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## STRATEGY

# The Thin Green Line

These days, greener pastures are looking more like battlefields for some companies trying to position themselves as environmentally friendly

By Samar Farah

Ford thought it had a better idea when it reoutfitted a factory with the world's largest living roof—essentially replacing a tar sheath with a carpet of plants. The proud automaker even touted its achievement by placing ads in publications such as National Geographic. But Ford is now the target of an aggressive campaign by a national coalition of environmentalist groups accusing the company of trying to advertise its way to a greener image. Ford's latest green marketing effort—a "Fuel-Economy School" to teach motorists the art of efficient driving—yielded derisive laughter from the same environmentalists.

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Think Ford's folly is unique? British Petroleum had its own idea of a green makeover: The oil giant changed its logo to a helios and began billing itself "Beyond Petroleum." Greenpeace honored the company with an Earth Day Oscar: Best Impression of an Environmentalist. And Wal-Mart promised to spend millions in the next decade to preserve an acre of wildlife habitat for every acre its buildings gobble up. Some environmentalists, however, are quick to criticize the campaign calling it an attempt to divert attention from the fact that Wal-Mart stores aren't shrinking in size or number.

Being green is thorny—and companies that try may find themselves harvesting bad press from the very critics they were hoping to win over. Declining consumer trust in corporations has created an atmosphere of cynicism: Environmentalists and savvy consumers are on the lookout for "greenwashing," or marketing campaigns that masquerade as real environmental progress. Some larger, high-profile companies are so attuned to the risk of scrutiny by environmentalist groups and public backlash that they are keeping noteworthy environmental progress under fairly tight wraps.

Nike is the world's largest buyer of organic cotton and McDonald's is one of the largest buyers of recycled materials, says Joel Makower, founder of GreenBiz.com. Yet neither chooses to broadly market these badges of honor. "How do you talk about the [environmental] things you're doing when you're not a perfect company?" he asks, acknowledging the challenge.

"A lot of companies are afraid because they don't have a tremendous track record," says Paul West, communications director at The Rainforest Action Network. "But they know the public wants them to be [pursuing environmental programs]. It's a Catch-22: How to put out news about your environmental efforts in a way [the public] can trust."

Groups such as The Rainforest Action Network and others insist there are ways to reduce your risk and steer clear of the dangers. Keep claims relevant to your corporate mission, they urge, and make sure your marketing and advertising are as transparent as possible. These tactics may not earn any awards, but they can help grow consumer trust and build a greener image. And with rising concerns about the environment and consumer demands for healthier goods, now may be as good a time as any to start.

## Keep It Real

A corporate initiative may have honest intentions and even be an absolute positive for the environment. But if it doesn't address the company's central environmental culpability—such as an international oil company supporting organic lettuce—then it risks not only falling flat but also

striking consumers and environmentalists as insincere.

Ford's Rouge River Plant was, indeed, a laudable achievement (see "[Ford's Theme Park](#)"). "The Rouge plant taught us a lot about how to construct our facilities in order to utilize natural resources better," says Niel Golightly, director of Sustainable Business Strategies at Ford. "The green roof is a tremendous insulator; it reduces energy costs. It isn't just a showpiece; it made a very strong business case." But the spiffy roof failed to convince some that Ford was genuinely committed to greening its chief product. The company's first hybrid vehicle was produced only in limited quantities.

The public also expects companies that wave a green flag to significantly mitigate their corporate footprint. Wal-Mart's pledge to preserve natural wildlife, for instance, didn't change the size of its megastores. "The initiative doesn't make up for the fact that Wal-Mart is one of the biggest contributors to unplanned growth," says the Sierra Club's Eric Antebi. "It's slapping a Band-Aid on a major environmental problem."

Tara Stewart, a spokeswoman for Wal-Mart, disagrees. "It's not logical to ask a company to go backwards," she says, "but we are trying to make a lighter footprint. I've talked to many environmentalists who say what we're doing is great."

The issue, however, is not whether such campaigns are good or bad, but whether they are taking aim at the company's *raison d'être*. CMOs will want to focus on both influencing and highlighting those programs that take more direct responsibility for their company's actions—not only for the sake of satisfying ecological watchdogs, but also to win consumer trust.

The marketers at Stonyfield, a New England dairy company founded on a commitment to "healthy food, healthy people and a healthy planet," agree. The company's yogurt brand boasts high consumer loyalty for strict adherence to green principles. Its marketing emphasizes Stonyfield's efforts to recycle the company's plastic yogurt containers by partnering with Recycline, a company that molds toothbrushes from Stonyfield's containers and tacks on a sticker that says, "Made from recycled Stonyfield yogurt cups."

"We give them the plastic, and they give us the branding," says Cathleen Toomey, VP of communications for Stonyfield. Toomey says such efforts ring true with customers because they are closely tied to Stonyfield's product. "If we told consumers we were installing the largest solar panel in New Hampshire, well, that would get some interest. But doing so isn't going to make people who haven't bought Stonyfield go out and buy it."

Toyota's campaign to brand its "hybrid synergy drive" avoided the word green, instead focusing on simple environmental claims such as "Less gas in. Less gasses out."

Jacque Ottman, president of J. Ottman Consulting, which specializes in green marketing, echoes that sentiment. "It's more interesting to stakeholders if you stress what you're doing to your products," she says.

## Clean Up From the Top Down

You don't have to be a small company focused solely on improving the environment in order to create a successful eco-friendly campaign. GE's Ecomagination campaign, launched in May 2005, spans a number of hot topics for a company with a desultory green record. It promises to improve emissions and efficiency in its operations, to work with green organizations and to issue annual progress reports. But the thrust of the initiative—and the focus of the advertising—is on GE's commitment to improving its technologies, which will help businesses meet environmental standards now and in the near future. Currently, GE is marketing 17 products, from aircraft engines to water treatment technologies, as part of its Ecomagination line.

Ecomagination started during a senior-level brainstorm several years ago when CEO Jeff Immelt seized on the idea of greening GE's technology and turned it into a corporatewide strategy for

growth. David Slump, the CMO of GE Energy, admits that Ecomagination presented a host of risks for GE, which is still mired in the cleanup of PCBs in the Hudson River, an environmental disaster that has tarnished its image for more than two decades. According to Slump, most of the senior-level management was "subtly against" Ecomagination at first. Questions such as "Do we want to attract attention?" and "Will this create problems around the Hudson River [issue]?" plagued internal debates.

The strategy survived such doubts in large part, says Slump, because Immelt was determined to see it through. Immelt was also eager to give marketing the reins. Over the course of a year, GE's marketing team analyzed both the needs of the company's B2B consumers and the federal government's direction in terms of environmental policies. It then identified a B2B market opportunity for green products; it also outlined the monetary benefits of these products for its customers. Ecomagination not only promotes an environmental initiative relevant to the company's business, but it strives to create a greener technology that is relevant to its consumers' needs.

## Be Transparent

So you have a green story to tell that you know will ring authentic with audiences. But before putting pen to creative ad content, stop for a moment and consider: What exactly does the word green stand for? Does it mean more recycling, more miles per gallon, fewer emissions, fewer pesticides or less waste? It's not a trick question. Words like green and organic are the kind of ambiguous, sometimes specious language that cloaks many environmental claims. And consumers view such labels with increasing skepticism. The burden is on marketers to be as transparent as possible about environmental claims—no easy task given the scientific and political nature of this information.

The key, experts say, is to be specific. Working with a third party with standards for testing processes for different facets of "green" can help clarify your claims. GE partnered with Green Order to devise a scorecard that is used to evaluate each technology according to a set of criteria. Only those technologies that pass the test can be marked and marketed as Ecomagination products.

With third-party backing and reliable testing, the stratagem becomes to communicate that information in the right way. Some companies are responding to this challenge conservatively. McDonald's now publishes a "Corporate Responsibility Report" on its website detailing its environmental efforts. Bob Langert, director of environmental affairs, feels that kind of quiet marketing is the best strategy for McDonald's right now. "The moment you start tooting your horn too much, you have to be careful. You're better off leading with actions and talking about results," he says.

Langert says McDonald's report receives about 30,000 to 40,000 hits a month. But while these often dense and tortuous documents available on an increasing number of corporate websites might be juicy literature for the average environmentalist, they are not likely to reel in consumers for several hours—the amount of time it would take to peruse and digest most environmental reports.

But this kind of transparent green marketing doesn't have to be a great big yawn. Toyota, the darling of environmentalists these days, has its own take on transparent green marketing: Eliminate ambiguous jargon. For years the automaker has discouraged use of the word green in any of its internal or external communications relating to Toyota products. Think about it: Toyota's Prius, the most successful hybrid to date, is not "green" by its maker's own admission. "Our legal department doesn't allow us to use the word," says Sandi Kayse, Toyota's national car advertising manager. Thus "Drive green, breathe blue," a candidate slogan for a new marketing campaign to brand Toyota's patented hybrid technology was quickly scrapped.

Instead, Toyota tries to strike a balance between consumer-friendly and specific. The campaign to brand its "hybrid synergy drive" featured a badge of the Toyota hybrid battery haloed with simple environmental claims: "Miles and miles and miles per gallon." Says another: "Less gas in.

Less gasses out."

Customers aching for scientific details to back up such claims are prompted to check out the website. Toyota hopes the image of the hybrid synergy drive will eventually do for its line of hybrids what the Intel chip logo has done for PCs: Engender consumer trust and respect. "If you look at an Intel chip," Kayse explains, "you know it does something great for you but you don't know what. When you buy a computer, you want to make sure you have it. Many people don't know what a hybrid does for them. This campaign reinforces Toyota's long-term commitment to hybrid vehicles and our environmental stance."

Marketers at GE are also wary of the inherent liability nesting in the word green, but they are less cautious. Slump is eager to discuss GE's plans for developing cleaner nuclear plants and coal mines, and says Ecomagination is an effort for GE to tell the marketplace what green stands for. Is it a risky proposition? Perhaps, but Slump hopes that a combination of research and robust marketing will help educate consumers and policymakers about the environmental benefits of nuclear and coal energies.

## Stay Humble

But it's this underlying ambition of GE's that perhaps strikes some environmentalists as quixotic and causes more than a few to give qualified support for Ecomagination—most seem to be waiting to see how well GE will deliver on its promises. Notably, of the handful of TV ads promoting Ecomagination, the 30-second spot featuring a coal mine teeming with sooty supermodels—and the message that coal power is "looking more beautiful every day"—elicited the most criticism and controversy.

Many environmental experts like to remind companies that hitting a humble note in their green marketing can go a long way. In addition to its pledge to preserve acres, Wal-Mart recently unveiled an experimental "sustainable" retail location in Texas. David Hessekiel, founder and president of Cause Marketing, applauds the decision to launch such a store, to call it an "experiment" and to invite the public to evaluate how well it works, both from an environmental and a consumer perspective.

"They have been honest and straightforward, saying, 'We are going to evaluate this,'" explains Hessekiel. "Those sorts of communications can go a long way to showing that you're trying to make progress. Anybody who tries to suddenly position themselves as the environmental super-company is just asking to get shut down."

Being humble can mean owning up to your environmental errors—and everyone makes them. Toomey recalls a Stonyfield campaign idea two years ago to promote Dean Kamen's Segway as a mode of alternate, emission-free travel. The plan was for a passenger on a Segway to travel to all corners of New England; a hybrid car pulling a solar panel would shadow the Segway and provide regular battery service. But ultimately, Toomey says, last-minute calculations proved that the emissions generated by the hybrid pulling a solar panel would undermine the effort.

Getting it right is even more challenging if you're a billion-dollar company. "If you haven't built the company from day one to put environmental policy at the absolute acme of your priorities, it's virtually impossible not to have problems crop up," says Hessekiel.

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