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DELIVER[®]
DARE TO DREAM GREEN

a magazine for marketers

VOLUME 4
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MAY 2008

No other form of energy is as renewable as ideas, no other resource as ready-made for recycling.

And it's in that spirit that this issue of *Deliver*® returns to a theme that has earned us a great deal of notice since we first broached it last year: green marketing.

But in revisiting this fast-growing trend in direct, we're finding a whole host of new approaches, unique perspectives and fresh successes.

As the popularity of green marketing continues to spread — its growth will likely accelerate in the wake of the most recent Earth Day — companies big and small are seeking the best ways to promote sound environmental policies. And they are doing so while simultaneously promoting their products and distinguishing their brands. Meanwhile, *Deliver* is trying to bring as much of it to you as possible.

In the story "The Green Pages" (p. 8), for example, we report on direct mail magazine publisher Dawn Codd, who has taken several bold steps to make her three D.C.-area publications as eco-friendly as possible.

We also spotlight Image 4 ("Anatomy of An Eco-Makeover," p. 22), a New Hampshire trade show exhibits manufacturer that has worked tirelessly to clean up its practices while competing in an industry often heavily dependent on environmentally hazardous materials.

But if you think that green marketing is easy for companies that use only organic materials, then be sure to read "Changing the Culture" (p. 18), our interview with yogurt mogul and author Gary Hirshberg. As he explains, going green can be fraught with complications, but can also offer some very satisfying (and lucrative) rewards if marketers are willing to think creatively.

And we give some great examples of this. Take, for instance, "The Cost of Doing Business" (p. 12), a look at how companies like Volkswagen are seizing on the potential of carbon offsets, which allows them to underwrite pro-environmental measures as a way of reducing their ecological footprint.

We hope you enjoy this green issue even more than our first. While you do, we'll busy ourselves with continuing to



*** THINK FAST!
THERE'LL BE A QUIZ
AT THE END OF
THIS ISSUE.**

find even more great stories about how direct marketing is helping pave the way for a cleaner tomorrow.

Oh, and one more thing about last year's green issue: It was named the winner of our recent "Best of Deliver 2007" poll on delivermagazine.com.

Thanks for all your support. We'll keep working hard to maintain it.



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PHOTOGRAPH BY ROY RITCHIE

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CHARLES WILKIN





ANATOMY OF AN ECO-MAKEOVER

JEFF BAKER TURNED HIS COMPANY UPSIDE DOWN TO BECOME SUSTAINABLE AND SOCIALLY RESPONSIBLE. SO WHY DID HE KEEP IT A SECRET FOR SO LONG?

BY ELAINE APPLETON GRANT ~ ILLUSTRATION BY DAVID PLUNKERT

Jeffrey Baker's company does not look like a green business. To get to his Image 4 offices, you inch delicately past ditches dug for a mile down Candia Road, swerving away from jackhammers and excavation rigs doing interminable construction in this developing section of Manchester, N.H. From the outside, the company's one-story brick building screams 1970s industrial — not 21st century sustainability. Inside, a chaos of trade show exhibits greets you.

This is "sustainability central?" Perhaps.

Image 4 manufactures trade show exhibits and what Baker calls "branded environments" — the banners, signs, displays, even the furniture that companies use to announce themselves to the world. Increasingly, Baker and his 15 employees have taken some innovative steps to make Image 4's practices more eco-friendly, including using non-toxic inks on 100-percent recycled fabric, reclaimed metal, egg-based varnish, non-volatile paints and other green materials. Only recently, though, has Image 4 mentioned its environmentally progressive operations, spotlighting them on its Web site and in a series of eco-friendly direct mail postcards to customers.

Previously, though, Baker quietly went about transforming this traditional manufacturing company into an environmentally conscious thought leader; since his efforts started, the company has grown far beyond the 46-year-old Baker's boldest imaginings. By 2009, Baker expects Image 4 to double its revenues while expanding its profit margins. That growth, Baker believes, is coming as a direct result of the 20-year-old company's commitment to sustainability, a commitment Image 4 has worked hard to honor

even while laboring in what may possibly be the most toxic and wasteful sector of the marketing industry.

He is, in some ways, a paradox. In an age when it seems that only two kinds of companies get serious press for being green — mammoth businesses whose initiatives, however controversial, can make a big impact, and tiny, sexy startups that sell green products and are eco-friendly at birth — Image 4 is among the vast number of businesses with 500 workers or fewer that are making serious green inroads. He has overcome the same daunting obstacles that discourage many of his peers from reducing their environmental footprint, including lack of time, a dearth of information and little money, as well as entrenched behavior on the part of employees, customers and suppliers.

Here's how he did it.

HUMBLE BEGINNINGS

Baker started at the company as an employee. Then, in 1989, with a partner he scraped together enough cash to buy out the owner. At that point, the company was essentially a photo lab, and it was no different from the rest of the industry — using caustic chemicals to process photographic materials, post-processing heavy metals and using extraordinary amounts of power and water.

All that photo-processing equipment also generated thousands of BTUs of heat. Baker seized on the idea of heating the company's building with that wasted warmth. It wasn't "to be green," Baker says. "It was because I was cheap." He finally figured out how to do it, and since then, the company has spent almost nothing warming an 8,500-square-foot building in snowy New Hampshire. For Baker, successfully engineering

a “heatless building” was the beginning of questioning the assumption that waste, inefficiency and pollution were simply the cost of doing business.

In the trade show business, you can't buy green products off the shelf. Vinyl — technically, polyvinyl chloride, or PVC — is ubiquitous because it's cheap, strong, flexible and lightweight. But “when burned, the PVC releases dioxin fumes, which are a known carcinogen,” says Andrea Atkinson, general manager of NEXUS Green Building Resource Center, a Boston-based educational facility for green builders.

Avoiding products like PVC necessitates inventing new ones. As Baker has traveled down this green path, he's had to develop his latent mad inventor. He and his staff have learned how not to have to say no when customers ask for eco-friendly restaurant seats or non-toxic varnishes, but to do the detective work to find them or figure out how to make them. His biggest success to date came in early 2007, when after two and a half years of effort and a \$250,000 investment, he and his team perfected a process for printing with non-volatile inks on fabric made out of 100-percent recycled soda bottles — a truly clean printing process for which Baker has applied for a patent.

“This is product development in its purest form,” Baker says.

FINDING A NEW PATH

By 2001, Image 4 was thriving. It had evolved from its roots as a photo lab into a trade show exhibit maker, and it was working for more than 300 clients, many of them recognizable brand names.

Then came September 11th. Within three days, the \$3 million company lost 50 percent of its clients and experienced a

69-percent revenue drop. It was a hellish time. Twelve of Baker's competitors went under, and Baker feared Image 4 would be next. “I was close to clinically depressed,” he says, touching his chest unconsciously.

Coincident with the post-9/11 economic crisis came the advancement of digital technology, which drastically reduced both the cost of printing and the value it held for customers. They saw color prints coming out of their cheap desktop printers and wondered why Image 4 charged so much.

By 2002, large-format printing had become a commodity. “We used to be one of two companies in town,” Baker says. “Now you could go to eight places and get the same print.”

Baker decided that the company's survival depended on growing in a radically different way. He had already begun replacing chemical photo processes with digital equipment, dramatically speeding throughput. Almost incidentally, it reduced the company's chemical use. Next, Baker and his staff set about ridding the company of chemicals with a vengeance and shrinking the number of materials they used to produce their products. Lighter, smaller products meant cheaper shipping charges — and diminished fuel use. In 2003, the company began offering green-aware customers eco-friendly products like signs printed on Forest Stewardship Council-certified wood, as well as banners made of recycled fabric supported by sustainable bamboo rods.

Still, Baker didn't trumpet these successes. In fact, he continued his traditional marketing campaign, sending postcards depicting successful projects to potential customers — but saying nothing about the new materials. He remained quiet out of concern that someone would accuse him of greenwashing and that his company lacked eco-credibility.

GREENER THAN YOU THINK

A new survey reveals surprisingly wrongheaded beliefs about the environmental impact of direct mail

A recent survey of 1,000 consumers revealed a gulf between the perceived eco-impact of direct mail and its actual influence. “They wildly overestimated direct mail's impact on the environment,” says Michael Critelli, executive chairman of Pitney Bowes Inc., which co-sponsored the 2007 *DMNews*/Pitney Bowes Survey of Consumer Attitudes. Critelli says he expected a disparity between perception and reality — “but not nearly as much as we saw.”

For instance, asked to estimate the amount of municipal waste created nationwide by advertising mail, 48 percent of respondents thought direct mail accounted for more than half of it. Thirty-six percent said it accounted for more than a third. And 12 percent thought it generated 9 percent. In fact, direct mail generates just 2 percent of all U.S. municipal waste, according to a *DMNews* article about the survey. (Two percent chose this answer.)

Asked to rank select activities by the amount of carbon dioxide they generate, 16.8 percent chose the delivery of direct mail as third most harmful, ahead of using a year's worth of electricity for select refrigerators and running a clothes dryer 10 times a week for a year. (Running the dryer creates the most CO₂, according to a chart accompanying the *DMNews* article on the poll.) Experts trace these skewed perceptions to the fact that the typical mailing attracts only a tiny percentage of responses, leading others to view unsolicited material as wasteful. “[Mail] is something people see and handle every single day,” Critelli says. “Unfortunately, a lot of it doesn't get a response.”

The good news? More than two-thirds said they'd view direct mail more positively if senders recycled cardboard or planted new trees.

Of course, the reality is that many marketers are already ahead of them on this. — *Anne Stuart*

But Baker was talking more about his newfound passion to his wide network of friends and colleagues. He had become such an enthusiastic storehouse of knowledge that he could barely hold it in.

Then he met Vaughan Lazar, co-founder of Pizza Fusion Holdings, organic pizzerias that deliver pizzas in a Toyota Prius. While drafting a business plan to franchise the eco-friendly restaurants, Lazar and his partners soon realized that they weren't nearly far enough down the road to sustainability. Sure, they could print menus on recycled paper with soy-based inks. But what about their trade show exhibit? Their buildings?

Enter Jeff Baker. After Lazar posted a question in an online forum last year asking whether his trade show booth could “really become green,” Baker responded immediately with advice on how to build a lightweight, limited-impact exhibit. Within a day, Lazar was preparing to fly Baker to Ft. Lauderdale.

“Jeff took us from kindergarten all the way up to college,” Lazar says. “He introduced us to a lot of the materials that he was experimenting with — the large-format banners, types of ink, reclaimed wood, certain types of paints, insulation made from blue jeans.” Baker also introduced them to the idea of Leadership in Energy and Environmental Design (LEED) certification, which Pizza Fusion is now pursuing — quite possibly the first chain restaurant in the United States to do so.

Last April, Baker closed on a contract to do all the brand interiors for the Pizza Fusion chain, which had sold 65 franchises at press time and began opening this year. Because Pizza Fusion demanded eco-friendly materials, Image 4 was the only bidder for its work. By February 2008, the Image 4 team had completed the interiors for four Pizza Fusion restaurants in Florida and had a heavy schedule ahead of them.

CHALLENGES REMAIN

Despite the radical makeover he has given Image 4, Baker concedes that he continues to face huge obstacles on the continuing path to green. He has had to forego attractive initiatives such as carbon offsets to embrace other green goals, such as the \$1.5 million, LEED-certified building he's currently saving money to purchase.

Baker will be among the first to say that Image 4 is not, in fact, nearly as green as it could be. Today, on a new VOC-free printer, the company can print on more than 35 different materials. Seven are environmentally friendly. To date, Baker estimates that 15 percent of its revenues come from sustainable products. “We are not heroes,” he says.

He questions moves such as his switch to his new printing process, which, from a pure business standpoint, is an

unequivocal success. But Baker himself suggests that from an ecological perspective, simply inventing it was questionable: “Was it really OK for me to burn thousands and thousands of watts of electricity to make this work? And how bad is it for the environment for people to drive mile after mile collecting the plastic bottles to make the fabric? Once you start down this path, the conversations keep getting bigger and bigger.”

Asked if he would turn down environmentally unfriendly work, he laughs. Despite his laughter, though, he doesn't have an answer.

But he does have an answer to his marketing dilemma, and that's to earn outside credibility before embarking on a formal marketing campaign. Last year, Baker was approved for membership in Co-op America's Green Business Network, one of the most visible associations of eco-friendly businesses. And this year, Baker took Image 4 through the grueling process of achieving U.S. Green Building Council certification.

Further, Baker prints his direct mail pieces on recycled paper stock certified by the Forest Stewardship Council and using waterless soy ink. He also uses an FSC-certified printer.

Efforts like these are earning him a sterling reputation among green business experts. “Image 4 is an example of a company that the sustainable business community would heartily support,” says Rona Fried, CEO of SustainableBusiness.com. “We don't expect companies to be perfect. Instead we expect them to think through the issues and do their best to make proactive changes. Image 4 has certainly done this, and I commend them for their efforts.”

Baker says he's more comfortable now spotlighting his work. He feels that he has made enough of an investment in greening up his business practices, as well as his marketing efforts, that he no longer has to worry that Image 4 will be accused of spouting pro-environment rhetoric without backing it up with action. “We have gotten to a place where we can speak to the market from a place of credibility,” Baker says of his company. “Now I can say we've launched a number of ‘green’-branded environments, and we've been LEED-accredited as a green contractor.”

After six years of working on eco-friendly initiatives, Baker this year kicked off his first green marketing campaign. He'd planned to launch a new Web site in March — greendisplay.info — and mail a series of six postcards about Image 4's eco-friendly products to a database of interior designers and architects. The last postcard invites recipients to a brand-new trade show for the retail interiors trade, called “Green for Retail,” to be held in June in Chicago.

Baker is hoping to speak at that trade show, along with others. He's not necessarily shouting his message — but it's finally a lot louder than a whisper. **D**