7 Green Marketing

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■ Social marketing

To some extent, marketing's evolution over the past 20 years has matched consumers' shifting worldviews. Managers are also citizens and therefore reflect the wider society within which they operate - by and large they "do not leave their values at home when they arrive at work" (Hertz 2001: 179). Many companies' strategic reorganisation towards a triple bottom line approach reflects the holistic view that increasing numbers of people worldwide have developing regarding the function of business in society. In part, companies have applied this general zeitgeist in new century through social marketing, an umbrella term referring to the category of business activities of which green marketing is one subset.

The idea underlying social marketing is that companies should view customers not (only) as buyers of goods and services but also as citizens with obligations to society that they can partially fulfil through their purchasing behaviour. This means that companies should consider positioning their offerings in a way that will stimulate consumer-citizens' desire to act responsibly, while making it easier for them to do so by normalising the image attached to such behaviour. This approach is a real challenge for marketing specialists, since the brand images and customer messages that they craft will necessarily be much more complex than usual. Such efforts generally succeed only insofar as they appeal to sensitivities that consumers have developed, either by themselves or with suggestion from the brand.

As readers will know from their general marketing classes, in a traditional commercial relationship, a company will promote brands with which potential customers can feel comfortable while communicating messages whose arguments shape general purchasing intentions. The most common arguments traditionally speak to potential customers' sense of self-interest (material or other), promising them something that will appeal to them in different ways. In more concrete terms, this will depend on the particular product or customer segment in question. Thus, certain beauty (and health) products are sold on the promise that users will feel younger (Dove) or more attractive (Lux); cars promise that buyers will feel adventurous (Renault) or safer (Volvo); banks trumpet security (Santander) or special knowledge (HSBC); and clothing brands sell the idea that customers look sportier (Nike) or more elegant (Tommy Hilfiger). Potential customers are persuaded to look past the hurdle of cost because such promises make it worthwhile for them to part with their money. On occasion, they can be persuaded to switch from an older brand to a newer one. In this way, traditional marketing works on what macro-economists call people's utility function, measuring the satisfaction that people get from purchasing/ consuming a given good at a given price.

Utility functions are not absolutes, however, insofar as the value that a consumer segment attributes to an item during a particular purchasing situation will vary depending on a host of cultural, sociological, psychological and other factors – all of which will in turn by influenced by the zeitgeist epitomising the moment in question. Thus, the famous social conscience that broadly developed in the Baby-boomer generation that came of age in the 1960s will have impacted on this population's utility functions– especially when it came to combine its culture with the more material values of the 1980s (Vogel 2006). According to some analysts, the rise of 'social marketing' in general, and 'green marketing' is particular, derives from Baby-boomers' attempts to square this circle of ostensibly antagonistic value systems.

Trailblazers for this new hybrid positioning included Ben (Cohen) and Jerry (Greenfield), who as far back as the 1980s were already giving their ice cream products names such as "rainforest crunch" and using their corporate communications to diffuse socially and environmentally active messages. There was also the late Anita Roddick, founder of the Body Shop chain of ethical health and beauty products that derived much of its positive brand image from the profile it built in areas such as fair trade and animal rights. Indeed, many marketing analysts catalogue today's green consumers as a specific subsection of the 'Lifestyles of Health and Sustainability' (LOHAS) demographic. According to a benchmark website for this segment (www.lohas.com), Lohasians focus on "health and fitness, the environment, personal development, sustainable living, and social justice". These are disparate interests and although there are clearly some crossovers (in the sense of individuals being interested in more than one of these issues), LOHAS is too general a categorisation to be directly applicable to green marketing studies – after all, many consumers highlighting products' health benefits for themselves will be less concerned by its wider environmental implications. Insofar as environmental concerns can be englobed within the wider notion of social responsibilty, however, the term 'social marketing' is preferable as a broader porte-manteau descriptor for the kind of marketing that mobilises whatever trust consumers have placed in a brand to exercise social leadership and create change (Gibbons 2009).

Those with further interest in this approach to marketing can delve into a rich corpus of relevant text, starting with a seminal article entitled '*Social marketing*: an approach to planned social change' that Philip Kotler and Gerald Zaltman published in the Journal of Marketing in 1971. Literature sources range nowadays from websites in the form of academic reviews (www.socialmarketingquarterly.com/) to global networks of professionals (www.socialmarketers.net/) or parastatal bodies (http://thensmc.com/). Specialists will differentiate many subsets within this entire branch, with green marketing constituting one of the more dynamic variants.

Gibbons, G. (2009), Brands focus: Social marketing – The power of suggestion, available at www.ethicalcorp.com/, accessed 24 October 2010

Hertz, N. (2001), *The Silent Takeover*, London: Heinemann

Vogel, D. (2006), *The Market for Virtue*, Washington: Brookings

Eco-sponsoring

Another avenue for companies to promote their ecological concern is to affiliate themselves with groups or projects engaged in environmental improvements. In its simplest form, firms contribute funds directly to an environmental organisation to further the latter's goals even as they gain a 'halo effect' by publicising this support. An ancillary approach is when companies 'adopt' a particular environmental programme such as a community recycling centre or a biodiversity effort, because of the reputational capital they gain from this sponsorship. In a similar vein, companies implementing a "Madeleine" strategy (Klein 2001) where they seek to ingratiate themselves with potential long-term consumers by interacting with them already as children, may sponsor environmental education programmes, one example being the subset of the British retailer B&Q's Better Neighbour Grant where the company donates to local schools and similar bodies to enable them to purchase B&Q materials that can then be used to conduct urban gardening projects.

Eco-sponsoring is generally promoted as part of companies' wider social marketing efforts and can therefore be most usefully classified as a wholesale sustainability effort alongside similar initiatives that companies pursue in fields such as culture (organisation of events, often for younger or older sub-populations), sports (often giving deprived communities greater access to better facilities) or social problems (i.e. the RATP Foundation funded by the Paris Transit Authority to help vulnerable residents in their community or on company premises by offering shelter, soup kitchens, etc.). In reality, most of these other projects have been up and running for much longer than eco-sponsored initiatives, perhaps reflecting the environment's relatively recent arrival as a chief area of concern in the field of corporate responsibility. Another problem is that companies engaging in eco-sponsoring often run the risk of being accused of greenwashing if their actions occur in a field where the company may otherwise be accused of having caused damage. Along these lines and given the oil industry's (sometimes deserved) reputation for ecological destruction, it has stretched many observers' credibility to see companies from this sector sponsor certain green causes, with environmental NGOs such as Friends of the Earth, for instance, having pressured Shell to put an end to its sponsorship of the Natural History Museum's Wildlife Photographer of the Year prize in 2008. The sincerity of eco-sponsoring is a whole topic in and of itself.

Hence the rising number of bodies aiming to provide companies with advice on how they might use eco-sponsoring without incurring negative reactions. On one hand, there is green marketing author John Grant (2007), who writes, "Don't brief an agency to create inauthentic and self-interested ads…get your chequebook out and sponsor/support/adopt relevant social ventures and campaigns". In his opinion, a number of leading corporate names do exactly that, with his list of companies "who get it" including Google. HSBC, Nokia, Ikea, Innocent, FritoLay, Timberland, Walmart, Cisco, IBM, Toyota, Virgin, M&S and Interface. On the other hand, there are numerous NGOs advising companies on how they might best sponsor environmental sustainability. On one such website (www.earthwatch.org), eco-sponsoring type actions are subdivided into stakeholder involvement (learning forums, performance reviews); employee engagement ("identifying environmental champions of the future"); environmental research ("support emerging scientists"); community investment (education and youth programmes); and marketing and philanthropy (events, publications, websites, awards). The net effect is a growing self-awareness of the eco-sponsoring branch, which is starting to view itself as a fully fledged sub-division of green (and more broadly, social) marketing.

Grant, J. (2007), *The Green Marketing Manifesto*, John Wiley & Sons

Klein, N. (2010), *No Logo*, Flamingo

Revision tips

- There is a basic conflict between environmentalism's less materialist values and other definitions of consumer longing that are more financial/consumerist in nature. This explains the scepticism surrounding green marketing, which remains the exception, not the rule: because it does not correspond to most consumers' utility function; and because it can lack credibility (greenwashing). Nevertheless, this is a growth sector.
- Marketing always occurs in context, i.e. what consumers find relevant varies in time and place. Historical analysis reveals rise in cause-related/social

marketing (of which green marketing is a subset) as expression of different zeitgeist and in reaction to milestone events. Analysts cannot agree on profile of stereotypical green consumer (in terms of age, gender or income) but there is some evidence that the ascetic reputation commonly associated with green buyers is inaccurate. LOHAS seems a better segmentation, although the profile may vary internationally.

- Green consumption intentions often do not translate into actual purchases. The first step is awareness of the product; remembering to look for it; finding it (availability); and actually buying it. The latter decision must overcome a dual obstacle since green products are generally more expensive yet benefit society as a whole as much if not more than the actual purchaser. The life-cycle costing (LCC) argument is also difficult to formulate. Lastly, there is a credibility issue also, especially when companies are 'pushing' new product at consumers instead of being pulled in by their demand.
- The credibility of a product offer will depend on what kind of green product is involved: one that produces no direct green benefits but is made according to green principles; one whose green benefits are realised by the end user during the act of consumption; or one that simply minimises packaging and waste. B2B and B2C green products should be differentiated. The former have an advantage since the professional buyers they target tend to be more amenable to LCC arguments.
- Green products generally trade at a premium due to their novelty value and higher production costs (lack of scale). There is a direct relationship between the size of this premium and people's willingness to pay. The larger the premium, the greater people's reluctance, although different segments' utility function can vary. In general, studies have shown that the green status by itself does not motivate buyers to pay extra – they prefer this on top of traditional value-for-money arguments.
- Green marketing often involves novel media and places (i.e. guerrilla marketing . 'clean advertising', shared platform experiences). A similar coherency is required between a marketing effort's defining itself and green and the vehicles used to promote this image. Green advertising is in its early stages with different uses being made of the same terms by companies seeking to affirm their new green identity or to achieve 'green redemption'. B2B promotions tend to highlight rational advantages (such as lower LCC costs) whereas B2C can be more emotive and focus on societal benefits. The exact tenor of the message depends on what the company is trying to achieve and its assessment of different markets' receptiveness to such messages.

Case study: Balancing priorities at BP

When most European consumers above a certain age hear the letters 'BP' (www.bp.com), they think of a multinational oil giant known for the first 80 or so years of its existence as British Petroleum. With a logo containing the company initials inside a badge, BP's unspectacular graphic image never communicated a strong message to the general public, which tended to view it as more of an industrial brand best defined by the major events marking its long history. Thus, BP was best known in the 1970s for the role it played in developing North Sea oil fields to replace reserves lost after the decolonisation of Britain's Middle Eastern colonies; the headline event during the 1980s was its takeover of Standard Oil of Ohio, a pioneer in the sector; and the 1990s were largely defined by its high profile mergers with companies Amoco, Arco and Castrol. By the year 2000, however, CEO John Browne was working on a new brand image for BP - one rooted in environmentalist thinking.

Browne's project was all the more exceptional given the hostile reaction that most oil executives had at the time to environmentalists and scientists' expressions of concern regarding a possible link between the burning of hydrocarbons like oil and climate change. BP could have followed suit, but in a keynote speech delivered at Stanford University in 1997, Browne explicitly acknowledged his sector's responsibility for global warming. Until this watershed moment, BP's reputation had been shaped, like all major oil companies, by the different ways in which it confronted the industrial and geopolitical challenges that it faced. By positioning itself in green marketing terms, the company was now differentiated from its competitors.

Within a few short years after Browne's bold statement, BP came up with a new logo that came to be known as 'helios', the Greek word for sun. Ostensibly, the new logo was an amalgamation of the graphic imagery associated with the different companies merged into the new BP Amoco group. In reality, there had been a decision by BP's Marketing Department's to create a visual representation capable of imprinting in consumers' minds the fact that the company was now facing up to its ecological responsibilities. BP's good fortune was that its existing logo already offered shades of green, with all the positive environmental connotations that consumers associate with this colour. It also featured the colour yellow, reminiscent of sunshine. This benefited the brand by evoking BP's growing portfolio of investments in the solar industry.

The decision was made that the BP initials would now stand for Beyond Petroleum instead of British Petroleum. Consumers found this repositioning all the more credible due to Browne's decision to make major investments in renewable energy. At a time when the general public was increasingly concerned about the ecological imperative, BP alone among the world's oil companies was viewed as doing something better.

Within a few short years, John Browne had resigned for personal reasons. The new CEO, Tony Hayward, criticized BP's renewables business for their comparatively lower returns – even though this is quite normal for investments in early phase infant industries of this kind. Hayward announced that BP's priority going forward would be to protect shareholder value and reined in the company's clean energy activities. By 2008, the renewables operation was no longer a standalone division within the group, having been downgraded to the status of a mere business unit (Mortished 2007). Then in 2009, the group announced that is was cutting 620 jobs within its solar activity portfolio (Macalister 2009). Environmentalists who used to laud BP now began criticizing the company for advertising exaggerating the true extent of its commitment to sustainability. The 2010 Deepwater Horizon catastrophe, when a BP-owned platform in the Gulf of Mexico exploded and caused an ecologically ruinous spill lasting close to three months, was the final nail in the coffin of the company's previously stellar marketing image. It will take years for this to be restored.

Macalister, T. (2 April 2009), 'BP sheds 620 jobs at solar power business', *The Guardian*, p. 26

Mortished, C. (28 February 2008), BP chief signals renewables profit drive, available at www.business.timesonline.co.uk/, accessed 3 May 2009

Case study questions

A. How had BP achieved its relatively benign environmental reputation prior to 2007?

B. Why didn't BP stick with this new positioning?

C. What is the outlook for BP's green marketing following the Gulf of Mexico disaster?

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Other references

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