ENVIRONMENTAL MARKETING: STARKIST TUNA(A)

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5Ps of Marketing
- Person (Consumer)
- Product
- Price
- Place (marketing channels)
- Promotion

Dynamic considerations
- Strategic interaction with competition
- Product Lifecycle
- Barriers against imitation
- Changing environment (consumer, regulatory, technological, macroeconomic etc)
Environmental Marketing

Environmental marketing is making marketing decisions in a context in which environment is an important consideration. Environmental concern is a new competitive dimension due to:
- Customer concerns
- Competitive actions
- Regulatory actions
But benefits due to green products may be pure public goods

Green Consumers

- 77% Americans say they are concerned about the environment. (1989)
- Americans say they are willing to pay for environmental improvement ($0.25/gallon of clean gasoline (60%)!, 5% or more for renewable electricity(48%).
- Sales of Green products are rising
  - Organic industry sales from $1B to $12B (1990-00.)
  - Green products as % of new introductions (3%-12%)
- There is a difference between statements and actual behavior; facts and perceptions
Driving alone in the carpool lane in California.
Another benefit of the zero-emission 2002 RAV4 EV.
For participating Calif. dealers visit toyota.com/rav4ev.
TRY THE WORLD'S ONLY REUSABLE OVERNIGHT ENVELOPE!

(CUSTOMERS LOVE IT. HECK, TREES LOVE IT.)

Now your customers can return documents to you in the same envelope you sent them in (legal or letter sized). It’s not just good for the environment, it makes doing business with you easier and faster. Ground, overnight and international rates at MYUPS.COM. Log in and you won’t want to ship the same old way again.

Endangered Species Chocolate Company

Milk Chocolate & peanut butter brittle

The Elephant Bar

NET WT. 3.25 OZ. / 92 GM

10% of profits support endangered animals
Owning is Believing

With your own renewable energy system you'll know you've made a difference, for the environment and for your business.

Onsite renewable energy is a practical addition to utility power, and will protect you from price increases for years to come.

Let Northern Power Systems put renewable energy to work for you. After all, we've been installing power systems worldwide for over 23 years.

Contact us at: renewable@northernpower.com
877-496-2955 | www.northernpower.com | Waitsfield, VT
Women's Synchilla® Vest  Reincarnated plastic bottles never looked better than they do in this form-fitting, lightweight Synchilla Vest. Made of 8-oz. EcoSpun® post-consumer recycled fleece, it has artfully placed front and back seams and a contoured cut to flatter the female form. Contrast-color, 6-oz. Capilene®-treated fleece lines the inside collar; polyester mesh-lined zippered handwarmer pockets double as interior pockets. Wear it climbing, skiing, trekking or dancing. Made in USA.

W's Synchilla Vest #23163 $70.00  Sizes: XS-L  Colors: (body/collar/webbing) • canyon red solid/burnt sienna (403)  • field green solid/aqua (331) • bright lavender solid/aqua (957)  • black heather/black solid (066) • wheat heather/espesso solid (884)  Weight: 255 g (9 oz.)

The Patagonia Ironclad Guarantee

We Guarantee Everything We Make. If you are not satisfied with one of our products at the time you receive it, or if one of our products does not perform to your satisfaction, return it to the store you bought it from or to Patagonia for a repair, replacement or refund. Damage due to wear and tear will be repaired at a reasonable charge.

Indicates women’s technical shells cut specifically to fit the female form, for maximum performance, comfort and aesthetics.

Indicates those products made from post-consumer recycled plastic bottles or with PCP recycled content.

Indicates those products made from organic cotton or with organic cotton content.

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Shades of Green

True-blue Greens
- Environmental activist, leader, strong personal concerns about environment, faith in individual action
- Subtypes: Planet passionates, Health fanatics, Animal lovers

Greenback Greens
- Green commitment expressed through willingness to pay for environmental goods and causes. Not likely to be actively involved in time consuming environmental activities. Likely to recycle.

Sprouts
- Swing group. May participate in select green activities. Will look for green products, but buy only if prices are not higher, will recycle

Grousers
- Don't believe that individuals can play a role in environmental protection, which is responsibility of corporations and government. Misinformed. Lax environmental behavior. Complain and make excuses

Basic Browns
- Not tuned to environmental issues at all. They don’t make excuses. They think environmental issues are not important.
**Shades of Green**

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<td>True-Blue Greens</td>
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<td>Greenback Greens</td>
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<td>Sprouts</td>
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<td>Grouserers</td>
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<tr>
<td>Basic Browns</td>
<td>28%</td>
<td>-35%</td>
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[15-20% likely to pay premium, another 25-30% choose green products all else equal]

**Other Segmentations**

- Greener than green, green, light green, un-green
- Visionary greens, may be greens, Hardcore browns
- Dedicated, selective, Impulsive
- Activists(15%), community enthusiasts(8%), Mainstream followers(21%), Hostile conservatives(13%), disillusioned survivors(14%), Privileged bystanders (8%)
Green Products

- Deep-green products
  - New products for informed green consumer
  - Goal is to get a price premium
  - Target: TBGs and Greenback Greens

- Greened up products
  - Established brand products with added green characteristics/claims
  - Goal is to increase/protect market share
  - Likely cannibalization of existing products
  - Target: Sprouts

Green Claims

- **Raw Materials**: Sustainably harvested, petroleum free, all natural, plant based
- **Manufacturing**: Non-polluting, unbleached, pesticide free, organic, not tested on animals
- **Packaging**: Recycled content, recyclable, aerosol free, biodegradable, reusable
- **In use**: Low fume, energy efficient, no CFC
- **After use**: recyclable, bio-degradable,
- **Manufacturer**: Socially responsible, ISO 14K certified, CERES signator
- **Cause related**: 5% profits go to.......

Green Marketing Mix: Price

- Are customers willing to pay a premium?
- Which customers?
- How much premium?
  - Renewable energy: 24% would pay 2% more, 26% pay 5% more, 20% pay 10% more
  - 73% would pay 5 cents/G for clean gas, 60% would pay 25 cents/G more. [do you believe these?]
  - How elastic is the demand?
  - Dynamic pricing decisions (introductory)
  - Competitive pricing decisions?

Green Benefits

- Consumer captures partial benefits
  - Health/organic foods
  - Fuel/energy efficiency
  - Less Packaging (lower disposal costs)
  - Possible green premium
- Benefits are pure public good
  - Premium less likely?
  - Depends on segment
Green Marketing Mix: Place

To reach right customers, at right time at affordable cost
- Channel - Direct, wholesale, retailer, exclusive, mail-order, e-tailing
- Coverage - geography, broad, selective (specialty stores)
- Physical distribution logistics: transportation, warehousing, order processing, inventory control, materials handling
- Post sales service
- Channel incentives

Green Marketing: Promotion

Communicating the right message to right customers at optimal cost
- Promotional strategies: Pull (by customers) v/s Push (by the channel)
- Promotion mix: personal selling, advertising (media mix: TV, magazines, net, billboards, POP), sales promotions, publicity
- Credibility
- Managing the sales force
- Endorsements, partnerships, third party certification
Eco-labeling

- First party
  - Product Related
    - Product claims On product Labels, or In Ads.
    - Cause Related - Proceeds donated to .......
  - Corporate Related
    - Cause Related (Company supports WWF)
    - Promotion of Corporate Env Performance (Least TRI, Env spending.)

- Third Party Certification

Starkist Tuna

- HJ Heinz: Introduced Dolphin-Safe Tuna (1990)
  - Dolphin deaths due to Tuna catching
  - Dolphin safe tuna was lower quality, more expensive western pacific skipjack tuna (with other env damages)
  - Broadly distributed commodity
  - Greened up product
  - Fierce price competition
  - Pure public good benefit
  - Competitors matched immediately
  - Tried limiting competition from dolphin unsafe tuna
  - Finally diluted the legal definition of Dolphin Safe tuna
OTHER DOLPHIN SAFE LOGOS