

Green Marketing Gets Real

The **WHY** the **WHAT** and the **HOW** of sustainability communication at point of purchase

WHY

WHAT

HOW

Green Marketing Gets Real is practical tool published by **Industry Canada and Stratos Inc.** to help Canadian retailers and producers of consumer products better understand, plan for, and capitalize on sustainability communication at point of purchase. Based on the results of a study that investigated the practices of seven leading companies, **Green Marketing Gets Real** provides practical advice and techniques to help companies determine the Why the What and the How of sustainability communication.

Study Participants:



KEY Study Lessons

Sustainability communication at point of purchase is both growing and maturing. The markets for sustainable products are seeing strong growth. Consumers are demanding more sustainable products and more information about these products in order to make informed purchasing decisions that are better for the environment, society and their health. Leading companies are responding to this demand and evolving point of purchase communication approaches as they test a range of methodologies, and standards and best practices emerge. Innovations in point of purchase sustainability communication include:

AVEDA Putting performance before communication

Aveda, a US-based manufacturer and retailer of consumer products (beauty), ensures strong product performance in function, quality and sustainability before communicating these results to consumers.

P&G Linking product and sustainability performance

P&G, a US-based manufacturer and marketer of consumer products (personal care and household), developed Bounty "select-a-size" paper towels to reduce consumption by offering flexible sheet sizes. Point of purchase communication focuses on performance, rather than associated sustainability benefits.

M&S Simplifying sustainability communication at Point of Purchase

Out of 100 corporate sustainability commitments ("Plan A"), **M&S**, a UK-based retailer of consumer products (apparel and food), only communicates about five at point of purchase. Detailed information and progress reports on all 100 commitments are found on the program's website.

Boots Engaging consumers to reduce impact

During an analysis to determine the total carbon dioxide (CO²) emissions caused by the production, transport and use of its shampoos, **Boots**, a UK-based retailer of consumer products (health and beauty), identified use as the major contributor to lifecycle emissions. They have launched a point of purchase campaign to encourage consumers to wash their hair at a lower temperature, thus reducing emissions.

Timberland Assuring sustainability claims

Timberland, a US-based manufacturer, marketer and retailer of footwear and apparel, has made public the methodology for their "Green Index Label". Scores are assessed by Timberland's Environmental Development Team and the approach is validated using an internal audit team and stakeholder engagement.

Walmart Sustainability Index - An Innovation in point of purchase Communication

Walmart has announced the development of a worldwide sustainable product index which will provide a "single source of data for evaluating the sustainability of products". Sustainability information will be conveyed via a simple, consumer friendly and comparative rating scheme.

Did you know? Prior to making a purchase, a typical consumer first recognizes a need or dissatisfaction, gathers information about products that might fill this need, and then evaluates their choices. Communicating with the consumer about sustainability might encourage a consumer to realize their dissatisfaction with less sustainable alternatives, or help a consumer make a choice between products with similar purposes.

Point of Purchase Communication Media - A wide range of media can be used in various combinations to communicate with consumers about sustainability at point of purchase. Media used by study participants include: labeling, packaging, posters, displays, staff interactions, and catalogues.



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STRATOS

Stratos Inc. is a leading Canadian sustainability consultancy based in Ottawa and Calgary. This tool is divided into four sections: Key Study Lessons and the WHY the WHAT and the HOW of sustainability communication at point of purchase. The full study, including case studies on each participating company, can be downloaded at <http://www.stratos-sts.com/insights/sustainability-reporting-and-communication.html>.

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WHY Companies Communicate about Sustainability at Point of Purchase?

Leading companies are responding to consumer demands for sustainable products and for more information about these products. As they do so, they are recognizing the positive benefits associated with sustainability communication. They also recognize that for communication to be effectively delivered and corporate benefits maximized, business objectives for sustainability communication at point of purchase must be set. Study participants are setting the following objectives for their sustainability communications at point of purchase:

Business Objective

Study Example

Strengthening brand relevance and trust

AVEDA

By communicating its products' sustainable attributes, **Aveda**, a US-based global manufacturer and retailer of consumer products (beauty), is able to enhance its brand image associated with natural and organic products.

Delivering on consumer expectations for sustainability performance



As a provider of pharmaceutical products, corporate trust is fundamental to **Boots**, a UK-based retailer of consumer products (health and beauty). Communication on sustainability efforts builds that trust by demonstrating Boots' sustainability performance.

Creating enduring relationships and engaging consumers in sustainable change



When **M&S**, a UK-based retailer of consumer products (apparel and food), offered five pound coupons to consumers who recycled clothing with OXFAM, a non-profit organization who re-distributed the clothing to the needy, the redemption rate was significantly higher than when similar coupons were just mailed to consumers.

Differentiating products from standard offerings



MEC, a Canadian retailer of apparel and sporting equipment, developed a sustainability logo to inform consumers of sustainable product attributes and differentiate those offerings from peer products.

Increased interest in sustainable products can translate to growth in sales



Canadian Tire, a consumer products retailer, reports that sales of its **Blue Planet** "environmentally preferred" product line are better than standard product lines.

Driving operational efficiencies



Boots, a UK-based retailer of consumer products (health and beauty), worked with Carbon Trust to assess the total carbon dioxide (CO₂) emissions caused by the production, transport and use (carbon footprint) of shampoos, revealing areas for operational improvements across similar products.

Improve the overall sustainability performance of a value chain and help meet corporate objectives



P&G, a US-based manufacturer and marketer of consumer products (personal care and household), conducted a lifecycle analysis and found that use of laundry detergent has the greatest energy impact of all its products, and so created Tide Cold Water.

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WHY Canadian Tire Communicates About Sustainability at Point of Purchase

Over the past ten years, **Canadian Tire**, a consumer products retailer, has seen growing public and consumer interest in "environmentally preferred" product options and considers both understanding and acting on this interest as critical for business success. Given the trust in the **Canadian Tire** brand, consumers expect the company to "do the right thing" and sustainability activities are pivotal in building long-term consumer relationships. Active point of purchase communication about sustainability reinforces this trust, meets consumer needs, and increases sales. In fact, the **Blue Planet** line is achieving sales growth that is greater than average when compared to other **Canadian Tire** product lines.

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Study Participants:



WHAT to Communicate About Sustainability at Point of Purchase?

Study participants communicate to influence consumer choice (by providing information about product attributes or corporate operational performance), or to drive consumers to take action (by providing information on product lifecycle or global and community issues). They communicate on a range of sustainability issues, the most common of which include:

- Climate change and energy:** lifecycle energy consumption, product carbon footprint, energy savings in product use
- Sourcing:** ethical and environmental standards applied in sourcing related to human rights and fair trade
- Chemicals:** product safety, natural materials, organic and excluded chemicals
- Water:** product water footprint, broader water quality and quantity issues

Making decisions about which issues to communicate is fundamental to sustainability communication at point of purchase. Participant companies agree that such decisions should be connected to corporate brand, business strategy and business opportunities, and should not be viewed as a public relations exercise.

Participant companies use the following approaches for determining which issues to communicate at point of purchase:

Approach	Description	Study Example
Strategic Performance Areas	Aligns sustainability communication with corporate strategic performance areas and associated objectives (e.g. climate change, chemicals, resource consumption) Secures executive/board buy-in	Timberland , a US-based manufacturer, marketer and retailer of footwear and apparel, focuses on strategic performance areas identified by a board committee and through external stakeholder engagement for point of purchase sustainability communication.
Stakeholder Engagement	Aligns communication with stakeholder expectations Interactive, allows for testing of messaging	Timberland
Lifecycle Analysis	Maps environmental issues and impacts against value chain Aligns communication with areas of greatest impact Identifies areas in which consumer and producer action would be most valuable Identifies baseline against which improvements can be communicated	M&S , a UK-based retailer of consumer products (apparel and food), used a lifecycle analysis to identify areas of greatest value chain impact and areas where consumers could take action.
Market Research and Issue Profile	Aligns communication with market expectations Provides detail by consumer segment/target markets Identifies areas where consumers want to take action, increasing consumer engagement and brand relevance	Canadian Tire , a consumer products retailer, used market research to identify carbon management as the area which consumers were most interested in receiving information/taking action.
		Aveda , a US-based global manufacturer and retailer of consumer products (beauty), often links its communication messaging to areas in which consumers are likely to take action to (e.g. using renewable energy).

WHAT Timberland Communicates About Sustainability at Point of Purchase

Timberland, a US-based manufacturer, marketer and retailer of footwear and apparel, uses a “nutritional label” printed on product boxes to communicate about:

Impact on the climate (i.e. use of solar, wind, and water energy to power factories)

Percentage of footwear that uses **alternatives to PVC** plastic (leading source of persistent toxic pollutants)

Total use of **renewable, organic and recycled** materials

Number of **trees planted** by the company in a given year



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HOW to Communicate About Sustainability at Point of Purchase

While companies vary in their approach to communicating about sustainability, the elements presented in the checklist below are consistent across study participants.

✓ Choose Communication Media

Study participants use different media to communicate sustainability information at POP. Some of the common approaches used include: labeling, packaging, posters, displays, staff interactions, and catalogues. All study participants used at least two of these media in their communication approach.

- ✓ **LABELLING** - Any type of symbol, image or wording describing sustainability attributes printed directly onto packaging or applied at point of purchase
Benefits include: high exposure time (consumer takes messaging home) and use as a driver of consumer choice
- ✓ **PACKAGING** - Refers to the composition of packaging (e.g. post-consumer material content; minimal wrapping)
Benefits include: concrete representation of commitment to sustainability
- ✓ **POSTERS** - Any signage used in retail space
Benefits include: high impact and flexibility (can be changed periodically), flexibility of location and can be tailored to reflect local interests, current trends or hot topics
- ✓ **DISPLAYS** - Any type of three-dimensional visual, may include product samples, contextual cues (e.g. window displays)
Benefits include: depth of information, flexibility of location and can be tailored to reflect local interests, current trends and hot topics
- ✓ **STAFF INTERACTIONS** - Conversations and product trials with trained staff, may be informal or planned conversations, demonstrations and/or workshops
Benefits include: depth of information, can be tailored to consumer and builds consumer engagement and relationships
- ✓ **CATALOGUES** - Booklets that provide detailed information about products provided in store to guide consumer product selection
Benefits include: depth of information, ability to compare products and can show performance ratings

✓ Develop the Message

Consumers are flooded with messages at the point of purchase. For sustainability messages to be heard and understood there needs to be:

- Clarity** on one to five key messages
- Simplicity** of language and concepts
- Real**, rather than abstract concepts
- Repetition** of messaging to reinforce awareness
- Concrete action** points for consumers

Study participants consistently identified simplicity and tone of messaging as key to the success of point of purchase sustainability communication. Consumers react adversely to a “preachy” or “finger-wagging” tone. Important aspects of tone include:

- Humility**
- Transparency**
- Credibility**
- Commitment to future action**
- Solutions-orientation**

✓ Ensure Message Coherence

Important sustainability communication messages can be lost or diluted if not supported by a coherent, store-wide experience. Key considerations include:

- Ensuring **staff** can speak with knowledge about the sustainability of different products
- Ensuring that **packaging** is appropriately optimized and designed with sustainability in mind
- Ensuring the approach to **high visibility** areas or items like catalogues, lighting, and displays are designed with sustainability in mind
- Ensuring store-wide rigor in **identifying impacts** (e.g. if one item is labeled as being air freighted, label all air freighted items)
- Maintaining **coherence** between communication channels including television, radio, print and web-based media

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✔ Engage Consumers

The more consumers are engaged in sustainability initiatives, the greater the sustainability impact and corporate returns in terms of brand value and consumer retention. Look for opportunities to engage consumers directly in improving performance and create feedback loops to bring consumers back to products and stores.

✔ Ensure Accuracy

Avoiding the promotion of false or misleading information is critical to ensuring credibility. Strictly apply guidance such as Canadian Standard Association's (CSA) "Plus 14021 Environmental Claims: A guide for industry and advertisers"¹ and "Environmental Product Declaration according to ISO 14025"². Also consider using internal and/or external experts and third party auditors to verify statements.

Study participants considered various levels of assurance including:

Data: Ensure the accuracy of the data being presented in sustainability claims

Language: Ensure that the language used in a claim is credible, objective, and easily identifiable and understood by consumers

Implications: Consider what is being inferred about the performance of other products

Examples of claims requiring justification:

Biodegradable	Low carbon
Carbon-neutral	Low-impact
Eco-friendly	Natural
Energy efficient	Non-toxic
Environmentally-friendly	Organic
Ethical	Pollutant-free
Fair	Recyclable
Green	Zero carbon
Not tested on animals	Zero waste

✔ Manage Performance

Communication on sustainability is most effective and credible when approached from a platform of strong operational and product sustainability performance. This ensures that a company does not engage in risky "green-washing"³. Companies should define a sustainability action plan to identify and drive performance improvements and consider action around technical fixes, product sustainability improvements, supply chain partners and consumer impacts.

Study participants consider performance improvement as a pre-condition of communicating sustainability at point of purchase.

Examples of techniques to improve sustainability performance include:

Using **lifecycle analysis** to identify opportunities for operational efficiencies and product improvements

Involving **supply chains** to improve both operations and the sustainability of products

Driving consumers to products with **improved sustainability** attributes

Encouraging improved consumer **use of products**

Improving consumer practices regarding **disposal and recovery** of products at the end of their life

Understanding and monitoring the success of **communication** activities (e.g. through metrics like sales, greenhouse gas emission reductions, and consumer participation rates)

HOW

HOW Mountain Equipment Co-op Communicates About Sustainability at point of purchase

MOUNTAIN EQUIPMENT CO-OP, a Canadian retailer of apparel and sporting equipment, applies a sustainability logo to products that contain organically grown cotton, recycled polyester, or are completely PVC-free

Signage throughout the retail space guides consumers (e.g. solar panels, environmentally preferable construction materials, etc.)

MEC-brand products are packaged using low material volumes and recycled content whenever possible.

The **MEC** catalogue (available in-store), delivers sustainability messages (e.g. a two-page spread called "**The Power of Choice**" highlights ways in which **MEC** and its consumers can make a positive impact on the environment)

¹<http://www.csa.ca/cm/ca/en/plus-14021-guide-for-industry-and-advertisers>

²http://www.egger.com/pdf/ZF_EPD_EGGER_OSB_EN_2009_Kurzfassung.pdf

³The act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service". TerraChoice. The Seven Sins of Greenwashing. April 2009.

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