

Marketing Your Biobased

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Communicating the benefits of biobased content is often tricky. Biobased represents all of green marketing's traditional challenges – including greenwash – but has additional, unique challenges all its own.

Opportunities For Biobased Marketing

In addition to increased sales from the green consumer, there are many reasons for a product to use biobased content instead of traditional petroleum-based ingredients. Biobased agricultural and other renewable material mitigate petroleum's wild price fluctuations, supply disruptions and geopolitics. Moving to biobased not only has positive climate change implications, but it also represents a hedge against potential future carbon taxes. Finally, a shift to biobased content can enhance reputation with stakeholders, including risk adverse investors and others in the B2B and B2C sectors.

Selling opportunities are increasing in the federal, commercial, and consumer markets. In the U.S., for instance, the federal sector will benefit from an executive order in March 2012 to increase biobased purchases (see p. 6 in this issue).

In the consumer sector, biobased content is becoming a brand halo. Interest in and awareness of Coke's new partly sugarcane-based PET 'PlantBottle' is increasing as content (now 'up to' 30% bioplastic), production and distribution ramp up, reinforcing the brand positioning of Coke's health-oriented Dasani bottled water and Odwalla juice brands.

The green consumer market will likely drive most volume. The Natural Marketing Institute (Harleysville, Pennsylvania, USA) reports that in 2010, 83% of U.S. adults identify with 'green' values. The huge green market suggests how marketers can best segment and target their approach. For instance, the 'LOHAS' (Lifestyles of Health and Sustainability) segment represents the deep green consumers who take a holistic approach to all things sustainable and green; 'Naturalites' look for organic food, natural personal care, cleaning and pet foods; 'Conventionals' conserve natural resources; and status conscious 'Drifters' who like to be seen carrying cloth shopping bags and driving a Toyota Prius.

Together, these consumers fuel a \$290 billion U.S. market for natural products, renewable energy and more benign household products. Well-known brands include Tom's of Maine (Colgate-Palmolive), Seventh Generation, Body Shop (L'Oreal), Prius, and Stonyfield Farm (Danone). Many of these use biobased packaging. PlantBottle, for example, is being licensed from Coke by H.J. Heinz for its iconic ketchup brand.



Info:

Jacquelyn Ottman and Mark Eisen are colleagues at New York City-based J. Ottman Consulting, Inc., expert advisors to industry and government for strategic green marketing. They advised the U.S. Department of Agriculture on the launch of the USDA Certified Biobased label during 2011 and are now working with labelers on capturing the value of their participation in the program.

J. Ottman is the author of "The New Rules of Green Marketing: Strategies, Tools and Inspiration for Sustainable Branding" (Greenleaf Publishing U.K., 2011). M. Eisen is the former environmental marketing director at The Home Depot.

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Commitment to Consumers

Initial market research suggests consumer willingness to purchase biobased products and packages. Research commissioned by Genencor in 2011 suggests 40% of Americans are 'aware of' the term biobased and 77% will 'definitely' or 'likely' buy comparable biobased products.

Marketing Challenges

Biobased is a viable alternative to petroleum content for many applications; it helps grow the farm economy; promotes energy independence, and helps manage carbon impacts. Biobased content can also support and enhance many types of 'green' claims. This suggests opportunities to appeal to various green market segments discussed above.

However, biobased marketing is not without challenges; among them:

- **Noise.** The USDA Certified Biobased label was introduced in early 2011, making it the 'official' biobased certification, and others exist e.g. in Europe and Japan. Before these were in place (and still ...), marketers created their own sometimes official-looking and independent labels, with the potential to confuse consumers via their inconsistency.
- **Unfamiliarity.** Consumers don't know the meaning of 'biobased'. The term is not in the dictionary and is limited to scientific, engineering and B2B usages. USDA defines biobased as made from agricultural materials, forestry and marine based sources; so, even a well-informed consumer needs to know biobased products come from more than soy and corn.
- **Greenwash.** Because biobased is unfamiliar but sounds 'green', consumers can infer non-existent environmental benefits. Benefits that are too easily and often incorrectly implied or overstated increase reputation risk.

Green marketing lessons of the past still apply. In the early 1990's, Hefty 'degradable' trash bags, although not called biobased (and not being biodegradable at all) then, made an early entry into the U.S. market. Made from a 6% solution of cornstarch with the balance traditional polyethylene, the product was pulled from the market after seven states attorneys general sued saying that the bags would disintegrate (i.e. break down into small fragments under the influence of heat and/or oxygen) but not degrade in landfills for which they were intended and advertised. (Landfilling is a difficult and complex topic anyway, and shall not be discussed further here.)

- **Science.** The ASTM D6866 scientific test standard helps define 'biobased' and accurately measure content. Even with this credibility, results present communication issues. Because the test measures biobased content as a percentage of total carbon content, minerals and water are excluded. This can make comparisons difficult between products that contain minerals and water versus those with only biobased ingredients.
- **Red flags.** Despite potential benefits, biobased content raises some red flags among some segments of consumers. Some biobased products could compromise performance. Recently the first Sun Chips 'compostable' bag made from corn-based PLA bioplastic had to be withdrawn because it was noisy; PLA manufacturer Natureworks quickly reformulated.

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Also, some consumers take issue with biobased materials made from genetically altered crops, or are concerned about the effect agriculturally based content may have on food prices. Some may question the sustainability of the harvesting practices. Finally, some consumers seem to be concerned that biobased ingredients are imported rather than domestic. This may be an issue because of the carbon impacts associated with transporting the materials from distant shores or effects on domestic farmers.

- **Confusion and misinformation.** Many marketers and even scientists still mix up the terms 'bio-based' and 'bio-degradable'. Both these properties are absolutely independent. Biobased refers to the origin of a material and biodegradable refers to the end-of-life. Biobased does not mean a material is biodegradable and vice-versa.

Success Strategies

To market biobased products and packaging with impact, relevance and credibility consider the following strategies:

- Promote uniformity to let consumers compare biobased content by adhering to ASTM D6866. Disclose the source of the biobased content and specify content that applies to product and package. Understand implications of grammatical constructions of 'made with', 'made from' and 'made of'.
- Follow FTC Green Guides (in the U.S.) and other applicable country guidelines when making environmental marketing claims of or related to biobased content. In the U.S., revised FTC Green Guides that specifically address 'biodegradable', 'compostable', 'renewable', and possibly 'plant-based' are imminent.

Despite obvious consumer associations of biobased as 'ecofriendly', avoid what FTC describes as 'generalized environmental benefit claims'. Avoid images of 'planets, babies and daisies', which could imply the product is greener or contain more biobased content than in fact.

- Support claims with the USDA Certified Biobased label and other applicable biobased certifications to underscore credibility. Educate consumers on the meaning of 'biobased'.
- Consider additional complementary sustainability-related certifications as appropriate. For instance, many products qualify for Compostable, USDA Organic, U.S. EPA's Design for Environment, and Green Seal certification labels. The same is true for different certification schemes in a number of other countries.
- Carefully research and address consumer 'red flag' concerns. Reassure about performance and specify product applications. Address GMO issues proactively; one innovative example: Stonyfield Farm chose biomaterials for yogurt cups to help reduce carbon emissions, a particularly vexing issue for their brand. To address concerns about GMO corn used to make the PLA in the cups, they purchased offsets from the Land Use Group to farmers who grow corn using traditional seed.

Info:

In her book '**The New Rules of Green Marketing**', J. Ottman, considered to be the US's foremost expert on green marketing, provides unparalleled insight into the changing needs of mainstream consumers, how companies large and small have responded with fresh green marketing strategies, what it takes to succeed, and what the future of marketing will look like.


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