13 Green Marketing and Eco-labelling

13.1 Communicating Environmental Performance

13.1.1 Communicating Environmental Performance

The introduction of Ecodesign and Life Cycle Assessment of products in companies of all kinds constitutes substantial efforts to map and improve the environmental properties of products and services. Obviously it is important that these efforts become known by all those concerned, not least by the customers and the market in general. Therefore it is crucial for companies to communicate their environmental performance and the environmental profile of their products to the customers. They want to reach a market of environmentally concerned customers in this way, and also create new customers groups by enhancing environmental consciousness.

At the same time there is a demand from large consumer groups to know more about the environmental profiles of the products they are offered in the shops.

These two needs are addressed by ecological labelling or eco-labels.

In the first situation it is the company that takes the initiative and may inform the market. In the second case consumer associations, green NGOs or other interest organisations may take the initiative and establish a programme for eco-labelling. A third important player are the authorities, mostly on state and multi-state union levels, which also use eco-labelling perhaps mostly as a way to implement environmental policies, and to promote and improve conformance to legislation.

Below we will scrutinise the different types of labelling that exist and see which role they play in green marketing. We will see if the two sides – the companies and the consumers – reach each other through this information. We will also see that there is a business-to-business information flow regarding the environmental properties of products and services, which is addressed by information tools, such as labelling.

However already here we should point out that labelling is not the only form of green marketing.

Branding means that a company makes itself know as an environmentally concerned and responsible business. This may be done in many ways, through advertising, environmental prizes, concern with resource use, through special information campaigns etc. Many examples of such companies are included in the short examples and cases given throughout this book. Well-known environmentally responsible companies include e.g. the Body Shop, IKEA, and some hotel chains.

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Another way is to get *certification for an EMS*, an environmental management system. Information that the company is certified may be included in information materials and administrative documents such as invoices, and also shown on signs on buildings, vehicles, products etc.

There is in addition a whole arsenal of means for communicating an environmental message. Brochures, logos, graphic design, exhibits etc. are there in addition to eco-labels, which thus should be seen as one tool out of many for green marketing.

13.1.2 Information Using Labels

Labels on products are used for many kinds of information, some required and some voluntary, some negative and some positive. Environmental information is also found in these categories.

The *legally required information* on *chemical products* includes the chemical content, especially if some of the ingredients are toxic, or otherwise dangerous, e.g. explosive or flammable, or ecologically hazardous. *Food products* often carry much more information on labels, such as comparative price, durability, caloric content etc. In addition information on if the food is organically grown, if animals are well taken care of etc is found on food packages. Equipment, such as *electrical equipment* has to be labelled with a series of technical information, including standardisation information. Much of the requested information is relevant for the environmental performance of the product.

The required information is often relevant for the environment. Nowadays many beverage containers – plastic, steel or aluminium bottles – have information if they are *recyclable*; in Sweden this is required by law as of January 2006, as non-recyclable bottles are outlawed. The label for recycling is today well known all over Europe.

Furniture may have information that it is *not made of tropical hardwood*. The timbering of such wood is threatening the residual tropical forests in the world and biodiversity, and thus environmentally negative. Increasingly often furniture may also have labels that it is made of wood from *certified forests* according to Forest Stewardship Council (FSC). These forests are timbered in a way that does not threaten biodiversity.

White goods, such as washing machines, refrigerators etc, or indeed all electrical equipment, may also have information on their *energy performance*, electricity use.

In addition to eco-labels products may also have so-called *social responsibility labels*. These labels ascertain that the products are produced with proper concern for labour rights, human rights, not using child labour etc.

Eco-labels are thus a rather recent addition to a long tradition of labelling; they have to fight for attention in the flood of information.

13.1.3 The Green Market

The market of green products is considerable. For example ecologically grown food has taken about 10% of the food market in e.g. Austria and Sweden, which represents several billion Euros. Swedish ecological food products are licensed by "KRAV", which is a company working under regulation of the State authority for agriculture. The producer of ecological food has to pay to the KRAV organisation to be audited, and receive a license and the right to label its products with KRAV.

The eco-labels are very attractive and some companies invent their own non-licensed labels, like a flower or forest etc, which however does not mean anything. On the United States web site for eco-labelling there are presently (2006) 137 different labels. Not all of these are under licensing by a third party.

Several environmental NGOs have their own green labels and organisation for licensing, such as the Swedish Falcon. These labels correspond to what the "green consumers" would like to see from a green product. However a series of other labels are created by industries and still others by the authorities. The EU flower for ecological products is created and licensed by the EU Commission. One may wonder if these correspond to customers requirements. In reality there are probably as many different requirements as there are customers. It is, however, perfectly possible to find out exactly what the labels mean by checking the web sites, and initially on the products themselves.

It seems that the voluntary eco-labelling is in the forefront and legal regulations valid for all products follow. There are many examples. Thus regulations on the use of biocides, nutrient recycling and animal welfare – originally promoted by enthusiasts – will make all food in EU have a rather ecological character in the near future. The stricter rules for chemicals, the top of the agenda of the environmental movement, is now being introduced with the REACH Directive, and will improve the environmental profile of all chemicals.

13.2 Eco-labelling

13.2.1 Three Types of Eco-labels

Eco-labelling is a voluntary method of environmental performance certification, a label which is used around the world. An *eco-label* is a label which identifies the overall environmental performance of a product or service within a specific product/service category based on life cycle considerations. In contrast to "green" symbols or claim statements developed by manufacturers and service providers, an eco-label is awarded by an impartial third-party in relation to certain products or services, which are independently determined as environmental leadership criteria.

The International Organization for Standardization (ISO) has identified three broad types of voluntary labels, with eco-labelling fitting under Type I.

- *Type I:* A voluntary, multiple-criteria based, third party program that awards a license that authorises the use of environmental labels on products indicating overall environmental preferability of a product within a particular product category based on life cycle considerations.
- *Type II:* Informative environmental self-declaration claims.
- *Type III:* Voluntary programs that provide quantified environmental data of a product, under categories of parameters set by a qualified third party and based on life cycle assessment, and verified by that or another qualified third party.

The ISO 14020 standard defines eco-labels as labels which share a common goal:

"...through communication of verifiable and accurate information that is not misleading on environmental aspects of products and services, to encourage the demand for and supply of those products and services that cause less stress on the environment, thereby stimulating the potential for market-driven continuous environmental improvement."

13.2.2 Why Eco-labels

The roots of eco-labelling are found in a growing global concern for environmental protection on the part of governments, businesses and the public. As businesses have come to recognise that environmental concerns may be translated into a market advantage for certain product: services, various environmental declarations/claims/labels have emerged on products and they have respect to services in the marketplace (e.g. natural, recyclable, eco-friendly, low energy, recycled content, etc.). While these have attracted consumers looking for ways to reduce adverse environmental impacts through their purchasing choices, they have also led to some confusion and scepticism on the part of consumers.

Without guiding standards and investigation by an independent third party, consumers cannot be certain that the companies' assertions guarantee that each labelled product or service is environmentally preferable alternative. This concern with credibility and impartiality has prompted the formation of both private and public organizations providing third-party labelling.

There are a series of sources for information on eco-labelling. Some of the more useful are:

ISO standards. Look at the International Organisation for Standardisation (ISO) and its standard 14020-23 for eco-labelling.

The Global Eco-labelling Network (GEN). They Publish an eco-labelling guide with much advice, and a discussion pa-

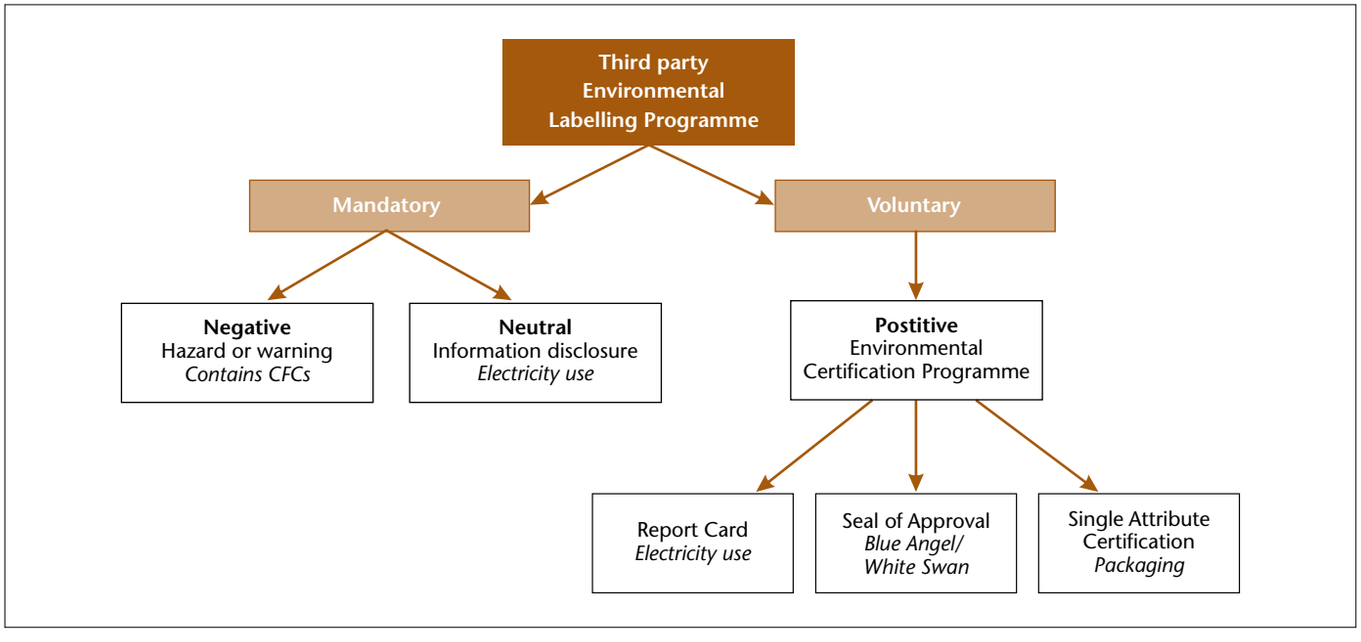

Figure 13.1 *Different types of labelling programmes.*

per On Enhanced Co-operation [1999] (see Internet Resources). The GEN homepage is especially useful on the Type III eco-labels, with information and elaboration on eco-labelling strategies, issues and practices.

The specific labelling programmes. E.g. the Nordic Swan. See further below, and the list of Internet Resources.

13.2.3 Eco-labelling Programmes

An ecodesign product can also be offered for an independent environmental seal of approval, which will raise the level of consumer recognition. The US EPA published a summary of all the eco-labels that existed worldwide in 1993 (Table 13.1). Labelling programs can be positive, neutral or negative; that is, they can promote positive attributes of products, they can require disclosure of information that is inherently neither good nor bad, or they can require (negative) warnings about the hazards of products. Figure 13.1 gives an overview of the different types of labelling programmes.

Seal of approval programmes identify products or services as being less harmful to the environment than similar products or services with the same function. Single attribute certification programmes typically indicate that an independent third party has validated a particular environmental claim made by the manufacturer. Report cards offer consumers neutral information about a product and/or a company's environmental performance in multiple impact categories. These three types of programme, by virtue of their voluntary nature, have been grouped together as environmental certification programmes.

Information disclosure labels, like report cards, are neutral, disclosing facts about a product that would not otherwise be disclosed by the manufacturer. Unlike report cards, information disclosure labels are required by law.

Hazard/warning labels, or negative labels, are mandatory warnings concerning the product's adverse environmental or health impacts.

Of all these labelling programmes, the voluntary seal of approval programmes are the most comprehensive. They award a logo for products judged to be less environmentally harmful than comparable products, based on a specified set of award criteria per product category. How these product seal of approval programmes and evaluation award criteria are set defines the most important differences among the seal of approval programmes currently in existence. Table 13.1 summarises a number of seals of approval programmes and Figure 13.2 several different types of eco-labels.

Whether a company should apply for such a voluntary eco-label for its ecodesign products depends on many factors.

– The environmental requirements have to be established for the product category.

– Making an application may be expensive, especially if different labels (in terms of content) must be applied for in different countries for the same product.

Table 13.1 Overview of Environmental Labelling Programmes
The table lists the date of origin of some of the best known labelling programmes [US Environmental Protection Agency, 1993].

Programme name	Country	Date founded
Blue Angel	Germany	1978
Environmental Choice	Canada	1988
Program Ecomark	Japan	1989
White Swan	Nordic Council (Sweden, Denmark, Norway, Iceland, Finland)	1989
Green Seal	United States	1989
Good Environmental Choice	Sweden	1990
Environmental Choice New Zealand	New Zealand	1990
Ecomark	India	1991
Ecomark	Korea	1992
Green Label Singapore	Singapore	1992
Environmental Labelling	European Community	1992
Programme Stichting Milieukeur	Netherlands	1992
NF-Environment	France	1992
Flipper Seal of Approval	International	1992
SCS Forest Conservation Program	United States	1993

Many companies in Europe are waiting to see what happens with regard to the further development of the European label as a replacement for the specific labels used in individual European countries.

The decision to apply for an eco-label will depend a great deal on what the competition does and how significant a certain local market is for a company. Another important aspect is whether the requirements for the appropriate eco-label were taken into account when the objectives for the ecodesign project was formulated. It would obviously be nonsensical to apply for a label if the chances of being awarded that label were not good. In some cases the requirements for existing eco-labels do not go far enough for some companies. In such a case consideration could be given to setting up (possibly in conjunction with other businesses operating in the same branch of industry) one's own seal of approval with even more stringent requirements (as was done in the textile industry by Novotex, for example).

13.2.4 Environmental Product Declaration, EPD

Environmental Product Declarations (EPDs) are LCA results adapted for communication to the market. EPDs are thus strictly standardised and simplified; weighting is not used. EPD can be used for all products, and there are not any predetermined levels for the product per se. It is just a declaration of the LCA. Therefore an EPD in itself is not a guarantee that the product is environmentally friendly.

The environmental product declaration is a rather new instrument. The first programme, the Swedish one, was launched in 1998. The EPDs do not have such a wide global use as the eco-labels. Based on the Swedish experience the ISO organisation has introduced a procedure how to develop an EPD and developed the ISO/TR 14025 2000 standard. As the EPDs are highly standardised, they must comply with the standard.

EPD does not compete with eco-labels but has a slightly different focus. It is mostly used for business-to-business information.

The variations of the rules for different products are available in documents called Product Specific Requirements (PSR). In the PSR for a product category, the functional unit is described, and the exact information which should be available in the product declaration. The PSR are developed by the market, that is, the companies. The EPD declaration gives specific information for each life cycle phase of the products (raw material, use phase, waste phase) including recycling. Verification of EPDs is done by the same authority as for the verification of the EMS ISO 14001 or EMAS.

13.3 Green Marketing

13.3.1 How Green Marketing Influences a Company's Image

If a company has a poor environmental image it cannot be changed overnight by launching a single environmentally-sound product if the company's other products remain as they are. In order to (re)position the company with the help of the new, ecodesigned product one should ask: what are the main themes the company wishes to be identified with and what are the subjects it wishes to discuss? Key issues for positioning a company as a business that wants to help create a healthy environment are:

- A tradition of pursuing a sound environmental policy.
- Openness towards consumers and those living in the vicinity of the plant.
- An image of high-quality and reliable products.
- Being a leader in the field, for instance by being the first company to have an in-house environmental management system certified by EMAS, British Standards or ISO, or a Corporate Environmental Report of the ecodesign programme.
- Extensive research into the environmental aspects of products and processes, to be recorded in product dossiers.
- Excellent contact with consumer and environmental organizations with a view to anticipated, future environmental requirements.
- Involvement in environmental research programmes with universities and institutes of applied research and international environmental programmes, such as those of UNEP, EUREKA, etc.
- The image of being a responsible company willing, for example, to take back both product and packaging, to reuse components and to recycle materials.

To position a company sensibly it is wise not to exaggerate or boast about achievements but rather give a true picture of the situation, to be honest about the problematic aspects of products and processes, even in the public debate, and finally to recognise environmental problems that are relevant for customers and explain how ecodesign can reduce or even prevent them. Doing this will increase the consumers' knowledge about environmental matters and, in due course, raise their level of involvement.

Marketing based on environmental arguments is appropriate for service products which were set up with environmental arguments in mind (call-a-car, collective laundry service, toner cartridge recycling services, photocopier leasing, etc.).

Eco-labels

The following examples of eco-label schemes include programmes initiated and run by state authorities, green NGOs and producers associations. The texts are abbreviated and edited from the homepages referred to.

1. European Commission EU Flower

The EU flower is available to a range of products and services. The scheme, which has been designed and is overseen by the European Commission, sets out specific ecological criteria that products must comply with to be certified as environmentally friendly. The award of the label is independently verified and endorsed by the European Commission. The EU Flower is a recognised environmental quality mark across the countries of the EU and in Norway and Liechtenstein. A key step in assessing a product for the EU flower is the completion of an environmental life-cycle assessment. The EU is currently introducing IPP that will use instruments such as greener standards and environmental taxes to force producers to take account of the environmental impact of their products throughout their life-cycle. Products with the EU Flower will have been assessed for such impacts and will usually comply with these schemes.

The EU Flower has been shown to help sales in other EU markets. Cleaner production required to reach Eco-label criteria can be cheaper and more efficient. It also prevents potential costs associated with waste and pollution. There is a demand for environmentally friendly products among consumers and retailers. The EU Flower could help producers to become a preferred supplier – particularly in the governmental sector.

http://www.eic.ie/faq_euflower.htm

2. Nordic Council of Ministers The Swan

The Swan is the official Nordic eco-label, introduced by the Nordic Council of Ministers. The green symbol is available for around 60 product groups. Everything from washing-up liquid to furniture and hotels can carry the Swan label. The Swan checks that products fulfil certain criteria using methods such as samples from independent laboratories, certificates and control visits. The label is usually valid for three years, after which the criteria are revised and the company must reapply for a licence. The Swan label is well-known. 67% of people in the Nordic countries understand the Swan.

Products are evaluated in relation to the specific environmental problems throughout its life cycle, the possible environmental gain and how the product, activity or problem might be affected by the eco-label. The criteria are finalised by the Nordic Eco-labelling Association. A company has to pay an application fee and an annual fee to receive the licence, to cover costs for administration, audits etc. Application fees varies from 3,500 DKK in Denmark to 2,000 Euros in Finland, 12,000 NOK in Norway and 18,000 SEK in Sweden. The annual charge is 0.3 or 0.4% of turnover. There is a maximum fee.

http://www.svanen.nu/Eng/about/

3. Swedish Society for Nature Conservation Good Green Buy

The Green Consumerism project of SSNC covers several approaches to green consumerism and eco-labelling. The active members, who devote their interest to local activities of the nation-wide campaigns such as the Annual Greening Campaign etc., together form the green consumerism network. *Bra Miljöval* is the eco-label of SSNC. It is referred to as "Good Green Buy" or "Good Environmental Choice" in English. SSNC started eco-labelling in 1988 on laundry detergent and paper. Currently the system covers 13 product areas. The eco-labelling also includes the internationally introduced labelling system of TCO '95 and '99 on computers.

Procurement at all the various offices all over Sweden is the focus of SSNC's *Green Office project*. Decisions on whom to contract and what to buy are important as a driving force towards sustainability. The Greening Office Project helps to put up relevant environmental criteria for procurement purposes. SSNC's *eco-labelling of electricity delivery contracts* started in 1996. Both supply and demand of the labelled services are expanding rapidly. Since May 1998, the same criteria are working in Norway and Finland in co-operation with SSNC's sister organizations.

http://www.snf.se/bmv/english.cfm

4. The Polish Eco-label. Polish Centre for Testing and Certification (PCBC)

Polish Centre for Testing and Certification (PCBC) is Poland's leading organization acting within the EU conformity assessment system. PCBC is a state-owned company with responsibility for testing and certificates for the EU, according to regulations for products; test and certification of products for the voluntary conformity labels B, Q, EKO; cer-

tification for CB and CCA, and the certification of management systems for quality, environment, occupational health and safety management systems, etc. as well as the training of quality personnel. PCBC is the EU Notified Body for a number of EU Directives such as safety of toys, electromagnetic compatibility, low-voltage electrical equipment etc.

http://www.pcbc.gov.pl/ang/index1.htm

5. Organic Food Market in Sweden, KRAV

KRAV, a key player in the organic market in Sweden, inspects and promotes the *KRAV* label. It is organised as an incorporated association with, at present, 28 members. They represent farmers, processors, trade and also consumer, environmental and animal welfare interests. KRAV has about 70 employees, nearly half of whom are full-time inspectors.

Organic production exists all around the world. KRAV is an active member of the International Federation of Organic Agriculture Movements (IFOAM), an umbrella organisation which gathers organisations for farmers, scientists, educationalists and certifiers from almost every country in the world. KRAV takes an active part in developing the IFOAM standards and also works to influence the EU organic production legislation.

KRAV's standards meet the IFOAM Basic Standards and the EEC regulation for organic production, and KRAV is accredited by IFOAM and authorised by the Swedish National Board of Agriculture and the Swedish National Food Administration to carry out inspection of organic production in Sweden. In Sweden the area for organic agriculture in 2005 was 200,010 hektar. Production increased in 2004 to 1.9 billion SEK at the wholesale level.

http://www.krav.se/english.asp

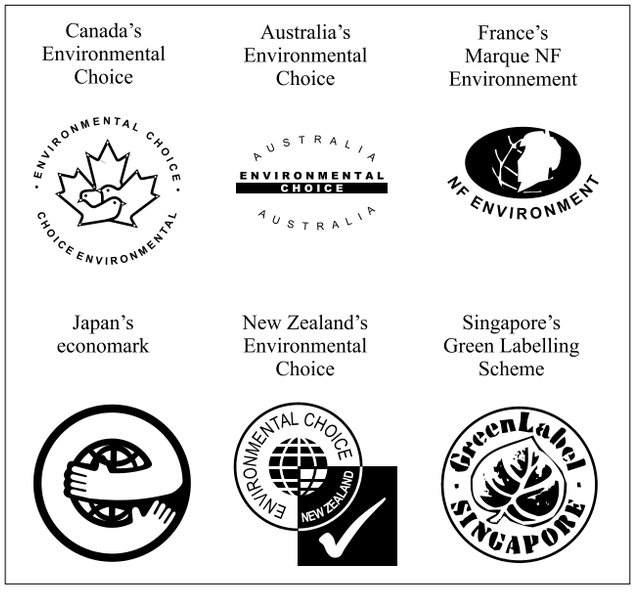

Figure 13.2 *Other environmental labels worldwide.*

6. Latvijas Ekoprodukts

Latvijas Ekoprodukts organize 550 ecological farmers in Latvia. The eco-label is a green four-leaf clover in a horseshoe with the text Latvijas Ekoprodukts. There are only two bakeries in Latvia that bake bread using ecological flour, and that have permission to use the eco-label on their produkts. The bread, apples, carrots and honey have been grown without artificial fertilisers and biocides. A major difficulty for Latvijas Ekoprodukts faces is that organically grown food is slightly more expensive than conventionally produced food.

Swan Product Categories 2005

There are 680 licenses and 60 product categories (listed below) for the Swan in Sweden today.

Batteries Rechargeable; Building materials: chipboard, fibre board and gypsum board; Car and boat care products; Car Wash installations; Cleaning products; Cleaning services; Closed fireplaces for biofuel; Closed toilet systems; Coffee filters; Composts; Compressors; Copying machines, printers, fax machines and multi-functional devices; Cosmetic products; De-icers; Dishwasher detergents for professional use; Durable wood – Alternative to conventionally impregnated wood; Film forming floor care products; Flooring; Furniture and fitments; Grease-proof paper; Hand towel roll services; Hand washing up liquid; Hotels; Industrial cleaning and degreasing agents; Kitchen appliances and equipment; Laundries; Laundry detergents and stain removers; Lawn-mowers Light sources; Lubricating oils; Marine engines; Microfibre cloths and mops; Oil burner/boiler combinations; Outdoor furniture; Packaging paper; Paper envelopes; Pellets; Personal computers; Photo Finishing Services; Printed matter; Printed Wiring Boards; Printing paper; Refrigerators and Freezers; Sanitary Products; Shampoo, conditioner, body shampoo, liquid and solid soap; Small heat pumps; Small Houses; Solid Biofuel Boilers; Supermarkets Grocery stores; Textiles; Tissue paper; Toner cartridges; Washing machines; Vehicle tyres; Windows; Working machines, park and garden; Writing instruments.

Examples of companies which use "green marketing" with success are ESPRIT, Norsk Hydro, BSO/Origin, Ecover and The Body Shop. These are sources of inspiration as they illustrate that environment and trade can indeed go hand in hand.

13.3.2 What are the Risks Involved in Green Marketing?

A few simple rules should be recognised in environmental marketing. Unjust environmental claims, which at a later date have to be withdrawn because of the negative publicity it has aroused, can do irreparable damage. This applies not only to the product in question but to the credibility of the company as a whole. One common mistake in "green marketing" is attempting to present a product as being ecologically sound on matters of little importance; for example, the manufacturer of an electric lawn mower who advertises that the instruction manual is now printed on recycled paper.

Some governments have established special regulations designed to monitor green marketing claims. These regulations include the Australian Trade Practice Commission's *Environmental Claims in Marketing – A Guideline* and the US Federal Trade Commission's *Guide for the Use of Environmental Marketing Claims*. These regulations are all designed to ensure that consumers have the appropriate information with which to evaluate companies' environmental claims. In the United States, in addition to these guidelines, many states have introduced legislation to control environmental marketing activities. Appropriate green marketing claims should:

- Clearly state environmental benefits, based upon a verifiable Life Cycle Assessment procedure.
- Explain environmental characteristics.
- Explain how benefits are achieved.
- Ensure that comparative differences are justified.
- Ensure that negative factors are taken into consideration.
- Use only meaningful terms and pictures.

Nevertheless, the debate about the most environmentally sound measures is an ongoing scientific debate. Businesses will have to learn to live with the fact that what they consider – underpinned by certain LCA analyses – "green" can be seen differently by governments, environmental pressure groups and consumers. They will also have to take into account the fact that products now regarded as ecologically sound may be judged less so in the future on the basis of new scientific findings.

13.3.3 Translating Environmental Merits into User Benefits

Environmental merits of a new product also need to be relevant for the customers, if they are to see it as a reason to buy the product. It is obviously important to indicate that the environmental merit can also have a personal advantage for the user. Table 13.2 gives several examples of environmental merit which can also be seen as advantageous to the user.

However, for certain consumers the environmental aspect could be perceived as a disadvantage rather than a potential advantage. In this case, good environmental performance is not a reason to buy a product, although still bad environmental performance may be a reason for not buying the product.

Intermediaries have an important role in green marketing, and a company has to be able to communicate the environmental merits and other qualities of new products to intermediaries which form the link to the market: retailers, wholesalers, fitters, electricians, service organizations, etc. It is consequently important to involve several such people when setting up the information plan. In the case of technical products, special training courses and service support will be necessary to make proper installation and after-sales service possible. The product's launch should be timed to avoid unnecessary resistance on the part of the distributive trades.

In some cases, intermediary innovation organizations with government connections are prepared to fund much of the

Table 13.2 *Environmental merits with benefits for the user.*

Environmental merit	Advantage for the user
Integrated functions	One device; a modular-designed fax and modem combination instead of a separate fax and modem
Raising the level of sustainability	Longer life and lower maintenance cost (e.g. furniture or floor covering)
Closing cycles	Guaranteed product or appliance take-back upon disposal (e.g. television, washing machine)
Energy conservation	Lower energy costs when using the product (e.g. central heating boiler, hot plate)
Different or less material	Lighter, easier to handle product (e.g. racing bike)
More efficient logistics	Less packaging waste (handling, cost) for the consumer
Other advantages could be	Safer product; easier to clean; simple to install or assemble; easy to maintain or to repair

marketing costs if, for instance, the product is an environmental innovation which is significant to us all (such as a solar-powered boiler or an energy-saving bulb). For the marketing of product take-back systems (cars, packaging, electronics), the industry itself will generally set up its own special organization for promoting the take-back system. Also other stakeholders, such as environmental pressure groups and consumer rights movements, have acted as important intermediary organizations between companies and consumers. For instance McDonalds used these organizations successfully in their green marketing approach.

13.3.4 Green Products

The EU Commission in its Green Paper on eco-labels suggested that an examination of the existing types of environmental labelling is made, to consider whether a strategy on wider labelling should be drawn up by the Commission. If consumers demand green products, markets are likely to provide them. However, consumers need information to choose between different products. There is considerable potential for public procurement, which represents around 12% of Community GDP to stimulate green demand. The Green Paper recognises the need to examine Community public procurement law and its possibilities for giving preference to environmentally friendly products. Another possible tool suggested is some form of exchange of experience between procurement authorities.

Getting the prices right is probably the single most effective measure available to stimulate markets for greener products. The consumer is most likely to act if they can feel the advantage in their pocket. Ideas suggested for discussion include:

- Differentiated taxation such as reduced VAT rates on eco-labelled products.

- An extension of the producer responsibility concept to new areas.

- The use of state aid-policy within the New Guidelines on State Aid for Environmental Protection.

Box 13.1 A Checklist for Green Marketing

Launching a new product needs special attention. There are certain aspects which differ from the usual techniques used for introducing a product onto the market. Here is a checklist.

1. Can the environmental merits that have been achieved be communicated convincingly to the market?
2. Is there any link between the environmental merit and the product's main function? The closer the environmental merit lies to the product's main function, the more important it is to promote the environmental results of the new design.
3. The more technical a product, and the more crucial the role of its distribution, the more account should be taken of the wishes of the distributive trades when designing publicity material, setting up sales support and training facilities, and when timing the product's launch.
4. Occasionally, a product's environmental aspects can become the subject of public debate. This provides opportunities for positioning the product when it is launched. Nevertheless, there is also an element of risk if it later becomes apparent that the environmental claims cannot be substantiated.
5. If the environmental improvements constitute a real breakthrough there is always the chance of free publicity in the media, the chance that you might be granted an environmental seal of approval, or that you might be given an environmental award.
6. If the product must meet certain norms and standards, or has to be subjected to tests (ISO, etc.), it is important to have the product inspected by an independent body and to have the results published.
7. Keep a close watch on agreements made by international organizations and multinational as to standards and product-specific environmental information, and take this into account in the management of your own business.
8. Consider submitting the product for prizes and awards for industrial environmental design.
9. Prior to the launch you must decide whether, and if so how, patenting and/or model protection should be sought. Contact universities and research institutes for support in researching the degree of innovation of the product.
10. Make sure that any agreements made internally or with specialist firms for taking back the products, and for their reuse or recycling, are set down in writing before the product or product information is launched.
11. Make a cost-benefit analysis in connection with a (potential) application for a voluntary eco-label or a special recycling logo. If followed up, work on the basis of legal regulations.
12. Analyse the activities of other companies known to be trend-setters in the field of green marketing which are of interest to your company.

Once a product is put on the market, it is difficult to reduce its impacts. By focusing on their environmentally friendly design environmental impacts could be prevented. Possible ways to improve ecodesign include:

- Improving the generation and flow of life-cycle information.
- Encouraging ecodesign guidelines.
- Integrating environmental considerations into the standardization process.
- Reviewing the approach of so-called "New Approach" legislation, such as the Packaging Directive and the planned Directive on Electrical and Electronic Equipment.

A new method for considering the life-cycle aspects suggested by the Green Paper is "Product Panels". These are groups of relevant stakeholders who seek to devise solutions to particular problems.

Study Questions

1. Describe the difference between eco-labelling and branding.
2. Describe the purposes behind the introduction of eco-labels.
3. Describe how the image of a company can be influenced by the use of eco-label(s).
4. What are the reasons for customers to buy eco-labelled products?
5. What kind products, not mentioned in this chapter, may be given an eco-label?

Abbreviations

EPD	Environmental Product declarations.
EMAS	Eco Management and Audit Scheme.
EPA	Environmental Protection Agency.
FSC	Forest Stewardship Council.
GEN	Global Eco-labelling Network.
ISO	International Standardization Organization.
PCBC	Polish Centre for Testing and Certification.
PSR	Product Specific Requirements.

Internet Resources

The Global Eco-labelling Network (GEN)
http://www.gen.gr.jp/publications.html

The European Union Eco-label Homepage
http://ec.europa.eu/environment/ecolabel/index_en.htm

The Eco-label The Swan
http://www.svanen.nu/Eng/about/

Swedish Society for Nature Conservation.
Green consumerism and Eco-labelling
http://www.snf.se/bmv/english.cfm

Polish Centre for Testing and Certification (PCBC)
http://www.pcbc.gov.pl/ang/index1.htm

KRAV – Organically Grown Food in Sweden
http://www.krav.se/english.asp

Ecodesign Centre
http://www.alternatis.be/

Consumers Union Guide to Environmental Labels, USA
http://www.eco-labels.org/home.cfm

International Organisation for Standardisation
(ISO 14020 and 14024)
http://www.iso.org

BSD Business and Sustainable Development – A Global Guide
http://www.bsdglobal.com/markets/eco_label_iso14020.asp

International Institute for Sustainable (Canada)
Development on Eco-labelling
http://www.iisd.org/trade/handbook/5_4_2.htm

GreenBiz
http://www.greenbiz.com/toolbox/

WTO (World Trade Organization)
Submissions on Trade and Environment
http://www.trade-environment.org/page/theme/tewto/para32iii-item3.htm

Directive 2005/32/EC on the Ecodesign of
Energy-using Products (EuP)
http://ec.europa.eu/enterprise/eco_design/index.htm