



# THE (RE)GREENING OF AMERICAN BUSINESS

by Jerry Gelsomino

Office Depot has reached a 10.1 percent absolute reduction in carbon dioxide emissions from natural gas and electricity consumed in its North American retail stores, warehouses, and offices by installing more energy-efficient technology.

Toyota announced that the company is working on a plug-in version of the popular Toyota Prius hybrid vehicle.

American Airlines, the world's biggest airline by passenger traffic, is preparing a marketing campaign next month to show off its green side.

Three Walt Disney World resorts have been added to the Florida Green Lodging Program. To achieve this recognition, the hotels have instituted programs to conserve water through towel and linen reuse and low-flow toilets, faucets, and other fixtures. The hotels also conserve energy with programmable thermostats, indoor and outdoor lighting sensors, a computerized energy management system, and high energy-efficient lighting.

It seems that recently, more and more companies are not only becoming more environmentally conscious, but also promoting their ecological activities more aggressively.

I'm not sure if it all started with that book and movie by Al Gore, or seeing those students strapping themselves to the bases of trees to protect endangered forests—but within the past six to eight months, the environment has become a featured tactic of corporate brand imaging and promotions.

In some cases, bad press or getting caught "dumping on the environment" has caused companies to suddenly become good citizens of Mother Earth. But this seems less and less

the reason for their turnaround. Instead, companies are finding that it is good business to act responsibly and create sustainable processes for the materials and energy they use—and to let their customers know about their efforts.

## SURVEYS SHOW GREEN IS IN

In May, a Landor Associates survey found that eight out of 10 American consumers believe that it is important to buy from green companies, and that these consumers are willing to spend more to do so for items like energy-saving home appliances. Compare these results with last year's survey, which found 58 percent of respondents uninterested in whether a product or company was green.

With these kinds of swings going on in the marketplace, isn't it time for companies supplying products and services for retail environments to also take a look at how we act—and how we market our actions?

Now let me first say that the jury is out as to whether consumers are willing to pay a premium for eco-friendly goods, or if they want these items competitively priced against current supplies. In the recent past, the tree-huggers believed they were doing their part to support environmentally responsible companies by paying a bit more for their goods. As green has gone mainstream, price hasn't had as much resiliency.

Secondly, some of us have been here before. About 10 years ago, the Institute of Store Planners formed the Retail Environmental Action Committee (REAC). Modeled after the American Institute of

Architects' Environmental Committee, the plan was to gather, catalog, and distribute information to designers about environmentally friendly products appropriate for use in stores. The committee dissolved for lack of participation and interest.

Anyway, that was then.

Today, the airwaves and, more importantly, the Internet are filled with information and ideas on how companies like yours can market your green-ness.

"Focus on customer benefits, i.e., the primary reason consumers buy eco products in the first place," says Jacquelyn A. Ottoman, president of J. Ottoman Consulting Inc. in New York City. With this in mind, Ottoman shares her "Rules of Green Marketing."

- **Be aware of and concerned about the environmental issues that your product addresses.**
- **Make customers feel that by using your product, they will make a difference.**
- **Believe your claims.** If your claims are intangible or misleading, can you really put your passion behind them?
- **Be sure that your product works as well as non-green alternatives.** Customers demand this, as well as comparable pricing.
- **Determine if customers can afford any premium options offered.** The more you offer, the more customers may be willing to pay.

Of course, it isn't always possible to establish green business standards, depending on products and materials. And it is even harder to establish a green posture if your product or process is less than eco-friendly. Here is my suggestion: Look at other things you can affect. How about reducing the

overall energy usage in your plant? Can you convert some of the transport of materials and staff from lift trucks and golf carts to bicycles? What about waste and recycling? Aren't there ways that you can increase the yield of the raw material you use, or find innovative alternate uses for the remnants left over from the original job run?

Most consumers of commercial-use products will give you credit for initiating a green effort in your company. But be sure you don't get caught "green-washing," a term used to define a company that is making false claims and not really driven by a true, deep commitment to green issues.

Finally, two more signs that green is everywhere.

Last year, Timberland created a "green index," which lists the amount of energy expended to make a particular line of shoes. This concept is now being shared with competitors.

And even Barbie is going green. In the August issue of *Fast Company* magazine, a two-page spread explained how the world-famous doll is having her packaging redesigned to remove plastic, wire, and staples. This is being replaced with die-cuts and scenery backgrounds that kids can keep and play with; they're just as important as the product itself.

So let's get with it—where does your company stand? ■

Jerry Gelsomino is vice president of marketing and brand experience at Pratt Corp. in Indianapolis, a member of the National Retail Federation's Associate Member Advisory Committee, and the international vice president of the Institute of Store Planners.