

Marketing to the Green Consumer

Make sure your communities can back up environmental claims

By Erika Schnitzer, Managing Editor

Given a choice, renters today would prefer to live in a green apartment community rather than a traditional one, at least according to an Apartments.com “What Renters Want” survey that shows 89 percent of respondents in favor of a green community. At the same time, 25 percent say they would pay more in rent to save on energy costs.

To rent green apartments as such, though, prospects need to know that the sustainable features in a given community exist—which is where an effective marketing campaign comes into play.

“An effective green marketing message will appeal to everyone and have an additional meaning to a green consumer,” says Scot Case, vice president of TerraChoice Environmental Marketing, which is known for its report, “The Seven Sins of Greenwashing.”

For example, a building might advertise that its apartments have drastically lower electric bills than

the competition. While this would obviously be important to all prospects, an additional green message could indicate that the lower energy costs are due to the building’s increased energy efficiency. Or a community could advertise high indoor air quality—a feature that would be important to all renters, but which would come as an added bonus for eco-conscious prospects looking for a building that incorporates low-VOC materials.

But it’s not enough to claim a community is green—it actually has to have the proof to back up any such claims. According to the Federal Trade Commission (FTC), “It is deceptive to misrepresent, directly or by implication, that a product, package or service offers a general environmental benefit.” Thus, explains Case, a building owner making marketing claims based on false information—whether or not he knows the truth—can be held accountable for making false claims. There-

fore, owners and managers need to ensure that any claims they make about their buildings are accurate.

“The number-one piece of advice is to always ask for proof of any environmental claims that suppliers are making—and make sure that any time they make an environmental claim, they have proof to back it up,” advises Case.

Beware of greenwashing

More than 98 percent of the 2,219 products surveyed making environmental claims are not consistent with best practices and were found to have committed at least one greenwashing sin (see sidebar), according to TerraChoice’s findings. Many products use generic or meaningless claims, such as “all natural,” and, in fact, as the FTC’s “Guides for the Use of Environmental Marketing Claims” states, “Unqualified general claims of environmental benefit are difficult to interpret, and depending on their context, may convey a wide range of meanings to consumers.”

To ensure the validity of such claims, many companies choose to seek out third-party certifications, such as EcoLogo, widely known as North America’s largest environmental standard and which includes certified products ranging from construction adhesives and carpeting to paint, insulation and tiles. Meanwhile, other certifications are focused on a particular aspect of sustainability, such as the GreenGuard Environmental Institute, which seeks to reduce chemical exposure and improve indoor air quality, or the U.S. Environmental Protection Agency’s WaterSense program, which promotes water efficiency.

“Consumers are increasingly skeptical of all environmental claims; this creates a wonderful opportunity for companies that are making legitimate claims, because it’s fairly easy to demonstrate accurate environmental claims,” notes Case. “Consumers actually respond very favorably to environmental marketing messages that have been independently verified, and are accurate, meaningful and relevant.”

Buildings don’t have to be LEED Platinum-certified in order for a green marketing message

Smart Marketing Case Study

The Tower Companies is perhaps best known for its Blair Towns, the first LEED (Leadership in Energy and Environmental Design)-certified apartments in the United States. Now, in its Blair East, the company is developing its “EcoPads,” renovated 1960s apartments.

“Instead of putting in new cabinets and flooring and redoing the bathroom, we have said, ‘what’s the greenest way to do it?’” David Borchardt, P.E., LEED AP, chief sustainability officer, The Tower Companies, told *MHN*.

All materials meet green standards, including Green Label Plus carpets and no- or low-VOC paints. Cabinets feature glues and composite materials with no added urea-formaldehyde and high-efficiency air filters have been installed. The community also uses green cleaning and integrated pest management systems.

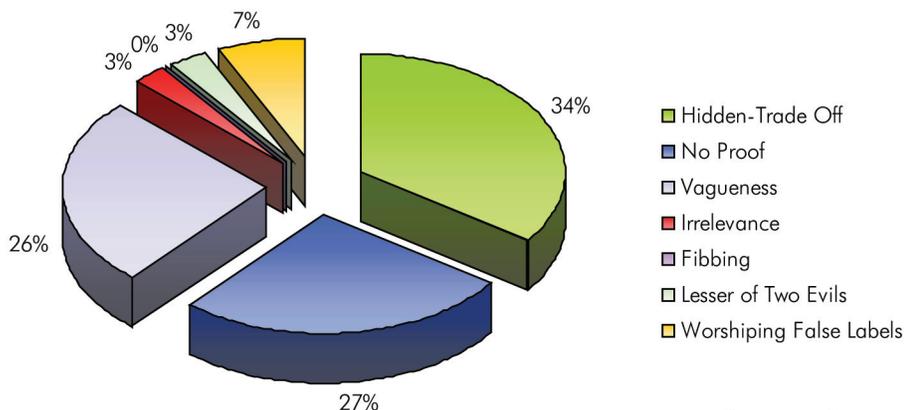
“We want to take Blair East and make it the signature building with EcoPads and provide amenities to the tenants, things you see in newer buildings,” says Borchardt. “We thought long and hard about



how we would approach this and realized the size of units was the differentiator. It’s always going to be an older building, but there is a way that you can upgrade it that you get the size and you get the features of a new building.”

To that end, perhaps the green features in Tower Cos.’ EcoPads aren’t all that unusual in today’s new developments. But because the company is marketing the spacious units, more typical of older apartments, with today’s eco-consciousness, people are seeing it as an added value. As such, the Website’s tag lines include “Smarter Greener Larger Apartment Living” and “Live Like You Green It.”

Frequency of Sins Committed (USA)



Source: TerraChoice Environmental Marketing

denominator: total sins committed

to come across to its target audience, though. As Case points out, consumers respect humility. “As a building owner, if I was doing everything I could to improve the environmental preferability of my building, I would say, ‘we are striving to provide you with a greener building. Please help us do even better.’ The notion that you are taking as many small steps as you can and you welcome [residents’] active participation—that’s much more authentic, and tenants really respond positively to it.”

Memphis, Tenn.-based Fogelman Management Group is doing just that. While the company does not develop green buildings, it strives to educate its residents about living a more sustainable lifestyle.

“We wanted to have a green program to help educate [residents] about how to do it and make sure it was real. We weren’t just out there putting a green label on something that wasn’t green just to go along with the crowd,” explains Melissa Smith, senior vice president, Fogelman Management Group.

To that end, the company has focused on teaching its residents, prospects and neighbors “how together we can make our carbon footprint better,” Smith adds. “It’s little things like water captures, making sure we have gone to lower candescent light bulbs, programmable thermostats—very basic things.”

Building long-term relationships with residents is obviously crucial for owners and managers, and engaging residents in a project, such as improving the environmental performance of a building, can help to accomplish this task, points out Case.

As such, Fogelman provides a green brochure to all residents and prospects about what they can do to help the environment. The campaign, simply called FMGreen, suggests small steps that individuals can take to reduce their carbon footprints.

Categories include tips on setting temperatures for the refrigerator and freezer, adjusting the water level in in-unit washers, turning off lights when they’re not in use and changing thermostat settings, among many others. In addition, each property Website has green tips that are changed on a monthly basis. These include links to others Websites, directing residents toward more information on a particular topic.

“We try not to oversell it because we don’t want to be accused” of greenwashing, asserts Smith, adding that when the company rolled out its FMGreen program, it had to educate its on-site managers that they shouldn’t necessarily jump at every opportunity to purchase a so-called green product.

“A lot of it is hype,” adds Smith. But that’s not to say the company won’t look at implementing green materials throughout its properties; in fact, many of its cleaners—which are contracted out—are changing their businesses to be greener.

On the flip side, Case points out, it is fairly easy to destroy the relationship between manager and renter if residents find out that their management company has exaggerated claims or lied. “There’s an awful lot of trust that goes into invisible environmental benefits,” notes Case. If a resident discovers he’s been misled, “that will create doubt on the entire relationship.” MHN

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The Seven Sins of Greenwashing

In 2008 and 2009, TerraChoice researchers recorded 2,219 products in the United States and Canada making 4,996 green claims. These were tested against guidelines provided by the U.S. Federal Trade Commission, Competition Bureau of Canada, Australian Competition & Consumer Commission and the ISO 14021 standard for environmental labeling. The researchers found that 98 percent of these products committed at least one of the seven sins of greenwashing. These sins include:

- 1. Sin of the Hidden Trade-off**, which suggests that a product is “green” based on a narrow set of attributes. (Suggesting paper, for example, is eco-friendly because it comes from a sustainably harvested forest.)
- 2. Sin of No Proof**, which cannot be substantiated by easily accessible supporting information. (Suggesting a product uses recycled content material without providing proof.)
- 3. Sin of Vagueness**, which is poorly defined and thus whose real meaning may be misunderstood by consumers. (“All natural,” for example.)
- 4. Sin of Irrelevance**, which makes a claim that is unimportant/unhelpful for consumers seeking sustainable products.
- 5. Sin of Lesser of Two Evils**, which is committed when a claim may be true within a category, but distracts from the greater environmental impacts. (Fuel-efficient SVUs, for example).
- 6. Sin of Fibbing**, which is making claims that are completely false.
- 7. Sin of Worshipping False Labels**, which is an effort by some marketers to use fake labels.

It is also important to note that, despite these findings, TerraChoice also found that legitimate eco-labeling is on the rise—23 percent of products versus 14 percent the year prior.