of the US Environmental Protection Agency in 1970, the Clean Air and the Clean Water Acts that same year, and the Endangered Species Act of 1973.

Today, over half of Baby Boomers consider themselves socially conscious shoppers. That’s 40 million green boomers who choose to organize, pluck resource conserving products from the shelves, boycott products of companies that pollute, and “pro-cott” the products of companies that give back to the community.

**GenX: Eyes on the world**
CNN brought global issues into the living room of this generation, and GenXers see environmental concerns through a lens that aligns social, educational, and political issues. They witnessed the fire in the Union Carbide plant in India, and the aftermath of the explosion in Chernobyl. In 1985, the Live Aid concert broadcast the need for famine relief in developing nations, and in 1989, they saw the massive devastation by the Exxon Valdez oil spill in Alaska.

**Millennials: Digital media at their command**
This generation grew up with computers and Internet. They are generally distrustful of government and authority, and quick to challenge marketing practices they deem to be unauthentic or untruthful. They lived through Hurricane Katrina and the BP Oil Spill, and share awareness of the Great Pacific Garbage Patch (the size of Texas). The majority believes that humans cause climate change and this majority is twice as likely to buy green products than those who believe climate change is occurring naturally.

**Generation Z: Green is a natural part of their lives**
Take a close look at this generation's habits and know that Green is here to stay. The first generation to be brought up in an environmentally conscious world, green is part of their everyday life. This generation – currently under the age of 16 – think nothing of living in solar-powered homes with a hybrid car in the driveway. Sorting paper and plastic for recycling is a natural daily activity, and in school and at home they learn the 3Rs of “reduce, reuse, recycle.”
Three Companies That Superbly Address The New Rules of Green Marketing

Ottman’s research encompasses 155 case examples in a wide range of consumer product and service industries. Three sustainability leaders with strong mainstream green followings superbly address all of Ottman’s 20 New Rules of Green Marketing. They are profiled in depth:

- Under the leadership of CEO Jeffrey Swartz, Timberland’s attention to quality, passion for the environment and society, and commitment to transparency, are evidenced in the company’s groundbreaking “Green Index.” This nutritional-style on-package environmental report card divulging details about the waste, chemicals and climate impacts of each pair of shoes, has helped earn a strong customer following willing to pay its premium, and allow Timberland to be poised for continued long-term growth despite a recession.

- Behind oil, coffee is the largest commodity in the world. Starbucks proves that a global company serving 50 million people per day can turn a proactive approach to sustainable sourcing, and operations into a strategic and profitable part of its brand. The key is to actively listen to, interact with, and act on the expectations of their customers who possess a strong environmental and social conscience.

- San Francisco-based Method’s innovative line of household cleaning products uses design, fragrance, efficacy, and environmental and personal safety to make cleaning a positive experience for the individual and the environment. Spurred by distribution in Target, Lowe’s and Whole Foods Market—and demonstrating Ottman’s “New Green Marketing Paradigm” outlined in the book—the brand has helped the brand, launched in 1999, reach over $100 million in annual revenue. With the goal of waking up the sleepy household and personal care categories, they are rewriting the rules of marketing for such larger rivals as Procter and Gamble and Unilever, who are fast introducing greener offerings of their own.

Look Who Else is Going Green!

With greening representing a source of authenticity and integrity, mainstream brands are quickly buying up fast growing green brands to seize opportunities in the burgeoning market for green consumer goods.

Company (small logo)

Green Acquisition (large logo)
8 Myths About Green Products

Myth #1 Green products don’t work as well.
Fact: Products such as Method, Tide Coldwater, and Clorox Greenworks brands have been developed specifically to work as well or better than regular products.

Myth #2 Consumers don’t want to buy green products.

Myth #3 Green products are more expensive.
Fact: Thanks to economies of scale due to high volumes, many green products today are competitively priced versus “brown” counterparts; and often can make up for premium pricing many times over during their lifetimes, due to savings on energy and water.

Myth #4 Only specialty stores sell green products.
Fact: Major supermarkets now carry their own brand of organic products (e.g., Safeway’s 300- item USDA certified “O Organics” line), and Wal-Mart is quickly making “green” a priority for vendor selection.

Myth #5 Green products aren’t really “green”.
Fact: No product can be truly “green” since all products use resources and create waste, but products can be “greener,” denoting a continuum toward sustainability.

Myth #6 Natural products are more healthful.
Fact: Arsenic is a natural substance, yet deadly.

Myth #7 Plant based products will degrade in landfills.
Fact: No product, even those labeled “compostable,” will degrade in a landfill. Compostables will only degrade in industrial composting facilities or in backyard composters at high temperatures.

Myth #8 100% recycled products are better for the environment than 10% recycled products.
Fact: Depending upon how far most recyclables must travel to recycling centers for processing (creating greenhouse gases in the process), products with 10% recycled content could actually be environmentally preferable to more recycled counterparts.
5 Green Products to Watch in 2011-2012

Nissan Leaf Electric Car
Driven in part by clean air/greenhouse gas emissions laws in the states, and the predicted growth of electric charging stations such as GE’s new WattStation, expect Nissan’s LEAF all-electric car to become to this decade what Toyota Prius (with its combination combustion engine and electric motor) was to the last.

Wattson Energy Monitoring Device
With energy prices on the rise, consumers will be watching their watts more than ever. DIY Kyoto’s Wattson is one of many such devices that help to monitor a household’s electricity use. When the dishwasher revs up, Wattson glows red. Turn off the AC, and Wattson turns green.

“G” Diapers
Cloth diapers may not have posed a threat to disposable diapers, but G Diapers just might. An innovative two-part construction allows the inner lining to be flushed, and the attractively designed outerpants to be reused over and over; the result: stylish, colorful, practical, and convenient while traveling. With 20 billion disposable diapers dumped in U.S. landfills each year (along with their toxic content), expect Pampers and Huggies to respond with a flushable overhaul of their own.

SmartGrid Appliances
Seizing opportunities to help consumers save money, SmartGrid-enabled appliances can be controlled from afar by the power company who can lower thermostats, switch into energy-saver mode, or shut them down entirely during times of peak demand. Whirlpool predicts it will put one million smart clothes dryers on the market during 2011.

Biobased Products
The USDA launches its new “USDA Certified Biobased Product” label in early 2011, heralding a new era in consumer products and packages. Indeed, with energy independence a growing imperative in the U.S., it may signal the dawn of a new “biobased” economy. Expect Coke to capitalize upon its new recyclable “Plant Bottle” (made of 30% sugar cane), and Frito-Lay to launch a second generation compostable (and less noisy) SunChips package made from corn.

How the Internet is Bringing Green Marketing to the Masses

GoodGuide.Com – A Website and smartphone application that allows shoppers to access the health, social and environmental track records of over 70,000 food, toys, personal care and household products right at the supermarket shelf.

Yahoo.com Green – Advertiser-sponsored mega-site for shopping and news, blogs and tools for living green. (http://green.yahoo.com)

Care2 – Ninety percent of consumers trust “recommendations from people I know” significantly more than ads on television or in newspapers (Source: Nielsen, 2009). Seven million of them are members of Care2, the largest online empowerment community of green consumers. (www.care2.com)
Ebay Green Team – Online source for pre-owned (now being dubbed “formerly loved”), sustainable and resource saving products and tips.  (http://www.ebaygreenteam.com)

Treehugger.com – Keeps hip consumers abreast of the latest developments in green design.

Patagonia’s Footprint Chronicles – Follow the entire life cycle of selected Patagonia products, from cradle to grave.  (www.patagonia.com/us/footprint/)

Facebook, Twitter.  The new TV. Fifty-two percent of all Americans have “friended” or become a fan of at least one brand on a social networking site (Advertising Age, 2009). At the time of writing, Whole Foods has 1,841,572 Twitter followers and 432,557 Facebook fans.

5 Green Marketers Who Are Finding Success Stressing Primary Benefits

Underscoring the primary reasons why consumers might purchase greener products—sometimes referred to as “quiet green”—can broaden the appeal of such products way beyond the niche of deepest green consumers and help overcome the premium price hurdle. This doesn’t mean ignoring green. Today’s consumers want to know the whole story about products, so communicating primary benefits within the context of the full story that incorporates the environment as a desirable extra —and integrating green within a brand’s already established positioning—can really pay off. Following are some examples from The New Rules of Green Marketing, of greener brands that lead with primary benefits:

<table>
<thead>
<tr>
<th>Brand</th>
<th>Benefit/ Tagline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tide Coldwater</td>
<td>Save money “Reduce energy and get a deep clean”</td>
</tr>
<tr>
<td>AFM Safecoat Paint</td>
<td>Preserve health “The only paint that is doctor-recommended”</td>
</tr>
<tr>
<td>Kenmore HE5t Washer</td>
<td>Save money “You pay for the washer. It pays for the dryer.”</td>
</tr>
<tr>
<td>Forbo linoleum flooring</td>
<td>Quality and comfort. “Creates better environments”</td>
</tr>
<tr>
<td>Modal brand fiber made from Beech tree cellulose</td>
<td>Softness. “Dreamy soft” (Eileen West nightgowns)</td>
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Ottman’s 20 New Rules of Green Marketing

1. **Green is mainstream.** Not too long ago, just a small group of deep green consumers existed. Today, 83% of consumers – representing every generation, from Baby Boomers to Millennials and Gen Ys – are some shade of green. Moreover, there are now finely defined segments of green consumers.

2. **Green is cool.** Once a faddish preoccupation of the fringe, green is not only mainstream, it’s chic. In fact, green consumers are early adopters and leaders who influence purchasing behavior. Celebrities and other cool types generally are espousing green causes. People show off (and self-actualize) by toiling around in a Toyota Prius (or soon, we predict, in a Nissan LEAF electric), and carry cloth shopping bags to look the part.

3. **Greener products work equally or better – and are often worth a premium price.** Thanks to advances in technology, we’ve come a long way since the days when greener products gathered dust on health food store shelves because they didn’t work as well and were not a good value. Organics, hybrid cars, and safer cleaning products now command a premium price.

4. **Green inspires innovative products and services that can result in better consumer value, enhanced brands, and a stronger company.** Savvy managers no longer consider the environment to be a burden that represents added cost and overhead – but an investment that can pay back handsomely.

5. **Values guide consumer purchasing.** Historically, consumers bought solely on price, performance, and convenience. But today, how products are sourced, manufactured, packaged, disposed of – and even such social aspects as how factory and farm workers are treated – all matter.

6. **A life-cycle approach is necessary.** Single attributes such as recyclable, organic, or energy-efficient matter greatly, but don’t mean a product is green overall. Recycled products still create waste, organic strawberries can travel thousands of miles, and CFLs contain mercury. So a more thorough, life-cycle or carbon-based approach to greening is necessary.

7. **Manufacturer and retailer reputation count now more than ever.** In addition to looking for trusted brand names on supermarket shelves, consumers are now flipping over packages, saying, “Who makes this brand? Did they produce this product with high environmental and social standards?”

8. **Save me!** Scrap the images of planets! Bag the daisies! Nix the babies! Even the greenest consumers no longer buy products just to “save the planet.” Today’s consumers buy greener brands to help protect their health, save money, or because they simply work better. That’s why products such as organics, natural personal care and pet care, and energy-efficient products are leading the way in sales.

9. **Businesses are their philosophies.** It used to be that companies were what they made. International Business Machines. General Foods. General Motors. Now, businesses and brands are what they stand for. Method. Starbucks. Timberland.

10. **Sustainability represents an important consumer need, and is now an integral aspect of product quality.** Green is no longer simply a market position. Products need to be green. Period.
11. The greenest products represent new concepts with business models with significantly less impact. If we simply keep greening up the same old “brown” products we’ve been using forever, we’re never going to get to sustainability. With time running out, we’ve got to “leap” to service replacements for products, and adopt entirely new ways of doing business.

12. Consumers don’t necessarily need to own products; services can meet their needs, perhaps even better. Consumers historically met their needs by owning products, but concepts like Zipcar and ebooks are starting to prove that utility and service are what really matters.

13. The brands consumers buy and trust today educate and engage them in meaningful conversation through a variety of media, especially via websites and online social networks. Talking “at” consumers through traditional media and paid advertising can’t build loyalty among empowered consumers in a connected world.

14. Green consumers are strongly influenced by the recommendations of friends and family, and trusted third parties. With rampant cynicism about traditional forms of advertising and a backlash in place against perceived greenwashing, savvy marketers leverage purchase influencers and third parties like NGOs and especially eco-labelers.

15. Green consumers trust brands that tell all. BP, ExxonMobil, and SIGG learned this lesson the hard way. It’s no longer enough to have a well-known name. Today’s brands become trusted by practicing “radical transparency,” disclosing the good – and the bad.

16. Green consumers don’t expect perfection. Just like there’s no more “whitest whites”, there’s no greenest of the green. Consumers expect that you’ll set high goals (i.e., perform beyond mere compliance), keep improving, and report on progress.

17. Environmentalists are no longer the enemy. Recognizing the power of the marketplace to effect change, many environmental advocates willingly partner with industry, offering useful guidance and expertise.

18. Nearly everyone is a corporate stakeholder. No longer confined to just customers, employees, and investors, publics of all stripes are now corporate stakeholders: environmentalists, educators, and children – even the unborn.

19. Authenticity. It’s not enough to slap on a recycling logo or make a biodegradability claim. Brands viewed as the most genuine integrate relevant sustainability benefits into their products. That’s why HSBC and Stonyfield Farm im to reduce the carbon impacts of their operations.

20. Keep it simple. Plato was an environmentalist: “Simplicity is elegance.” Today’s consumers are cutting out the needless purchases, and getting rid of the gadgets and gizmos that don’t add value to their lives. That’s why they are migrating to brands that help express these values – Method, Starbucks, Timberland. It’s just that simple.
### Green Marketing – Then and Now... and Emerging

Ottman's 20-plus years as a green marketing expert give her a unique vantage point to assess green marketing progress and predict its next steps.

<table>
<thead>
<tr>
<th>Then</th>
<th>Now</th>
<th>Emerging</th>
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<tbody>
<tr>
<td>Cloth or &quot;biodegradable diapers&quot;</td>
<td>“Ultra”-thin Pampers</td>
<td>Flushable &quot;G&quot; diapers</td>
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<tr>
<td>Super-concentrated laundry detergents</td>
<td>Method 8X Concentrated Spray Pump Liquid</td>
<td>“Dropps” one-load liquid capsules in dissolvable pouch</td>
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<tr>
<td>GM Impact electric car</td>
<td>Toyota Prius Hybrid</td>
<td>Nissan LEAF All-Electric Plug-in</td>
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<tr>
<td>Conspicuous consumption</td>
<td>Conspicuous conservation (Prius)</td>
<td>“Collaborative Consumption” (Ebay: Pre-owned, previously used)</td>
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<tr>
<td>Jimmy Carter’s Cardigan Sweater</td>
<td>Energy Star Certified Appliances and Office Equipment</td>
<td>SmartGrid-enabled appliances</td>
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<td>Recycled paper</td>
<td>Forest Friendly Products</td>
<td>Compostable Packages</td>
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<tr>
<td>Good Housekeeping Seal</td>
<td>Energy Star, Organic and “Recycling” Ecolabels</td>
<td>Timberland “Green Index” “nutritional-style” eco-information labels</td>
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<td>Charitable Contributions</td>
<td>Cause Marketing</td>
<td>Facebook Causes; Pepsi Refresh</td>
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<tr>
<td>“Natural”</td>
<td>“Renewable”</td>
<td>“Biobased” (Coke “Plant Bottle”)</td>
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<tr>
<td>Eco-Efficiency (Greener Operations)</td>
<td>Eco-Design (Greener Products)</td>
<td>Eco-Innovation (Radical Innovation)</td>
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<tr>
<td>CERES Principles</td>
<td>Global Reporting Initiative</td>
<td>“B Corps” Corporate Ratings</td>
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Suggested Interview Questions on Green Marketing and Eco-Innovation

- Why are eco-hippies no longer the main target for green marketers?
- No product is really green. So how can green marketers really avoid greenwashing?
- Beyond recycling. What are the most exciting new green design strategies for product greening?
- With green now mainstream, what are the best ways to segment consumers in order to reach the most relevant ones for one’s brand?
- “Transparency” is a big buzzword in green. What is it exactly, and how can green marketers do it successfully —i.e., while being fully credible with consumers but not, for example, disclosing trade secrets and proprietary product formulations?
- Why is social media such as Facebook, Twitter, imperative for marketing to mainstream green consumers today?
- Why are there literally hundreds of ecolabels, but only a handful that are effective at projecting credibility or influencing consumer purchases? What does this say about the future of green marketing?
- Why might Generation Y be the more influential than even the Baby Boomers in the greening of society?
- Why is "saving money" supplanting "saving the planet" on green marketing pitches today?
- Why is Wal-mart going green and what does that mean for the future of retailing? Product design? Green marketing?
- What can Procter and Gamble and Unilever learn from upstarts like Method and Seventh Generation?
- Beyond Noise. Why did Sun Chips’ compostable package really fail?

Learning from Jacquey Ottman’s Client Engagements

- Tell us more about your work launching HSBC’S ”There's No Small Change Campaign.” How did a global bank such as HSBC earn a reputation as a sustainability leader?
- Why has the Energy Star label become so successful—and what can other green brands and ecolabels learn from its success?
- Tell me more about your work to help launch the new "USDA BioPreferred” label for the USDA. What is "biobased" and how does it differ from "biofuel" and "bioengineered" products? Why might a "biobased economy" be a likelihood in the future? What are examples of popular biobased products today?
- What do you mean by “responsible consumption” and how are you helping your clients to implement this strategy?