



ISSUE PAPER ON MARKETING AND EFFECTIVE COMMUNICATION

In a globalised economy, average consumption levels are on the rise due to:

- increasing world population;
- the expansion of middle and lower-income consumers and of a general culture of consumption
- economic systems in industrialised societies based on consumption and production.

These current consumption patterns are unsustainable, and the improvements in energy efficiency and the emergence of new technologies do not always outweigh them (called the “rebound effect¹”) resulting in increased environmental damage. We therefore need to direct our consumption towards more environmentally friendlier products and services. Changes in our lifestyles are necessary. For consumers this entails modifying the ways in which they choose, use and dispose of products and services.

In this context, retailers, producers and other actors must help society reach its aims and encourage more sustainable consumption patterns. Communication from different stakeholders and public authorities to consumers should enable society to meet its environmental and climate targets.

INTRODUCTION

Marketing is the process associated with promoting the sale of goods or services. It is an integrated process through which companies create value for customers and build strong customer relationships. In return value from customers is captured.

Marketing is used to create customer demand, satisfy customer requirements and retain their loyalty. Customer-focused marketing is based on the four Ps: product, promotion, price and placement. Product communication to the consumer is mainly part of the promotion instrument. The effectiveness of marketing instruments is usually measured in increased sales. Improvements in customer satisfaction or customer loyalty are objectives of marketing instruments even if it is hard to measure direct impact.

Marketing can have a role in leveraging the company’s sustainability credentials to build brand equity. In order to do this, it is vital to ensure consistency with the respective corporate sustainability strategy; any claims made must be consumer relevant, science-based and presented in a specific, accurate and unambiguous manner.

Alongside consumer information and education in general, corporate reputation and product marketing has a role to play in changing consumer consumption patterns. It enables consumers to identify, choose and use environmentally friendlier products and services, by providing information, relaying official campaigns and messages, ensuring availability and affordability.

¹ The extent of resource savings created by efficiency gains, such as new technologies, that is taken back by consumers due to an increased use of services and higher consumption.

Moreover, within the context of sustainable consumption and production (SCP), marketing and communication can help address the issue of the “rebound effect” and to make consumption patterns more sustainable. For instance, they can be used to communicate more sustainable lifestyle messages.

Indeed, a recent Eurobarometer survey on European’s attitudes towards the issue of SCPi, showed that more than 8 in 10 EU citizens felt that a product’s impact on the environment is important when taking a purchase decision. This survey shows that a very large part of the population is interested in buying more environmentally friendlier products. It also shows that retailers have a unique opportunity to reach a number of people on a daily basis. Former Eurobarometer studiesii however showed the wide gap between awareness and behaviour of consumers.

SCOPE

The subject of marketing and effective communication is very broad and complex. Marketing, in general, may be viewed in terms of the three pillars of sustainability i.e. the economic, social and environmental. However, given the purpose of the Retail Forum, this issue paper will focus on the influence that communication and marketing on the environmental aspects of sustainability can exert on the final “average consumer”iii2 – not the niche “green” consumer.

There is currently no consensus, based on sound scientific, measurable and transparent criteria, of what is meant by “sustainable” “green”, “ecological”, “environmentally friendly”, “environmentally friendlier” etc. products. Given that all products have negative impacts on the environment, we have used the term “environmentally friendlier products”. Within this term, we propose to include all products which go beyond minimum legal requirements from an environmental perspective. It therefore includes products such as eco-labelled products and other certified schemes or industry-wideiv schemes and initiatives not subject to third party verification.

MARKETING INSTRUMENTS TO PROMOTE GREEN BUYING

For the marketing of environmentally friendlier products and services, companies use marketing instruments which are well established for other products. The key challenge is to build trust that such products and services produce measurable advantages for the environment and perform equally well as the product formerly used, in a cost-effective way.

A number of company performance actions may influence the consumer’s decision to purchase goods or services. All these actions of the company represent the “marketing mix”. These instruments can be used either by brand owners or retailers for their private label products.

Marketing always constitutes an offer to consumers. In the competitive world between different brands, manufacturer brands and retailer own brands and between numerous retailers, consumers decide on the success of different marketing instruments through their daily purchasing decisions.

For fast moving consumer goods (FMCG)v, “average European consumers spend 40 minutes per major shopping trip, make 1.2 major trips per week and spend approximately 5 hours a month in a supermarketvi. The most important determinants in the consumer’s decision to purchase or not to purchase a particular product are the price and performance/quality of products.

Consumers’ purchasing choices are also influenced by their faith in the brand. Companies can also increase consumer trust and encourage enthusiasm for environmentally friendlier choices through clear communication on what it means for their company to be “green”. This, alongside

the different promotion techniques outlined above, would provide consumers with something positive to buy into.

Product:

The product aspects of marketing deal with the specifications of the actual goods or services – the most important being the product performance, and how these relate to the end-user's needs and wants. The scope of a product generally includes supporting elements such as warranties, guarantees, and support.

Consumer research, product innovation and their development by producers and the listing of these innovative products by retailers are core elements. For durable products such as white goods (washing machine, refrigerators..) after sale services (repair, spare parts, etc.) are also of key relevance to consumers.

Promotion:

Promotion includes advertising and sales promotion as well as promotional education and personal selling. Purchasing decisions are motivated by emotional factors like trust and good experience with a specific product or brand in the past. For some consumers, scientifically reliable, consistent, understandable and non-misleading product information, shapes purchasing decisions.

The goal of promotion is to make consumers aware of a product and its characteristics. Consumers get product information through brand names, packaging information, like product labels or additional information on flyers, websites, etc. The producer (brand or retailer brand) is responsible for this information.

There is a basket of in-store-information retailers can use to promote green buying. A core element is the dialogue with the sales person. In addition, there is signage, POS (point of sale) display systems, etc. Also important is the opportunity to try new products (especially food products) in the store.

Branded goods companies or retailers may inform consumers through newsletters or advertising on TV or in newspapers. Some retailers (especially consumer co-operatives) use their member sessions to inform the public about green consumption. The promotion of environmentally friendlier products could be assisted through customer loyalty programmes.

Consumer awareness may also be enhanced through national or local public campaigns. With a lot of media response and public awareness raising of some issues, the number of obstacles to 'buying green' can be reduced. The challenge for brand owners and retailers is to ensure that environmentally friendlier products bring continuous satisfaction to consumers including the delivery of expected performance, so as to make them do a reiterated 'green' choice.

Price:

The price, including discounts, of a product is generally – alongside performance – the main criteria for purchasing decisions. This applies particularly for FMCG. In the case of consumer durables, such as electrical appliances consumers are sometimes willing to pay more if they see a good price/benefit correlation over the lifetime of a product/service.

Key to promoting green buying is the affordability of environmentally friendlier products. Even if a majority of consumers claim in polls that they are willing to pay more for environmentally friendlier products, the higher price is an obstacle for buying green. Even for green consumers there is a limit to what they are willing to pay.

To promote green buying clear information to consumers about the costs involved during the life-time of products is also key. In this sense, retailers can contribute to overcome the burden of price with good communication. For instance, information about the lower electricity costs of energy efficient white goods over the life-time of a product.

Placement:

The placement refers to the channel by which a product or service is sold (e.g. online vs. retail), in which geographic region, to which consumer segment (young adults, families, business people), etc.

The awareness and willingness of consumers to buy green differs from country to country. According to the reportvii on organic farming in Europe, the most mature and developed organic markets are in Austria, Denmark, Germany, the Netherlands and Sweden. Countries with a very low share of the total organic food market are Spain, Greece, Portugal, Hungary and the Czech Republic.

Concerning the product placement on the shelves, there are two general trends: off-shelf display (green corners) or category groups (e.g. organic pasta next to whole pasta). For green conscious consumers, green corners might be the better option as they are actively looking for green products. For the average consumer, category groups might be preferable, as they are looking for pasta and may, if presented with the option, decide to buy the organic alternative.

In periods of economic crisis such as today, these instruments, more specifically the price, take on even more importance as competition between retailers increases. New competition elements can also emerge. For instance, environmentally-based competition has penetrated the white goods market (energy label). This might also prove to be the case for environmental characteristics of products.

Assessing the effectiveness of marketing and consumer information

Methods for assessing the effectiveness of marketing and communication tools differ depending on the actor (producer, retailer, environmental or consumer NGO etc.) and the initiative. For retailers and producers the success of a marketing initiative will usually be assessed on the basis of increased sales, numbers of people visiting the store etc. Sales data and market research allow for a better understanding of consumer attitudes, beliefs and behaviours that can then be fed into the planning process, driving innovation and guiding key business decisions, including pricing, packaging and distribution.

According to the conclusions of the Green Claims research in the UKviii, consumers look for – and respond to – three fundamental principles referred to as the ‘three C’s’ namely: clarity, credibility and comparability. For consumers, effectiveness will be assessed on whether these principles have been met.

Nevertheless, from a sustainability perspective the real challenge is to ensure that the consumer will develop loyalty to environmentally friendlier products (purchasing these instead of other less friendly ones) and changing their habits, when using and finally disposing of the product. For instance, reverting to compact washing powder requires using less product per wash and that washing at lower temperatures saves energy.

THE EU LEGAL FRAMEWORK

At European level, the renewed sustainable development strategy adopted by the European Council in 2006, called for an action plan on SCP (Sustainable Consumption and Production). The SCP and SIP (Sustainable Industrial Policy) Action Plan was adopted in July 2008ix. The Action Plan is the EU’s contribution to a global (UNEP) process on sustainable consumption and production, building upon both the Rio and the Johannesburg Summits. The Johannesburg Plan of Implementation includes the following as measures to be taken as part of plans and programmes on SCP:

- Develop production and consumption policies to improve the products and services provided, while reducing environmental and health impacts, using where appropriate, science-based approaches, such as life-cycle analysis;

- Develop awareness-raising programmes on the importance of sustainable production and consumption patterns, through education, public and consumer information, advertising and other media
- Develop and adopt, where appropriate, on a voluntary basis, effective, transparent, verifiable, non-misleading and non-discriminatory consumer information tools to provide information relating to sustainable consumption and production, including human health and safety aspects.

The EU's action plan sets out measures aimed at improving the environmental performance of products and fostering their uptake by consumers and public authorities. It contains other concrete proposals:

On the production side:

- extension of the Eco-design directive to cover all energy related products. Minimum requirements are set for products with significant environmental impact, focusing on key environmental aspects
- revision of the EMAS (Environmental Management and Audit System) Regulation

On the consumption side:

- extension of the energy labelling directive to include more products;
- revision of the EU Ecolabel Regulation;
- the setting up of the Retail Forum;
- targets and guidance for green public procurement.

There is no specific EU legislation regulating environmental communication and marketing. There is however a general directive on unfair commercial practices, which covers misleading commercial practices and applies therefore to misleading environmental claims (see Art. 6 of Directive 2005/29/EC). This Directive ensures that consumers are not misled and that any claim made by traders in the EU is clear, truthful, accurate and substantiated, thus enabling consumers to make informed and meaningful choices. Furthermore, the Directive aims to ensure, promote and protect fair competition in the area of commercial practices. In order to develop a common understanding and a convergence of practices when implementing and applying the Directive, the Commission has recently published a document ("Guidance on the implementation/application of directive 2005/29/EC on unfair commercial practices"^x) on the key concepts and provisions of the Directive, perceived to be problematic. A chapter of this document is devoted to misleading environmental claims.^{xi}

At national level, some member states (e.g. France, UK) are taking initiatives to better control environmental claims and advertising.³

OPPORTUNITIES AND BARRIERS

A major challenge towards sustainable consumption patterns is to foster in consumers long-term environmental values which they integrate into purchasing behaviour and decisions. Responsibility for such "education" lies primarily in the hands of public authorities and other players whom consumers trust. For such education to be effective, however, identical or similar messages must be given by a number of different sources. Producers and retailers have a key role to play in conveying such messages: the producers as they are at the source of product innovation and the retailers due to their strategic position in the supply chain together with their long experience in working with players along the supply chain and alongside others, such as NGOs, media, public authorities etc.

These messages have maximum effect if they are clear, simple and, when possible, highlight the financial advantage for the consumer.

Opportunities

Consumers are increasingly aware of environmental issues - in particular, climate change - and are more and more receptive to environmental messages. For instance, according to the Eurobarometer survey on Europeans' attitudes towards SCP, the level of environmental

awareness of the impact of consumer products is high: some 55% say they fully know or know the most significant impacts of the products they buy. Consequently, there is much to gain for front-running producers and retailers in adapting to new challenges such as climate change.

By embarking on the path of the environmental aspects of sustainability, companies can attract new customers, and enhance their reputation and image, leading to greater customer loyalty (an overriding objective of marketing), especially that consumer perception of the quality of products increasingly integrates environmental aspects.

Competition amongst economic operators is a driving force for changes to take place, especially in periods of economic recession and due to increasing public interest in issues such as climate change. Focusing on the environmental aspects of sustainability can therefore also become a competitive tool for retailers, in particular if there is a relative financial advantage for the consumer.

To increase consumer confidence partnerships must be promoted further, for instance through campaigns involving retailers, environmental or consumer NGOs, manufacturers, industry associations and public authorities (environment ministries, environmental agencies) etc. Partnerships with NGOs may take different forms. Most frequently, NGOs provide assistance in the development of the sustainability strategy of the company, the communication of environmental information and the identification of environmentally friendlier products.

Retailers might help consumers by developing their offer of environmentally friendlier products. Where appropriate, scientifically sound criteria, that take the entire product life-cycle into account and are developed with input from all stakeholders concerned, should be used as the means to decide the relative and absolute environmental friendliness of products.

Barriers

Many studies on consumer behaviour demonstrate the wide gap between what consumers say and what they do. Understanding and overcoming this barrier should therefore be a priority, using research that already exists^{xii}. When asked, consumers often identify the following barriers to environmentally friendly consumption habits:

- lack of understanding how they, as consumers, can make a difference;
- lack of practical and relevant information about what they can do;
- that purchasing environmentally friendlier products is financially onerous;
- doubts about the quality and level of performance of environmentally friendlier products.

However, information alone, even when simple, accurate, well presented and action focused, will be insufficient to produce the shift towards more sustainable consumption. Just because consumers are provided with more information, or say that they are interested in finding out more, it does not necessarily mean that action will follow.^{xiii}

In addition to a lack of awareness and understanding, the gap between awareness and action can also partly be explained with behavioural biases. People may not behave rationally when making purchase decisions due to habits that have been developed based on advertising and promotion campaigns or brand loyalties.^{xiv}

These remarks partially stem from the absence of a definition of environmentally friendlier products. Making better use of the scientific research already available (recognised LCA approaches with sound criteria for each product category, etc.) could solve some of the confusion. Developing and communicating user-friendly consumer information based on available scientific criteria (in particular LCA) could allow consumers to make informed choices. In addition, available scientific data could be used by manufacturers/retailers to support innovation towards more sustainable products.

In the absence of definitions and clear rules of what can be called “environmentally friendlier”, some products carry environmental claims which are insufficiently substantiated. These tend to be picked up by the media and are therefore potentially damaging to a company’s credentials, and to consumer confidence in general. Only 6 % of respondents to the EU barometer survey

claimed to fully trust producers' claims. In some cases, official Type I ecolabels provide a strong definition and a benchmarking reference.

For this reason, many retail companies, fearing attacks from NGOs, the media or legislators, are reluctant to promote products which meet standards beyond legal minima but without reaching the highest possible levels, such as the GlobalGap.

Well-designed LCA tools can identify what the key environmental impacts are and where along the lifecycle of the product they occur, whether in production, use or disposal. Misconceptions about areas of greatest environmental impact lead to the general conclusion that claims should convey the overall picture. Yet to deliver an effective communication, it is important to convey the whole picture.

Consumers also sometimes expect environmentally friendlier products to cost more than standard products: they therefore tend to be niche markets. However, prices could be reduced by means of public procurement, and fiscal incentives which would allow economies of scale. In this framework, the EU is undertaking measures, such as the elimination of harmful subsidies or a possible ecological reform etc.

Consumers also occasionally question the performance of environmentally friendlier products. These issues become especially relevant in periods of economic uncertainty.

The competitive nature of company purchasing and the legal framework has prevented retailers from sharing best practice on sustainability issues such as criteria selection for better performing products. However, when possible relevant retailers could work together more than in the past, to create a market-wide demand for environmentally friendlier products. DG Competition needs to be part of the discussion, to avoid anti-trust arguments coming when these are not appropriate.

There is also a practical obstacle to the promotion of environmentally friendlier products, namely that the supply does not always meet the demand, as is the case for organic products. In such cases, producers and retailers might decide to source globally and the environmental credentials of the products they sell might be put at risk.

Finally, the capacity (in terms of available resources) for retailers to support individual manufacturers or industry sectors voluntary initiatives in stores is limited.

- Legal barriers

The legal dimension can also prove to be an obstacle. In particular, the amount of mandatory on-pack information required may cause the key messages to be overlooked.

National implementation is not always in line with EU legislation, as in fishing quotas, preventing clear, simple, homogeneous information as well as an agreement on what is sustainable. Therefore, better enforcement of existing EU legislation is necessary.

Increasingly, antitrust rules may make businesses behave very cautiously when considering collective voluntary action to raise product standards, for example if retailers are invited to consider decisions on choice-editing of certain types of products.

- Internal barriers

In smaller companies, environmental challenges might not always be fully taken into account. This lies mainly in the fact that environmental measures are often proportionately more burdensome for smaller companies than for larger ones.

For larger companies on the other hand, there are also occasionally diverging views between the marketing and sustainability departments as to what is a "sexy" product or message to put forward. A specific case of the retail sector is that companies are often structured in such a way as to leave as much discretion as possible to each shop regarding what they sell and the messages they convey, limiting the possibilities for large scale marketing and communication.

According to a recent study on retailers and CSR^{xv}, progress along change trajectories towards effective CSR requires both internal and external strategic and operational alignment.

To communicate their general company sustainability strategy, large producers and retailers use sustainability reports. Yet generally these are not directly addressed to consumers but to shareholders etc. Communication on this point needs to be improved to help improve the credibility of the retail brand.

CONCLUSIONS AND POSSIBLE AREAS FOR ACTION

Changing consumer habits and consumption patterns towards more sustainable ones is a long-term objective.

Key challenges

- develop a common vision and policy on SCP
- stimulate discussions on SCP in the framework of the EU 2020 strategy and economic recovery exit strategies
- building on already available references and benchmarks, develop sound definition and common understanding of what are environmentally friendlier products and what the key environmental hot spots are for each product category (building on already available science + framework to elaborate guidelines);
- identify what messages should be conveyed, in order to support consumers making informed choices and to promote behavioural change including after sales;
- closing the gap between what consumers say and what they do;
- make environmentally friendlier products with a good performance affordable;
- convincing consumers to buy an environmentally friendlier product repeatedly with a view to a final change in consumer behaviour;
- reconciling product information and broader messages (sustainable life-style etc.), without ignoring the fact that information overload negates the benefit of the information.

What retailers can do

Most of the following points can also apply to producers and other economic operators:

- facilitate access to environmentally friendlier products at affordable prices, in particular through a widening of the range of environmentally friendlier products;
- all environmental claims should be clear, credible and comparable. Claims must rely on verifiable, science-based, transparent information and easy-to-understand labels. Third-party verification schemes can be an option;
- build on potential existing campaigns and relay such sustainable consumption messages through participation in government and civil society campaigns (e.g. sustainable energy Europe week, mobility week, world environment day...);
 - mobilise their marketing and communication teams towards sustainable development : notably by generalising dedicated training
- communicate the company's vision on sustainability internally and externally and ensure that the stores concerned meet the respective messages communicated and are consistent at all stages;
- build into the development of marketing campaigns an assessment of the potential impacts on consumer behaviour with regard to sustainable consumption. Ensure close cooperation between the marketing, communication and environment departments;
- develop a clear vision of what it means for a company to be green;
- the preference of consumers may depend on a variety of different factors. Retailers and producers should do research with their own customers to determine how they can maximise easier green choices for consumers;
- raise-awareness and train store teams on environmental issues (waste sorting, plastic bags, energy management, etc.) and their purchasing and sales staff about environmentally-friendlier products.

What policy-makers can do

- Ensure coherence between different policy areas
- when reviewing the SCP action plan, analyse the issue of consumer behaviour. Other issues to consider are (i) the assessment of good practice models to encourage behavioural change and (ii) build in state of play of what consumers want/understand
- improve the knowledge base, identifying the hot spots according to consistent and credible LCAs. Current environmental LCA databases are often incomplete (missing emission factors for many common ingredients and components). Harmonisation between these databases and LCA methodologies is needed to make them interoperable and produce robust, reliable and comparable results.
- intensify efforts for better consumer education and consumer trust by public authorities and other players consumers trust. Messages must also be consistent over time.
- facilitate access to environmentally friendlier products at affordable prices, introduce different types of incentives for consumers;
- revise mandatory rules for labelling in order to limit on-pack information to a minimum and through this achieve greater clarity of information. Other instruments such as SMS or websites might prove more appropriate for some information particulars;
- provide guidance on corporate green claims
- educate consumers on the environmental benefits of correct product use and correct packaging disposal;
- stimulate and promote ecolabels, the organic and other certified schemes to increase the number of products with such labels or information (e.g. information on websites). Enhance the knowledge and credibility of these schemes and improve even further their credibility;
- promote green public procurement

What retailers, producers and other stakeholders can do together

- Collaborate further with all the relevant stakeholders along the supply chain, including public authorities, to share best practices regarding the promotion of environmentally friendlier products and to develop simple common messages on issues to be identified and/or build on existing initiatives.
- conduct marketing and communication assessments to focus more on sustainability criteria, including comparison between the effectiveness of different communication tools and their deployment;
- consumer education: conduct campaigns linking consumption and lifestyle. For some products the major environmental impacts are related to the way the products are used and dealt with as waste; some types of products promote more sustainable lifestyles than others. Involve all relevant parties in such campaigns to make a sustainable lifestyle trendy.
- build-on existing best practices, partnerships, campaigns and voluntary actions carried out by relevant stakeholders to optimize their visibility, their reach out and thus their impact/influence.
- organise an event 2011 for all stakeholders so as to provide a platform for discussion on the required steps for the review of the SCP Action Plan.
- undertake research with consumers to ensure understanding of consumer wants and needs as well as the barriers they face to taking up environmentally friendlier products and services.



Annex to Issue Paper #3: Marketing and Effective Communication

EXAMPLES OF GOOD PRACTISE

The following examples of good practices were sent by stakeholders:

RETAIL COMPANIES

Auchan pictograms

Auchan France has developed 6 pictograms to raise the awareness of consumers about environmentally friendlier products by making them more visible. These pictograms are found in stores, advertisements and on the Auchan website. Auchan France contributes to promoting environmentally friendlier products (with an official label when available), by making them affordable by developing own-brand products; by offering a 5% discount all year round on these own-brand products; through special offers etc.

More information p.39:

<http://www.groupe-auchan.com/pub-adm-fw3/display/000/506/695/5066951.pdf>

Carrefour and the Sustainable Energy Europe Campaign

- **creation of a limited edition packaging to help build consumer awareness of environmental issues**

In partnership with Tetra Pak and specifically for the European Union Sustainable Energy Week 2009, the Carrefour Group has created a limited edition pack for its Carrefour-branded milk and orange juice products. The information on the packaging will help inform and raise consumer awareness on sustainable energy, on the benefits of carton drinks packaging and on the importance of recycling the packaging.

The limited edition packs will be in the Group's stores (hypermarkets and/or supermarkets) in France, Belgium, Spain and Italy from late January 2009 to mid-February 2009.

<http://www.sustenergy.org/tpl/page.cfm?pagID=15&id=2501&submod=details>

<http://www.carrefour.com/cdc/group/current-news/group-tetra-pak.html>

- **In-store promotion of green solutions to encourage responsible consumption**

To help build customer awareness of energy efficiency, the Carrefour Group will run promotions on a selection of energy-saving products (e.g. low-energy light bulbs, A rated electrical items...).

This range of innovative products will be highlighted in the Group's stores (hypermarkets and/or supermarkets) in France, Belgium, Spain, Italy, Greece and Poland between 9 and 13 February 2009.

<http://www.sustenergy.org/tpl/page.cfm?pagID=15&id=1767&submod=details>

http://www.carrefour.com/docroot/groupe/C4com/Pieces_jointes/Communiqués_de_presse/2009/Carrefour%20Group%20press%20release_UE%20Energy%20Week_020209v2.pdf

Marks and Spencer collaboration with Oxfam

Since 2008, Marks and Spencer are working together to encourage customers to recycle clothes they no longer wear.

<http://plana.marksandspencer.com/about/partnerships/oxfam/stories/10/>

Metro information campaign

In 2007 in the Media-Saturn Group embarked on a large-scale information campaign in cooperation with the German Energy- Agency. The idea was to communicate to consumers the double benefits of energy efficient electrical appliances—both cost savings and reducing climate impact. Our employees in the stores of *Media Markt and Saturn in Germany were trained by the German Energy-Agency*. With this updated knowledge they informed customers about how to use the European energy label to identify climate friendly refrigerators and washing machines. To overcome one of the biggest purchase barriers - the higher price - Media Markt and Saturn held "Energy Saving Weeks" and offered gift certificates for customers buying efficient products. Customers who bought an A+ refrigerator got a gift card for 100 €. Data from the market research institute GfK Group show clearly our success: Today 50% of refrigerators sold in Germany are A+ or A++ appliances. Therefore Germany is the most advanced market for energy efficient refrigerators in Europe.

http://www.metrogroup.de/servlet/PB/menu/1183120_I2_ePRJ-METRODE-MAINPAGE/index.html

COOP

- **Coop Italy: "Save Energies" Project**

This project, which involves 1,500 families of consumer co-operative members all over Italy, is aimed at raising awareness on the topics of Climate Change and Energy Efficiency. The final objective is to change the daily consumption patterns of this community, which will be also able to exchange information through an ad hoc website. More information:

http://www.casacoop.e-coop.it/guest?action=visualizza_articolo&id=424.

- **The Co-operative Group (UK): "Stop the Climate Chaos" coalition**

The Co-operative Group works in partnership with the "Stop Climate Chaos" coalition to deliver a climate change outreach initiative to its members.

More information: <http://www.co-operative.coop/ethicsinaction/takeaction/thewave/whos-involved-with-The-Wave/>

RETAIL ASSOCIATIONS

FCD

- **Public private nationwide campaign to promote the French NF Environnement and EU Ecolabel**

In 2009, 7000 stores (800 hypermarkets, 3000 supermarkets, and 3300 shops at the corner) participated at the campaign led by the French environment ministry, representing a total of 150 000 promotion days. In France, between 75 and 95 % of ecolabeled products (NF Environnement and EU Ecolabel) are retailer branded products.

More information p.9: http://www.fcd.asso.fr/maj/upload/actualites/fichier_210_0.pdf

- **Nationwide campaign to promote organic products**

For several years now, all major retailers in France participate at the "Printemps de la bio" organised by the French agency for the promotion of organic products Agence BIO. First official estimations do indicate a market share increase of more than 20 % in 2009.

More information p.13: http://www.fcd.asso.fr/maj/upload/actualites/fichier_210_0.pdf

INDUSTRY ASSOCIATIONS

AISE

A.I.S.E. campaigns to promote sustainable consumption; www.washright.com for laundry detergents; www.saveenergyandwater.com for automatic dishwashing detergents ; www.cleanright.eu as industry web portal for the whole soaps, detergents sand maintenance products industry

A.I.S.E. sustainability scheme, aimed at manufacturers and retailers (for their private label products) to steer better practices for the whole industry, throughout the life-cycle and for the whole industry, including reporting: www.sustainable-cleaning.com

European SCP Food Round Table

The European Food Sustainable Consumption and Production Round Table is a public-private initiative that is co-chaired by the European Commission and food supply chain partners. The Round Table aims to develop a harmonised methodology for the environmental assessment of food and drink products which will form the basis for the voluntary communication of environmental information along the food chain, including to consumers. To this end the Round Table is developing a set of guiding principles which will include guidance on issues such as the format, scope, meaning, and underlying data for communicating environmental information. These principles will be adopted at a plenary meeting in July 2010 and will be available to download from the Food SCP Round Table website:

<http://food-scp.eu/>.

FEVE (The European Container Glass Federation)

"Story-telling" viral to encourage recycling retailers to play an important role in championing recycling. "Story telling" to convey messages is a strong way to communicate with consumers. Hank - the singing bottle - performing "I'll be back" is a good example of how to engage people with a public interest message - over half a million people have viewed the clip. It is a viral, and portable information tool, containing a public interest message that can be used by retailers and stakeholders on websites, and the character could also be used to provide in-store information.

<http://www.friendsofglass.com/>

CONSUMER ASSOCIATIONS

BEUC and Consumer Focus

The United Nations Environment Programme created an online portal which provides a "Creative Gallery on Sustainable Communications". It is a database of advertisements designed to encourage consumers to purchase environmental and ethical products. More information:

<http://www.unep.fr/scp/communications/ads.htm>

MEMBER STATES

Denmark

Organisations, retailers and authorities have agreed on a yearly calendar to carry out campaigns e.g. week 9 is the fair trade week, week 25 is the organic week and week 41 is the ecolabel week. This calendar allows retailers to plan marketing initiatives and to ensure that products available during campaigns.

France

The government has signed a charter with professionals on "eco-responsible advertising". A code of conduct has also been established with the sector, which includes three innovative aspects: better explanation of environmental self-declarations, limitation to misleading "excessive greening" of the product scenery, and taking into account of the life-cycle.

ⁱ http://ec.europa.eu/environment/eussd/pdf/FL256_summary.pdf

http://ec.europa.eu/environment/eussd/pdf/FL256_analytical%20report_final.pdf

ⁱⁱ Eurobarometer 295: *Attitudes of European Citizens towards the environment, March 2008*

http://ec.europa.eu/public_opinion/archives/ebs/ebs_295_en.pdf

ⁱⁱⁱ We suggest using the wording of the European Court of Justice, i.e. average consumers are reasonably well informed and reasonably observant and circumspect.

^{iv} E.g. www.sustainable-cleaning.com for the detergents and maintenance products industry in Europe

^v FMCG are inexpensive products that people usually buy on a regular basis, such as supermarket foods or toiletries. (*English Collins Dictionary - English Definition & Thesaurus*)

^{vi} p.186 of "The power of point of purchase advertising: Marketing at Retail". Edited by Robert Liljenwall POPAI - 2004

^{vii} Report – Organic Farming in the EU. Facts and Figures – 3 November 2005 (European Commission – DG AGRI - G2 EW - JK D(2005)

^{viii} Green Expectations, Consumers' understanding of Green Claims in Advertising, Consumer Focus, June 2009

^{ix} (COM (2008) 397 final)

^x http://ec.europa.eu/consumers/rights/index_en.thm

^{xi} Beyond the "black list" contained under Annex I of the Directive, where some practices are always considered unfair, and therefore prohibited, regardless of the impact they have on the consumer's behaviour, the above mentioned Guidelines highlight two different situations, regarding environmental claims, which may occur:

(i)Objective misleading practice: the environmental claim is misleading because it contains false information and is therefore untruthful.

(ii)Subjective misleading practice: the environmental claim is misleading because it deceives or is likely to deceive the average consumer, even if the information contained therein is factually correct.

Breaches of binding codes of conduct containing environmental commitments may also be considered misleading actions

^{xii} Most notably, studies undertaken by Tim Jackson, Professor of Sustainable Development at Surrey University, UK. For a list of his relevant work, see:

http://www.surrey.ac.uk/resolve/view_profiles.php?teamMember_ID=15

^{xiii} National Consumer Council (2005): Desperately Seeking Sustainability

^{xiv} p.46 in "*Promoting Sustainable Consumption – Good Practices in OECD Countries*" OECD, 2008

^{xv} *CSR business models and change trajectories in the retail industry: A Dynamic Benchmark Exercise t1995-2007*; LEI Wageningen, UR, The Hague; October 2009