Managerial Aspects of Sustainability Labelling

Environmental Management Leadership Symposium

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Our mission

- **Need**: there is a need to link consumer information needs on sustainability with corporate strategies
- **Goal**: Overview eco- and sustainability labels from two perspectives:
  - Consumer (WHAT INFORMATION IS NEEDED?)
  - Company (HOW TO LINK LABELLING WITH MARKETING STRATEGY?)
Sustainability labels

- Market based tools
- Makes comparison and decision easier for consumers
- Types of labelling:
  - Obligatory labels
  - Voluntary – official
  - Voluntary – self-created

Obligatory Labelling

- No special product characteristics required, but information must be transparent
- Examples:
  - Electronic devices (washing machines, refrigerators, air-conditioning devices etc.)
  - Bulbs
  - Aircrafts
  - Etc.
Voluntary labels – ‘official’

- Criteria set by independent bodies
- External verification of products
- Clear meaning of labels

National Eco-labels

- Nordic countries
- Poland
- Slovakia
- Holland
- Croatia
- Sweden
- Hungary
- Czech Republic
- France
- Austria
Voluntary labels – ‘self-created’

- Companies donate to themselves
- Might contain useful information, but no external control
- Potential for very ‘soft’ meanings

Misleading labels

- ‘Recyclable’: capable for recycling (what is not…) NOT recycled
- The producer has paid for selective waste collection NOT recycled or environmentally friendly product
- ‘Empty statement’: this is required by law
Competitive Strategy and Labelling

- What is the role of labelling concerning different strategies?

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<thead>
<tr>
<th>Competitive Scope</th>
<th>Competitive Advantage</th>
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<tbody>
<tr>
<td>Cost Leadership</td>
<td>Differentiation</td>
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<tr>
<td>Focus (Niche)</td>
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</tbody>
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Eco-labels and the Marketing Strategy

- The Marketing mix and eco-labelling:
  - What is the relationship with labelling?
Key questions to discuss

- What are the most important success factors of eco- and sustainability labels?
- How can eco- or sustainability labelling be integrated into corporate marketing strategy?
- What is the role of environmental managers regarding sustainability labelling?

Key questions to discuss

- What are the most important success factors of eco- and sustainability labels?
  - What sort of information needed?
  - Product/packaging
- How can eco- or sustainability labelling be integrated into corporate marketing strategy?
  - Most important advantage for companies?
  - Regarding what sort of products/industries are labelling useful?
  - Which relationships?
- What is the role of environmental managers regarding sustainability labelling?
  - Coordinating
  - Supporting decision making: with LCA etc.