

### New Resource Bank: In Pursuit of Green



Mittal's Pursuit of Arcelor (A)



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### Key Issue: Greenwashing

- The act of misleading consumers
  - Vague terms, e.g. 'Natural'
  - How to avoid the seven sins

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stores in the US, Canada, the UK and Australia in December 2008 and Ianuary 2009. Their job was to find every product making an environmental claim and assess the validity of those claims.

The types of claims changed — Australian products were more likely to claim they helped water conservation — but the results did not. In Australia, 886 products were found in seven stores. Only five did not commit what the report called one of the "Seven Sins of Greenwashing".

#### Sin of the Hidden Trade-off

THE UNREASONABLY narrow definition of green. Paper may come from a sustainably harvested forest, but the cost of the manufacturing process, including energy, greenhouse gas emissions, and water and air pollution, must be considered.

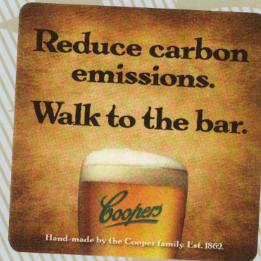


#### Sin of No Proof

THE CLAIM that is not backed up by evidence. According to the report, tissue products are a common example, claiming various percentages of recycled content without any evidence.

#### Sin of Vagueness

THE CLAIM that is kinda meaningless. The phrase "allnatural", for example, applies to poisons such as arsenic, uranium, mercury and formaldehyde.



#### Sin of Lesser of Two Evils

THE CLAIM that may be true when compared with direct competitors, but is not important in the broader picture. A V8 car may be fuel-efficient compared to other V8s, but not to smaller cars.

Sin of the Hidden Trade-off? South Australian beer racks up plenty of greenhouse miles being transported around the states.

#### Sin of False Labels

THE PRODUCT that, through dodgy words or logos, leads us to believe it's been okayed by some kind of certifying body, when it hasn't.

#### Sin of Irrelevance

THE CLAIM that may be true, but is unimportant. "CFCfree" is commonly seen, despite the fact that CFCs are banned by law.



#### Sin of Fibbing

THE LEAST frequent Sin, self-explanatory. The most common examples, according to the report, were products falsely claiming to be Energy Star certified or registered.

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# Summary of Case Thecasesolutions.com

- Growing popularity of anything natural
  - Profiling Green Consumer
  - Green cosmetics trends
- Chemicals in Skincare and cosmetics
  - Lack of regulation
    - Seven Sins
  - Natural Instinct Case
    - One Group Case

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# Key Issue: Greenwashing

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## Secondary Issues

- State of industry

- Shift towards healthy lifestyle



## Links to Theory and Concepts

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segmentation

- Lifestyle
- · Behaviour

Purchasing decisions based on marketing rather than facts

- · Product
- · Price
- · Promotion
- · Place

