

# ADDING VALUE TO BUSINESSES THROUGH ENVIRONMENTAL BRANDING

Sustainability can help build customer loyalty by using social and environmental initiatives as a form of advertising and as a way to connect with customers. Brands can create connections with buyers leading to repeat purchasing, thereby creating value for the company. There is increasing demand for “green” brands that demonstrate a company is committed to reducing CO2 emissions, reducing chemical use, reducing waste, reducing energy and natural resource consumption, and actively seeking to improve the social and environmental well being of the planet. Not only do consumers seek out these sustainable “green” brands, but the companies also benefit by reducing costs through optimizing production and supply chains and saving on energy and other internal operating costs.

## **About Brand Differentiation**

Brand differentiation comes into play in boardrooms as part of the “triple bottom line”: environmental, social, and financial impacts (also known as “planet, people, profit”). Some brands are greener versions of our daily products. Others are new interpretations of products designed to change consumer behavior to live a more sustainable life. For example, in the automotive industry, companies are changing manufacturing of automobiles and parts to be more sustainable by reducing energy usage in the manufacturing process, but they are also changing the automobile product itself to be more sustainable in the form of clean energy automobiles. Innovation on the manufacturing floor and in the product design itself all contribute to a company’s sustainability strategy. There is a significant opportunity to develop innovative products and services that add value and secure lasting brand loyalty. Sectors, such as energy and mining, which have significant brand impacts and challenges because of impacts to the environment and surrounding communities, are in greater need of brand differentiation to simply survive. For those companies, sustainability is a necessary part of the brand, not a differentiating factor. Without sustainability as part of the brand, these companies risk their reputations and their future earnings.

Looking at the life cycle of a product also helps distinguish a brand as “green.” In California, companies are being encouraged, and in some cases required, to provide information on the supply chain, the carbon footprint of the life cycle from source material to end user, the packaging, the transportation, the expected end-of-life, and the impact on the environment of all steps in the process. California consumers are expected to modify their purchasing behavior based on this information. Companies that ship into California are expected to modify their product design in response to consumer demand.

Brand differentiation is becoming a necessity because consumers are becoming more aware of the environmental and social implications of their day-to-day consumption decisions and, in many cases, are making purchasing decisions related to their environmental and ethical concerns. Non-governmental organizations are actively educating consumers on the production processes behind the goods they buy. For example, responsibly sourced tea and coffee have become brand-drivers. Technologies are popping up that provide consumers with sourcing information about the health, environmental and social impact of products. These technologies are not always 100 percent accurate and can have a significant impact on a brand’s reputation.

Companies also need to avoid the perils of “green washing,” which can lead to advertising law violations. Green washing is the attempt by companies to differentiate through advertising, without the corresponding investment in sustainability.

## **Our Experience with Brand Differentiation**

Our lawyers have experience vetting client sustainability initiatives and statements to eliminate the risk of false advertising allegations. We also have experience positioning our clients to use policies and corporate procedures to advance their social and environmental branding and solidify consumer followers. Our lawyers help businesses invest in sustainability initiatives that will influence brand value and secure future earnings. Bick Law stays ahead of brand differentiation requirements and trends and assists its clients to create brand value and retain a competitive edge in the marketplace.