

Eco-Logos – Leverage or Lightning Rod?

Global warming poses a challenge to marketers in a host of industries, including (but by no means limited to) energy production, aviation, transportation, logistics and manufacturing. Companies and products in categories that touch climate change directly are, or soon will be, subject to intense brand scrutiny. These marketers face pressure to position products and brands as part of the climate-change solution, even before the scope of the problem is well-defined. For many, it's tempting to establish "green" credentials and literally wear them as a badge of honor, in the form of an "eco-logo" – a choice that's rich with both risk and reward.

Given the uncertainty, confusion and volatile emotions surrounding global warming, many brands are perched uncomfortably on the fence, awaiting the inevitable moment they are called upon to take a public position on the issue. A few high-profile companies, however, have already attempted "eco-branding" with varying levels of success, using a variety of strategies and tactics. So even at this early stage in the debate, there are lessons to be learned that impact how marketers approach the "eco-positioning" of their brands.

One way marketers are seeking to establish their green credentials is by creating symbols and logos that attempt to reinforce claims of environmental responsibility and/or sustainability. Until everything shakes out and standards that define what "green" really means are established, this can be risky business. The following thoughts, drawn from industry debate, look at how **business-to-business marketers** are attempting to define their brands' roles in eco-marketing with the help of symbols and eco-logos.

The Meaning of Green in B2B Marketing

Companies racing to prove their environmental and energy-sustainability credentials search for value in shades of "green." Is it about reducing energy use? By how much? Or is one's carbon footprint more important? Is it about reducing the use of all energy or just fossil fuels? And where does sustainability fit in?

Ironically, the more "green" is used, the less it seems to convey anything specific. And no wonder. The issue is complex and the U.S. lacks an agreed-upon code of "green" standards. A green, sustainable brand has to stand for something, but too many companies cobble together small, unrelated gestures



toward the environment, from employee Earth Day tree plantings to a minor product enhancement they hope will represent a fully branded eco-position. The result is often a campaign fronted by a slick logo rather than a meaningful top-down strategy for sustainability.

Such piecemeal efforts can make green claims quickly start sounding like legal briefs, laced with qualifiers and caveats that force communications managers to try to work magic, by integrating complicated, hard-to-articulate statements into advertising and other branding activities. No wonder many marketers start searching for a picture that can speak 1,000 green words. One could forgive them for dreaming about an icon or logo that could encapsulate or give meaning to a complicated stance – but even the prettiest logo or icon cannot cover up incoherent or inconsistent “green” messaging.

In fact, use of symbols or logos to enhance an environmental brand position can magnify the difficulty of creating a green identity. We look at some of the issues here.

Issue #1: But a B2B audience is different, right?

You’d think creating a logo that conveys “green” in a business-to-business marketing program would be easier than creating one with consumer appeal, right? After all, you’re talking to businesses that are hopefully interested in using your product to make profits, and there are no fickle consumers to satisfy. However, as soon as any organization seeks to make environmental or sustainability claims, the game changes. Audiences abound.

Companies need to be prepared to defend their positions to environmental groups, the local community, and even watchdogs who denounce “green washing” – exaggeration or fabrication of environmentally sound practices – using criteria all their own. Because any verdict they render or opinion they offer can find its way to YouTube, blogs, Facebook and other online venues, there’s no such thing as “business-to-business” environmental marketing. Say the word “green,” and you’re talking to the world.

Also, your industrial customer on Tuesday becomes a consumer on Saturday. Businesses can’t assume that even their most ruthlessly profit-driven customers won’t hold them to high standards. Sustainability claims may matter most to investors and potential top-level employee recruits, who have reason to compare one company’s performance against another’s.

To all these audiences, a green logo or icon will be a lightning rod. Assuming it means something and is backed with tangible evidence that can stand up to inevitable scrutiny, an icon better hold to everyone’s idea of what “green” means.

“Anytime you stick your neck out on a topic like this you run the risk of criticism on intent and cynicism on execution.”

— Jeffrey Immelt

Issue #2: Just whose rules do we play by?

An environmental logo can be a stamp of approval – provided it comes from someone who matters. Several European nations, for example, take environmental issues so seriously that they have established their own standards and stamps of approval that qualifying companies can use in labeling and collateral. Countries from France to Hungary have their own eco-labels, and the Eurozone has one as well, which sends a clear signal to consumers and procurement managers in certain product categories. In March 2008, Canada announced that it is tightening guidelines for environmental advertising, while the FTC in the U.S. is in the early phases of studying how to define packaging guidelines. In the absence of true standards, individual American businesses seek to make their own green logos and their own sets of rules. The result is that audiences are confused and skeptical.

With every new environmental claim, the confusion and skepticism grows. In efforts to be transparent, companies try being open about what they're spending or how much of their revenue is generated by new environmental policies. They are often faulted for the tiny percentages these programs yield.

- GE has put millions behind its well-known ecomagination campaign. The company has technologies that can actually improve energy use and environmental sustainability. But as its sales figures are made public, is its 8% of sales for these products enough to withstand public criticism?
- Ford has been accused of “green washing” by noisy activist groups who decry the automaker’s low overall mpg as it embarks on ad campaigns that promote energy independence and use of alternative fuels.

Many companies are just taking their first environmental baby steps, but are making a big deal about their efforts. The intention to become responsible isn't the same as success. No one has invented the rule about when it's acceptable to declare oneself green, much less worthy of a special logo for it.

- FedEx committed to hybrid trucks as a way to reduce its greenhouse gas emissions. Yet *Business Week* noted in October 2007 that “FedEx has purchased fewer than 100 hybrid trucks, or less than one-third of one percent of its fleet.”

Issue #3: Is an eco-logo worth the trouble?

Symbols are powerful identifiers and eco-logos are increasingly popular – but when considering investing in a logo or symbol to reinforce your eco-claim, you should balance its value as a marketing tool with the attention it will undoubtedly generate from aggressive skeptics.

As with any investment, the payoff can be worth it, but no one can consider a green logo a crutch as they continue to work their way toward getting their story straight.

Consider the three ingredients of an effective marketing logo – green or otherwise – and their implications for the savvy eco-marketer, as identified by Jacquelyn Ottman, author of *Green Marketing: Opportunities for Innovation*:

Recognizability. Eco-logos can reinforce green messages, a welcome benefit for sure. But of the myriad eco-logos on the market, only a few are known to consumers. They consist of the “chasing arrows” recycling logo, the **ENERGYSTAR seal** of energy efficiency, USDA’s **Organic logo** and TransFair’s **Fairtrade certification**; after that, recognition drops off significantly.

Credibility. The more trusted logos are granted by an independent, disinterested third party. For example, logos promulgated by government organizations like the EPA and USDA make the cut. Same goes for the nonprofit Forest Stewardship Council’s FSC certification for sustainably harvested wood, which tends to be better received than the SFI certification put forth by the Sustainable Forestry Initiative, an industry trade group.

Some critics point out that manufacturer-sponsored logos may be unintentionally misleading, suggesting that “certification” comes from an independent third party, rather than the manufacturer or retailer looking to sell product.

Comparability. The carbon labeling system from *Ethical Corporation* magazine is provocative for sure – wouldn’t it be great if all products came with the carbon equivalent of an environmental nutrition label! But standards don’t exist for measuring a product’s carbon footprint and, until they do, any one product offering can’t be adequately measured against its peers. Again, grounds for confusion.

So, what is a marketer to do?

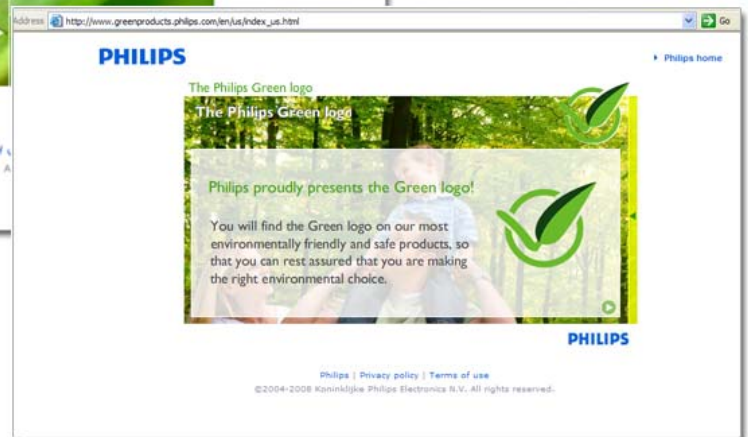
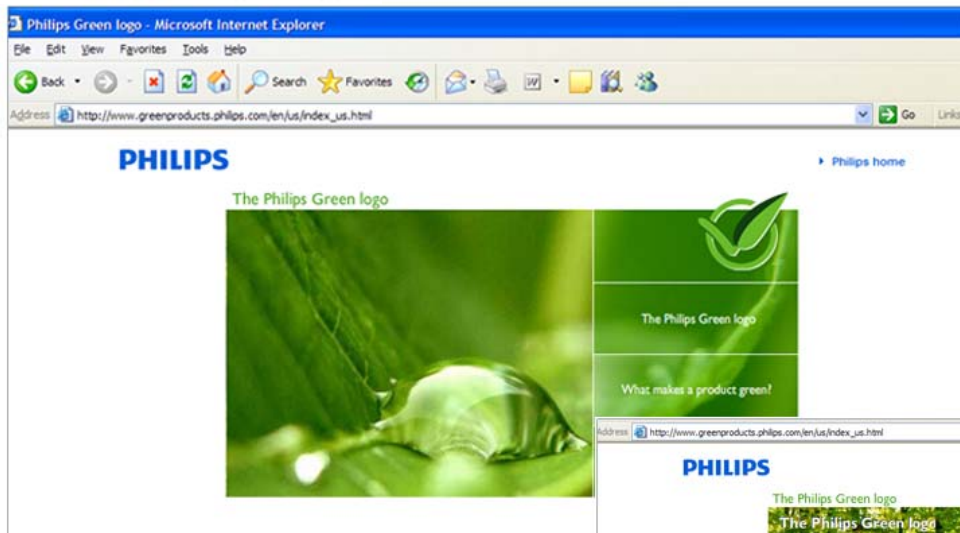
Obviously, there is a lot left to shake out, and, until clear guidelines are established, marketers who want to claim credit for bona fide advancements by developing a symbol or logo should consider the following thoughts:

- Avoid flimsy claims that stretch the truth or cannot be solidly backed up with tangible proof – proof that you can make publicly available immediately.
- Consider the possibility that a well-recognized certification and stamp of approval from a trusted government agency or other third party might be all the visual expression you need to proclaim your commitment to the environment.
- If you do opt for an eco-logo, make sure it’s distinctly different from independent verifiers’ stamps and logos, to avoid customer confusion about the claims you are making.

- Use a transparent process for measuring your brand’s environmental footprint, and make it freely available. If you can’t explain your process clearly and succinctly, you probably should not attempt to build branding around it.
- Be as concrete and results-oriented as possible when staking your environmental claims and depicting them visually. Avoid the temptation to try encapsulating a broad eco-mission statement or, worse, a declaration of environmental intent, in hopes it will provide a green halo. It won’t insulate you from scrutiny. Carefully and modestly state and craft your claims – then be sure to over deliver.
- Ensure that partners and customers in your sales channel understand the position you are taking, how it will benefit them, and how they should use it in their interactions with their customers.
- Make training and educational tools available to ensure that all constituents are using the same playbook. Good channel communications will ensure effective and consistent usage.

Mintz & Hoke is a full service, marketing communications group that develops and implements integrated programs that nurture, defend, motivate and glorify brands throughout distribution channels and at every stage of the selling cycle. We call our approach business-to-channel communications – it’s all about helping clients make the complex sale happen. Mintz & Hoke Communications Group, *help clients win.*

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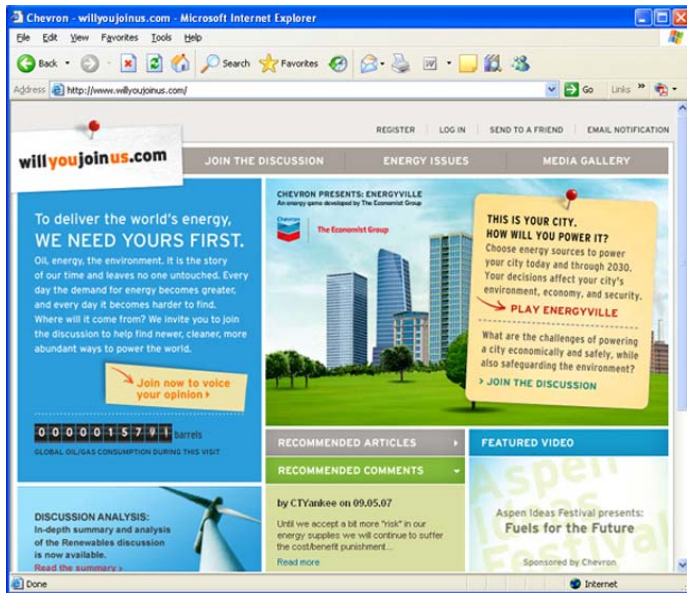
Philips created its "Green Tick" eco-logo to identify products certified by external auditors to be 10% more efficient than comparable products.

The logo is explained on a dedicated micro-site and links to asimpleswitch.com, a website promoting Philips advocacy position, corporate sustainability initiatives and a broader innovations story.

Chevron's Human Energy™ campaign is an attempt to place itself at the center of the on-going global debate rather than providing any specific promise or solution. It's cleverly presented on a fulfillment website.



The campaign acknowledges that while humanity needs alternative energy sources, it also still needs fossil fuels, and never uses the terms global warming or climate change.



Chevron is acknowledging the inevitability of public scrutiny and it is likely that activists will dismiss this as yet another example of greenwashing. Chevron seems to be hoping that the campaign will address the large percentage of investors and public that represents the great middle ground.



ecomagination™
a GE commitment

Although it represents a tiny percentage of overall revenue, GE's ecomagination™ initiative spearheads its massive corporate brand campaign and provides GE with a green laboratory in which to explore and invest in new products and technologies.



A pragmatic and publicly stated "green is green" approach may be its strongest tool in overcoming skeptics and placating investors.



beyond petroleum®

British Petroleum, earned first mover advantage by creating a new brand identity and a highly visible, critically acclaimed campaign positioning itself as a company totally dedicated to investing in a new energy future.

BP's huge emphasis on green could yet backfire, as reality has lagged perception and critics' focus on the fact that the majority of BP's revenue is still derived from petroleum.

Critics are debating – is this the proactive effort of a responsible corporate citizen to build awareness of renewable energy sources?

Or, an attempt by world's second largest petroleum company to whitewash its role in the negatively perceived oil industry?

Biofuels, solar, hydrogen, natural gas. We think it's important to diversify, too.

Building a diverse portfolio is one way we're investing in the new energy future. Over the last 5 years, we've invested \$30 billion in U.S. energy supplies, like cleaner burning natural gas. We're investing up to \$8 billion over ten years in solar, wind, natural gas and hydrogen to provide low carbon electricity. And, we're expanding our longtime involvement in biofuels, investing \$500 million to bring the next generation of biofuels to market. It's a start.



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