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## Next-Generation Green Marketing: Beyond Billboards



Green products are all the rage these days. Citing buzzwords such as “non-toxic”, “recyclable” and “sustainably harvested,” consumers are now scrutinizing products at every phase of their life cycle, from the raw materials products are made of and how they are manufactured, to distribution methods, marketing materials, in-use impacts and how products are recycled or eventually disposed of. We’ve come a long way, baby! Or have we?

Some people are calling the recent upswing in environmental discourse “Green Marketing 2.0.,” implying a marked improvement over the corporate environmental campaigns of yesteryear. Yet the flurry of irresponsible green marketing practices today — many of which are highly reminiscent of the 1990s — suggest that Yogi Berra’s memorable “It’s deja vu all over again” may be a more appropriate tagline for the current state of affairs.

### Green Marketing: Then and Now

In 1990, as Prince William Sound struggled to recover from Exxon’s tragic Alaskan oil spill the year before, an unprecedented 100 million people demonstrated their concern for the environment by celebrating the 20th anniversary of Earth Day. Quick to capitalize on the green momentum, businesses whipped up a slew of inventive green products and packages. Some small successes persevered, like the U.S. EPA’s Energy Star label and the adoption of recycling codes for plastic bottles and neighborhood recycling programs.

For the most part, however, things went badly wrong, prompting the Federal Trade Commission to step in and issue **Environmental Marketing Guidelines** in 1992. Fifteen years later, these guidelines are in gross disregard. Hybrid cars, fashions made from bamboo, and packages made from cornstarch have been introduced to meet consumers’ green needs and expectations. Unfortunately the ads, claims, and public relations campaigns that go with them are not always legitimate.

Here are just a few examples of just how far we’ve *truly* come:

*Then:* Wal-Mart’s green “shelf-talker” program was quickly disbanded when pressed by environmental advocates for misleading consumers. *Now:* Wal-Mart’s failed marketing attempt looks a lot like Home Depot’s **“Eco Options”** program, which aims to have more than 6,000 items labeled by 2009. Like Wal-Mart, Home Depot runs the risk of misleading consumers. With so many Eco Options products on store shelves, will consumers be able to differentiate the green from the not so green?

*Then:* 90% of Mobil’s ‘Hefty’ “biodegradable” trash bags wound up in landfills (not compost heaps) where they were **unable to degrade** due to lack of exposure to the elements. *Now:* The now-defunct **Biota Company** packaged its water in bottles made from cornstarch. Though a bold neck tag promised “biodegradable,” many of the bottles — like Hefty’s trash bags — were destined for landfills. To make matters worse, the clear plastic bottles could be mistaken for PET bottles and had the potential to contaminate recycling streams.



In order to avoid the wrath of consumers and government agencies, industry must exchange dubious green marketing practices for sustainable branding: reaching out to employees and a broad range of external stakeholders, using multidisciplinary teams to develop greener products and marketing programs, and maintaining good relations with the community.

### The Real "2.0"

Like polar bears, companies are naively plodding their way along thin ice. Environmental issues are understood to be more serious today than they were during the first iteration of green marketing (think climate change), and consumers are shopping with a vengeance – and a conscience. Industry is duly warned to adopt a more responsible green marketing course or risk inviting regulation on such flagrantly dubious green marketing practices. Note the rise of grassroots bans on polluting products such as bottled water, supermarket shopping bags, and the like. Will products with large carbon footprints, like bananas, coffee, and even the much-heralded bamboo be next?

Consider this: Developing entirely new product concepts brings the potential for significantly enhanced consumer benefits. Benefits that don't need eco-labels, Kermit the Frog or any other slick green marketing stunt.

You're on an eco-innovative track when you have:

1. *Introduced a new product concept*, like Apple's iPod which bestows obvious consumer benefits along with the environmental attributes of streamlining the production and transportation of CDs.
2. *Attempted to affect an entire system*. Chevy's **Volt** electric car is slated to be positioned as a second car, ideal for commuting and errands.
3. *Provided the consumer with services rather than products*. Car sharing services, which promote intensive use of fewer cars while providing the consumer with all the benefits of renting, all the benefits of ownership without the hassle, are a great example.

Companies must look toward eco-innovation, shunning incremental upticks for the radical improvements in environmental performance that will be necessary given the magnitude of the environmental ills that now face us. Devising clever services that minimize production processes, transportation needs, energy use, and storage requirements can lead to waterfalls of profits for businesses, the public, and the environment. It's not the easiest route to being green, but there's something to be said for learning from — and capitalizing on — past mistakes.

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*This article has been adapted from Jacquelyn Ottman's keynote speech to Sustainable Brands '07 in New Orleans, September 27, 2007.*

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