

DOWNSTREAM: Advertising and marketing

Description

The advertising and marketing refers to retailers' efforts to sell and promote green products, encouraging consumers to shop more sustainably through information, campaigns, space management in shops. Communication through labels is enclosed in *Communication through environmental labels*. It also includes advertising campaigns promoting low volume purchase. Advertising communicates product or company identity, differentiates products from others on the market and promotes attachment to brands (Uusitalo 2010: 549). Advertising also plays a role in consumers' construction of their own identities, as well as demonstrating what is valued and desired in society (Uusitalo 2010: 549).

Potential for positive environmental impact

It is difficult to estimate the degree of effectiveness of the various types of advertising and marketing campaigns. Figures are available on results of campaigns that promote sales of Fairtrade and organic products. However, it is also important to research the effectiveness of marketing campaigns that target consumer values and habits.

Advertising can potentially be harmful in that it can create entry barriers to small brands or retailers who are not able to pay for big marketing campaigns: this creates both concentration and brand loyalty, which may disadvantage sustainable brands and companies when they are still small. Advertising and marketing have also been criticised for promoting new "needs" (and so encouraging people to buy increasingly more), and for fostering a "materialistic, socially outward-directed and hedonistic lifestyle" (Uusitalo 2010; 550).

On the other hand, advertising may provide consumers with information and awareness of the choices available to them; in addition, advertising can help to create new markets for new products (Uusitalo 2010) – which could include raising awareness of more sustainable products and services, such as energy efficient products (EU 2009).

"Commercial advertising can be a powerful force for promoting sustainable consumption in highlighting the sustainability dimensions of goods and services and convincing consumers to purchase these products, sometimes regardless of the price." (OECD 2008a: 37). The balance between the positive and negative potential of advertising depends somewhat on how it is regulated.

The Nordic Ombudsman system has guidelines for advertisers on environmental and social claims in marketing, and provides legal advice on marketing that involves sustainability issues. The Ombudsmen prosecute manufacturers and distributors if ads are found to be illegal or misleading: for example, in the Nordic countries the term "environmentally friendly" can only be used where a study of the life-cycle environmental impacts of the product has been made, which supports the claim when comparing the product to similar items (OECD 2008a: 37-38). An example of legal action is a suit filed by Belgium, Finland and Sweden against General Motors to stop their claims of "for a cleaner environment" in marketing their cars (OECD 2008a: 38).

There are also international initiatives from the advertising industry to self-regulate; for example, the International Chamber of Commerce has a code of environmental advertising to prevent misleading claims, and the European Brands Association is promoting truth in advertising the social, ethical and environmental aspects of products (OECD 2008a: 38).

Prevalence and future potential

The majority of mainstream retailers have adopted promotion strategies for their Fairtrade and organic products, which include banners and leaflets, awareness-raising events, such as tasting and information stands, and specific campaigns (e.g. Meet the Farmer or a conjunction with special events, e.g. World Environment Day). Other such activities include developing cook books with organic recipes as Coop Denmark did. Other initiatives include setting up websites introducing organic, seasonal and Fairtrade products, and informing consumers about the environmental impact of wasting food or about their carbon



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footprint (Tesco), radio advertisements on sustainable development and sustainable consumption, or entire TV documentaries and series on these products.

Coop Sweden marks all the ecological products on the sales receipt so that customers can identify the ecological products they have bought and their price (Frisk, 2008), while French retailer E.Leclerc, in addition to the price in Euro, provides "price" in CO2 equivalent (Gréverath, 2008). Coop was also the first retailer to come up with an idea of annual eco-receipt, which is sent to customers reporting on the annual sales of ecological and ethical products and demonstrating what environmental good they have contributed to. Each receipt shows % of bought ecological products.

Coop Sweden informs customers about available environmental alternatives by placing a green clover on recipes from Coop and by clearly marking the products on shelves with green etiquettes.

Growing sales of the green products can be obtained by creating visibility in the shops. Both on the shops' priority of the green products in general e.g. by flagging the message on signs and by the placement of the products. Consumers with a high awareness of green products tend to buy more of these if they have their own space in the shop. On the contrary, consumers with a less clear addiction to green products tend to buy more organic and other green products if they are placed among the traditional ones (Schmidt et al, 2009).

Advertising itself can be made more sustainable e.g. cutting down on paper brochures and free magazines, or ensuring they made high environmental standards (for example, the METRO Group is cutting down on the amount of paper they use for advertising, in accordance with their own environmental guidelines, while other retailers use LED technology for their outdoor advertising (EU 2009).

Advertising campaigns promoting low volume purchase have been implemented by Tesco to reduce food waste. Often when customers buy fresh foods on 'buy one, get one free' campaign, they do not have time to use the second item before it expires. Tesco provides an opportunity for people to pick up these "second items" later, helping to reduce waste (Tesco 2010). In Denmark Rema 1000 has banned "buy 2 – pay for 1" advertising campaign. See case study.

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