

# **Marketing Eco-labelled Products**

**25 November 2009**

**by**

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# Why Bother?

- Poverty
- National Developmental Priorities
- Consumer Trends
- South Africa's Green Record
- Changing Eco Worldscape
- Future Imperatives
- Ecolabel Marketing Drives Success

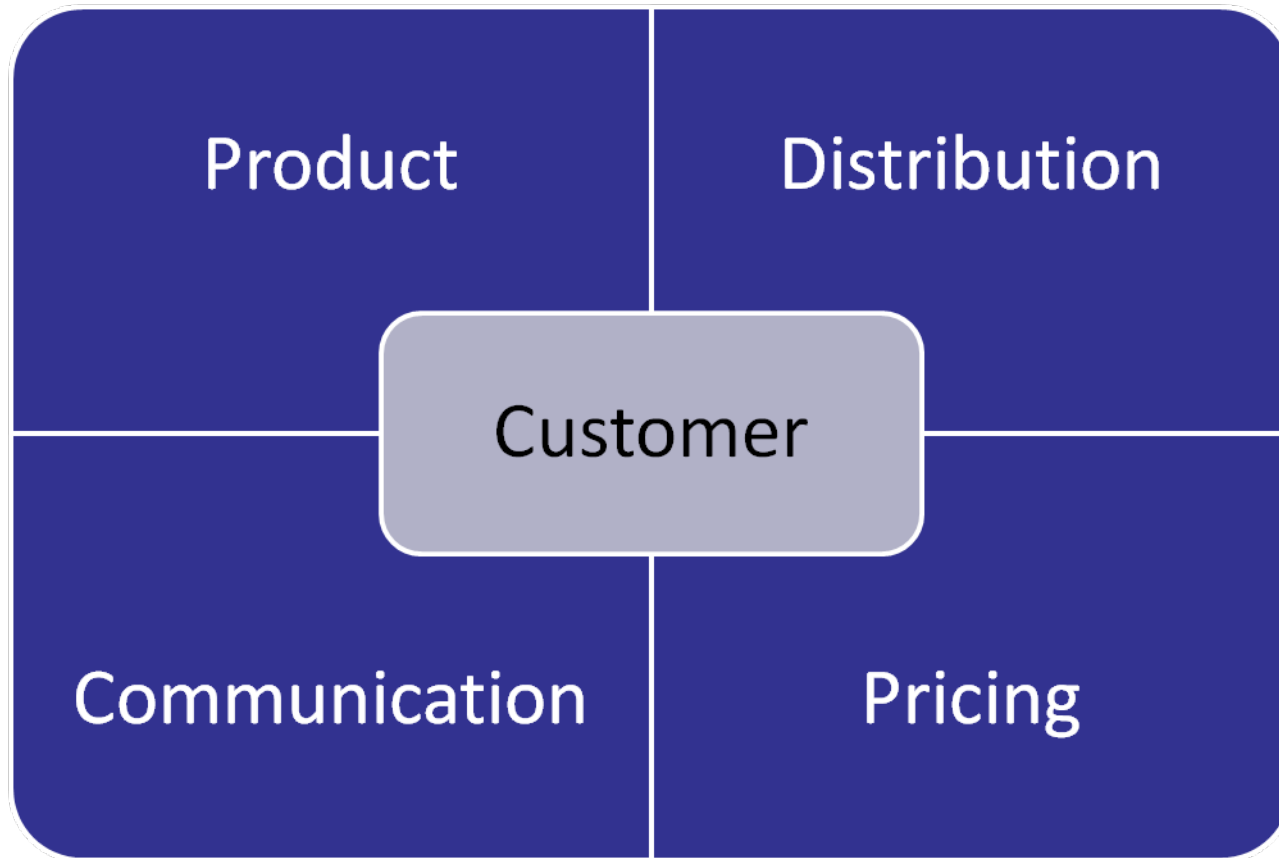
# Why Marketing?

- Marketing know-how is necessary to sell goods & services successfully.
- With the appropriate strategy and the right mix you do not waste time and money!
  - Up to 50% of the product price goes for marketing!
  - This includes advertising, promotion, distrib., profit
- With marketing you gain your customer's confidence (build up a customer relationship)
  - Based on a strong customer loyalty

# Check a Clear Marketing Mix

- Plan your marketing in detail, implement the activities at the right time and control it
  - ❖ Set milestones
  
- Marketing needs understandable and transparent objectives
  - ❖ Only clear objectives can be verified!!!
  
- Gather information as much as possible
  - ❖ Habits of consumers
  - ❖ Income, gender, education, age ....
  
- Identify all the benefits
  - ❖ Environmental, Health

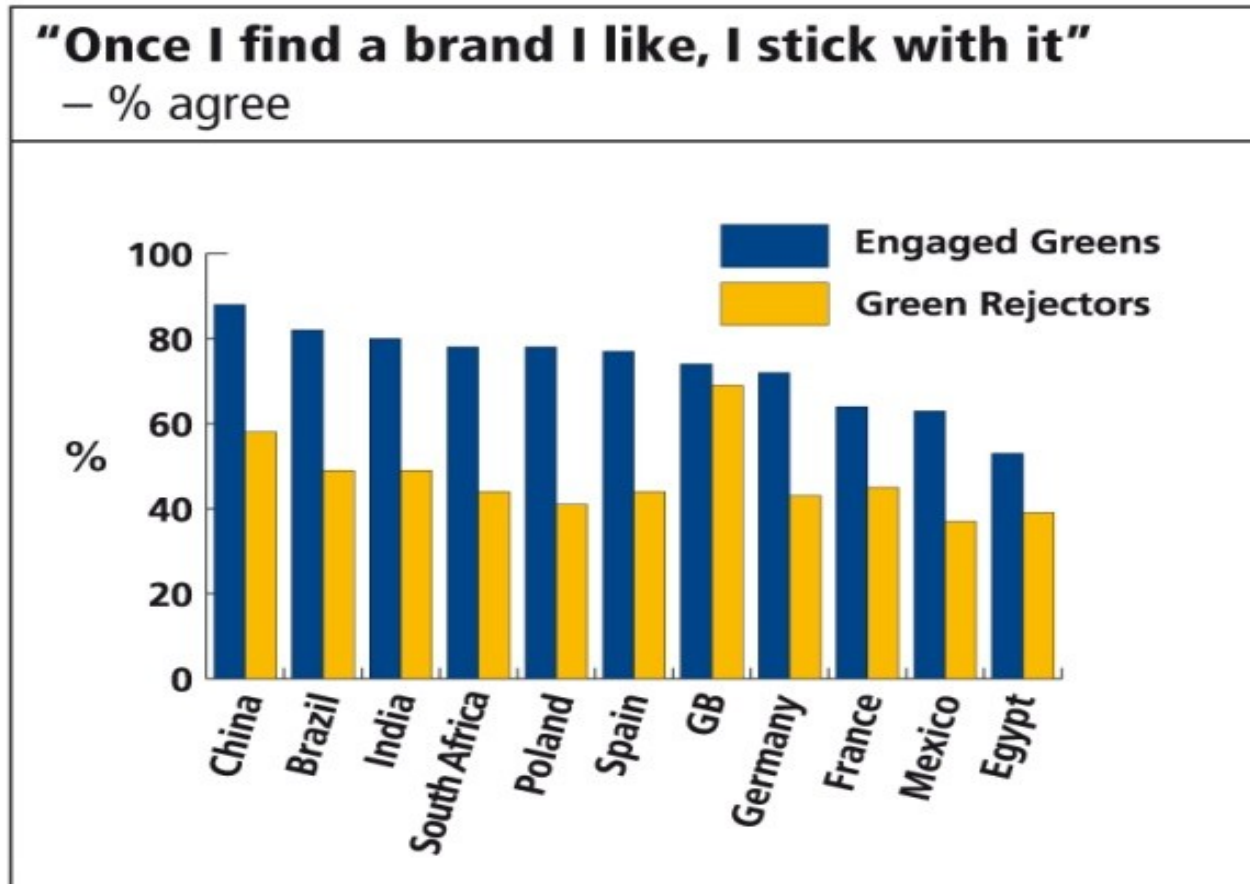
# Instruments



# Brand Marketing

- Develop a unique image for your product
- Create a professional brand awareness
- Advantages:
  - ❖ helps to develop a better customer-relationship
  - ❖ Better listing in search engines
- Approach green consumers with green brands
  - ❖ Take care that green branding affects consumer purchasing decisions in some countries differently (e.g. Germany 30%, France 14%)

# Brand Marketing



Base: Adults 18+

Source: Global TGI

# Green Marketplace

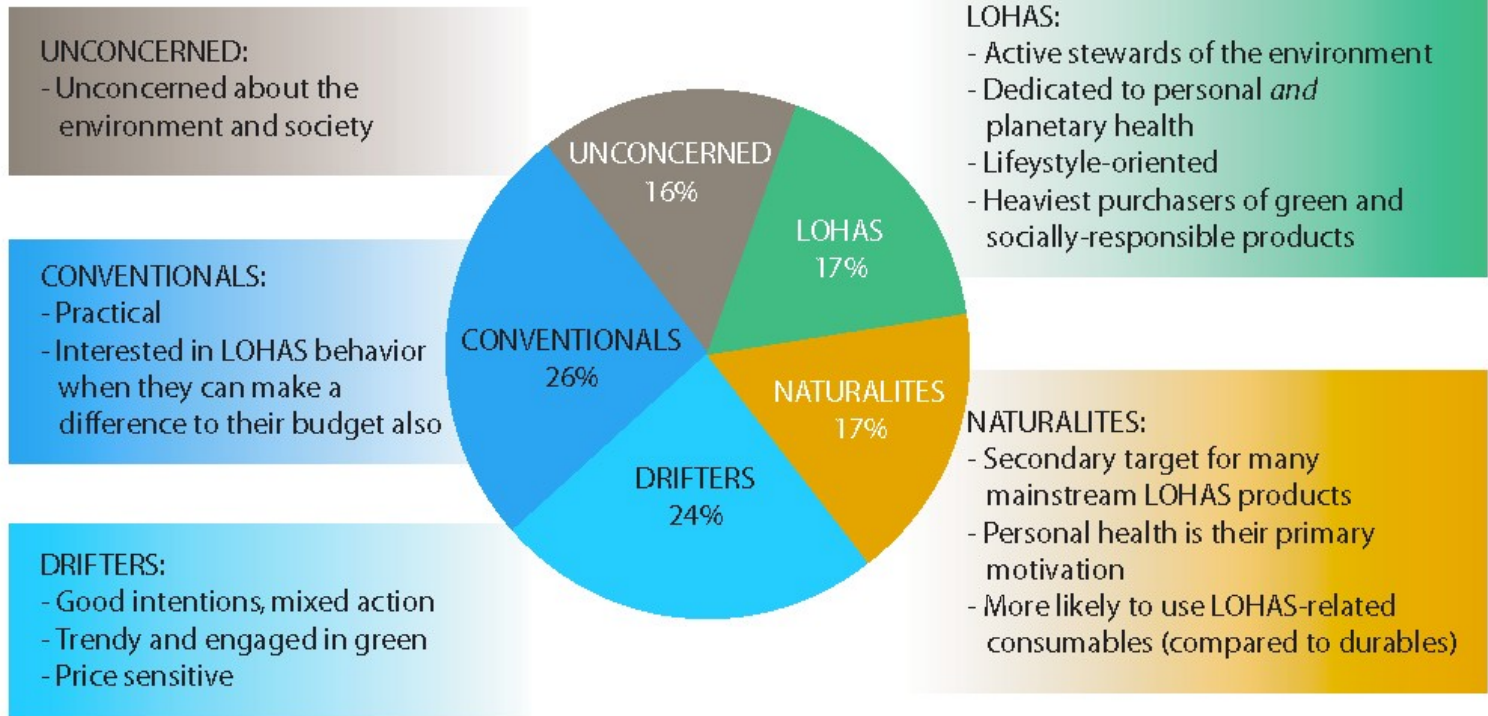
- Green market is more than a niche
  - ❖ Upcoming opportunity and challenge for our economies
  
- Figures for Europe
  - ❖ Turnover € 227 billion, Turnover 2.2% of GDP
  - ❖ Create 3.4 Mio. Jobs
  
- Figures for US
  - ❖ NMI estimates 420 Billion Dollar by 2010
  - ❖ Of that 117 Billion for pers. health, 10.5 b. for life-st.
  
- Figures for AT
  - ❖ LOHAS -segment up to 30%

# The NMI LOHAS Model

- US-research institute NMI developed a model to classify consumers, based on their attitudes towards health and sustainability
- In use since 2002
- Helps manufacturers to understand the green marketplace and to design appropriate marketing strategies
- Developed for US market, but expanded outside

# LOHAS Segmentation

## *LOHAS Segmentation Model: Percentage of U.S. Adults*

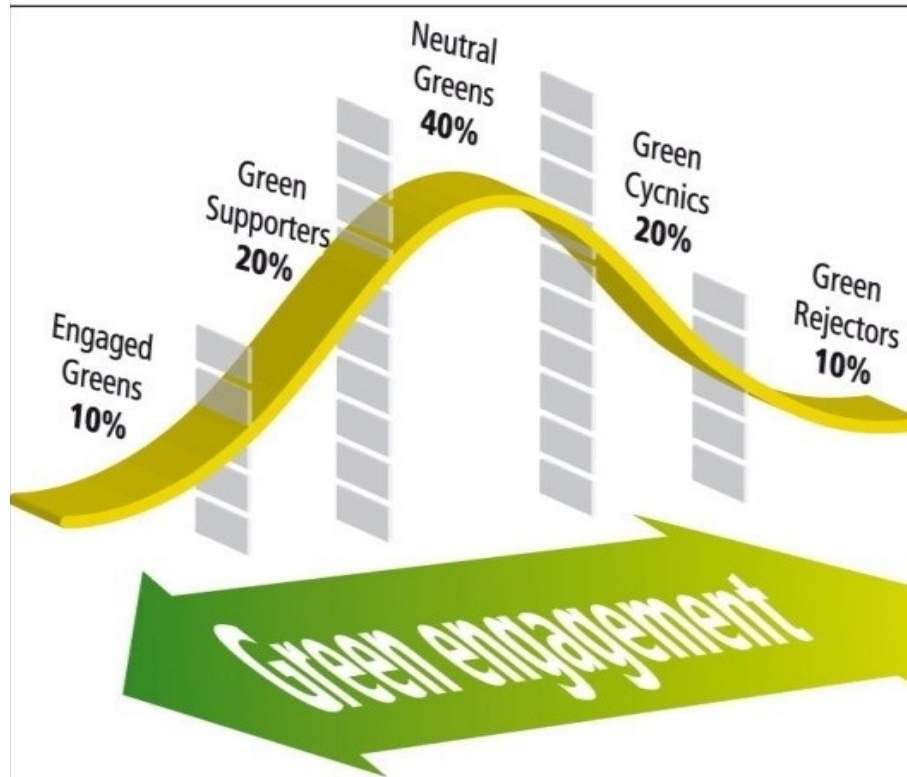


# The TGI Model

- TGI is a global network of single-source market research survey from 60 countries across 6 continents
- The consumer types are ranking between engaged greens and green rejecters

# TGI Segmentation

## The green market: an overview

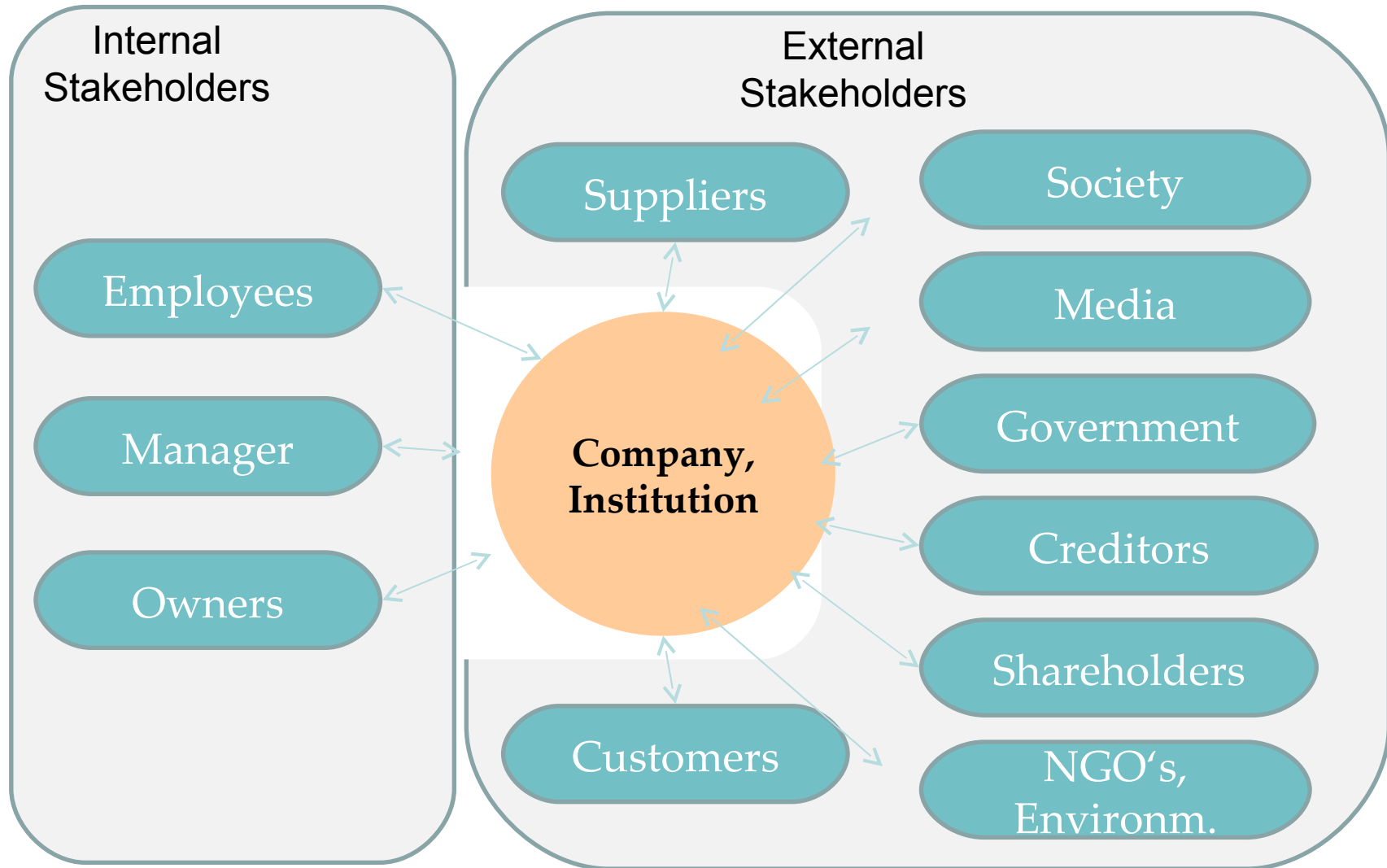


- **Engaged Greens** are passionate green consumers
- **Green Supporters** care about the environment, but won't make big sacrifices
- **Neutral Greens** awaits benefits
- **Green Cynics** are doubtful of env. init.
- **Green Rejectors** are disengaged`

# Green Facts & Trends

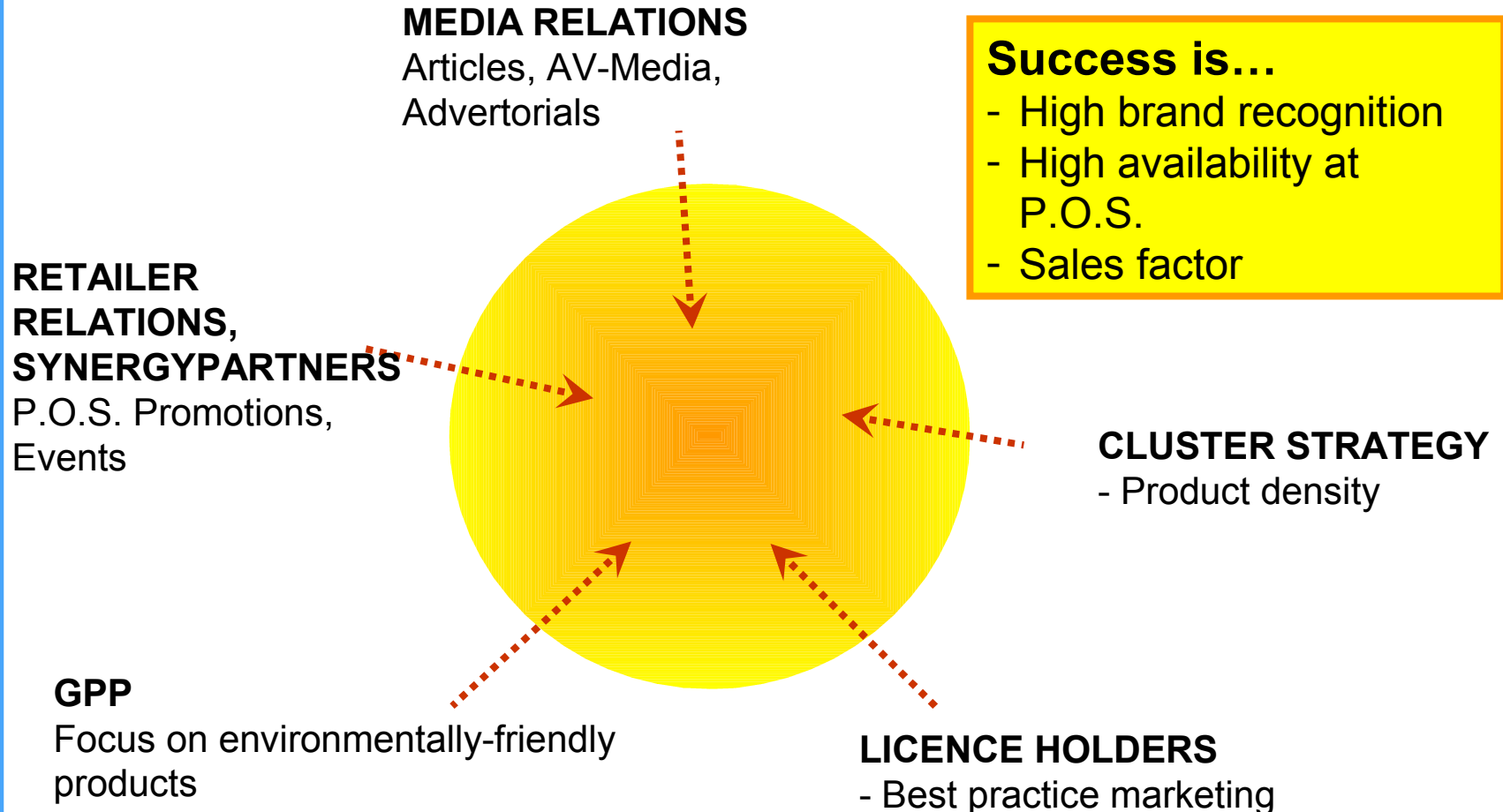
- Women are more likely to buy eco-products
  - ❖ More aware of health and environmental issues.
- Demographic changes have been apparent and influence the sales of products
  - ❖ Singles: up to half of all households are singles
  - ❖ 50plus: this group is increasing very fast
  - ❖ Family with kids: growing demand of env.-friendly products
  - ❖ Consumers attach more importance on their home, familiarity and security
- Luxury and simplicity: increasing preference of luxury combined with high quality
- Is plastic out?
- The use of natural resources became an upward trend!
  - ❖ textiles: organic cotton is a trend, example Lenzing (Top-ranking worldwide) with viscose fibres

# Types of Stakeholders



# Five Key Success Factors

## For eco-label product marketing 2008



# Below-the-Line Marketing

- Classical campaigns put millions of dollars in TV-commercials
- Below-the-line marketing contacts cost a split of a TV or paid-ad contact
- Focusing mainly on below-the-line must be established properly to be effective
- In the long run, classical measures cannot be replaced by below-the-line marketing

## **Low-Budget Marketing Means**

- Organise Direct Mails with highly targeted lists of addresses
- Use two-way communication
- Participate in key stakeholder seminars
- Provide numerous customer response channels
- Keep abreast of latest development by keeping a dialogue with customers
- Invest in Surveys
- Find co-operation partners ...

# Internet Tips

There are numerous ideas how to use the internet:

- Put your URL everywhere
- Submit sites at search machines, directories
- Blogging
- Pay per click
- Establish a free on-line-newsletter
- Podcasting or newsfeeds
- Viral marketing
- Online press activities...

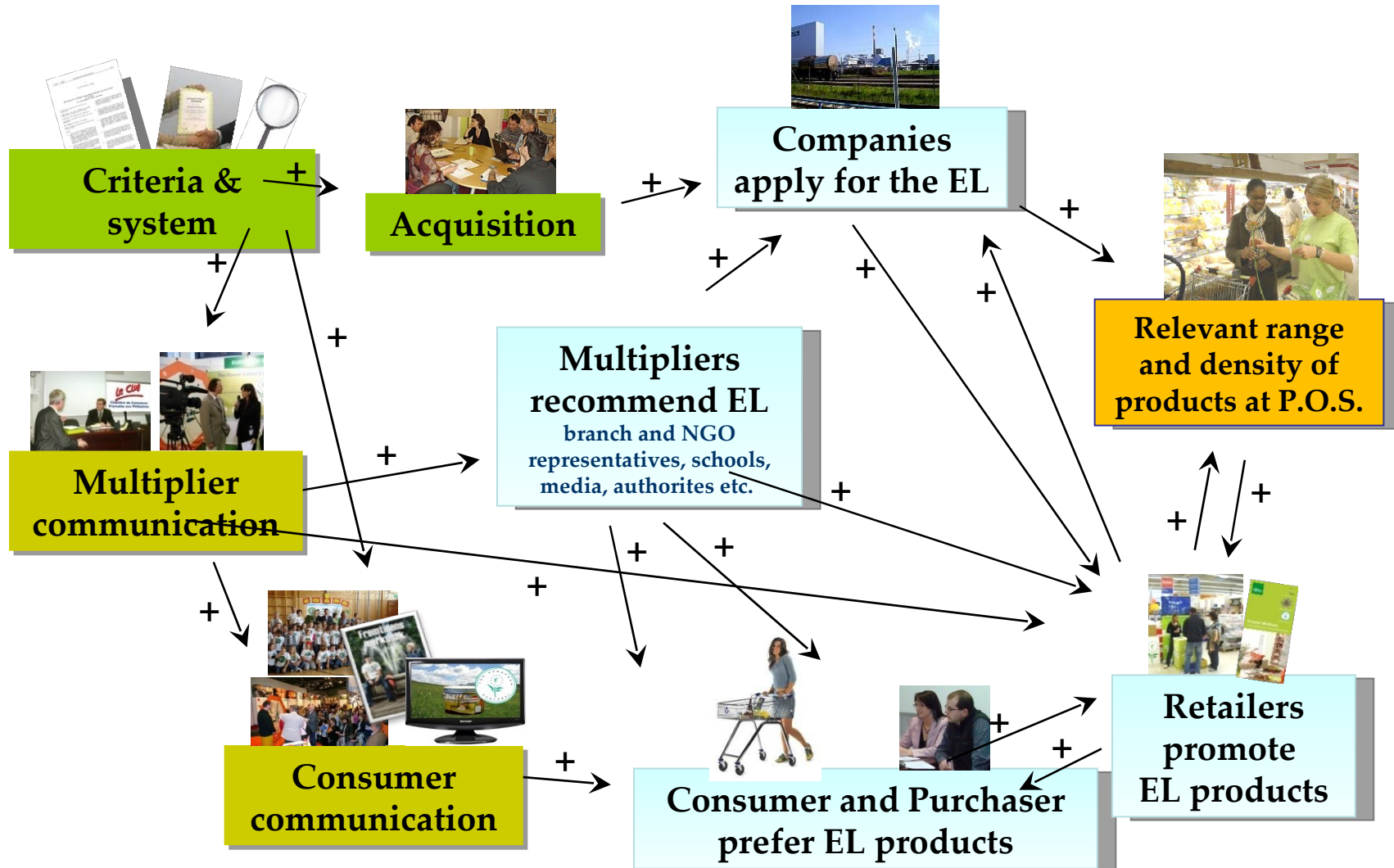
# Point-of-Sale Presence

- A promising core element of Eco-label marketing is the co-operation with retailers,
  - ❖ who are willing to promote the Eco-label and
  - ❖ to place eco-labelled products in the shelves.
  
- A POS-Mix should consider following aspects:
  - ❖- A long-term commitment from the retailer to eco-labelled goods
  - ❖- Establish green product ranges
  - ❖- Get the Eco-label visible at the market with crowners, poster, pillars etc.
  - ❖- Provide Eco-label branded shelf-stoppers
  - ❖- Set promotions with give-aways, quiz games

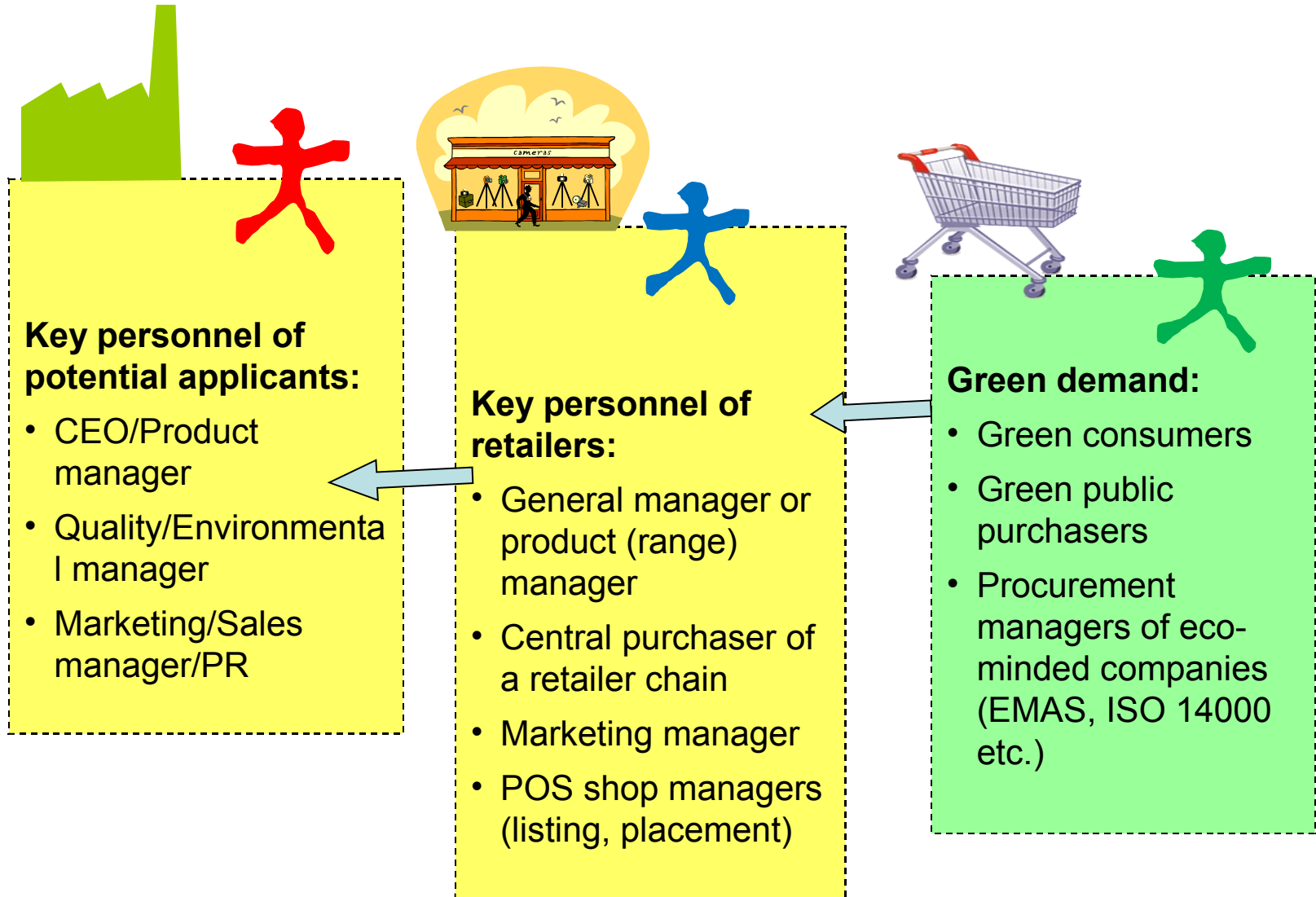
# Key Arguments for EU Ecolabel

- Lower environmental impact
- Strict and reliable criteria, verified by independent auditors
- Official certificate from the EU Member States & EU Commission
- Contribution to sustainable economy
- Better for your health

# The way it should run ...



# Get the key persons



# Best Practice Examples

- Lenzing – Shrink Proof Strategy
  - ❖ TENCEL & Modal
  - ❖ “The EU Ecolabel is a nice story to be able to tell”
  
- Ecolabelling Denmark – Flower Week Campaign
  - ❖ Retailers increased sales increases up to 600%
  - ❖ Opened doors for ecolabel producers
  - ❖ Recipe for success”partnership, partnership....”

# Useful Eco-label Websites

- EU Eco-label Acquisition Guide <http://www.euecolabel.eu>
- Internet Marketing Tools [http://ecnow.com/Internet\\_Marketing.htm](http://ecnow.com/Internet_Marketing.htm)
- EC Eco-label Scheme <http://ec.europa.eu/environment/ecolabel>
- Product Catalogue <http://www.eco-label.com>
- Eco-label Helpdesk [eco-label@biois.com](mailto:eco-label@biois.com)
- Green Public Procurement <http://ec.europa.eu/environment/gpp/>
- Eco-label Marketing [ecolabel@ec.europa.eu](mailto:ecolabel@ec.europa.eu)

# Marketing Eco-Label Products

Any Questions?

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Thank you