

Dissemination of the Linked-benefit Strategy in Sustainable Marketing

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Abstract

Multinationals wanting to sell eco-friendly products are advised by the green-marketing literature to apply a so-called linked-benefit strategy [1, 2, p.121], which describes attributes of a product (or service) that are positive for the environment and links those to benefits for the consumer (e.g. convenience, cost-savings).

This paper reviews current-day practice in green marketing, and assesses the dissemination of the linked-benefit strategy. First, a review is made of advertisements in the wider media. Subsequently, two specific industries are reviewed, namely the automotive industry and the detergent industry. Several companies within these industries are studied, by reviewing corporate websites, all their national websites as well as their television commercials.

Most interesting results are the differences in the application of the linked-benefit strategy in different geographical regions. The strategy is mostly used in targeting the European market. Furthermore, there are also differences in the frequency of use of the strategy among the different companies in the industries. Overall they use linked-benefit in a maximum of 50% of their advertising. The higher percentages are found in the laundry detergent industry.

Keywords: *green marketing, linked benefit, automotive, detergents, advertising.*

1. Introduction

Numerous segmentations regarding the ‘greenness’ of consumers have been published [e.g. 1, 2, pp.20-31]. However, all of those segmentations agree that the segment of consumers that consider environmental friendliness an added value, and is hence prepared to pay a premium for eco-friendly products, is small. Furthermore, these consumers often dislike buying products from multinationals [1]. ‘Greenness’ of a product

may even be perceived by some consumers as compromising the primary functionality of such a product [3].

Multinationals wanting to sell eco-friendly products are therefore advised by the green-marketing literature to apply a so-called linked-benefit strategy [1, 2, p.121], which describes attributes of a product (or service) that are positive for the environment and links those to benefits for the consumer (e.g. convenience, cost-savings). This strategy has already been successfully applied [2, p.121] and is, for instance, also recommended by the Australian and New Zealand government [4, 5].

However, not all sustainability-related advertising actually follows this advice. Hence, this paper reviews current-day practice in sustainability-related marketing, and assesses the dissemination of the linked-benefit strategy.

2. Background of sustainable marketing

Like sustainability is wider than just environmental issues, so is sustainable marketing wider than ‘environmental’ or ‘green’ marketing. Both differ from ‘ordinary’ marketing. According to the Ottman [2, p.45], “*Environmental marketing is more than developing products that meet consumers’ needs at affordable prices and then communicating the benefits of those products in a compelling way. Environmental marketing is more complex and serves the following two key objectives:*

- 1. Develop products that balance consumers’ needs for quality, performance, affordable pricing and convenience with environmental compatibility, that is, minimal impact on the environment.*
- 2. To project an image of high quality, including environmental sensitivity, relating to both a product’s attributes and its manufacturer’s track record for environmental achievement.”*

These two objectives of *environmental* marketing are also applicable for *sustainable* marketing.

Sustainability can be incorporated in different aspects of a company or in different stages of a product life cycle. The

most known type of sustainability is nature-based. This focuses on the damaging effect or the preserving effects of products and activities on nature. This focus on nature is also called *green* marketing. Peattie [6, p.234] defines five types of claims regarding to green marketing:

1. Product-orientated claims relating to green attributes.
2. Process-orientated claims relating to technologies and methods of production or disposal.
3. Image-orientated claims linking the organization to a green cause.
4. Environmental fact-based claims which inform consumer about relevant environmental issues.
5. Claims which combine more than one of the above themes.

As stated, sustainable marketing is wider than green marketing; next to natural health, it is also concerned with the health of human beings. Thus the following statement will make the definition of sustainable marketing complete:

6. Welfare of human beings other than the target group(s).

There are different ways to communicate these points to the consumer through advertising. One way is passive, examples of this are using an eco label (like WWF or fair-trade) or through the use of a natural background, natural images and the choice of color scheme. For this project passive sustainable marketing through natural background and colors is not classified as sustainable, because this doesn't fit with the six claims mentioned above. The use of those natural background and colors can be done on purpose, but also just for appearance. An example is the Brazilian *Smart* website, shown in Figure 1. *Smart* most likely selected the image of the wind turbine in the background carefully, in order to communicate a sustainable image, but since sustainability isn't mentioned explicitly here, it would be too subjective to classify this as sustainable marketing.



Figure 1: Cut-out of the Brazilian Smart website, showing a windmill in the background.

3. Linked-benefit strategy

Although people in general are concerned about environmental issues, only few of them are willing to pay more for a product, simply because it is more sustainable. The consumer market can be divided in different segments, each with its own attitude towards sustainability. To convince more segments to buy sustainable products, these segments have to be targeted well, with marketing tuned to their sustainability attitude.

A common segmentation is the Roper segmentation. There are five groups of consumers according to Roper [2, pp.20-31]. Of these groups, only the True-blue greens and the Greenback greens are willing to pay more for sustainable products. But the True-blue greens are only willing to buy from environmentally friendly companies, which most multinationals are not accounted to. To sell an environmentally friendly product, other segments have to be attracted. Ottman [2, p.121] already mentioned that appealing to consumers' self-interest is a strong strategy. In her book Ottman mentions different successful examples of industries where people can connect their own personal well-being to the environment. Ottman states that these industries tend to grow faster than industries where people can't see that connection. The question is however, whether her advice is actually followed. That is the focus of this study.

4. Research Questions

The main research question is: "To what extent is the linked-benefit strategy used in practice?" The goal in answering this question is to give a broad overview of the state-of-the-art of the application of the strategy. Therefore the research question is divided in the following sub-questions:

- a. What percentage of ads in magazines uses the linked-benefit strategy and what percentage of sustainable marketing ads makes use of this strategy?
- b. How are linked-benefit advertisements in magazines divided over different industries?
- c. To which degree is the linked-benefit strategy used in different companies in certain industries?
- d. Are there geographical differences in the frequency of use of the linked-benefit strategy (both regarding the country of origin of the company and the targeted geographical market)?

5. Methodology

The data gathering will be discussed with each of the separate studies. Here the method of assessing whether an advertisement is sustainability-related and whether it applies the linked-benefit strategy will be discussed. An

ad was classified as sustainable-related if it contained at least one of the five points listed in Table 1.

Table 1: Classification of sustainable claims

Types of sustainable claims	Examples
Product-orientated claims relating to green attributes.	<ul style="list-style-type: none"> - Less emissions - Less energy use - Less raw materials used - Better materials used
Process-orientated claims relating to technologies and methods of production or disposal.	<ul style="list-style-type: none"> - Less production waste - Less energy used during production.
Image-orientated claims linking the organization to a green cause.	<ul style="list-style-type: none"> - Use of eco labels - Association with environmental organizations - Mentioning sustainability
Environmental fact-based claims which inform consumer about relevant environmental issues.	<ul style="list-style-type: none"> - % less emission - % less use of energy
Welfare of human beings other than the targeted consumer groups.	<ul style="list-style-type: none"> - Donating to relief organizations

Within the set of sustainability-related advertisements, a sub-set can be classified as applying the linked-benefit strategy. The linked-benefit strategy uses a combination of environmental benefits and consumer benefits to attract consumers to a product or service. The consumer benefits are broken down in five focal areas. Each of these focal areas results in an environmental and consumer benefit. In Table 2 for each focal area a couple of example statements are given, for both the environmental and consumer benefits [7].

Table 2: Classification of the linked benefit strategy

Focal area	Environmental benefit	Consumer benefit
Energy reduction	Less emission	Save money
Materials application	- Less use of resources	- More simple to use - Easier to carry
Packaging / transport	- Less use of resources - Less emission	- Easier to carry - More convenient to take with you - Saves space
Chemical content / substances	- Less emissions	- No toxic substances - Save product (especially in combination with children)
Durability / recyclability	- Less use of resources	- Higher quality, longer lifetime - Save money - Good feeling (good product)

Based on these examples individual assessments were made on all identified sustainability-related advertisements.

6. Study 1: reviewing the wider media

In order to answer the first sub-question, a general assessment was made of all sustainability-related advertising in magazines. For this, several magazine titles were selected, and several volumes of those titles were examined. The selection was done through assessing 1 copy of about 30 different titles in the wider media, such as business magazines. For all these issues the total number of ads, amount of sustainable ads and amount of sustainable ads using the linked-benefit strategy were counted. From these 30 magazines, the magazines with the highest number of sustainable and linked-benefit ads were selected. These magazines were: Newsweek, National Geographic (Netherlands / Belgium) and Elsevier (a Dutch weekly news magazine). For these titles, a more thorough investigation was made of 80% of the already published issues of the year 2009, as well as 40-100% of all issues of 2008. For the National Geographic also 50% of the 2007 issues were investigated since this magazine only publishes once a month instead of every week. With these samples a solid image of all ads in these magazines is given since a lot of ads are repeated over a number of issues.

A total of 1245 ads were assessed. Of these 21% were sustainability-related. About half of those applied the linked-benefit strategy (118 out of 256). Figure 2 gives the division of linked-benefit ads over different industries.

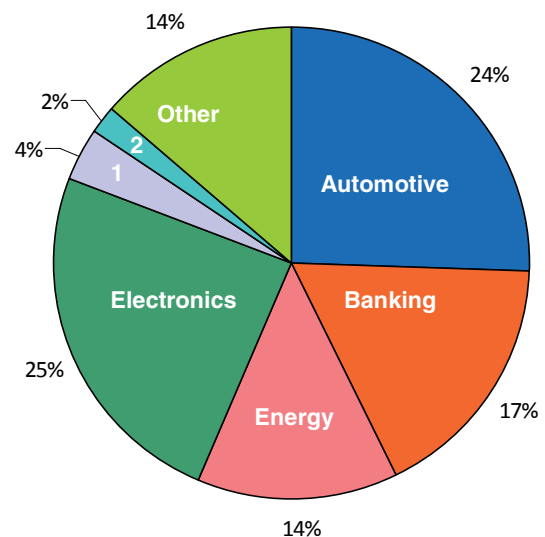


Figure 2: Division of linked-benefit ads over different industries. 1 & 2: 4% = Relief organizations & Government, 2% = traveling.

A pattern can be seen in how the automotive industry uses a specific kind of sustainable claim and focal area. The environmental claim in general is product-orientated (less emission) and the consumer benefit is spending less money (because of subsidies or fuel savings). An exemplary advertisement for the automotive ads is shown in Figure 3. The sustainable claim Toyota makes in this case is clean air and the linked-benefit claims are fuel efficiency and quietness.



Figure 3: Example of a linked-benefit ad.

7. Study 2: specific industry and companies

While the first study was an assessment of all advertisements within the specific medium of magazines, the second study takes the perspective of specific industries, and within those industries, specific companies. Based on a quick-scan of several industries, in order to assess the use of sustainable marketing and the presence of globally operating companies, the automotive and detergent industries were selected as suitable for this study. Within these industries several multinationals were selected, with an aim to review those companies more in depth.

For the laundry detergent industry Unilever and Procter & Gamble were selected. The choice is made for these two,

because both companies sell different brands of laundry detergents all over the world, and they specify the brands and the marketing on the targeted group. Furthermore they have two different cultural backgrounds, P&G is founded in the US and Unilever in England / the Netherlands.

Since both companies sell a lot of different brands of laundry detergents, from both companies a global brand is chosen to assess whether there are geographical differences. For Procter & Gamble Ariel is selected for the European market, because this brand really is a green flagship on this market. For the American market Tide was selected. From all the American brand websites, Tide was one of the few with a sustainable message (although hidden).

For Unilever the brand Robijn is chosen. This is a typical Dutch brand name, but the bear that is trademark of this brand, is also used in the American brand Snuggle and in other European brands. When comparing websites of the 'bear brand', it was obvious that the same products were sold under this bear-brand. Thus the assumption is made that although the name is not the same, the brand is.

For the automotive industry it would be interesting to compare how Asian, European and American companies promote their sustainable efforts in products. Therefore there Toyota, GM, Ford and Smart were selected (With GM used as a corporation with multiple brands, and Ford as a specific world-wide brand). All three companies claim to put effort in making cars more environmentally friendly.

Another reason for these choices is that besides the possible differences in how companies, with different nationalities, market their products, there could be a difference in how they target certain regions of the world and even certain countries. This will also be possible with the chosen brands because they have clear divisions for different geographical regions.

This study did not focus on a specific type of car of the chosen brands, but on the general message of the brands and how they promote their sustainable efforts.

Companies use a lot of different media to communicate their products to the consumer. To get a solid and global overview of communication to the consumer, the communication via the internet is investigated. First, the corporate websites (Toyota, Daimler, GM, Unilever and P&G) were assessed on how deep and broad sustainability is incorporated. Then all those sustainable statements were assessed on the use of the linked-benefit.

Subsequently, the front pages of all national websites of the different brands (Toyota, Smart, Ford, Bear-brand and Ariel / Tide) were assessed. This assessment was limited to the front pages, because linked-benefit is used to interest people whose first interest is *not* the sustainability of the product. Hence, the personal benefits have to be presented immediately, in order to be effective. For each

front page the use of sustainable marketing and the linked-benefit strategy is assessed.

As an addition to the internet research, a quick-scan of the television commercials is made, because this is a valuable source of information as well. These results are used as a validation to see if they match the results from the website-assessments.

The television commercials are collected through the websites of the brands and by searching the internet (for example YouTube). Again, the found ads are assessed on the use of sustainable marketing and the linked-benefit strategy.

7.1 Results

Table 3 shows the depth and width of sustainability for all corporate websites, together with the total pages that contain sustainability-related statements and that use the linked-benefit strategy. Table 4 shows what amount of all the national front pages of the brands use sustainability-related and/or linked-benefit claims.

Table 3: Sustainable statements in the companies' corporate websites

	P&G	Unilever	Daimler	GM	Toyota
Depth	5	7	5	4	6
Width	20	12	13	16	18
# of pages sustainability	44	42	35	24	52
# of pages linked-benefit	0	1	5	4	3
Percentage linked-benefit of total sustainability	0%	2%	14%	17%	6%

Table 4: Sustainable and linked benefit statements in the brands' national front pages

	Ariel / Tide	Bear brand	Smart	Ford	Toyota
Sustainability	11	4	32	12	34
Linked-benefit	7	3	9	4	10
Total # of front pages reviewed	15	16	38	90	137
Percentage linked from total	47%	19%	24%	4%	7%
Percentage linked-benefit of sustainability	64%	75%	28%	33%	29%

As stated before, a quick-scan was made of television commercials. In total 65 commercials were reviewed. Of those 14 made reference to sustainability issues. Of those 14, only 5 used the linked-benefit strategy. Table 5 gives the number of review commercials with the frequencies of sustainability-related claims and linked-benefit claims.

Table 5: The frequency of sustainability-related claims in television commercials, and the frequency of application of the linked-benefit strategy

	Number of commercials reviewed	sustainability-related commercials		Number of linked-benefit commercials (of total)	
	#	#	%	#	%
Ariel / Tide	19	6	31%	2	11%
Bear-brand	10	0	0%	0	0%
Smart	19	7	37%	2	11%
Ford	8	0	0%	0	0%
Toyota	9	1	11%	1	11%

The frequencies in Tables 3, 4 and 5 do not give a completely consistent picture. Brands apply the linked-benefit strategy in a limited and fluctuating number of their sustainable-related advertisements.

7.2 Geographical differences

Based on the assessment made of the national front pages of the brands' websites, a geographical analysis was made. Of the 33 web pages that applied the linked-benefit strategy, only two were outside Europe, namely the Smart sites for Australia and Japan. Figure 4 gives the distribution of linked-benefit over Europe.

8. Discussion and conclusions

The main research question was: To what extent is the linked-benefit strategy used in a certain industry. The research question and its sub-questions were very broad. This research had an explorative character; the goal was to give a broad overview of the current state-of-the-art of the linked-benefit strategy. The results give a good overview of the use of the strategy, in different communication media, by different companies in different industries and in different geographical regions. Furthermore, the results also fit the set goal; they give a broad overview of the application of the strategy.



Figure 4: The application in Europe of link-benefit strategy for different brands.

From the results, it can be concluded that the linked-benefit strategy is used in both the automotive and the laundry detergent industry, but more frequently in the latter. This is interesting to notice, because there is no special regulation or subsidies the laundry detergents can use as a linked-benefit, where the automotive companies actually can.

Furthermore, there are differences in the frequency of use of the strategy among the researched companies. For these companies, less than 50% from the researched television commercials and national-website front pages uses the linked-benefit strategy. This is also evident in the researched magazines, where less than 50% of all sustainable ads use the linked-benefit strategy.

There is also a clear geographical concentration in the application of the strategy. For the researched industries, it is only applied in targeting the European market, with the exception of a few occurrences in the Australian and Japanese market.

The data shows that there is a lot of difference in the use of the strategy between the companies in the same industries. For example, Ariel / Tide use the strategy in 47%, while the 'Bear brand' only uses it in 18% of its national website front pages. The same pattern is visible in the automotive companies. This all shows that the linked-benefit strategy is not applied everywhere where it could be applied; thus there is a lot of potential to increase the application of the strategy. The potential is biggest for the automotive industry, because of favorable government regulations and subsidies for more sustainable vehicles.

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