Communicating a Green Brand to Consumers

November 18, 2008
Presentation Overview

The Green Media Landscape

ImagePower Green Brands Survey

Case Studies

Key Communications Takeaways
Eco-overload

3x more stories than 3 years ago

Source: Factiva, “Green + Environmental”
Our Green Space is Cluttered
And Growing Increasingly Skeptical

Green Fatigue Business Realities

• *Time's* Earth Day issue was the newsweekly's third-lowest-selling issue of 2008

• *Elle's* May Green issue sold 275,000 copies, versus the title's year-to-date average of 328,500

• The only magazine that didn't take a bath on its green issue was *Vanity Fair*
  – But it was criticized for not being printed on recycled paper
Research Introduction

• 2008 ImagePower Green Brands Survey

• Three WPP companies

• Snapshot into consumer thinking on green
  – Understand the general population’s perceptions of the environment and environmental issues
  – Evaluate perceptions of how brands rate in terms of environmental attributes
Research Overview

**Methodology:** 1521 online interviews in the US and 1546 online interviews in the UK from April 17-20, 2008

**Margin of Error:** Overall, the margin of error is +/- 2.5%

**Audience:** US and UK general population 18+
Is the Grass Really Greener?

Which concerns you more?

**Economy**

- **USA**: 77
- **UK**: 65

**Environment**

- **USA**: 6
- **UK**: 7
- **Others**: 17
- **Others**: 28

*Source: 2008 ImagePower® Green Brands study by Landor Associates, Cohn & Wolfe, Penn, Schoen & Berland*
Do you think the environment is in a better or worse shape than it was 5 years ago?

<table>
<thead>
<tr>
<th>Income Bracket</th>
<th>Better</th>
<th>Worse</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$35k</td>
<td>14</td>
<td>72</td>
<td>14</td>
</tr>
<tr>
<td>$35-60k</td>
<td>17</td>
<td>75</td>
<td>8</td>
</tr>
<tr>
<td>$60-100k</td>
<td>25</td>
<td>60</td>
<td>15</td>
</tr>
<tr>
<td>$100k+</td>
<td>28</td>
<td>63</td>
<td>10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Political Affiliation</th>
<th>Better</th>
<th>Worse</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dem</td>
<td>12</td>
<td>81</td>
<td>6</td>
</tr>
<tr>
<td>Rep</td>
<td>37</td>
<td>44</td>
<td>18</td>
</tr>
<tr>
<td>Ind</td>
<td>19</td>
<td>69</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: 2008 ImagePower® Green Brands study by Landor Associates, Cohn & Wolfe, Penn, Schoen & Berland
Most Pressing Oil Issues

- Rising price of oil: 47%
- Dependence on foreign oil: 28%
- The effect oil usage has on the environment: 14%
- Diminishing oil supply: 7%
- Don't know: 3%

Source: 2008 ImagePower® Green Brands study by Landor Associates, Cohn & Wolfe, Penn, Schoen & Berland
Environmental Impact is #2 in the UK

Source: 2008 ImagePower® Green Brands study by Landor Associates, Cohn & Wolfe, Penn, Schoen & Berland
No Clear Green Leaders

Top Named Brands
- GE: 5%
- Toyota: 4%
- Wal-Mart: 2%
- Whole Foods: 2%
- All other brands named by 1% or less

Source: 2008 ImagePower® Green Brands study by Landor Associates, Cohn & Wolfe, Penn, Schoen & Berland
## 2008 Top 10 U.S. Green Brands

<table>
<thead>
<tr>
<th>2008</th>
<th></th>
<th>2008</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Whole Foods Market</td>
<td>6</td>
<td>Seventh Generation</td>
</tr>
<tr>
<td>2</td>
<td>Burt’s Bees</td>
<td>7</td>
<td>Honda</td>
</tr>
<tr>
<td>3</td>
<td>Trader Joe’s</td>
<td>8</td>
<td>Whirlpool</td>
</tr>
<tr>
<td>4</td>
<td>Toms</td>
<td>9</td>
<td>Aveda</td>
</tr>
<tr>
<td>5</td>
<td>Toyota</td>
<td>10</td>
<td>Method</td>
</tr>
</tbody>
</table>

Source: 2008 ImagePower® Green Brands study by Landor Associates, Cohn & Wolfe, Penn, Schoen & Berland
### Greenest Brands by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Body Care</td>
<td><a href="#">Burt's Bees</a></td>
<td></td>
</tr>
<tr>
<td>Grocery/Supermarket</td>
<td><a href="#">Whole Foods</a></td>
<td><a href="#">Whole Foods</a></td>
</tr>
<tr>
<td>Appliances/White Goods</td>
<td><a href="#">Whirlpool</a></td>
<td><a href="#">Sub-Zero</a></td>
</tr>
<tr>
<td>Household/Cleaning</td>
<td><a href="#">Seventh Generation</a></td>
<td>N/A</td>
</tr>
<tr>
<td>Technology</td>
<td><a href="#">Google</a></td>
<td><a href="#">Google</a></td>
</tr>
<tr>
<td>Automotive</td>
<td><a href="#">Toyota</a></td>
<td><a href="#">Toyota</a></td>
</tr>
<tr>
<td>Energy</td>
<td><a href="#">BP</a></td>
<td><a href="#">BP</a></td>
</tr>
<tr>
<td>Travel</td>
<td><a href="#">Amtrak</a></td>
<td><a href="#">Southwest</a></td>
</tr>
</tbody>
</table>

Source: 2008 ImagePower® Green Brands study by Landor Associates, Cohn & Wolfe, Penn, Schoen & Berland
Consumers are (or were) willing to spend on green

- 38% intend to spend more
- 35% intend to spend the same
- Cleaning/Groceries are leading categories for more spending

<table>
<thead>
<tr>
<th>Those planning to spend more</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Cleaning</td>
<td>79</td>
</tr>
<tr>
<td>Grocery/Supermarkets</td>
<td>78</td>
</tr>
<tr>
<td>Energy</td>
<td>60</td>
</tr>
<tr>
<td>Appliances/White Goods</td>
<td>57</td>
</tr>
<tr>
<td>Body Care</td>
<td>55</td>
</tr>
<tr>
<td>Technology</td>
<td>50</td>
</tr>
<tr>
<td>Automotive</td>
<td>40</td>
</tr>
<tr>
<td>Travel</td>
<td>24</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
</tr>
<tr>
<td>Don't know</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: 2008 ImagePower® Green Brands study by Landor Associates, Cohn & Wolfe, Penn, Schoen & Berland
**Buzzwords A Buzzing**

<table>
<thead>
<tr>
<th>Familiarity</th>
<th>Impact on Purchase Intent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recyclable</td>
<td>98</td>
</tr>
<tr>
<td>Organic</td>
<td>93</td>
</tr>
<tr>
<td>Natural</td>
<td>93</td>
</tr>
<tr>
<td>Hybrid</td>
<td>92</td>
</tr>
<tr>
<td>Eco-friendly</td>
<td>89</td>
</tr>
<tr>
<td>Renewable</td>
<td>87</td>
</tr>
<tr>
<td>Energy Star</td>
<td>80</td>
</tr>
<tr>
<td>Sustainable</td>
<td>76</td>
</tr>
<tr>
<td>Carbon-neutral</td>
<td>50</td>
</tr>
</tbody>
</table>

**Do you know what the term greenwashing means?**

- Yes: 7%
- No: 10%
- Don't know: 83%

Source: 2008 ImagePower® Green Brands study by Landor Associates, Cohn & Wolfe, Penn, Schoen & Berland
Online Issues Management

“Strange Bedfellows? Why Seventh Generation is Doing Business With Wal-Mart’s Marketside Stores”

- Proactive
- Front page
- CEO level

Seventh Generation’s homepage in October 2008
“I’ve sometimes said hell would freeze over before Seventh Generation would ever do business with Wal-Mart… Now I’ve got to concede that I was wrong.”

- Candid communication
- Detailed, lengthy rationale
A Conversation Created

Praise

Criticism

Dialogue
Dell: Laggard to Leader

Protested at CES
January 2003

Dell Launches National Recycling Tour Program
2004/2005

Dell Receives National Recycling Coalition Award
Feb. 2007

Dell Meets Carbon Neutral Goal Ahead of Schedule
Aug. 2008

Resulting worldwide headlines:
- AP – U.S. computer makers pollute the earth
- AP – Environmentalists protest Dell’s recycling
- Bloomberg - Dell’s Use of Prison Labor Is Protested
- CNN.com - Protest slams Dell’s use of prison labor
- AAS - Protesters Decry Dell’s Prison Labor Use
- Computer Retail News (CRN) - Michael Dell Confronted By Environmental Activists During Keynote
- The Inquirer, UK - Dell under attack over using prison labour
- The Straits Times (Singapore) - Green groups put Dell on the spot

2007 - Plant a Forest for Me

2006

Dell Sets Goal Of Becoming Greenest Technology Company
Company Launches New Zero Carbon Initiative for Long-Term Plant a Tree for Me Program Now Available in Europe


Dell today launched a long-term, global effort to partner with its customers to become the greenest technology company on Earth for the long-term. The new Zero Carbon Initiative will continue to maximize the energy efficiency of Dell products and reduce or offset their carbon impact. The initiative includes the efforts of Dell, its employees and its suppliers and will reflect the direct feedback of its customers.

The company also committed to reduce the carbon intensity of its global operations by 15 percent by 2012 and extended its “Plant a Tree for Me” program to Europe, allowing computer users to offset the emissions associated with the electricity they use computers use.

“We often characterize a certain age group or building a generation, like the Me Generation. ‘Gen X’ or ‘Gen Y’ but it’s clear today that we’re living in the ‘Re-Generation’, which includes people of all ages throughout the world who want to make a difference in improving the Earth we all share,” said Dell Chairman and CEO Michael Dell in comments marking World Environment Day. “Our goal is simple and clear. We’ll take the lead in setting an environmental standard for our industry that will reflect our partnership with our customers, suppliers and stakeholders, and we intend to maintain that leadership.”

In his remarks, Dell also announced that Dell is asking customers for their ideas in building the “greenest generation” of products that both are good for our customers and good for the environment.

September 2008

Wall Street Journal
“Dell’s Green Payday: Going Carbon-Neutral Helps Bottom Line”
“Green Dell Gets Greener with New Green Initiative: So green they crap leprechauns”

- The Register, UK
1. Be humble
2. Be engaging and give consumers a voice
3. Be your own harshest critic and display radical transparency
4. Be ambitious
5. Be positive
Thank you.

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