



This case encapsulates much of the material covered in this chapter. In particular, the chapter addresses three major topics: (1) *environmental matters* and their implications for marketing communications, (2) the *regulation* of marketing communications practices, and (3) *ethical issues* in marketing communications. All three topics are interrelated: Many ethical issues confronting contemporary marketing communicators occur over environmental marketing efforts, and regulation (from federal and state governmental bodies and by industry self-regulators) is needed due in large part to unethical marketing communications practices, many of which now occur in the area of green marketing.³ It also should be apparent that the topics in this chapter relate to the “environmental monitoring and management” aspect of the marketing communications decision framework that was covered in Chapter 2.

THE PHYSICAL ENVIRONMENT AND GREEN MARKETING COMMUNICATIONS

The United States, as well as much of the industrialized world, is in the throes of a garbage crisis. More than 70 percent of over 200 million tons of trash disposed of each year in the United States is buried in landfills, and the landfills are reaching capacity.⁴ Public-opinion surveys reveal that increasing numbers of Americans are showing concern for the physical environment and demanding that companies do something to ensure a cleaner and safer environment.⁵ Surveys reveal that many consumers say they are willing to pay more for products that do not harm the environment.⁶

It is easy to understand why so many companies have responded to environmental concerns by introducing environmentally oriented products and undertaking aggressive marketing communications programs to promote these products. These actions are referred to as *green marketing*.⁷ Unfortunately, for every truly green product there are probably an equal number of bogus entries. This is why green marketing sometimes is referred to in such unflattering terms as *greenscam*, *greenwashing*, and *big green lies*.⁸ Companies have jumped on the green bandwagon and exploited consumers' sensitivity to products claiming to be recyclable, degradable, safe for the ozone layer, and so on. One source estimates that only 15 percent of all green claims are true, 15 percent are outright false, and the remainder fall into a gray area.⁹

It is not enough for companies merely to claim they are environmentally sensitive; consumers are becoming increasingly skeptical and are turned off by exploitative efforts that do not deliver on environmental-safety promises. As one journalist put it: “Declarations of environmental sensitivity cannot be taken at face value. Everybody wears green on St. Patrick's Day, too—but it doesn't make them Irish.”¹⁰

Responses to Environmental Problems

There have been a number of legitimate responses to environmental problems. Some of these responses have been in the form of *new or revised products*. For example, personal computers are now equipped with energy-efficient features and are made with some recycled materials. Furniture manufacturers make environmentally friendly furniture from recycled wood, plastic, and even paper. These items then are finished with water- rather than chemical-based materials that emit potentially harmful gases. Cordless lawn mowers powered by rechargeable batteries are available. In addition to being noiseless and easy to start and maintain, battery-charged lawn mowers reduce pollution significantly. Indeed, it is estimated that a gasoline mower running for only 30 minutes produces as much pollution as driving a car from Philadelphia to the District of Columbia!¹¹ Many companies today have accepted their responsibility not to harm the environment, and products and production processes are becoming cleaner.¹² A strong case has been made that environmental improvements represent an economic and competitive opportunity for companies.¹³



IMC FOCUS: AN ALLIANCE WITH MR. CLEAN TO ENHANCE HONDA'S IMAGE

Managers of Honda Motor decided to develop a corporate campaign that would solidify Honda's reputation as an environmentally friendly car company. They faced the challenge of somehow developing an icon that could be associated with the Honda Accord and thus serve to entrench in consumers' minds a strong, favorable, and somewhat unique image of the Honda Accord as a "clean" automobile. Who of all marketplace icons better represents the quality of cleanliness than Mr. Clean himself? In case you don't know, Mr. Clean is a bald, muscled, and earring-wearing cartoon character that Procter & Gamble has used for decades on its famous old brand of household cleaner named, of course, *Mr. Clean*.

Although realizing that environmental concerns are not a high priority for most consumers, Honda managers nonetheless were eager to bolster the Accord's reputation for fuel efficiency and cleanliness. After undertaking negotiations with P&G officials, both companies agreed that partnering these two brands [recall the discussion of co-branding in Chapter 1] would be mutually advantageous. Honda would benefit by enhancing its environmental image, and P&G's *Mr. Clean* brand would get a lot of free publicity from Honda's advertising. Honda invested approximately \$25 million in an ad campaign that presented the Mr. Clean character strutting around Honda Accords in TV commercials as well as displayed in dealer showrooms throughout America, with six-foot-high cutouts of Mr. Clean placed next to four-cylinder LEV (low-emission vehicle) Honda Accords.

Source: Adapted from "Honda to Use Mr. Clean to Add Muscle to Environmental Claims," *The Wall Street Journal Interactive Edition*, September 26, 1997.

Of more relevance here are the marketing communications efforts that appeal to environmental sensitivities. In addition to advertisements that promote green products, the major green communications efforts involve packaging, seal-of-approval programs, cause-oriented communication efforts, and point-of-purchase displays.

Green Advertising. Environmental appeals in advertising were commonplace in American advertising for a short period in the early-to-mid-1990s, but the initial enthusiastic response to the deteriorating physical environment has waned. Nevertheless, there are three types of green advertising appeals when this form of advertising occasionally surfaces: those that: (1) address a relationship between a product/service and the biophysical environment (see Figure 3.1 for Tom's of Maine); (2) promote a green lifestyle without highlighting a product or service; or (3) present a corporate image of environmental responsibility (see Figure 3.2 for Toyota—people drive us and Figure 3.3 for Dow).¹⁴ A content analysis of green TV commercials and magazine revealed that most green ads refer to the environmental implications of the advertised brand or company in very general terms without specifically identifying the advertised product's environmental benefits or the specific environmental actions the company had taken to mitigate the problems.¹⁵

www.phillips66.com

For a recent exception to the declining use of environmental claims in advertising, see the *IMC Focus*.

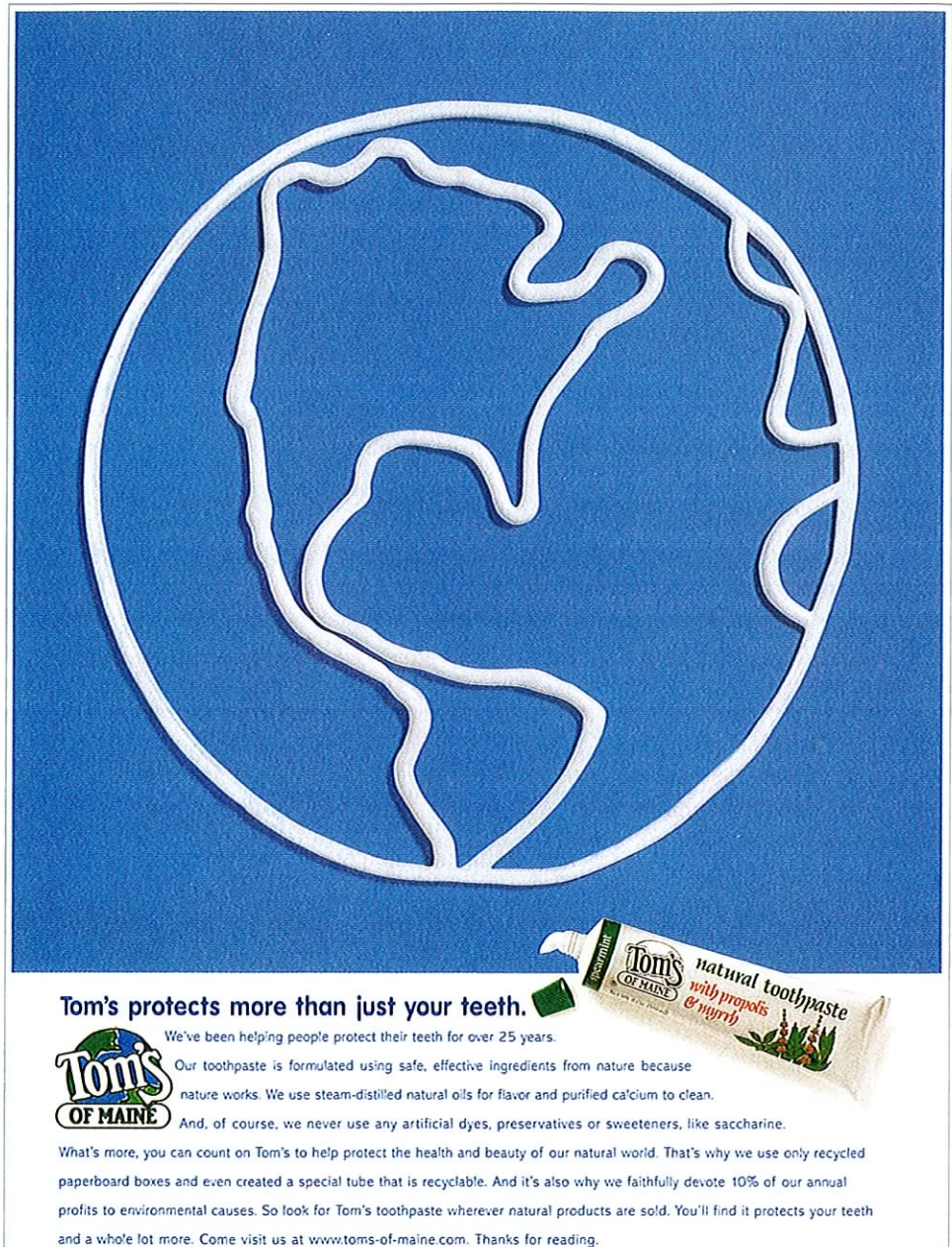
www.honda.com

www.hanes.com

Packaging Responses. Consumer concern about the environmental damage from packaging materials has resulted in a number of positive corporate responses, including the following: (1) Soft drinks and other products are packaged in recyclable plastic bottles. (2) McDonald's switched from polystyrene clamshell containers to paperboard packages for its burgers and other sandwiches. (3) Hanes, a leading maker of pantyhose with its L'eggs

FIGURE 3.1

Green Advertising Addressing the Biophysical Environment



Tom's protects more than just your teeth.

We've been helping people protect their teeth for over 25 years.

Our toothpaste is formulated using safe, effective ingredients from nature because nature works. We use steam-distilled natural oils for flavor and purified calcium to clean.

And, of course, we never use any artificial dyes, preservatives or sweeteners, like saccharine.

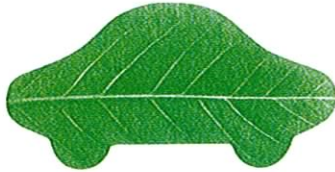
What's more, you can count on Tom's to help protect the health and beauty of our natural world. That's why we use only recycled paperboard boxes and even created a special tube that is recyclable. And it's also why we faithfully devote 10% of our annual profits to environmental causes. So look for Tom's toothpaste wherever natural products are sold. You'll find it protects your teeth and a whole lot more. Come visit us at www.toms-of-maine.com. Thanks for reading.

brand, changed from the famous plastic egg container to a cardboard container that maintained the famous silhouette of the plastic egg. This changeover from plastic to cardboard cost millions of dollars in packaging materials and displays.¹⁶ (4) The major detergent makers all introduced concentrated detergents as a way of achieving smaller packages and thus less waste disposal to be placed in already crowded landfills. (5) A company from Maine, the Goodkind Pen Company, manufactures and markets a pen that is made from birch scraps. Goodkind's Woody brand comes in a plastic package that can be snapped open for easy product removal, and then, at the request of the company, mailed back for another use.¹⁷

On the negative front, there is evidence that package materials often are wasted. For example, over 40 percent of juice containers, milk cartons, and other dairy products contain a smaller amount of product—from 1 percent to 6 percent less—than what the package labels promise.¹⁸ This short-filling problem is partially due to profit-skimming and also results, more innocently, from poorly calibrated packing machines. Whatever the reason, the fact remains that packaging materials are wasted due to short-filling.¹⁹

FIGURE
3.2

Green Advertising Promoting
an Image of Environmental
Responsibility



why?

because



Fish need to swim, birds need to fly.
And, for the time being anyway, people need to drive. That's why Toyota is investing billions to reduce the impact our vehicles will have on the environment. Our breakthrough hybrid technology will allow vehicles to be dramatically cleaner, without compromising convenience or performance. We're building a greener Toyota. For all of Earth's travelers.
For more information, call 1-800-GO-TOYOTA or visit our website at www.toyota.com/ecologic

TOYOTA people drive us

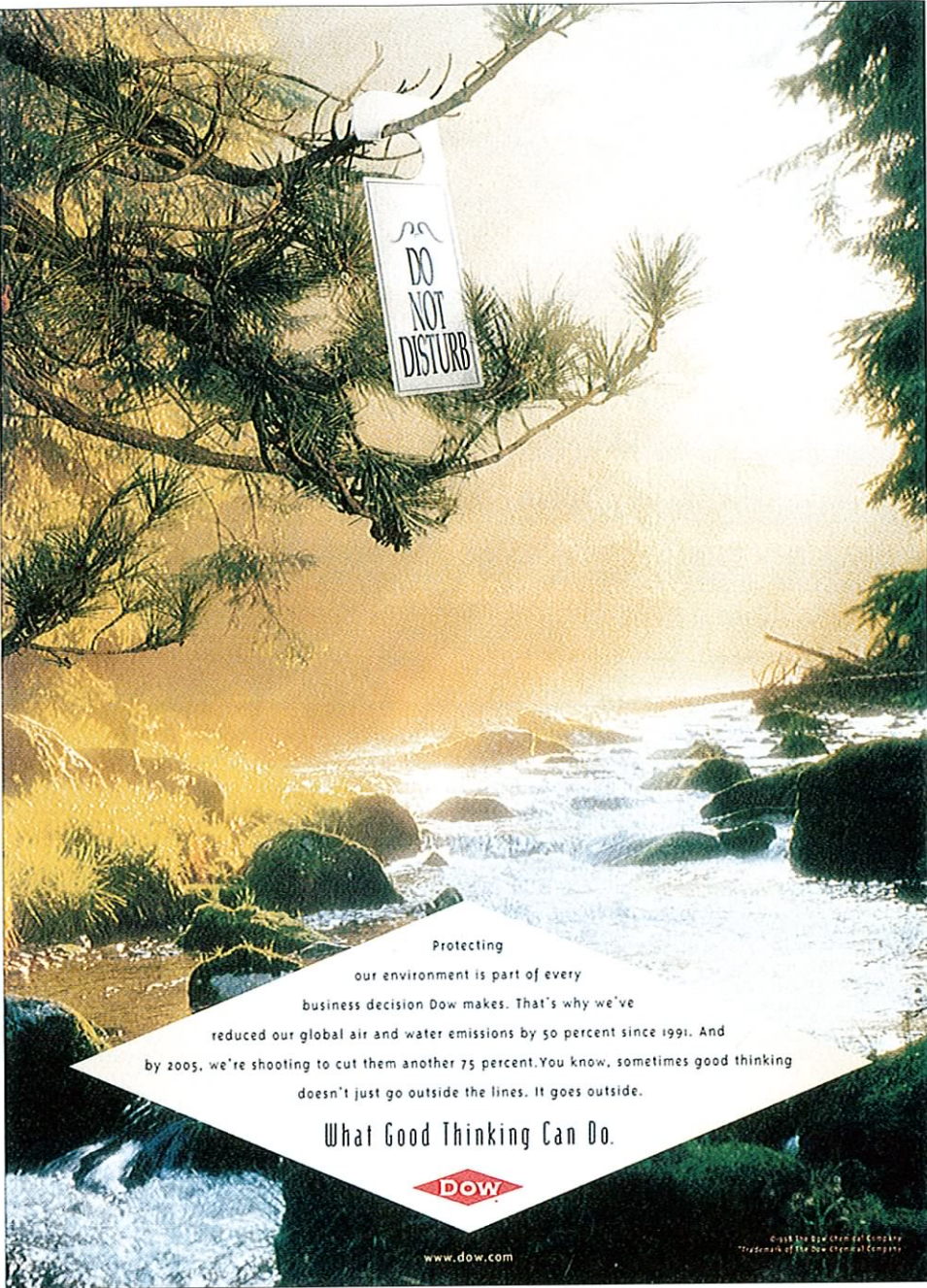
Seal-of-Approval Programs. About 30 countries around the world have programs that are designed to assist consumers in identifying environmentally friendly products and brands.²⁰ In Germany, for example, the Blue Angel seal represents a promise to consumers that a product carrying an environmental claim is in fact legitimate. One prominent eco-labeling program in the United States is Green Seal, a Washington, D.C., non-profit organization. Green Seal has developed standards and awarded seals to companies that meet environmental standards, which fewer than 20 percent of all products in the category are able to satisfy. General Electric, for example, received a seal for developing compact fluorescent light bulbs. In addition to Green Seal, there are various product category-specific seal programs such as the "chasing arrows logo" that specifies recycled paperboard content. Programs such as these provide consumers with assurance that the products carrying these seals truly are environmentally friendly.²¹

www.greenseal.com

www.ge.com

FIGURE
3.3

Green Advertising Promoting
 an Image of Environmental
 Responsibility



Protecting
 our environment is part of every
 business decision Dow makes. That's why we've
 reduced our global air and water emissions by 50 percent since 1991. And
 by 2005, we're shooting to cut them another 75 percent. You know, sometimes good thinking
 doesn't just go outside the lines. It goes outside.

What Good Thinking Can Do.

DOW

www.dow.com

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 "Trademark of The Dow Chemical Company"

Cause-Oriented Programs. Cause-oriented marketing is practiced when companies sponsor or support worthy causes. (See Chapter 19 for further details.) In doing so, the marketing communicator anticipates that associating the company and its brands with a worthy cause will generate goodwill. It is for this reason that companies sponsor various environmental causes. At one time General Motors planted a tree for every Chevrolet Geo car sold. Evian, a company that markets mineral water, had representatives visit college campuses to raise environmental awareness and recruit new members for the World Wildlife Fund. Cause-oriented programs can be effective if they are not overused and if consumers perceive a company's involvement in an environmental cause as sincere and not just naked commercialism. Unfortunately, many companies spend much more on promoting cause-oriented environmental programs than they spend on the programs themselves.²²

www.evian.com

www.worldwildlife.org

Point-of-Purchase Programs. In-store displays provide an ideal setting to communicate a brand's environmental merits. A display called Environmental Centers, developed by the makers of Arm & Hammer, illustrates a creative application. These end-of-aisle units merchandised Arm & Hammer products along with select other brands of environmentally safe products. The displays also provided shoppers with free pamphlets from environmental groups. A particularly interesting illustration of environmental marketing at the point of purchase is provided in the *Global Focus*, describing green marketing at Loblaws, an innovative Canadian supermarket chain.

www.loblawsqueensquay.com

In addition to using the point of purchase as a vehicle for promoting a brand's environmental virtues, attention is also focusing on conservation in the construction of these displays. Billions of dollars are invested in plastic, wood, metal, paper, and other materials that are used in constructing point-of-purchase displays.²³ However, many of the displays sent by manufacturers to retailers are never used and simply end up in landfills. Closer consultations with retailers regarding their point-of-purchase needs would lead to fewer unused and summarily discarded displays, and increased use of permanent displays (those engineered to last at least six months) would substantially reduce the number of temporary displays that are quickly discarded.

Guidelines for Green Marketing

The significance of the environmental problem demands that marketing communicators do everything possible to ensure that green claims are credible, realistic, and believable. To assist companies in knowing what environmental claims can and cannot be communicated in advertisements, on packages, and elsewhere, the Federal Trade Commission—the U.S. government's agency responsible for regulating matters such as deceptive and unfair business practices (described subsequently in the chapter)—promulgated guides for environmental marketing claims.²⁴ These guides outline four general principles that apply to all environmental marketing claims:

1. Qualifications and disclosures should be sufficiently clear and prominent to prevent deception.
2. Claims should make clear whether they apply to the product, the package, or a component of either.
3. Claims should not overstate an environmental attribute or benefit, either expressly or by implication.
4. Comparative claims should be presented in a manner that makes the basis for the comparison sufficiently clear to avoid consumer deception.

The FTC guidelines also address specific categories of environmental claims such as "environmentally friendly," "degradable," and "recyclable." The guides describe the basic elements necessary to substantiate each form of environmental claim, and provide examples of specific claims that do and do not provide adequate support. The FTC's document is must reading for any firm that is considering making a claim about its product's environmental friendliness. A "new and improved" version of the FTC's guidelines was made available in 1996.²⁵

In addition to the guidelines established by the FTC, a task force of attorneys general representing 10 states developed a set of recommendations for environmental marketers. These recommendations provide guidelines for labeling, packaging, and advertising products on the basis of environmental attributes.²⁶ Marketing communicators are offered four general recommendations for making appropriate environmental claims: (1) make the



GLOBAL FOCUS: LOBLAWS' LINE OF GREEN PRODUCTS

Major corporate initiatives typically require bold leadership from an individual who is committed to accomplishing an ideal or grand vision. This certainly was

the situation at the Canadian supermarket chain, Loblaws, when it was in the vanguard of the environmental movement in the early 1990s by embarking on a program that merchandised a complete line of private-branded products under the GREEN name. Loblaws' CEO Dave Nichol got the idea from a monograph, *The Green Consumer Guide*, he had picked up on a visit to England. Within months, Loblaws' GREEN line of environmentally friendly products became a reality.

All GREEN products are packaged in bright green packages made from recycled paper. And all provide environmental informa-

tion along with the logo, *SOMETHING CAN BE DONE!* In the first year alone, GREEN products generated nearly \$52 million in sales revenue for Loblaws. A high-efficiency light bulb that sold for \$20 was one of the most interesting products carried in Loblaws' stores when the GREEN-label program was introduced. Although the price to consumers was nearly 10 times more than conventional bulbs, these high-efficiency bulbs saved shoppers about \$32 over their life by reducing energy costs and the costs of bulb replacement—and consumers couldn't get enough of the bulbs. Ideas for adding new GREEN products come from all over the world; indeed, according to Nichol, most of the new ideas come from outside North America.

Source: Based on Carolyn Lesh, "Loblaws," *Advertising Age*, January 29, 1991, 38.

claims specific, (2) have claims reflect current disposal options, (3) make the claims substantive, and (4) make supportable claims.²⁷

Make Specific Claims. This guide is intended to prevent marketing communicators from using meaningless claims such as "environmentally friendly" or "safe for the environment." The use of specific environmental claims enables consumers to make informed choices, reduces the likelihood that claims will be misinterpreted, and minimizes the chances that consumers will think that a product is more environmentally friendly than it actually is. In general, it is recommended that environmental claims be as specific as possible—not general, vague, incomplete, or overly broad.

Reflect Current Disposal Options. This guide is directed at preventing environmental claims that are technically accurate but practically unrealizable due to local trash-disposal practices. For example, most communities dispose of trash by burying it in public landfills. Because paper and plastic products do not degrade when buried, it is misleading for businesses to make environmental claims that their products are degradable, biodegradable, or photodegradable. As illustrated in the *Opening Vignette*, products such as trash bags may be photodegradable, but once buried in a landfill they do not experience further degradation.

www.aurorafoods.com

Make Substantive Claims. Some marketing communicators use trivial and irrelevant environmental claims to convey the impression that a promoted brand is environmentally sound. An illustration of a nonsubstantive claim is a company promoting its polystyrene foam cups as "preserving our trees and forests." Another trivial claim is when single-use products such as paper plates are claimed to be "safe for the environment." Clearly, a paper plate is not unsafe to the environment in the same sense that a toxic chemical is unsafe; however, paper plates and other throwaways do not actually benefit the environment but rather exacerbate the landfill problem.

Make Supportable Claims. This recommendation is straightforward: Environmental claims should be supported by competent and reliable scientific evidence. The purpose of this recommendation is to encourage businesses to make only those environmental claims that can be backed by facts. The injunction to businesses is clear: Don't claim it unless you can support it!

Some companies are indeed showing restraint in making environmental claims. Such restraint not only benefits consumers and society at large, but it also supports the long-run interests of businesses themselves. Misleading consumers with false environmental claims is a short-run tactic that provides a company a Pyrrhic victory at best. Long-term growth achieved from consumer allegiance is obtained only by developing legitimate product offerings and promoting these offers with honest and supportable claims.

What Does the Future Hold for Green Marketing and Who Is the Green Consumer?

About a decade ago, a Harvard Business School professor asserted that green products are to the 1990s what "lite" products were to the 1980s.²⁸ In retrospect, it would seem that this claim is, at minimum, subject to debate and may even represent a case of excessive enthusiasm. There now is little evidence that many brands are being promoted on the basis of their environmental efficacy. Nonetheless, it is clear that the green movement is here to stay to one degree or another. Indeed, because many countries outside North America and Western Europe have far greater environmental problems, it may be that the opportunity for responsive green marketing is stronger in these countries than in highly advanced economies.

Is there a group of consumers who are especially responsive to environmental claims, and, if so, what are their characteristics? The development of effective, targeted communications requires answers to these questions.²⁹ A study of over 3,000 consumers has established some discernible characteristics of consumers who are environmentally conscious. In particular, these consumers are interested in new products, are information seekers who talk with others about products, are careful shoppers who are somewhat price sensitive, and are skeptical about advertising in general.³⁰ It is apparent from these characteristics that green consumers are careful, thoughtful shoppers who must be treated with respect: "Treated fairly, they may be receptive; treated poorly, they may not only switch brands, but also take others with them."³¹

REGULATION OF MARKETING COMMUNICATIONS

Advertisers, sales managers, and other marketing communicators are faced with a variety of regulations and restrictions that influence their decision-making latitude. The history of the past century has shown that regulation is necessary to protect consumers and competitors from fraudulent, deceptive, and unfair practices that some businesses choose to perpetrate. Whatever the rationale, the fact remains that governmental regulation can have a significant impact on business organizations, as perhaps exemplified in the *Global Focus* that describes the recent ban in China on direct sales.

www.amway.com

www.avon.com

www.marykay.com

www.service.mattel.com

When Is Regulation Justified?

Strict adherents to the ideals of free enterprise would argue that government should rarely if ever intervene in the activities of business. However, more moderate observers believe