

# Eco efforts going to waste

The mountain of waste electronic equipment is at a record level but brand owners fail to keep consumers informed of their initiatives to reduce the environmental impact of their latest products

Technology companies face a reckoning in the battle against global warming. On July 1 the Waste Electrical and Electronic Equipment (WEEE) Directive comes into force in the UK. This makes them financially responsible for the recycling – including collection and treatment – of their products.

Electrical and electronic waste is the fastest-growing category of rubbish across Europe. It's estimated that there are 1.5 million computers alone buried in landfill sites in the UK, with electronic equipment responsible for generating around 1 million tonnes of waste a year.

In a sector characterised by growing commoditisation, companies have been obsessed with maintaining market share by offering customers an array of new, must-have features.

But is the picture that bleak? Not according to research by Added Value. Many technology companies are busily developing initiatives across an array of environmental areas.

For instance, big players, including Sony, Microsoft, Hewlett-Packard, Ericsson, Nokia and Dell, offer a global recycling and take-back services. Sony has set itself stringent environmental targets in its Green Management 2010 policy; NEC has a Refreshed PCs division, which purchases, refits and re-sells secondhand computers, producing profits from year one. LG Electronics' "green programme" has resulted in innovations such as eco-friendly steam washing machines and energy-saving cooling and heating systems.

The list goes on, as more technology companies mount eco-initiatives that are not only aimed at products and their lifecycles, but at the whole manufacturing and distribution process. There is one problem, however. Additional research among 1,000 consumers (by Lightspeed Research) shows many companies are simply not telling consumers about what they are doing at a time when consumers are much more concerned

about the environmental impact of the products they buy.

For instance, two-thirds of respondents say that "actively combating climate change" is important when buying technology products, with a third finding it extremely important. When asked which claims they consider "new and different", claims such as "is carbon neutral", "contains no toxic/harmful raw materials and components" and "offers a recycling take-back service" scored well at 55%, 56% and 56% respectively.

Moreover, almost 70% of respondents rated "reduced energy consumption" as the most important feature. This, however, was followed by 63% who still want the latest technological features – an indication that many consumers want companies to use their ingenuity to deliver lower energy use and the latest gadgets.

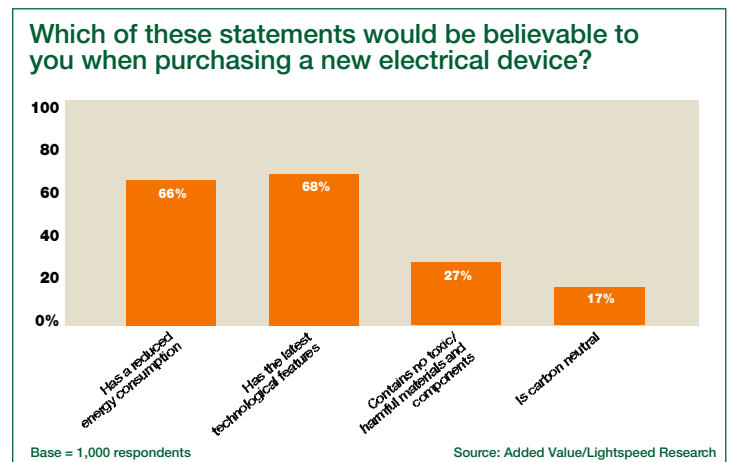
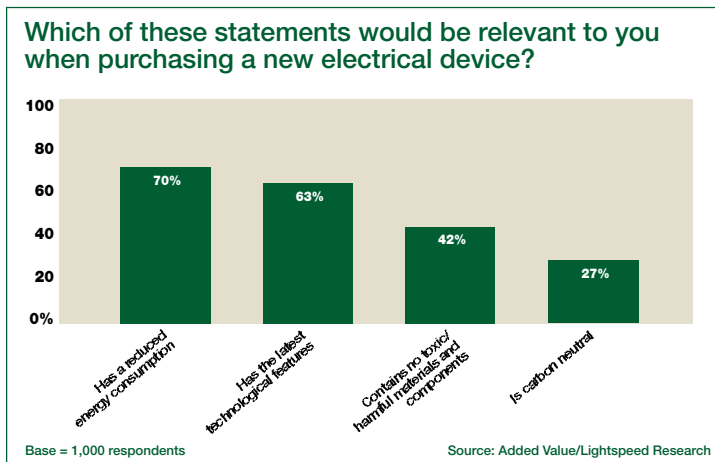
But do consumers believe technology companies can deliver on environmental claims? No. Two-thirds believe claims of technological fea-

tures and reduced energy use, but only 17% believe technology products could be "carbon neutral". Less than a third feel products live up to a claim "contains no toxic/harmful raw materials and components".

Finally, consumers were asked to rate the top technology companies in relation to climate change. In terms of respect for the environment, the scores are uniformly low. The highest score for Sony is a mere 21%, followed by Microsoft at 18%. A huge 40% can't name any brand.

Worse, 53% don't know or can't name a technology brand that is known for "proactively combating climate change". Those seen as "leading the way in the area of climate change in the future" include Microsoft at 18% and Sony at 14%, hardly huge votes of confidence.

No matter how active these companies might be behind the scenes, they need to raise their game in terms of telling consumers about it. And there are signs that this is gradually



sinking in. Mobile operator, O2 has introduced "Energy Saver Options" encouraging consumers to renew a contract and keep their old handset with a £100 credit on their bill.

And it can be profitable. Philips Electronics says that, on the back of the launch of its Green Tick logo for its environmentally friendly and safe consumer product range, the "Philips Green" product portfolio accounted for a significant £2.2bn turnover in 2006.

It's not just consumer concern that should be influencing company strategy in this area. Governments are also moving quickly. For example, as well as the WEEE Directive, there is also the forthcoming European Energy using Products (EuP) which will mandate significant cuts in the overall energy consumption of electronics products.

Of course, it would be understandable if companies were wary of saying anything before they were environmentally "perfect". But they would do well to follow the examples set by their counterparts in other sectors, which are successfully talking to consumers about the steps they are taking as they make them.

Marks & Spencer has attracted favourable publicity for its "Plan A – because there is no Plan B" campaign to tackle some of the biggest env-

ronmental challenges over the next five years and has just announced a 28.5% increase in annual pre-tax profit to just under £1bn.

Procter & Gamble has won kudos for its campaign to persuade consumers to wash their clothes at 30°C. In France alone it has helped increase market share by 0.5%.

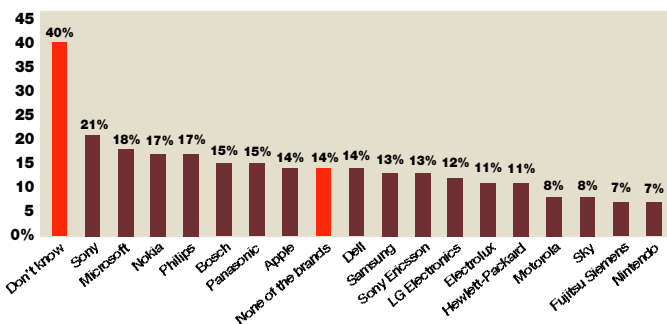
There is another, even more important aspect to this. These large technology companies employ some of the best scientific brains in the world. But too few appear to be making concerted efforts beyond energy saving and recycling to develop the breakthrough innovations that could transform the climate debate.

Instead, smaller companies are filling the innovation gap. The British-designed Eco kettle, for example, allows users to fill the kettle up but only boil the number of cups they want. Or there's the Savasocket, an energy-saving multisocket that works through a standard home infrared remote to cut power to the appliance.

As new legislation approaches, the message for technology companies couldn't be clearer. There are limitless opportunities – and the time to seize them is now.

**Jenny Fors, associate director of Added Value, contributed to this Trends Insight**

**Brands most associated with respecting the environment**



Base = 1,000 respondents

Source: Added Value/Lightspeed Research

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