

# Inc.

## How to Bring an Eco-friendly Product to Market

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*With more sophisticated consumers and a stricter FTC, creating a green product is no longer a magic bullet to sales. But done right, it can still help you stand out in the marketplace.*



**Ninety-five percent of consumer products** claiming to be "green" over the past year were in some way vague, deceptive, or misleading. That's according to marketing group [TerraChoice](#), which also found a 73 percent increase in environmentally friendly products on the market this year overall. "Too many business owners think, 'Hm, green's hot. What's green about my product?'" says Scot Case, vice president of TerraChoice. "And that's wrong. If you ask, 'What's green about my product?' There's always something you can find."

Consumers have added environmental expectations to their qualifications for the products they buy. To please them, along with a stricter Federal Trade Commission, we'll show you how to strengthen your claims, play by the rules, and cash in on your latest green innovation.

### **Bringing an Eco-friendly Product to Market: Complying with the FTC**

The first rule of thumb: be specific. The FTC has tightened its guidelines, called the [Green Guides](#), for businesses making environmental benefit claims. The chief concern is with vague tags like *Earth-smart* or *nature-approved* that don't have any scientific evidence behind them.

"It's always easier to substantiate a specific claim than it is a general claim," says Laura Koss, an enforcement attorney for the FTC. "And specific claims are less likely to be deceptive."

The driving force behind specificity comes mainly from consumer perception. With such general environmental claims, consumers perceive very specific benefits, such as that a product will degrade or can be recycled, for instance. "Since very few products, if any, have all of the attributes consumers seem to perceive from such claims, then those claims are going to be impossible to substantiate," Koss says.

After zeroing in on specific attributes, prove it on the packaging in words consumers can plainly understand. Again, this follows the expectation a reasonable consumer would make when hearing words like "biodegradable" or "recyclable." For "recyclable" to be technically accurate, there needs to be a wide

range of facilities that can recycle the waste. For "degradable" to be an accurate descriptor, the product needs to completely decompose in a landfill (not in nature or a compost bin) within one year. Last year three companies, including Kmart, learned that lesson the hard way, when the FTC took action to remove the "biodegradable" cachet from their labels.

Businesses that flout the rules can expect a cease-and-desist order from the FTC, Koss says. Once under order for deceptive claims (enforced by the National Advertising Division), the company can be sued for civil penalties if it offends again.

[Dig Deeper: FTC Issues New Guidelines for Eco-Friendly Products](#)

### **Bringing an Eco-friendly Product to Market: Certifications and Seals of Approval**

Many companies now opt to slap certifications and environmental logos on their products, both to verify claims and gain an edge in marketing. Third parties like [Green Seal](#) and the [Chlorine Free Products Association](#) run rigorous independent tests on products to provide scientific backing for product claims. While the FTC doesn't yet address the more than 300 environmental seals out there, it may create a whole new section under proposed revisions, Koss says.

The FTC also treats such seals of approval, most of which require payment, as endorsements. The endorsement guides say that a marketer needs to state any "material connection" to the party endorsing and limit the claim to the specific benefit. Sometimes companies run tests and create logos themselves, or use trade associations that they

are members of to certify. Neglect to expose those connections typically sets off blatant greenwashing alarms and accusations.

Of course, the rigors you go through to get your products certified wouldn't mean much if you didn't market them effectively. [Neenah Paper](#), a paper company based in Wisconsin, proudly brandishes its seven environmental seals on its website in a section called Neenah Green. It features lengthy explanations of each of the certifications, as well as what brands they apply to and the methodology behind them.

"We work very closely with third parties to make sure not only we're in compliance, but we go above and beyond what's out there," says Kristen Hogan, the company's marketing brand manager. "We believe the consumer is going to benefit in the end from strict adherence and transparency in the products they are buying."

Due to its nature, the paper's industry's commitment to sustainability has advanced quicker than most. But Neenah has helped pioneer that change through its transparency and innovations like converting bamboo and bagasse fibers to paper. This gives consumers the option of a "completely tree-free fiber choice," Hogan says, catering to even the most eco-conscious of customers.

[Dig Deeper: How Green Is That Product Really?](#)

### **Bringing an Eco-friendly Product to Market: Tell Your Story**

Green, unfortunately, isn't simply a quick-fix marketing ploy anymore. It needs to be baked into your products, your culture, and your

employees if you're looking to use it as a platform.

"When you look at small businesses, what you see is that they have a really good story to tell and aren't afraid to provide proof for all of their environmental claims," says Case, who helps businesses develop green marketing campaigns. "That's how small green businesses become big green businesses."

[Seventh Generation](#), a green cleaning product provider based in Burlington, Vermont, has grown into one of those big businesses built around eco-consciousness. In the early 2000s, the company came out with laundry and dishwashing detergents without harmful chemicals like phosphates, while most of the leading brands at the time were still using them. Creating an effective detergent without harmful chemicals wasn't easy, recalls CEO Chuck Manisacalco. But soon they developed a line that performed just as well as the national brands. And when retailers like Walmart pledged to reduce phosphates in its products last year, competitors were struggling to keep up. "We've never had it in our dishwashing detergent," Manisacalco says. "Now our product really has an advantage in the marketplace."

As of this year, Seventh Generation products can be found in 1,500 Walmart stores throughout the country. Manisacalco sees the partnership not just as a business deal, but also an opportunity to build a more sustainable culture in stores. "Companies are sincerely trying to be more responsible, both from an environmental standpoint and a social standpoint," he says. "And that's our heritage. We don't just make green products, we're a green company."

[Dig Deeper: Green Marketing](#)

## Bringing an Eco-friendly Product to Market: Lift the Veil

"In the age of Wikileaks, consumers are expecting a great deal more transparency than we've seen before," Case says.

While transparency is a signature staple of today's top businesses, it's even more vital to the environmental sect, where greenwashing charges are lobbed around at will. There's a reason why successful brands like Neenah Paper and Seventh Generation give out painstaking detail into their products' environmental value. The best green businesses aren't afraid to strip down and expose the naked truth behind their claims.

It's the ones that are afraid, though, that run into trouble. When Case put together the research for the TerraChoice study, he would call or check company websites for clarification on certain claims. If he couldn't find substantiation, the product would fall into the 95 percent "greenwashing" category. One company's response was particularly egregious, he remembers: "We asked to explain what something means and the woman put us on hold for a while, came back and said, 'You know, I don't know what that means. It might be something the marketing department just made up.'"

It's important that green products and sustainability enthusiasm are really factors you can use to differentiate from your competitors. It's a sentiment that needs to permeate every fiber of your business, from the green evangelist CEO to the customer service reps to the secretary answering the phones.

"People who want to do what's right are confused about what choices to make right now," says Manisacalco of Seventh

Generation. "We've built a big successful business and it's on the shoulders of our sustainability mission. Otherwise, we're just another dishwashing detergent."

[Dig Deeper: How to Successfully Rebrand Your Business](#)