Green Marketing Guide

For Western Pennsylvania Small Businesses

DUQUESNE UNIVERSITY
Center for Green Industries and Sustainable Business Growth

Small Business Development Center
Duquesne University
Helping businesses start, grow, and prosper.
# Table of Contents

- Intro to Green Marketing ................................................................. 5
- Green Marketing Advantages ......................................................... 6
- Green Advantages ........................................................................ 8
- The Third Button ........................................................................ 9
- Green Segmentation .................................................................... 9
- Green Generations ...................................................................... 12
- Green Motivations ...................................................................... 14
- Cause Marketing ......................................................................... 15
- Greenwashing ............................................................................ 16
- New Greenwashing Info .............................................................. 18
- Barriers to Buying Green ............................................................. 19
- Certifications .............................................................................. 20
- Integrated Reporting .................................................................. 20
- Green Commodities ................................................................... 21
- Conclusion .................................................................................. 21
"Do consumers really care about green? They do! But there’s a chasm between green concern and green consumerism. To close that gap, companies need to communicate more effectively -- and make sure their messages and marketing are pitch-perfect.”

-- Joel Makower
Executive Editor, GreenBiz.com
Intro to Green Marketing

Businesses benefit from green marketing wherein general trends of transparency, connectivity, and increased awareness of sustainability issues add to the overall value of marketing messages. Sustainability-oriented goods and services are becoming expected and demanded in a world more openly involved with environmental concerns. Trends accentuating sustainability as a valued business strategy may also expose companies accused of “green-washing”, or attempting to make themselves appear green while not conforming to green standards.\(^1\) For these companies that participate in green-washing, consumer backlash is the best deterrent. Businesses should incorporate actual green programming, rather than compromise brand value and consumer confidence.\(^2\) Currently, green marketing can be an excellent opportunity to gain market footholds and expand your consumer base. In the future, green marketing will be a necessary aspect of the business world. Exemplary of green marketing and sustainable business concepts, Whole Foods Market has enjoyed double digit growth in an otherwise flat grocery market.\(^3\)

It is critical to note that the economy is turning green, not adding green.\(^4\) The difference between turning and adding is essential to future business growth, into which marketing is incorporated. Turning green accentuates a market that is increasingly dependent and expecting of sustainability oriented business models. What this does not entail is starting with a traditional business model and tacking on a green department. Consumers are increasingly demanding business models that incorporate sustainability and green action throughout management and personnel.\(^5\) As a result, even municipalities are incorporating green into their structure. In 2009, the Pittsburgh City Council added a supplement to Pittsburgh Zoning Codes stating that new city buildings or renovations to city-owned buildings in excess of $2 million and City of Pittsburgh building over 10,000 square feet must conform to LEED Silver standards on the U.S. Green Building Council’s LEED Green Building Rating System.\(^6\)

As an end result, sustainability and green trends are not flashes in the pan. They are palpable and have the wherewithal to withstand shifting consumer interests. Most importantly, green marketing and the incorporation of sustainability within a business model allows for market adaptation and effective capturing of the consumer audience.

\(^1\) [http://www.stopgreenwash.org/](http://www.stopgreenwash.org/)
\(^2\) [http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2898878/](http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2898878/)
Green Market Opportunities

Over the past 10 years, the market for organic produce has grown near 240%, while traditional foods markets have grown 33%. Additionally, traditional construction practices have fallen 17%, whereas green building practices have concurrently grown nearly 1700%. These numbers are quite indicative of the statement “The market is turning green, not adding green”.

As markets shift, green products and services represent great opportunity. In her book, Jacquelyn Ottman states her belief that everyone is a green consumer. Under this guise, green consumer expectations will continue to rise, following growth patterns of the past decade, promptings business owners, companies, and corporations to focus on sustainability as a means to maintain a competitive edge. Those that do not conform to consumer demand will lose business and become irrelevant. No longer will green or sustainability be a niche market, but will become a pillar on which companies stand and consumers demand. Innovation will come in the form of sustainability and green business, yet only those businesses that adapt and conform will survive.

Business to business merchants, meaning those within the supply chain, will find a benefit to green business as it helps reduce costs and maximize profits. Every aspect of the supply chain is open to green marketing and sustainability factors. Be it ingredients, materials, training, maintenance, or by-product conversion, green marketing allows for business growth by eliminating as much waste as possible. Efficiency in later business models helps maximize this waste elimination. As connectivity makes business more transparent, these elements of business become more available to public knowledge and open to scrutiny by the consumer. With this newly available information, consumer preference is much more open to change.

As further incentive to implement green supply chain policies, the federal government is beginning to enact legislation to grant preference to green products and businesses. This legislation is referred to as being “Biopreferred”. This program was implemented by the Farm Security and Rural Investment Act of 2002 and enables the federal government and its contractors to give preferential treatment to green products within the supply chain. This means that should a business choose to become green, they would be more likely to gain federal business contracts providing goods or services. As a result, while there are social benefits to become green, financial benefits follow.

8 Ottman, supra.
9 http://www.epa.gov/ppic/pubs/lean.pdf
10 http://www.biopreferred.gov/
Green business, commonly known as sustainable business, is a fast growing aspect of the business world wherein a triple bottom line is incorporated.\textsuperscript{11} Rather than a traditional bottom line consisting of the financial side of a business, the triple bottom line brings social, financial, and environmental concerns in establishing business practice.\textsuperscript{12} What the triple bottom line entails is an evaluation of the financial impact of a business decision, how that decision affects the society around the business, and whether or not the decision is beneficial or neutral to the environment. Having a business founded on the triple bottom line means a commitment not only to financial success, but to the success of the surrounding community and the environment. The focus is not solely on making money, but being socially and environmentally responsible.

In terms of consumer preference, a product’s “greenness” is becoming a strong qualifier for consumer purchases. Although greenness isn’t the driving factor behind consumer purchasing, the result is that consumers want products that have chemicals that are safer in a home. Rather than purchasing a chlorine-based product from Clorox, consumers are able to purchase non-chlorine-based products that have the same use. This allows them to be confident in the effectiveness of the product, as well as the safeness.\textsuperscript{13}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{green-tech-vc-on-the-rise.png}
\caption{Venture funding for clean technologies has exploded since 2001, making it the fastest-growing category. Here’s an annual tally of green-tech VC investments made in North America, Europe, Israel, China, and India.}
\end{figure}

\begin{itemize}
\item \textsuperscript{11} http://www.ibrc.indiana.edu/ibr/2011/spring/article2.html
\item \textsuperscript{12} http://www.tbltool.org
\item \textsuperscript{13} http://www.huffingtonpost.com/richard-seireeni/drivers-of-preference-why_b_446061.html
\item \textsuperscript{14} http://asset3.cbsistatic.com/cnwk.1d/i/ne/sr09/greentech/green_chart_day1_280x437.jpg
\end{itemize}
Green Advantages

First Mover Advantage

In the green market, the advantage lies with the first to offer a green product or service. Consumers with green interest will gravitate towards the products or services that meet their interest. By being the first to introduce the green option, you are more likely to capture the attention of those consumers and create long-term consumers. Anecdotally, Toyota introduced the Prius, the first mainstream hybrid car, and has enjoyed success with the model, as well as being the most recognizable hybrid model. Although there are new entrants to the hybrid environment, the Prius remains the most recognizable and has established a base of loyal consumers.

Investor Attractiveness

As seen by previous discussion regarding green market growth, the demand for such products and services is growing. Investors have noticed and are ready to invest in the next wave of big business. Entering into the green market is attractive as it shows a respect for the environment and community the business lies within. Additionally, many green practices lower costs and improve efficiency while also reducing the risk of new regulations – such as emissions regulations – adversely affecting your business. As such, green companies and markets are attractive to investors on a variety of levels.

Employee Recruiting Advantage

Establishing a reputation for responsibility, sustainability, and community awareness will attract forward thinking talent, as well as retain them. A result of this is the creation of a culture of loyal employee base which can, ultimately reduce recruiting costs.

Regulatory Advantage

Companies with a green mindset are ahead of government regulations, creating the advantage of avoiding drastic overhauls of current business practices in response to increasing regulation.
While alluring, green attributes alone are not enough to ensure consumers purchase your good or service. Simply put, your product or service must equal or surpass the quality and performance of competing products. Only then may green attributes win over a consumer. Until then, greenness is merely an aspect that increases the cost of a product without adding any benefit to the consumer.

Messages in marketing communication dictate that a product is able to stand up to its competition on quality, price and performance, as well as the product being green. A benefit to the business owner would be able to have a product that can claim to be the greenest within its area.

However, patterns are changing and green is moving from a role as tiebreaker to deal breaker. Essentially, consumers are growingly demanding products and services be green. This demand for sustainability is beginning to drive the market economy as more consumers consider the impact of the products and services they use.

To understand green marketing is to understand market segmentation. Currently, 71% of the US population has some kind of green tendency.\textsuperscript{16} From the graphic above, we can see that 71% do something in response to green. However, only 51% of consumers in this survey have active awareness of greenness. Another study claims that 70% of consumers polled would be

\textsuperscript{15} http://green.tmcnet.com/topics/green/articles/9594-consumers-shying-away-from-green-kool-aid.htm

\textsuperscript{16} See Above
likely to gravitate towards green products. By capitalizing on this, businesses are able to create niches and sustain business by differentiation from competition.

**Green Shades Segmentation**

As seen in the previous graphic, the darker green a consumer is, the higher their green attitude and behavior. Lighter greens are a mix of highs and lows regarding green attitudes and behaviors. To understand these further, dark green consumers have a commitment to buying green purchases, meaning high attitude and corresponding behavior. The lighter a consumer’s greenness, attitude may be high, but behavior is not directly related. A light green could have high interest in green products, but purchase conventional products due to price or availability. Green-thusiasts have a commitment to buying green products. Green-speaks intend to buy green, but end up with conventional products because of perceived effectiveness. Green-steps prefer to buy green products as long as it is not more expensive than others. Green-bits will use green products for some things but not for other things.

**Green Lifestyle Segmentation**

![Green Lifestyle Segmentation Diagram]


18 Ottman.
Lifestyle of Health and Sustainability

The deepest green is called “Lifestyle of Health and Sustainability” (LOHAS). They will buy the most sustainable products regardless of cost. They tend to be 61% female and make up 19% of the population. They are 80% white, 8% African-American, 2% Asian, and 4% Latino. They are 54% employed and 20% retired. 23% have children under 18. One third has less than a high school education, another third has some college education but has no degree, and the final third has a college degree or more. The median income is $68,600. They are careful about their purchases and study both labels and policies and are willing to boycott companies who are not sustainable. LOHAS can be motivated by rewarding their leadership and commitment by showing how they can make a difference.

Naturalites

One in six US adults are “Naturalites” who believe in mind-body-spirit philosophies and prayer. They are motivated by buzzwords like “antibacterial” and “natural.” Naturalites are the least likely to be college educated and have the lowest incomes. They are 60% female, 72% white, and 23% African American. 31% have children under 18 and 53% have a high school education or less, with 20% possessing college or post graduate degrees. The average household income is $43,300. Naturalites need to understand how big picture environmentalism is consistent with a healthy lifestyle.

Drifters

Drifters are the next green segment, and are almost evenly split between the genders. They are 77% White, 10% African American, 4% Asian, and 4% Latino. 33% have children in the household. 47% have a high school or less education, and 27% have college or post graduate education. Their median income is $60,500. Drifters are driven by trends more than by deeply held beliefs and represent 25% of the population. They are younger and concentrated in coastal cities. They know about green living but they haven’t integrated this into their lifestyle, like the Lifestyle of Health and Sustainability demographic. They will also boycott companies with questionable practices. The community and camaraderie of the green lifestyle is the best way to reach the Drifter, so celebrities and social networks can reach them. Drifters need easy, fashionable options that fit the budget.

Conventional

This group is best imagined as the dad who turns off the lights and refuses to turn up the thermostat, opting instead for a sweater. The conventional will buy green products like Energy Star because of the economic benefit, not the environmental benefit. They reduce waste in order to save money. They are 25% retired, and 45% pay their credit cards every month. They are 57%

male, 82% white, 7% African American, 2% Asian, and 4% Latino. 26% have children in the home, and their median income is $69,400. Practical, cost-benefit arguments are best; show money savings for the consumer.

Unconcerned

The last group to consider is the unconcerned. They are 54% male, 80% white, 11% African American, 2% Asian, and 3% Latino. 25% have children in the house. The median income is $50,800. They make up 17% of the population. Only one quarter will boycott. The demographics skew towards white males in the south with slightly lower than average income and education. The Unconcerned segment needs to understand how individual actions can make a global impact.

Increased complexity of segmentation must be considered. Green marketing may or may not be the best thing for your business, depending on the product and the market. Deciding when to rely on greenness is key when considering green marketing. Even the most ecologically responsible product whose existence betters the world will not support a successful business if it is marketed improperly. This kind of product will also deliver its green benefits for the consumer, your company, and the world regardless of whether green is used in marketing communications. Making this distinction is the first step in starting a green marketing campaign.

Questions to consider:

Which shade(s) of green do my consumers fall in to?
Which lifestyle segmentation do my consumers fall in to?
What motivates the segment I am marketing to?

Green Generations

Another critical aspect of green marketing is the cross-generational effect it has. This effect gives insight into how the overall perception of our relationship to the environment is changing and shows three trends that propel green forward. From a functional sense, green generations show us how purchasing power plays out in a family setting including Baby Boomers, Generation X, Generation Y and Generation Z.

**Baby Boomers**

Born between 1946-1964, this generation led the protest against Vietnam and big business. With a history of environmental interest, they gave us Earth Day, the EPA, the National Environmental Policy Act of 1969, the Clean Air and Clean Water Acts of 1969, and the Endangered Species Act of 1973, in addition to enduring the oil embargo and energy crisis in 1973-1975 and the Three Mile Island meltdown. Today, 54% of Baby Boomers are considered “socially conscious shoppers,” choosing organic and resource conserving products. They are willing to boycott brands that pollute and to promote products that are giving back.

**Generation X**

Born between 1964 and 1977, Generation X was raised with an awareness of global issues based on the emergence of CNN. They witnessed industrial accidents worldwide like the Union Carbide gas leak in India, the Chernobyl disaster, and the Exxon Valdez spill. They see environmental concerns through a lens that aligns social, educational, and political issues. They brought us the Live Aid concert which highlighted the need for hunger relief in Ethiopia.

**Generation Y - Millennials**

Millenials are the likely new leaders of the modern day green movement. They are born between the early 80’s and 90’s. They grew up with computers and the internet. They are distrustful of authority and quick to challenge anything that seems unethical or inauthentic. They share awareness of the Great Pacific Garbage Patch. They believe that climate change is a result of humans and they are almost twice as likely to purchase green products as those who think climate change is a natural phenomenon. They carry reusable water bottles and coffee mugs. They care about quality of life and are less likely to sacrifice all in the quest for the almighty dollar.

**Generation Z - The Green Generation**

With Generation Z, the world’s youth, green is here to stay. Reduce, reuse, and recycle are as common as reading writing, and arithmetic. Generation Z is solving green products, like plastic in the ocean. They are fully steeped in the green culture and will carry it into the future.

**Questions to consider:**

*Who are the leaders of today’s green movement?*

*Which generation(s) do my consumers fall into?*

*Why is it important to differentiate between generations?*
Green Motivations

Green segmentation goes one step further. Beyond understanding the lifestyle of the consumers, it is also important to understand their interests or reasons for being green: resource conservation, health, the well-being of animals, and the preservation of the great outdoors are just some of the motivations for green consumers. Identifying motivations helps a company know which aspects of the green to show.

Resource Conservers

Resource Conservers dislike wasting resources, especially money. They feel smart from the financial savings that result from their behavior and share their experience to help others cut down waste. These can be big businesses trying to lower operating costs, households trying to save by turning off the lights to save on the power bill, or the bicyclist who loves skipping the gas station, saving money and fuel.

---

**Health Enthusiasts**

Health enthusiasts are focused on how the ills of the environment have consequences for individual health. They pay a premium for safer products like organic food, for instance, because they are worried about the long-term effects of pesticides. They buy nontoxic toys, cleaning products and pet care because they believe that it preserves the health of their families and themselves.

**Animal Lovers**

Animal lovers are all about animals. Pets, shelter animals, and wildlife are all important to them. They are likely to be vegetarian or vegans, avoid leather, and lead an animal-conscious lifestyle.

**Outdoor Enthusiasts**

Outdoor enthusiasts enjoy camping, rock climbing, hiking, skiing and other outdoor activities. They respond well to products that minimize the impact of their recreation. Eco-gear, like Patagonia, is just right for the outdoor enthusiasts.

**Questions to consider:**

*Is it more important to market towards motivation than segmentation?*

*How does my marketing plan engage green consumer motivations?*

**Cause Marketing**

Deeply held values motivate consumers to seek and purchase green products. Cause marketing can be a great way to capitalize on these values and show solidarity with value-motivated consumers. Cause marketing is when for-profit and not-for-profit companies join in a marketing goal. This is different from corporate donations because the organizations present themselves as working together, while donations usually represent a portion of net profit. Once considered a short-term promotional tactic, cause marketing is now viewed as a long-term marketing strategy.

Cause marketing follows the trend of marketing with values rather than with product or personal lifestyle. It takes the product offering beyond solely consumer benefit and provides a benefit to the consumer’s values. Of American aged 13 to 25, 89% would switch brands to support a good cause while 79% of all consumers would change.
An important process in cause marketing is choosing an organization to partner with. This choice can be made informatively by applying green interests driving consumer purchases. For example, if your consumers are driven by a love for animals, an organization such as the World Wildlife Fund would be a potential partner.

A 2010 Cone Cause Evolution Study found 5 tips for cause marketing:

- Allow the consumer to select their own cause
- Ensure that the cause is relevant to both the consumer and your business
- Choose an established not-for-profit for a trusted partner
- Provide incentives for involvement like saving time or money
- Provide emotional incentives, such as alleviating guilt or feeling like they are making a difference in a larger cause.

An example would be Endangered Species Chocolate Bars. A company touts themselves as being “Indulgence for a Cause” with each flavor supporting a particular species and brandishing that species’ image larger than anything else on the package. The company then gives 10% of net profits to organizations that support biodiversity. With this partnership, consumers can indulge and support a cause rather than feeling guilty about the indulgence.22

Questions to consider:

What cause(s) are my consumers likely to support and see value in?

How will the marketing of a cause benefit my business?

Greenwashing

Greenwashing is the practice of making claims about the sustainability of your company without factual support. This phrase usage started in a 1986 essay about the hotel industry that promoted the reuse of towels to save the environment.23

On January 3, 2013 the FCC settled $1.26M in false labeling settlements over false labeling24. While it can be tempting to adopt a “don’t ask, don’t tell” policy when considering green claims, consumers’ trust companies that tell all and consumers don’t expect perfection.

23 http://www.dailyfinance.com/2011/02/12/the-history-of-greenwashing-how-dirty-towels-impacted-the-green/
24 http://www.ftc.gov/opa/2013/01/bamboo.shtm
The following chart shows what happens when an organization is determined to have greenwashed. Consumers will stop buying the product and this trend has increased in the past years. This market trend is a warning to those companies who find greenwashing to be alluring.

A Sustainable Brands article speaks to four important takeaways concerning mislabeling.\textsuperscript{26}

- The Federal Trade Commission is serious about warnings that it issues and expects that companies make changes.
- Making claims without proof can cause problems for your company and other businesses in the supply chain that also uses the information that your company provides.
- Be prepared to provide the proof behind your claims. It is best to have the data that will prove your claims before you make the claims, as the FTC might move faster than a company can collect proof, especially if you start your efforts after an investigation has started.
- A brand must confirm that it is working with a federal agency, as scam artists take advantage of small businesses by posing as federal agencies.

Six common ‘sins’ that can be avoided concerning green marketing have been listed by marketing professionals.\textsuperscript{27}

\textit{The Hidden Tradeoff}

The hidden tradeoff illustrates green claims by only using a single attribute of a product. An example is that of recycled paper. Claiming the paper to be green because it was recycled is a

\textsuperscript{25} \url{http://www.prnewsonline.com/wp-content/uploads/2013/04/ConeGreenChart.jpg}
\textsuperscript{26} \url{http://www.sustainablebrands.com/news_and_views/articles/bamboozled-four-key-takeaways-ftcs-recent-crackdown}
\textsuperscript{27} \url{http://cms3.tucsonaz.gov/files/ocsd/6_sins_Terrachoice.pdf}
hidden tradeoff if the manufacturer does not take into account the other environmental aspects of production.

No Proof

No proof is a claim without verifiable proof or third party verification. If you have a claim such as ‘contains recycled content’, it is important to say how much of it is recycled and have your claim verified by a third party.

Vagueness

Vagueness is employed when the terms used to market are patently vague or broad so that the true meanings of the terms are likely to be misunderstood by the consumer. Claiming that a product is all natural or green isn’t always enough. There are plenty of toxic “All Natural” substances — such as arsenic.

Irrelevance

Irrelevance is created when a company markets an item with claims that have no bearing or importance. Claiming that a product is “CFC-free” is irrelevant because CFC’s are already illegal and to do so merely distracts the consumer from purchasing a greener product.

Lesser of Two Evils

A slight greening to a product that is unsustainable is not acceptable. Offsetting the carbon from a car race does not negate the massive use of fuel at the race. Claiming that beef is raised with less water than its competition forgets that beef is a large cause of the environmental issues of the day.

Fibbing

Simply put, fibs are claims that are just not true and labels that are not earned.

New Greenwashing Info²⁸

The current greenwashing standard goes beyond environmental marketing claims common in the later 20⁰ Century to encompass representations concerning industrial green technology. Though the focus has changed, the definition of greenwashing has not changed and still concerns itself with false or misleading claims of purported environmental benefits of a good or service. Expanding the context of greenwashing allows the consumer to recognize true green products or services and understand the impact greenwashing creates within the green technology movement.

In expanding the context of greenwashing, new results abound. We have seen a rise of breach of contract and warranty lawsuits, eco-mark infringement cases, and fraud cases. In the

matter of contract and warranty lawsuits, these disagreements arise when a greenwashing event claims a benefit or result of a product without definitive information supporting that conclusion. Eco-mark infringement is merely companies suing each other concerning the manners in which products are released, created, or marketed. Fraud is connected with the “Fibbing” standard above and occurs when a company makes an outright lie concerning some aspect of the product.

The implications of such lawsuits are dire for companies as punitive damages can go into seven figures. However, these hiccups are easy to avoid. One merely needs to market their product or service truthfully and without misleading statements.

**Barriers to Green Buying**

Three barriers to green buying exist. Each of these barriers can be avoided, but must not be overlooked.

**Availability**

Consumers are constantly looking for the most convenient option. This desire can explain superstores such as Wal-Mart. Home Depot was able to sell a large amount of eco-products because of the availability and mass marketing. Concurrently, online stores experience high sales because consumers are able to shop and gather all products at once, which may lead them to purchasing more eco-products due to convenience.

**Understanding**

Currently, many consumers do not understand the benefit of more ecologically friendly products or services. To ameliorate this, sellers must explain their product’s benefit in a manner which is easily understandable to the consumer.

**Cost**

In perhaps the most important barrier, the increased cost of green products leads many consumers to purchase less expensive products. To overcome this hurdle of higher cost, a company should be readily able to show the consumer the quality of the product or service warrants the higher price.

**Questions to consider:**

*How will I convince my consumers that green products are worthwhile?*

*How much effort do I need to put in to reversing negative perceptions about green products?*
A simple way to increase product or service credibility is to achieve green certification status. To achieve this, an independent third party affirms your business practices conform to the appropriate green standards. These can be specialized, such as the Forest Stewardship Council or LEED status, or general, such as Energy Star certification. Gaining certifications help to alleviate fears of greenwashing and build brand equity.

Completing the proper certification for your business will incur costs and require adapting operations to fit certification parameters, but this process should only be undertaken if your business is already performing closely to or within certification parameters, meaning adaptation does not require overhauling your business’ entire process.

**Questions to consider:**

*How does a certification make my company more credible?*

*Is the certification meant for business to business or business to consumer credibility?*

*Is my company using best practices in all areas?*

The integrated bottom line reporting method is quickly becoming the standard for reporting on the social, environmental, and financial progress of a company. By expanding the annual report to include the full impact business operations, your company communicates a commitment to sustainability.

Although integrated reporting is a natural step towards sustainability, this is often more difficult than expected. Capturing the full environmental impact of your firm involves calculating greenhouse gas emissions, utility usage, as well as that of your suppliers. Social impact can be similarly difficult to gauge. Though there are plenty of examples of large companies reporting integrated bottom lines, there are also well-established systems to help individuals understand impact.

While some firms are concerned integrated reporting will increase liability or hurt reputation, merely collecting and measuring this information is the first step towards

29 [http://korny.uni-corvinus.hu/angol/cem-zgy/st_makeuparticle_no2.pdf](http://korny.uni-corvinus.hu/angol/cem-zgy/st_makeuparticle_no2.pdf)

improvement and efficiency. Once data is gathered, reporting can help to show that your business is committed to becoming green. Consumers appreciate the transparency and commitment to improvement.

**Questions to consider:**

*What information should be featured in my reporting?*

*How do I show progress in a way that resonates with my consumers?*

**Green Commodities**

If your product is akin to a commodity, with many competitors of similar products with similar prices, green can be the differentiating factor that captures the attention of the consumer.

For example, if you are selling Windows compatible computers at a similar cost to competitors, greenness is a positive differentiating factor. If you are the only green company out of many, you are likely to capture existing deep green consumers, but also deep green consumers currently buying from competitors. Light green consumers will also begin to consider your brand if the quality and price are similar. If the market is large enough and offerings are comparable, the ‘first mover advantage’ can be exploited, allowing your business to gain considerable brand awareness and equity.

If the products are similar, differentiation between levels of greenness becomes poignant. With this case, the computer might be the same, but the business behind it might have different environmental and social initiatives. Issuing an integrated report or reducing and offsetting carbon emissions may be enough to make your brand unique. The computer is the same, the company is leaner and greener, and the brand is stronger.

**Conclusion**

Green marketing is quickly becoming essential to consumers as the trends of connectivity and transparency are giving consumers unprecedented access to information of a company’s internal workings. This information creates the ability to look at perceived alignment of values between the consumer and the company. Additionally, integrated reporting becomes important to greening operations and communicating these changes.
Consumers want greener goods from greener companies. This focus on sustainable values has superseded a focus on product, lifestyle, and many other previous marketing methods. Consumers buy green for a reason. Companies need to understand what motivates the consumers so they can align their operations and communications to emphasize these values. True success comes not just from using a green message, but from applying all of the wisdom from the marketing discipline.