

MARKETING

Professionals and clients tire of 'greenwash'

ROI-related decision-making takes hold as consumers demand data-driven results, not obtuse claims.

By JULIE KYLE
Editor

If you're sick and tired of hearing the G-word being thrown around, you're not alone. A study from Sustainable Rhythm showed that both green building professionals and the clients they serve are fed up with all the greenwash.

Sustainable Rhythm, a green building market research firm, conducted the *Opening the Door to Green Building* study by engaging over 550 building industry professionals to examine the green building market transformation. This analysis explores issues of the overall market, the perception of the financial investment, the role of certifications, and how the benefits of green building are being communicated.

Key findings include:

- Participants overwhelmingly identified energy efficiency and cost reduction as the best-communicated and the most impactful drivers to pursue green building;
- Participants expressed a great deal of fatigue with "green" buzzwords in marketing communications;
- Over 60% of participants feel that the benefits of green building are not being communicated well;
- Participants identified professional associations, specs, and web resources as the most effective channels to receive information on green building;
- Only 30% or less in each region feel that they understand current certifications and rating systems.

The results of this study suggest that being green for the sake of being green is just not enough anymore, and marketing that delivers more style than substance is starting to trend out, says Pamela Cargill, principal with Chaolytti, a marketing and operations consult-

ing firm for green businesses.

DEMANDING PROOF. Consumers are now demanding case studies, life cycle and ROI analysis, and other measurable metrics to make purchasing decisions about green building products, Cargill says.

"A similar transformation happened in the solar industry at the dawn of financing products and power-purchase agreements; both tools offered a significant ROI over expensive, direct ownership," she says.

"A big problem with communicating the benefits of being green is that there is no universally trusted voice, brand, or *trustmark* that has created and passed down a definition of 'green.' Likewise, the terms 'sustainable' or 'appropriate technology' have created more questions than answers and also trended out of use. Even the 'low carbon' and 'carbon free' rage has died back," Cargill says.

As more buzzwords have entered the lexicon, consumer weariness has increased, she says. "How do you measure benefits like greenness and sustainability? How do you equate carbon savings into a metric that makes impact?"

With the intent of addressing the problem, the Federal Trade Commission has proposed some revisions to its Green Guides, a series of guidelines created to help companies avoid making misleading environmental claims in their marketing and packaging.

The changes include new guidance on the use of product certifications and seals of approval, as well as claims about the use of renewable energy, renewable materials, and carbon offsets.

The revised Green Guides advise marketers not to make blanket or general claims that a product is "environmentally friendly" or "eco-friendly," and cautions them not to use unqualified certifications or seals of approval.

To further confuse matters, a 2009 preliminary study conducted by the National Research Council Canada of LEED-certified buildings concluded that the LEED rating attained by a building rarely correlated with its energy savings.

"On average, LEED buildings used 18-39% less energy per floor area than

their conventional counterparts. However, 28-35% of LEED buildings used more energy than their conventional counterparts," the study found. "Further, the measured energy performance of LEED buildings had little correlation with certification level of the building, or the number of energy credits achieved by the building at design time. Therefore, at a societal level, green buildings can contribute substantial energy savings, but further work needs to be done to define green building rating schemes to ensure more consistent success at the individual building level."

A follow-up study is clearly required comparing the results of this study to the results of buildings under the new LEED v3 system, Cargill says. "But this question of whether or not LEED buildings save energy puts a host of certifications in the limelight. Are FSC-certified lumber and paper creating more bio-diverse forest habitats? Are carbon offset projects really mitigating the effects of pollution?," she says.

"Green building is still a relatively new concept, and while there are so many resources available at our fingertips, there's still an enormous need for green building research," says Ashley Katz, communications manager for the USGBC.

In 2008, the USGBC created a grant program after its Research Committee's findings that showed that research and development fall alarmingly short of what is needed to meet the challenges of a building sector that has a significant impact on people and the environment, Katz says. The grant has helped spur a significant amount of research covering a variety of topics including K-12 school research relating to occupant impacts, she says.

"In order for the green building market to communicate the benefits of green, it needs to stop worrying about green and start talking about results: money saved, investments recouped, increased employee productivity, improved quality of life, maintenance on building lowered, hassles reduced," Cargill says. "What consumers need and crave is clarity, transparency, and value that is quantifiable and easy to understand." ■▲