HOW TO PASS THE MILLENNIAL GREENWASHING TEST: 7 Winning PR Tactics for Green Companies

How savvy green companies can turn younger generations of skeptical consumers into fierce brand advocates with the power of earned media tactics

IF YOU'RE AVOIDING USING GREEN MESSAGING FOR FEAR OF GETTING IT WRONG, **YOU'RE LEAVING MONEY ON THE TABLE**

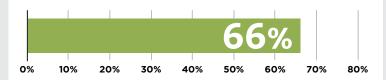
Eco-conscious consumers are rightfully skeptical about corporate sustainability claims and are quick to call out greenwashing. Smart green companies can use that to their competitive advantage.

If you market to Millennials and Gen Z, you need to get ready to throw out everything you were taught about purchase decision-drivers. Old school MBAstyle tactics and conventional marketing wisdom told us that price, status, and convenience were the biggest factors that consumers truly cared about. The standard formula was to find the golden ratio of that equation to dominate the market every time.

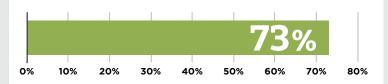
The problem with this line of thinking is that it easily leads to a kind of marketing bait-and-switch. If companies were seen to at least acknowledge the planet in their marketing, they didn't actually need to do very much to help the planet with very little fear of being called out. This approach treats the consumer's environmental concerns more like an aesthetic brand preference than a sincere value driver. Companies could talk about wanting to do the right thing, and a feel-good story would be enough to check the box, gain consumer attention, and make a sale. It's possible that these marketers assumed that buyers wouldn't put their wallets where their mouths were, and would ignore an eco-friendly product if they couldn't get it cheaply and quickly. For some time, they might have even been right. But then, the Millennials came along and changed the game (for the better, in our opinion). As a politically active and hyper-engaged group, Millennial consumers are particularly adept at applying the right pressure needed to keep an industry honest. For green companies, that's a good thing.

Today, as more companies follow the money and hype up the eco-friendliness of their offerings, younger consumers and the marketers trying to reach them are increasingly wary of "greenwashing."¹ That's the term that was coined to describe the practice of using misleading marketing tactics to project an environmentally conscious image onto a product or service that doesn't actually help the environment. It's a big trust problem for consumers, and it's a huge PR problem for mega brands trying to pivot into the green market for the first time, sometimes while having to contend with decades of polluting or socially unconscionable business practices. *CONTINUED>*

TRENDING IN A GREENER DIRECTION



of global consumers in 2015 said that they were willing to pay more for sustainable brands, up from 55% in 2014 and 50% in 2013.² The Nielsen report also found that 73% of global Millennials are willing to pay extra for sustainable offerings, up from 50% in 2014.



of consumers in 2019 reported that they would definitely or probably change their consumption habits to reduce their impact on the environment.³

HELP SEAS SPARKLE

In 2020, Windex[®] has plans to recycle 1400 metric tons of ocean bound plastic for our new line of Windex[®] bottles, helping stop more plastic from reaching our seas.



More consumers than ever — and wider demographics than ever — are prioritizing their environmental impact when they shop, even above traditional driving factors like convenience and price when comparing similar offerings. A wider availability of everything from electric vehicles (EVs), compostable consumable products, and sustainably-sourced material components have enabled customers to drastically reduce their individual carbon footprints without necessarily sacrificing quality. The research confirms that Millennials are willing to pay a premium for these goods. [see the consumer data].

Until modern companies give up their old-school way of thinking about eco-marketing, they don't stand a chance of surviving the shift now that teenage Millennials with pocket money have become parents managing household budgets. The good news is that everybody who already recognizes the importance of authenticity in sustainability is going to find that this younger demographic of consumers can become your staunchest and fiercest allies, with the right public relations strategy.

GREENWASHING: NOT JUST A PROBLEM FOR ESTABLISHED BRANDS

Legacy brands have learned that slapping a green sticker on an old offering is not the answer to marketing departments still stuck on the price-prestige-instant gratification dynamic. Plastic polluters like <u>Coca-Cola</u> and <u>Windex</u> have learned this the hard way, having each been named in high-profile greenwashing lawsuits. However, comparatively younger brands are also at risk for overplaying their hand in sustainability claims, which becomes a riskier move as they go public.

Take for instance, Allbirds. Here we have a celebrityendorsed, billion-dollar sneaker company dubbed "Silicon Valley's favorite shoes." The brand's marketing messages liberally sprinkled in references to their low carbon footprint and spoke the language of a younger demographic of eco-conscious consumers.4 In our digital age, increased public attention led to increased public scrutiny.

Allbirds' greenwashing troubles began in their IPO filing, when they committed to ESG (environmental, social, governance) practices and to an SPO (sustainability principles and objectives) framework, which included a commitment to report the company's climate impact and to reduce impact on the environment by cutting emissions and requiring suppliers to address environmental issues. Allbirds was expected to be the first "sustainable public equity offering," but was forced to walk back their SPO framework in an updated prospectus for later SEC filings. These amendments followed a consumer lawsuit "claiming violations of the New York Consumer Protection Statute, breaches of express warranties, fraud, and unjust enrichment based on Allbirds' alleged 'misleading environmental claims.'"

Plant-based food company Beyond Meat faced similar scrutiny over their lack of transparency regarding climate-related disclosures, particularly their failure to disclose the total amount of greenhouse gas emissions across its operations, supply chain, and consumer waste.

Contributors to the National Law Review summarize, "Companies like Allbirds and Beyond Meat, in touting their sustainability bona fides, also become targets for challenges by investors and regulators to the accuracy of such statements. Their experiences, therefore, provide important lessons for companies navigating increased demand for, and scrutiny of, climate-related disclosure."

It didn't have to get to this point for either company. Savvy marketers and public relations professionals can help by utilizing smart strategies that spotlight a brand's eco-conscious mission through their actions, not their exposition.



<u>7 TIPS</u> FOR WALKING THE LINE BETWEEN EFFECTIVE GREEN MARKETING AND DISINGENUOUS GREENWASHING

There are seven marketing best practices that Sustainable PR uses with our own clients to ensure that the sustainability stories of the brands we represent are heard loud and clear, without room for misrepresentation.

1. HIGHLIGHT THE FACTS. You can't greenwash solid facts and figures. Greenwashing is about spin - green messaging should be about action. Some businesses show skill in this area by developing dedicated landing pages to transparently educate potential customers about their green movement efforts. Other successful earned media campaigns may showcase client actions in a sustainabilityfocused magazine, using data to back up the authenticity of a brand's eco-endeavor. Timberland dedicated an entire page of their website to highlight their responsibility as "Earthkeepers." They achieve authenticity by transparently providing quantifiable details — how many hours their employees have donated, how many plastic bottles they've recycled, and how many trees they've planted. You can't spin that kind of data, and it makes for an incredibly powerful narrative.

2. KEEP AN EYE ON YOUR OPTICS. Don't

be so laser-focused on marketing and what you say about yourself that you forget what your own actions are saying for you. Brands that are part of the green market need to take a holistic approach to their business model. When a restaurant touts their sustainable, organic food but serves it in nonrecyclable plastic packaging, their actions undermine their words. Look at your brand from the perspective of an outsider. Is there something misaligned between what you say and what you do that could be confusing to a consumer? Search out your own inconsistencies, and look for the visible signs of your business's values put into practice.

3. GET SPECIFIC WITH YOUR LANGUAGE.

Clarity and precision in your messaging is everything when it comes to an effective green marketing campaign. Brands need to cut out the fluff and avoid using words and terminology that have no clear meaning, or that have been rendered meaningless from overuse in a green-happy marketing landscape with big promises and little substance. Rather than falling back to the industry jargon that the average consumer won't understand, a PR professional should help translate your messaging to be crystal clear.

4. OFFER TRANSPARENCY EARLY AND OFTEN.

Accusations of greenwashing arise when brands trendhunt and make false claims to appear more sustainable. Tell your consumers exactly how and why your offering is sustainable before they ask you to prove it, because they won't ask — they'll assume insincerity first. Consumers who care about the environment often need help interpreting and understanding the impact of their purchases. Make it easy on them by clearly articulating how your offering supports a sustainable mission. Show them how and where your products are made, what materials are used, and how waste is handled. Tell them about your social impact and how your business practices are good for both your employees and your customers. Demonstrate exactly how you help solve a sustainability problem — whatever you do, do it openly and transparently.

5. SHOW, DON'T TELL. WANT A GREAT

EXAMPLE? Seventh Generation's #COMECLEAN campaign encourages other brands to disclose the ingredients used in their products while highlighting a portfolio of natural household and baby products. This is brilliant. It shows their impact on two levels the environmental impact of the product itself and the company's positive impact on the industry as a whole. This can be effective even when the effort is still a work in progress or the offering isn't perfect. The outdoor clothing retailer Patagonia offers customers full transparency by not sugarcoating the use of chemicals in their products. The brand's sustainability mission even names their commitment as "a struggle to become a responsible company." It's hard to argue that they're trying to look more green than they are — it's all out on the table, and consumers respect being treated like the savvy buyers they want to become.

6. WORK TO ELEVATE THE INDUSTRY

VISIBLY. Fakers can hurt the public's perception of other sustainable brands. Businesses shouldn't just elevate their green standards, but also treat the sustainability movement as a team effort. Rather than accusing competitors of greenwashing to try to gain a competitive edge, executives can educate consumers and encourage them to raise their standards.

7. CONSIDER CONSUMER VALUE AND WORK TO INCREASE IT, NOT JUSTIFY IT.

Brands need to work harder to appropriately balance sustainability in their products with the features that provide value to customers. If eco-friendly offerings remain too expensive to be accessible to the average consumer, "sustainability" becomes just another luxury brand. When better business practices translate to higher costs, brands have historically responded in one of two ways: by either touting their eco-friendliness as an exclusive lifestyle commodity or justifying their pollution as a service in value to the consumer. This is a mistake that's been depreciating green brands for decades. Costs for sustainable offerings will remain high as long as our marketing continues to position environmental responsibility as a luxury for the educated class. By making incremental offerings that balance costs with sustainability, brands can make eco-conscious consumerism accessible to a wider market, strengthening their own position while the technology catches up to bring costs down.



HERE'S AN EXAMPLE OF WHAT THAT LOOKS LIKE IN PRACTICE: In 2018, IKEA

revealed that 70% of the materials used to build its products are sustainably sourced. They found other ways to lower consumer costs, rather than charging a premium for sustainability and asking consumers to pollute for cheaper goods. The Swedish furniture retailer built a bulletproof brand that's synonymous with value and sustainability.

WHO'S KEEPING SCORE? ... AND WHY IT MATTERS

Marketers walk a thin line between greenwashing and green marketing. In order for sustainable brands to effectively build trust with disillusioned consumers, they need to show the actionable, real steps they are taking to reduce their carbon footprint and build better business practices. This means offering up real data, being fully transparent, avoiding misleading terminology, and encouraging greener habits. By walking the walk instead of offering mere lip service, brands can build an unshakeable rapport with their eco-conscious consumers.

Why should marketers care to identify and seek out their eco-conscious consumers? If they don't put in the effort, they are assuredly leaving money on the table. Consider the views of the current two most powerful U.S. market segments in terms of spending power, Millennials and Gen Zs.

First Insight surveyed U.S. consumers about how sustainable business practices impact their personal shopping habits and purchase decisions. Among the key findings:⁵

- The vast majority of Gen Z shoppers prefer to buy sustainable brands, and they are most willing to spend 10% or more on sustainable products.
- Millennials and Gen Zs are the generations most likely to make purchase decisions based on values and principles (personal, social, and environmental).
- The majority of respondents across every generation expect retailers and brands to become more sustainable.

Some of these greenwashing organizations perhaps consider sustainability to be some kind of consumer trend, soon to be forgotten as consumer tastes change. The numbers put the lie to that assumption. Greenwashing is the result when brands try to capitalize on consumer behavior by engaging on only the most shallow level, rather than taking real action to benefit the environment. By taking your customers' sustainability concerns seriously, and taking meaningful action accordingly, you gain access to one of the most powerful and fastestgrowing markets available. Climate change isn't receding, and neither are consumers' growing concerns over their environmental impact. Recognizing that is step one for green companies hoping to gain a competitive advantage.

QUOTE WE'RE PONDERING

"Five years ago, there were fewer calls criticizing companies based on their sustainability marketing and practices. Now, not only does greenwashing pose significant risks, it's hard to know what to say to customers and investors if you are not genuinely on the sustainability journey."¹⁰

> —Johnny White, Climate Accountability Lawyer with ClientEarth

MILLENNIALS⁶

- Born 1981-1996
- 72 million in the U.S.*
- Spending power projected to reach \$1.4 trillion in 2020
- *largest living generation/quarter of the U.S. population

GEN Z⁷

- Born 1997-2012
- 67 million in U.S.
- Predicted to become the nation's largest consumer cohort by 2034.8

MILLENNIALS AND GEN Z PERSPECTIVES ON THE ENVIRONMENT⁹

of Millennials and Gen Zs fear business will reprioritize combating climate change in the aftermath of the COVID pandemic.

>40%

>60%

agree that we have reached the point of no return when it comes to the environment and that it's too late to repair the damage.

>25%

say that certain businesses' impact on the environment has influenced their buying decisions.

28%

said they've started to deepen consumer relationships with businesses whose products and services benefit the environment. About the same number have stopped or lessened relationships with organizations whose offerings they see as harming the planet.

WALKING A THIN GREEN LINE ON YOUR MESSAGING?

Greenwashing won't cut it in the booming sustainability market. Brands hoping to compete and win need the messaging development guidance of public image experts.



Tony DeFazio Founder and Principal of Sustainable PR

About the Author

Tony DeFazio is an accomplished communications and public relations professional with a long history of volunteering and advocating for environmental and sustainable causes. During his nearly 30-year career in public relations, DeFazio built and sold two successful PR agencies and brought a third company public as Director of Communications. DeFazio launched Sustainable PR in 2021 to focus exclusively on serving the communications needs of green companies with an environmental mission. Tony's award-winning media relations campaigns have helped raise the public profile of green companies he represents, delivering an impact and an audience to the environmental missions they serve.

Tony's clients have appeared in media ranging from The New York Times and The Wall Street Journal to Huffington Post, CNBC, FOX Business and Bloomberg TV. Tony has served as Philadelphia Chapter President of the International Association of Business Communicators (IABC), award-winner and member of Public Relations Society of America (PRSA) Albany, and the PRSA Counselors Academy. Tony serves as an advisor to the Sustainability Committee of Glens Falls.

About SustainablePR

Sustainable PR partners with brands who are navigating the sustainability market, representing those with eco-centric products and services and a mission-driven story. We are a storytelling agency first, and we approach message development creatively and proactively to position our client's brands for success in a fast-moving market. Public perception can be hard to predict, and even harder to influence as consumer values and environmental priorities shift. We serve green brands operating in the time of climate change by keeping a finger on the pulse of the media to impact perceptions and raise profiles.

Informed by decades of experience and a mission rooted in sustainability, Sustainable PR specializes in developing compelling earned media campaigns for forward-thinking green brands. The clients we proudly represent consider ecoconscious business practices to be their corporate responsibility, and are blazing a trail as market leaders in the new green economy.

Would your organization benefit from veteran guidance in telling your organization's sustainability story? Get in touch with us at <u>https://sustainablepr.com/contact/</u> or call our office at (518) 223-9962 to book a 30 minute video consultation with Sustainable PR today. You'll receive a complimentary evaluation of your story's potential appeal with the media.

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