

MARKETING ECO

Brought to You by Chamber of Eco Commerce



The Chamber of Eco Commerce will host a series of **Marketing Forums**. These forums will bring together buyers and sellers from industries making speed-to-market solutions easily available to the buyers. The Forum plays an integrated role in structured promotion, knowledge and technology transfer, education, training, and support. Attendees are the leading experts and companies committed to promoting eco innovations.

Marketing 'eco' is about speeding up adoption of innovation, beyond our natural social speed of adoption. Innovations take time to be absorbed. When it comes to eco innovative products and services, **marketing is less about persuading people to buy, and more about making it possible for them to buy.**

Life Cycle Analysis (LCA) can help addressing many issues methodically through close examination of the flows between the players. The main flows are information, money and materials:

Marketing Professionals - the link between producers, consumers and retailers. Play role of aligning the new values proposed by the eco-designed products with the perceived value by the customers.

Producers - interact with all the players in the value chain. Environmental friendly products and technological innovation, in most of the cases happen because of the legal pressure from the legislator, consumer awareness, visionary internal environmental programs within companies or due to country specific conditions.

Retailers - in the traditional sales system decide what are the products and the brands they want to sell, based on strategies and reasons which may be different than the producers'.

Legislators - play the most efficient role in forcing or encouraging both producers and consumers in using more rationally resources and in reducing emissions. They are major players in informing decision makers and proposing environmental legislation on one side, while being a window of information for consumers.

Energy suppliers - tend to stimulate energy use as long as the profit depends on sales, participating to the energy, resources and emission reduction.

Universities - are the link in the environmental value chain whose approach has been more idealistic and ignoring in many cases the economic reality, the real customers in the value chain together with their needs. There are several essential differences between the industry and academic approach to eco-design, i.e. creating value vs. reducing environmental load, relative vs. absolute measuring of performance, integrating environment into product creation vs. separate green projects, etc.

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Importance of Eco in Buying decisions as perceived by consumers

Consumers are mostly responsible for the use phase of the products - consumption of energy and consumables - and the way they are discarded. Also play an important role in influencing the environmental strategies of the producers. There are two issues with the energy using products: their consumption is predefined by the producers, but the use pattern belongs to the consumer. Share both the responsibility for the damages caused to the environment. Want to get rid of the products in a convenient, free of cost way.

An analysis of consumer attitude shows that 20 to 30% of the consumers consider environment in their buying decisions, while the same amount don't care or have a negative perception - lower quality or higher price. About half of the customers would choose a more environmental friendly product if they do not have to pay a premium for this. This category of consumers is the target of new strategies employed by companies that try to differentiate on the market from the competitors, by emphasizing other values eco-designed products would bring, and thus generating their migration in order to obtain a higher market share.

Study Finds Half of Multinationals Will Choose Low-Carbon Suppliers

Some of the biggest names in the business community have looked to their global supply chains for opportunities to reduce carbon emissions, setting goals of squeezing emissions from their products and suppliers by 2015. Some said that more than half of their expenditures would go toward suppliers that track their carbon footprints. This focus on the supply chain is only going to sharpen in the coming years, new research from the Carbon Trust suggests. The organization's advisory services arm surveyed on multinationals on their views of supplier performance and found a potential payoff for those that deliver low carbon products and performance. In fact, half of the survey firms said they would choose suppliers based on their carbon performance in the future. About 42 percent of those currently not addressing supply issues now would do in the next year. Of those multinationals already working toward reducing supply chain emissions -- 40 percent -- two-thirds are willing to pay a 10 percent premium for low carbon products or services.

Multinationals expect shareholders will exert growing pressure over carbon in the coming years, but again, we see the regional differences here come into play. Just 4 percent of UK-based multinationals view shareholder pressure as a key driver now, but 74 percent believe it will play a bigger role in the future. In the U.S., meanwhile, nearly a quarter feel the pressure now, but just 32 percent view shareholders as a key driver for reducing emissions down the road.

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The early eco adopters tend to be the experimenters. They also get other people interested. **The early majority**, are the ones who will start to buy eco if they see a lot of early adopters using it. Another third are **late majority**. They like things that are commonplace. They won't adopt eco until the majority adopts. And finally the laggards – the conservatives, who refuse to adopt eco or any novelty until it's already old news.

Most marketers focus their attention on persuading the early adopters, and then the early majority. When it comes to eco innovations, where there aren't many connections with current practice, you actually have to **focus a lot of attention at the slower end of the adoption curve.**

And here's why. Early adopters like to play. They like to try out new things. And they like to get other people excited. But they are not good at building systems, and they get bored. The early majority are more practical: they do think through the pros and cons of a new idea before they adopt, so they help to make it more tangible and acceptable. But if the support systems and infrastructure aren't there, they'll hold back on a commitment.

The late majority, on the other hand, are creatures of habit and predictability. They want to know the rules, they love systems. The beautiful thing about the late majority is that when they don't find rules or systems, they'll start figuring them out. If you have enough early majority people talking about eco innovation, late majority people will start figuring out how they can buy and deploy eco innovations, and how it works.

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And laggards – because they have to rationalize their resistance – will provide all the reasons why people should not adopt this new ‘eco thing’. The very things they articulate are precisely the things that if you address, will swing the tide in eco innovator’s favor. Laggards, unwittingly, are giving you the anti-recipe for success.

So what should marketeers be doing to speed up ‘Eco’ adoption, so that their own companies can benefit from their investment, rather than later competitors? One approach is to look for the laggards, and get them to tear the innovation apart. Hidden in their rejection will be the rules for the infrastructure that will make innovation work. We will find the late majority, and give them the anti-recipe provided by laggards. They will give us excruciatingly detailed descriptions of what would make them adopt – detailed enough to make fine blueprints. We will figure out whether we can build the infrastructure to sufficient depth to attract a reasonable number of early majority as well as early adopters. If we can’t afford the investment, look around to see if anybody else can. Does anybody else have an interest in this kind of infrastructure? If not, then we will have to wait. We scan our horizon, so that as soon as the environment becomes more favorable, we are ready to go.

We need to remember that **we are focusing on innovation, where the infrastructure for adoption is not always there**. But there are lots of innovations where there’s an immediate fit with what people already use, and how they already behave. Many of these eco innovations, are the ones just waiting to be discovered, where it truly is simply a matter of telling the story in a compelling way.

The challenge is that the perfect-fit innovation is too-easily perceived by competitors as well, and it’s too easily copied. It’s hard to get sustainable competitive advantage from it. **Marketeers still need to know how to manage the very different challenges**. It’s not just about telling a good story to the early adopters. It’s not just about clever persuasion. It’s about mining the insights of the people who first say “no”, and be ready to go when the people say ‘yes’.

You can Contact your regional CEC chapter for event schedules, or email us for more information: info@ChamberofEcoCommerce.com

LINKS

Eco Innovation Marketplace

http://www.chamberofecocommerce.com/images/Eco_Innovation_Marketplace.pdf

Eco Innovation Marketing Tool - Eco Commerce Hub

<http://www.chamberofecocommerce.com/ecocommercehub.html>

Marketing Tool - Hub Details

http://www.chamberofecocommerce.com/images/Eco_Commerce_Hub_2011.pdf

Eco Commerce Forums

<http://www.chamberofecocommerce.com/cecglobalecocommercesummit.html>