Greenwashing

Who’s Winning the Green Race Online?

Webinar: April 1, 2008
Sustainability buzz increases +100%

Among 70+ million blogs tracked by Nielsen Online, buzz about Sustainability increases dramatically (up 106% from September 2006) and nearly 50% during the course of 2007.

Earth Day in April 2007 drives a notable spike in discussion.
Sustainability buzz matures in 2007 and discussion converges around key issues, such as reducing energy consumption, sustainable development and sustainable agriculture.

1. Bloggers discuss green building projects for corporate, educational and municipal buildings.

2. Corporations take visible steps to reduce the impact of their energy consumption and fuel emissions.

3. Bloggers advocate for personal responsibility using words like “commitment,” “together,” “innovative,” “ideas,” and “creating”.

Key Association Map: Sustainability
June 2007 – December 2007
# Sustainability Scorecard: Key Buzz Drivers

<table>
<thead>
<tr>
<th>Top 25 Issues</th>
<th>Buzz*Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Warming/Climate Change</td>
<td>↓</td>
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<tr>
<td>Renewable Energy/Alternative Fuels</td>
<td>↑</td>
</tr>
<tr>
<td>Resource Conservation</td>
<td>↑</td>
</tr>
<tr>
<td>Recycle/Reuse</td>
<td>↑</td>
</tr>
<tr>
<td>Carbon Emissions</td>
<td>↓</td>
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<tr>
<td>Pollution</td>
<td>↑</td>
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<tr>
<td>Organics</td>
<td>↓</td>
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<tr>
<td>Toxins</td>
<td>↑</td>
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<tr>
<td>Packaging/Plastic</td>
<td>↑</td>
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<tr>
<td>Transportation (hybrids, carpooling)</td>
<td>↑</td>
</tr>
<tr>
<td>Clean Coal</td>
<td>↑</td>
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<tr>
<td>Fossil Fuels</td>
<td>↓</td>
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<tr>
<td>Eco/Environment Friendly</td>
<td>↑</td>
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<tr>
<td>Al Gore</td>
<td>-</td>
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<tr>
<td>EPA</td>
<td>↑</td>
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<tr>
<td>LEED</td>
<td>↑</td>
</tr>
<tr>
<td>Going Green/Simple Living</td>
<td>↑</td>
</tr>
<tr>
<td>CSA/Food Miles</td>
<td>↑</td>
</tr>
<tr>
<td>Compact Fluorescent Lights</td>
<td>↓</td>
</tr>
<tr>
<td>Fair Trade</td>
<td>↓</td>
</tr>
<tr>
<td>Greenwashing</td>
<td>↑</td>
</tr>
<tr>
<td>Energy Star</td>
<td>↑</td>
</tr>
<tr>
<td>Corporate Responsibility</td>
<td>↑</td>
</tr>
<tr>
<td>Energy Bill</td>
<td>↑</td>
</tr>
<tr>
<td>Climate Counts/Carbon Disclosure Project</td>
<td>↑</td>
</tr>
</tbody>
</table>

While bloggers primarily discuss broad issues like global warming, behavioral activities such as increased **recycling** and a greater awareness of **unnecessary plastic packaging consumption** emerge in discussion.

**Greenwashing** gathers momentum as more bloggers actively assess the marketing claims of major corporations and brands.

Issues are empirically derived. Topics are ranked by messages among Sustainability bloggers from January 1, 2007 to December 31, 2007.
Global Warming search volume soars in April; underscores broad interest during Earth Day

Buzz volume is depicted as a percentage of total messages among Sustainability bloggers occurring between January 1 and December 31, 2007. MegaPanel search volume. Climate change search data provided for directional purposes due to sample limitations.
Recycling buzz echoes search activity

Buzz and search volume for Recycling/Reusing

**TreeHugger maintains strong lead among blogs**

**BuzzMetrics Rank* | Top 10 Sustainability Blogs**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Blog</th>
<th>Sustainability Messages</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>TreeHugger</td>
<td>4,612</td>
</tr>
<tr>
<td>222</td>
<td>Worldchanging</td>
<td>738</td>
</tr>
<tr>
<td>n/a</td>
<td>Biopact.com</td>
<td>722</td>
</tr>
<tr>
<td>247</td>
<td>The Oil Drum</td>
<td>706</td>
</tr>
<tr>
<td>n/a</td>
<td>Alternative Consumer</td>
<td>698</td>
</tr>
<tr>
<td>n/a</td>
<td>Greenthinkers</td>
<td>692</td>
</tr>
<tr>
<td>n/a</td>
<td>Inhabitat</td>
<td>608</td>
</tr>
<tr>
<td>n/a</td>
<td>Lime.com</td>
<td>538</td>
</tr>
<tr>
<td>n/a</td>
<td>Green Wombat</td>
<td>446</td>
</tr>
<tr>
<td>n/a</td>
<td>EcoGeek</td>
<td>445</td>
</tr>
</tbody>
</table>

TreeHugger Vital Buzz Stats:

- BuzzMetrics Rank*: 19
- Average posts per week: 148
- Average posts per month: 638
- Average inbound links per week: 267
- Average inbound links per month: 1,146

Bloggers are ranked by total messages about Sustainability from January 1, 2007 to December 31, 2007. *Rank based on automated profiling of 10,000 blogs.
TreeHugger expands reach to mainstream; Discovery acquisition in August prompts spike in site engagement

MegaPanel: US home and work.
Sustainability Trend Perspective

* Greenwashing: *Increased Corporate Accountability*

Green-wash *(green'wash', -wôsh')*
verb: the act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service
Bloggers fervently scrutinize brands and companies for greenwashing …

Buzz volume for Greenwashing, CSR, Climate Counts and CDP

Buzz volume is depicted as a percentage of total messages among Sustainability bloggers occurring between January 1 and December 31, 2007.
Natural resource co’s are most scrutinized

Discussion topics and sentiment are qualitatively assessed. Volume is determined as a percent of a sample of 100 messages for Greenwashing.
Bloggers call for **consistency, third-party oversight**

**Topics of discussion for Greenwashing**

- **Contradictory Actions**: 25%
- **Incongruous with Company/Industry**: 21%
- **General Suspicion**: 17%
- **Superficial Changes**: 9%
- **Length of Commitment**: 6%
- **Corporate Buy-Outs**: 4%
- **False/Misleading Comments**: 19%
- **Excessive PR**: 11%
- **Lack of Information**: 8%
- **Address Criticism**: 5%
- **Seek Regulated Oversight**: 18%
- **Strengthen Current Regulations**: 6%
- **Reduce Corporate Oversight**: 4%

Discussion topics are qualitatively assessed. Volume is determined as a percent of a sample of 100 messages for Greenwashing.

**Need for more consistent messaging**
Who’s winning the race to green?

<table>
<thead>
<tr>
<th>Industry</th>
<th>Company</th>
<th>Issue</th>
<th>Sentiment</th>
<th>Differentiating Tactic</th>
<th>Insight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and Beverage</td>
<td>Starbucks</td>
<td>Fair Trade</td>
<td><img src="image" alt="Positive" /></td>
<td>Public Relations</td>
<td>Bloggers praise Dunkin' Donuts’ “relatively demure PR stance” stating that Dunkin’ Donuts rarely broadcasts its 100% fair trade certification; bloggers critique Starbucks for its excessive “lip-service.”</td>
</tr>
<tr>
<td></td>
<td>Dunkin' Donuts</td>
<td></td>
<td><img src="image" alt="Neutral" /></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Media</td>
<td>NBC</td>
<td>Green-Themed Television Programming</td>
<td><img src="image" alt="Positive" /></td>
<td>Length of Commitment</td>
<td>NBC’s 150 hours of green programming can’t compete with Planet Green’s 24 hours a day coverage.</td>
</tr>
<tr>
<td></td>
<td>Discovery Channel</td>
<td>Green-Themed Television Programming</td>
<td><img src="image" alt="Positive" /></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>Wal-Mart</td>
<td>Plastic Bag Reduction</td>
<td><img src="image" alt="Positive" /></td>
<td>Incongruous with Corporate Reputation</td>
<td>While bloggers are positive to Wal-Mart's plastic bag initiative, the company’s image suffers from its association with environmental, labor, and healthcare issues. Conversely, Target benefits from a positive reputation.</td>
</tr>
<tr>
<td></td>
<td>Target</td>
<td></td>
<td><img src="image" alt="Positive" /></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy/Oil</td>
<td>Whirlpool</td>
<td>Energy Efficiency Initiatives</td>
<td><img src="image" alt="Positive" /></td>
<td>Contradictory Actions</td>
<td>Bloggers claim GE has an inconsistent, and often contradictory, track record, but praise Whirlpool for focusing on smaller measures, such as energy-efficient appliances and its partnership with Energy Star.</td>
</tr>
<tr>
<td></td>
<td>GE</td>
<td></td>
<td><img src="image" alt="Positive" /></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Despite increased visibility and stated commitment, negativity rises.

Sentiment toward Wal-Mart’s Sustainability Efforts

- **Period 1 (1/1/2007-6/30/2007)**
  - Positive: 13%
  - Negative: 6%
  - Mixed: 9%
  - Unsure: 12%
  - No Opinion: 60%

- **Period 2 (7/1/2007-12/31/2007)**
  - Positive: 12%
  - Negative: 16%
  - Mixed: 18%
  - Unsure: 7%
  - No Opinion: 47%

Sentiment is qualitatively assessed. Volume is determined as a percent of a sample of 100 messages for Wal-Mart and Sustainability.
Bloggers react to Wal-Mart’s green actions

Discussion About Wal-Mart’s Sustainability Efforts

- Suppliers: 12% (2007-6/30), 20% (2007-12/31)
- Competitor Comparison: 11% (2007-6/30), 19% (2007-12/31)
- Greenwashing: 4% (2007-6/30), 4% (2007-12/31)
- Products (Sold at Retail): 14% (2007-6/30), 19% (2007-12/31)
- Sustainability Summit: 0% (2007-6/30), 11% (2007-12/31)
- Packaging Reduction Efforts: 7% (2007-6/30), 12% (2007-12/31)
- Electricity Consumption (instore): 6% (2007-6/30), 11% (2007-12/31)
- Coal Reduction: 0% (2007-6/30), 5% (2007-12/31)

Sentiment is qualitatively assessed. Volume is determined as a percent of a sample of 100 messages for Wal-Mart.
Patagonia’s transparency appears legit

Distance Traveled
Each Wool 2 Baselayer travels a total distance of 16,280 miles (26,200 km) from origin of fiber (in New Zealand) through garment delivery to Patagonia's Reno Distribution Center.

This is equivalent to walking along the Great Wall of China end to end four times.

The Good
The wool comes from superbly run sheep ranches, at the base of New Zealand’s Southern Alps, whose environmental standards are stringent – and ratio of head to hectare low. Our dyeing factory uses no heavy metals for our goods. And we use a domestic sewing factory that has worked with us for more than 20 years.

The Bad
The distance the wool travels from sheep to purchasable garment is 16,200 miles. It wends its way from New Zealand to Malaysia to Japan to a Los Angeles port before reaching our Distribution Center in Reno, Nevada. This is not sustainable.
Key Takeaways

- **Sustainability buzz is rising and maturing**
  - Increased awareness for issues within sustainability and deepening sense of personal responsibility

- **Blogger skepticism is the cost of entry to play the green game**
  - The bigger the company, the greater the scrutiny

- **Consistency is fundamental**
  - Bloggers are a new form of investigative reporter who doggedly pursue the facts

- **Credibility is earned, not bought**
  - Pursing a green(er) strategy is advisable; buying the way to green is cause for skepticism

- **Authenticity and transparency emerge as the cornerstones of successful green marketing.**
For information about Nielsen Online’s Sustainability reports, please contact 

sales@buzzmetrics.com
Sustainability Trend Perspective

**Bottled Beverages**
Bottled water bans, relabeling products as a “public water source” and news about potential leaching from plastic heightens awareness and concern about other forms of plastic packaging, such as baby bottles. After the issue emerges in July 2007, online consumers continue to buzz about the issue through January 2008.

**Green Cleaning**
In response to a new market of niche “green” cleaning products, consumers express interest in using these products for a multitude of cleaning “occasions” (laundry care is a focal point). Efficacy, chemicals/ingredients and price are consistently important aspects of the purchase decision.

**Beauty Goes Green**
Beauty aids are the next category to “go green” as consumers not only consider ingredients they are ingesting but those they apply topically. Organic and natural products currently ride the green wave; mineral cosmetics and skincare products touting “chemical-free” claims are also favored.

**Local Goods**
No longer restricted to a handful of consumers known as Locavores – mainstream consumers seek local solutions at their local grocers. These consumers will price shop but are open to products they can buy at stores like Price Chopper that recently introduced more local goods.

**Retail**
Wal-Mart dominates retailer-specific buzz due to its major play with organics and CFLs. Consumers are dubious about the quality of its products. Trader Joe’s is a favorite among many because it delivers low prices on local and eco-friendly goods.

**Sustainable at Retail**

**Locally Produced Goods**

**Beauty Goes Green**

**Bottled Beverages**

**Sustainability + CPG**
Bottled water news provokes ongoing buzz

Top Five Cited Articles Discussing CPG and Sustainability

<table>
<thead>
<tr>
<th>Article</th>
<th>News Source</th>
<th># of Citations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Message in a Bottle</td>
<td>FastCompany.com</td>
<td>103</td>
</tr>
<tr>
<td>The Magazine Monitor</td>
<td>BBC News</td>
<td>86</td>
</tr>
<tr>
<td>Gore gets a cold shoulder</td>
<td>The Sydney Morning Herald</td>
<td>59</td>
</tr>
<tr>
<td>Walking to the shops &quot;damages planet more than going by car&quot;</td>
<td>Times Online</td>
<td>47</td>
</tr>
</tbody>
</table>

Consumers continue to share Fast Company’s “Message in a Bottle” article about the bottled water industry’s heavy burden on the environment.
Though other bottled beverages (RTD teas, energy drinks, etc.) do not appear on the map, the bottled water backlash has served to heighten awareness to all types of packaging.

1. Consumers continue to discuss the need to recycle plastic bottles.
2. Confusion about the “best” form of packaging for the environment, consumers weigh the benefits of glass, aluminum cans and plastic.
3. The potential leaching of BPA (Bisphenol A) is heavily discussed.
4. Concerns about plastic bottles lead consumers to switch to reusable bottles such as Sigg, Nalgene and Tote.
5. Discussion about Coca-Cola’s recycling plant is limited; sentiment is favorable toward the investment.
Monitoring Sustainability

Nielsen Online’s Sustainability Monitor program is designed to help brands measure and analyze consumers’ word-of-mouth opinions towards the sustainability movement.

Get answers to sustainability issues, questions and opportunities:
- How do consumers define the topic?
- What specific words or phrase associations are used around sustainability?
- How have sustainability discussions evolved over time?
- Which brands, issues, or categories are most implicated in sustainability discussion?
- What are the most engaging, passionate, and polarizing themes? What drives these attitudes?
- What are the emerging trends and issues?

What's Included:

**Sustainability: Through the Eyes (and Megaphones) of Consumers:** Snapshot of the sustainability movement transcendent of industry boundaries (data covers January 1, 2007 to December 31, 2007).

**CPG Sustainability:** Insight into mainstream consumer opinions on key environmental and socially responsible trends with respect to packaged goods (data covers July 2007 to January 2008). See slides 20-24

**Pricing:**
Each standalone report is $15,000. Both reports are available for $24,000.