

# Branding and the Environment

A Whitepaper

Organizations benefit by  
integrating corporate  
responsibility into their brands



## EXECUTIVE SUMMARY

Consumers are beginning to take environmental impact into consideration in purchase decisions. Businesses that demonstrate environmental responsibility have the opportunity to contribute favorably to their images while aligning themselves with their customers' wishes.

In order to get the full value out of green practices over time, companies need to let the public know what they are doing and why it matters.

Businesses becoming greener can add to their brand images by carefully selecting the right projects, telling people what they are doing and providing easy-to-understand feedback about their progress and how the consumer contributes by doing business with them.

We will use examples of greening from both the manufacturing and service sectors.

## INTRODUCTION

According to a 2007 Cone Consumer Environmental Survey, 93% of Americans believe companies have a responsibility to help preserve the environment.<sup>1</sup> In the near future, we can expect to see an increase in the degree of mandatory baseline requirements established by government; however, consumer-led market pressures are demanding faster action. Companies that make improvements now, while they are still voluntary, have the opportunity to brand themselves as responsible and forward thinking.

**Americans indicate the following factors would motivate them to pay more for environmentally friendly products.<sup>1</sup>**

Save money in the long-term	72%
Shopping convenience/readily-available	63%
Health and welfare of future generations	63%
Making a difference	58%
Health benefits	58%
Pressure from friends, family or community	22%

2007 Cone Consumer Environmental Survey. Cone LLC, May 24, 2007.

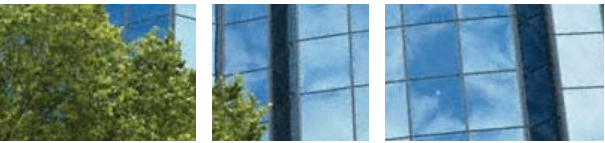
The Cone Survey also suggests that a significant portion of the public is willing to take a more active role in protecting the environment by voting with their dollars. An increasing number of traditional (for profit) companies are responding by undertaking green initiatives, partnering with non-profits, or finding ways to offset their emissions.

**Choose the Right Project** – Companies should begin by selecting projects that make sense for their business model and have value to their customers. In both manufacturing and service, initial green efforts can reduce operating costs; others will require an up-front cash commitment before payback.

Environmental responsibility is a general term that is used here to describe a broad range of causes aimed at protecting natural resources, the health of ecosystems and life. Much of the focus presently is on reducing the negative impact of our actions as consumers and businesses. In other words, we are attempting to “reduce our footprints.” No matter which of the following three broad categories are chosen (or combination thereof), results must be quantifiable.

**Direct Action** – Companies with opportunities for cost-effective improvements to their operations can choose to begin the greening process by cleaning up their own acts. Many businesses becoming greener choose to start with internal projects because:

- There is a probability of saving money by reducing energy and materials use
- Employees and managers can be directly involved
- It can directly improve corporate reputation
- Doing so allows for a more resonant market message – “Look what we are doing”



The following graphic represents the array of options that companies can approach when considering the adoption of a “greener” brand positioning.



**Piggyback** – Many small and mid-sized businesses without an immediate plan to clean up their own operations find cooperative efforts with a non-profit organization to be an option because it allows them to:

- Be a part of larger scale initiatives
- Piggyback on reputation and name recognition
- Make a bigger difference with a smaller budget

**The Downsides:**

- Someone else is doing the good deeds, not you
- Your name can get lost in a sea of sponsors
- Your contribution can be viewed as insignificant if it's too small relative to other supporters.
- If the activities of your company remain environment-unfriendly, many people will interpret the message as insincere

**Buy Someone Else's Efforts** – Companies can buy carbon offsets on the world market, but these are not broadly understood by consumers and can be perceived as a way of avoiding cleaning up one's own act.

**Additionality: an emission trader's albatross** – Affordability is the driving force behind the \$21.5 billion market for carbon credits, but a lack of standards is making it hard for buyers to determine the real value of their purchases.<sup>2</sup> The problem of additionality, proving that a green project and all of the associated benefits wouldn't have occurred without the sale of the credits, is the main obstacle facing retail offset providers.

Clean Air-Cool Planet, a non-profit organization, has recently published *A Consumer's Guide to Retail Carbon Offset Providers*, the first independent review of the group.<sup>3</sup> By scoring them in a layperson-friendly 1-10 scale, the group hopes to increase transparency and quality across the market as a whole.

If purchasing offsets or renewable energy credits seems like the best option for your business, carefully research the available providers and the products they offer. Be aware that even in a best case scenario, buying offsets won't convince everyone that your efforts are sincere — especially if local operations remain inefficient.

For branding purposes, companies should generally consider making internal improvements and/or partnering with non-profits before purchasing offsets or renewable energy credits, at least until the issue of additionality is settled by an accepted set of industry standards.

**Create Awareness** – Of course, virtue is its own reward, but it doesn't generate much buzz. In order for your environmental efforts to contribute to your brand image, you have to tell people what you are doing and why it matters.

The growth of independent organizations that are reporting corporate environmental behavior is an indicator that the public wants to know what companies are doing or not doing. An example of a new one is Climate Counts, a non-profit organization that scores companies based on their voluntary efforts to reverse climate change.<sup>4</sup> Easy to understand and use, [climatecounts.org](http://climatecounts.org) is helping environment-friendly consumers send a message to companies: that climate change is important to them. (Interestingly, the company will also help you send a literal message — an e-mail to the appropriate executives at organizations). Resources like this help conscientious companies get the recognition they deserve and make it difficult for polluters to remain anonymous, but for the moment, large players get most of the spotlight.

So, if you want the market to know what you are doing, you need to actively state your commitment and show your progress. If you do not work to establish your reputation, the marketplace will assign you one.

Companies should use all effective communications tools that they can afford to spread their message. But, the message must be true and free from exaggeration. A company does not want to be condemned for greenwashing, defined by non-profit CorporateWatch as "the phenomena of socially and environmentally destructive corporations, attempting to preserve and expand their markets or power by posing as friends of the environment."<sup>5</sup>

The best way to make sure your message is clear is to let people know results. Give them feedback.

**Provide Feedback** – The more clearly a business can demonstrate the impact that an individual effort makes, the more engaged and less skeptical customers become. Providing feedback to customers regarding the positive environmental impact of their involvement with your organization is absolutely critical when branding an environment-friendly product or company.

By adding an element of measurability to communications, feedback devices help customers make the transition from "XYZ Company is making a difference" to "I am making a difference". If by using your product, a consumer saves energy, water, or carbon over the "old way" or, better yet, over a competitor's product, tell them. Give them a virtual "pat on the back" and tell them how much they have contributed. Let them know that doing business with you is an easy way to help the environment.

Feedback devices work because most people don't have the time or inclination to think through the energy implications of each of their decisions. Fuel economy gauges, which help illustrate the relationship between driving style and gas mileage, and residential energy feedback devices that help families understand how their habits contribute to energy consumption, are two examples of how people change their behavior when they are given additional information.

Drivers of the Toyota Prius have responded so strongly in favor of the gas mileage gauges inside their vehicles' dashes that the automaker has developed an Eco Drive Indicator, a light that burns during efficient driving, for new models of the hybrid. Residential feedback devices have shown promise to reduce energy consumption by 10-15% by providing families with similar information.<sup>6</sup> They also tell the consumer that they made the right purchase decision.

In marketing, feedback usually takes the form of communications rather than gauges or dials, but use the same principles. For an example, consider that many companies that previously sent paper bills through the postal system are switching to online delivery in an effort to save money in materials, printing and postage. It also saves paper, trees, and the carbon emissions associated with printing, stuffing and transporting tons of paper mail.

Consumers may switch to online billing for environmental or convenience reasons, but either way, the company sending the bill is missing an opportunity to deliver the “pat on the back” by not giving feedback. Imagine receiving the following e-mail from your credit card company:

*As part of our company's commitment to the environment, we began offering a free online bill-pay system in 1999. You decided to participate in May 2001 and asked that we no longer send paper mail to your home. We want to say thank you. By not receiving 96 paper bills, you have personally prevented the release of 1,735 pounds of carbon dioxide into the air. Together, all MegaBank Cardholders have saved 85 Million tons and that number grows every month.*

Right now, too few companies are sharing this type of information with their customers. They are missing opportunities to make a favorable impression. Right now, simply undertaking some green initiatives will earn a company a temporary halo, but being green will soon no longer be news. As the market continues to move toward sustainability and brands follow suit, customers will want more than claims and statements — they will want feedback.



## envirobrandb2bservicesexample

**Entity:** Wendel, Rosen, Black & Dean LLP

**Positioning:** Corporate responsibility

**Space:** Corporate law

**Target:** Business to business



### Oakland-based Law Firm Differentiates itself with its Commitment to Green...

Founded in 1909, Oakland-based Wendel, Rosen, Black & Dean LLP is one of the oldest and largest law firms east of the San Francisco Bay. In 2003, Wendel Rosen became the first law firm in the country to gain third-party certification as a "Green Business."<sup>7</sup> By educating and involving employees, they were able to make significant internal improvements — reducing waste and consuming less paper, energy and water.

Changes included:

- Moving to all "Energy Star" electronics
- Giving purchasing preference to items with high recycled content
- Involvement in building waste and recycling programs
- Converting many internal memos and reports to e-mail versions

Law firms are famous for burying their clients in paperwork, so some of the most significant changes Wendel Rosen instituted were in the area of document management. The firm switched to entirely 100 percent post-consumer waste recycled paper, processed chlorine-free. They also converted to soy-based inks for printing projects, set printer defaults to double-sided and encouraged the electronic transmission of documents whenever possible.

The firm's green efforts have resulted in impressive annual numbers. Switching to recycled paper alone has resulted in saving:

- More than 250 trees
- 40,000 pounds of greenhouse gases
- 31,450 kilowatts of electricity each year<sup>8</sup>

Audits conducted by PG&E, East Bay Municipal Utility District, the City of Oakland and Alameda County helped the firm earn official recognition as a green business. They have also been chosen for a case study describing how medium-sized law firms can reduce waste by the California Integrated Waste Management Board, and have been featured in several newspaper articles.

Like many greening service firms, Wendel Rosen is still missing opportunities to tell people about this success. Understandably, it's difficult enough to be a leader of environmental change in the conservative legal space. Wendel Rosen has a head-start on its peers, but to take full advantage of it the firm needs more proactive green branding. At a bare minimum, a "Green Link" on the Homepage — like the one prominently featured on the Web site for Nixon Peabody LLP (another greening law firm) — could influence potential clients.


**SUBARU®**

envirobrandb2cmanufacturingexample

**Entity:** Subaru of America, Inc.

**Positioning:** Corporate responsibility

**Space:** Automobile manufacturing

**Target:** General consumer


Subaru is safeguarding the environment, telling everyone about it and benefiting...

Subaru of America (SOA), and its parent company, Fuji Heavy Industries LTD. (FHI), are demonstrating their commitment to preserve the global environment through their multiyear FHI Environmental Conservation Program. Expanding on FHI's efforts during the 1990's, the program addresses the entire product lifecycle — from the development and design of a vehicle to its disposal.

Manufacturing facilities at Subaru of Indiana Automotive (SIA) in Lafayette have no smoke stacks, send zero waste to landfills, and even double as a wildlife habitat. Many of the applications for reuse and recycling are the result of innovation by employees at the ground-level, including a plan to reuse lug nuts used to hold wheels in place during shipping that resulted in savings of 33,000 pounds of brass per year.<sup>9</sup> Subaru is also selling PZEV (Partial Zero-Emission Vehicles) versions of their Legacy, Outback, and Forester models. Subaru PZEV vehicles have 90% cleaner emissions than the average new vehicle, and in some cases, have even lower emissions than hybrid or alternative fuel vehicles.<sup>10</sup>

Subaru's Environmental Policy is committed to:

- Complying with all environmental laws and regulations related to their business activities
- Implementing effective pollution prevention systems that protect our air, land and water
- Conserving natural resources, reducing, reusing and recycling materials
- Continuous improvement of their Environmental Management System (EMS)
- Creating employee awareness and commitment to SOA's Environmental Philosophy and Policy
- Working with SOA's business partners to improve their operational impact on the environment

The company's corporate ad campaign, which includes environmental branding, accounts for roughly 10 percent of their total ad spend and uses television, radio and print to communicate the brand's core values.<sup>11</sup> For example, promotions advertised over the radio in Texas and California are being used to create awareness of PZEV vehicles and provide feedback to owners. Explaining that 72 trees are planted for each PZEV sold, providing 60,000 miles of carbon neutral driving, makes the message memorable and helps Subaru position the vehicles as an alternative to hybrid technology.<sup>12</sup>

## References/Information Sources

- <sup>1</sup> 2007 Cone Consumer Environmental Survey. Cone LLC, May 24, 2007.
- <sup>2</sup> Voluntary Carbon Offsets Market: Outlook 2007. ICF International, 2007. Estimate by the International Emissions Trading Association and World Bank.
- <sup>3</sup> A Consumers' Guide to Retail Carbon Offset Providers. Clean Air—Cool Planet, 2006.
- <sup>4</sup> <http://www.climatecounts.org>
- <sup>5</sup> <http://www.corpwatch.org>
- <sup>6</sup> How Much Energy Are We Using? Potential of Residential Energy Demand Feedback Devices. Florida Solar Energy Center, 2006.
- <sup>7</sup> Law firm goes green for clients, savings. East Bay Business Times, August 8, 2003.
- <sup>8</sup> <http://www.wendel.com/>
- <sup>9</sup> The Subaru Difference. Reusing and Recycling. Manufacturing without waste at SIA. Drive: the magazine from Subaru, Summer 2005.
- <sup>10</sup> <http://www.subaru.com/>
- <sup>11</sup> Karl Greenberg. Subaru's Corporate Campaign Touts Endorsements, Features. MediaPost's Marketing Daily, May 23, 2007.
- <sup>12</sup> PZEV Plant a Tree Promotion. Subaru Sherman Oaks.

Contact: Stephen Utley, President and Creative Director  
E: [sutley@quilladvertising.com](mailto:sutley@quilladvertising.com)  
P: 1.214.572.6410

1111 West Mockingbird Lane  
Suite 1300  
Dallas, Texas 75247

W: [quilladvertising.com](http://quilladvertising.com)



- The Subaru name and logo are registered trademarks and owned by Subaru of America, Inc.  
- The Wendel, Rosen, Black & Dean LLP name and logo are registered trademarks and owned by Wendel, Rosen, Black & Dean LLP  
- All other names and references/information sources used within this document are the property of their respective owners.