

Brands in the Balance

FOR THE LAST TWO YEARS, Landor Associates' ImagePower Green Brands Survey has examined changing consumer perceptions of environmentally conscious brands.

The most significant and surprising change is in consumers' definition of themselves as *green*. In 2006, fewer than one-third of consumers considered themselves to be green or expressed interest in green brands. In 2007, every consumer we surveyed self-identified as green to some extent.

In addition, more than one-third of the consumers identified themselves as *active greens*, meaning that

For consumers, being green is not a fad, but a seismic, long-term shift in self-definition and behavior.

they do everything they can to reduce their impact on the environment. For these consumers, green translates into every aspect of their lives.

Based on these emerging consumer expectations, Landor created a Green Brands Framework to help marketers manage brands in light of this shift in green perceptions. (see chart)

Our framework is built on two key questions: 1) Do consumers perceive your category to be green?; and 2) Is there already a green brand leader in your category?

Through this framework, a brand can identify its position and determine the proper response to succeed in the evolving world of green. A closer examination of the characteristics of each of the following four scenarios can provide insight into what to do in the dynamics in your own category.

Seize the Opportunity. The quickest scenario for brands to gain advantage is when the category is considered to be green by consumers, but there is, as yet, no single brand that has captured perceptual ownership of being green.

The categories consumers find to be most green

are those in closest proximity to them (e.g., their immediate living space, things they put on or in their bodies, as well as those involving energy consumption). In 2007, the top-three green categories are: 1) grocery stores; 2) appliances; and 3) body care.

The appliances category is a fine example of where it's possible to "seize the opportunity"—every brand in the survey ranked in the low-to-mid 30-percent range. So, although the appliances category is highly relevant to the green consumer, no brand has taken advantage of it yet.

The greatest challenge in this scenario is to ensure that brands launching their green positioning can quickly and confidently back their claims with green actions. It's always important for green brands to support a green positioning with tangible actions, but it is particularly acute in this scenario.

Because the appliances category is important to green consumers, they will have very high expectations of brands making green claims, and will examine them with a keen eye to ensure the brands are being as dutiful regarding green practices as they, themselves, are. The greatest risk here is for a brand to rush to a green positioning and fail because it can't support it with green practices.

Set the Agenda is perhaps the most common category scenario today, as many categories are not considered particularly green by consumers, nor do they have a leading green brand in them. The biggest challenge in this case is justifying the green response, as the payback will not happen immediately.

This scenario requires long-term vision and commitment on the part of the brand to being and communicating green to consumers, even though there may not be any immediate advantage gained from doing so. The brands that are likely to succeed are those that are committed to being green because it's the right thing to do, rather than because of any market opportunity to be gained.

The internet category is a great example of the "set the agenda" scenario. The category is not seen as particularly green by consumers, nor is there a

leading green brand in it. Brands in this category have an opportunity to define the green agenda and possibly gain a brand advantage.

Recently, Google has been making inroads into the green space, launching the world's largest solar array in California, subsidizing energy efficient cars for employees, and looking into how to become carbon neutral.

However, little of this seems to have helped raise consumers' perceptions of the green-ness of Google, according to our study. Perhaps that's because "setting the agenda" requires not only doing the right things from a green perspective, but also finding a way of linking that through communication to consumers' core meaning of the brand.

Step Up! When a brand does manage to gain perceptual leadership in a category that hasn't traditionally been perceived as green, they are likely to change both the brand and the category dynamics when it comes to green. We call this scenario "step up!"

Brands that have managed to become green leaders in a non-green category often find they have the upper hand from a brand-perception standpoint. Two examples of this scenario are BP in petroleum and Toyota in the automotive category.

Neither category is perceived as particularly green. However, each brand, in its respective category, leads in perceptions of green. And each has changed the category dynamics from a perception and a behavior standpoint.

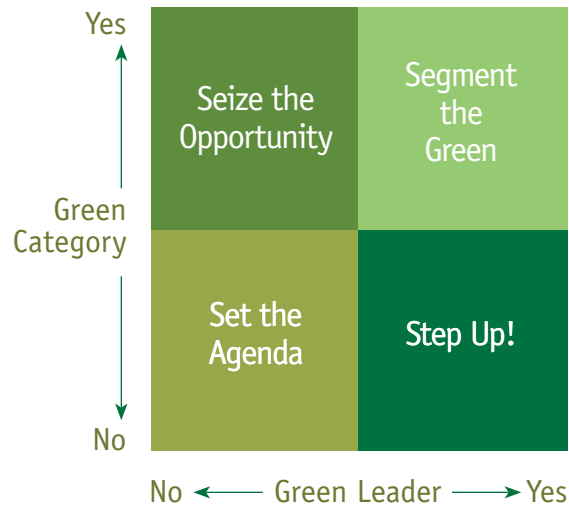
Toyota's success with the Prius hybrid car has transformed its brand perceptions into the greenest of the automakers. Although it has sold a little over one-million Priuses since launch (compared to annual sales in 2006 of over two-million vehicles), the perceptions of the brand are enormous and have caused other vehicle manufacturers to create and market their own hybrid vehicles to try to catch-up to Toyota.

In 1999, BP created a similar effect in the petroleum category by transforming its brand positioning to "Beyond Petroleum." Since then, each of the petroleum super-majors has worked to communicate what they are doing in the areas of alternative energies and energy conservation, like BP.

Segment the Green is where a green category is dominated by at least one green brand. In this scenario, marketers need to segment the green market, find a customer segment with differing needs, and then position their brand's "flavor" of green to that customer segment.

The number-one green category in the study both in 2006 and 2007 is grocery. The overall brand

Landor's Green Brands Framework



leader both in 2006 and in 2007 in the grocery category is Whole Foods. As a well-known organic grocery that also "walks the talk" in a variety of ways, little brand advantage would be found by trying to out-green the green leader. Brands trying to find a green positioning in the food category have had to take a different green tack.

Trader Joe's emerged in our study as the number-two green brand in the grocery category overall, and the number-one green food brand among the *bright* green customer segment. Although perhaps not as well known for organics as Whole Foods, Trader Joe's seems to have connected with *bright* green consumers through its folksy packaging and advertising, its down-to-earth, Hawaiian-shirt-wearing crew, its handcrafted signs and foods from around the globe.

All of these impressions add up in the minds of *bright* green consumers into Trader Joe's as the green brand for them, above Whole Foods.

Consumer perceptions regarding green brands are changing rapidly. Categories are in different stages of development, with differing competitors who may or may not be perceived as green leaders.

By quickly assessing their category against two simple dimensions, marketers can understand the actions to take in order to capture a brand advantage through being, and being perceived as, green. ■



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