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The greening of the Internet

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Online retailers are well positioned to appeal to environmentally conscious consumers. And there are plenty of them.

Green is such a hot marketing buzzword that it's contributing to global warming. More people than ever before want to save the planet, and while they don't always know exactly what that means, they're using it as a criterion for the products they buy and the retailers they patronize.

Internet retailers are using some of the unique attributes of Internet-based retailing to capture some of those green dollars:

- Online-only office supply retailer Shoplet.com features a Shop Green tab on its menu bar that leads to 8,000 SKUs of environmentally friendly products, and its home page has a counter that tracks how many trees Shoplet customers have saved by buying recycled paper goods.
- While mainstream mattress makers like Simmons Bedding Co. and other bedding-related companies declare bankruptcy, 3-year-old Keetsa Mattress grows steadily based on eco-friendly materials like memory foam made with green tea extract, and on its unique ability to squish a full-size mattress into a box the size of a large suitcase, saving shipping time, fuel, space and materials.
- Denver online entrepreneur Robin Morris recently changed the name of her business from Modern Mommy Gear to Ecopolitan to reflect that all of her hand-picked, self-tested merchandise is organic, recycled or otherwise environmentally conscious. She's expanding beyond the mommy market into all kinds of green products for the home.

Happy to be green

Nine out of ten online shoppers are green to some extent, according to a recent poll by online ad network Burst Media. The largest group, almost 44%, are aspirationally green: They've started letting environmental considerations influence their purchasing in one or two areas but have a long way to go. The second largest group, 37%, attempt to be as green as possible, but not 100%. The remaining 19% are almost evenly split between completely green and not green at all.

Regardless of their shade of green, the poll showed that most customers are willing to pay a green premium for at least some types of products, especially earth-friendly food and household products. Among the deeply green, more than 80% are willing to pay a premium for almost any product category.

There's an emerging consumer base that's demanding green products, and they're popping up all over the place. As a result, sellers are all saying they're the greenest thing since the tree, says Justin Doak, founder of Ecoxera, an Austin, Texas, consulting firm that advises retailers on green practices. It's fine and dandy to want to capture that market, but consumers want to know

what's in a product, how is it shipped, how are you housing it, how will they get rid of it when they're done with it? There are countless areas for greening.

Online's green edge

Online retailing has built-in green cred compared with bricks-and-mortar shopping because it saves wasteful trips to the store.

Two 2009 studies, one from Carnegie Mellon University's Green Design Institute and the other from Heriot-Watt University in Edinburgh, Scotland, showed that on average, home delivery generates less carbon dioxide than a typical shopping trip, as long as consumers behave the way they usually do and don't combine errands or stock up on two dozen or more products per trip.

And because online retailers don't have to have alluring point-of-purchase displays or worry about shoplifters, they can skip the gaudy boxes and impossible-to-open clamshell cases. In November, Amazon.com launched a frustration-free packaging certification program to encourage suppliers to use simpler and recyclable wrapping materials.

But that edge can evaporate if a retailer encourages wasteful habits like overnight delivery, or doesn't pay attention to green implications across the board, says Doak of Ecoxera. It's fine to offer green shipping, but if you're selling nothing but petroleum-based products, what's the point? he asks. You have to evaluate where your biggest impact is.

Doak says online retail's biggest advantage is unlimited space and opportunity to explain to shoppers the greenness of products, operations and corporate culture. Online retailing is perfectly positioned to respond to the demands of the customer for transparency, he says.

Telling the green story

Keetsa Mattress, San Francisco, uses that advantage to the hilt, and puts the green message front and center on its home page with the motto, A better mattress for you and the environment. The site sports several green badges of approval from various organizations, and provides pages of background information on the eco-qualities of its materials and products.

It even explains how to recycle old mattresses so they don't clutter up landfill. And a Keetsa blog reinforces green consciousness by pointing customers to all kinds of products, from a solar-powered lawnmower to eco-friendly bubble wrap.

The company recognizes that most people don't buy a mattress solely on eco-appeal. The green thing is not necessarily quantifiable, says Joe Alexander, director of sales and marketing. It's more something we choose to do as a company, and it gives the customer an extra emotional benefit. It doesn't really drive sales, but it definitely attracts attention.

Selling green

Online retailers can also actively help customers buy green, right up to the point of checkout. Tony Ellison, founder of Shoplet.com, estimates that up to 12% of his customers are green-conscious, based on what they buy. It was 1-2% before the store established its dedicated green tab and introduced an innovative pop-up tool that suggests greener product alternatives for the items in a customer's cart.

Customers used to think that green products were more expensive and not as effective, Ellison says. But manufacturers have come up with comparable products in both price and quality, so they're good for both business and the environment. He expects his customer base to be at least 50% green within a few years.

Few companies use the web to sell green better than Office Depot Inc., which has been carrying the eco banner for over a decade. In addition to a Your Greener Office shopping section at its web site and a digital version of its Green Book paper catalog, OfficeDepot.com has reams of advice for customers on how to be greener, as well as detailed explanations of environmentally responsible initiatives that Office Depot itself has undertaken.

It's not just about aggregating a few products, but about how we as a company work to become more green, says Monica Luechtefeld, executive vice president of e-commerce, citing the company's commitments to reducing greenhouse gases and energy use in its buildings and truck fleet.

She estimates that only about half of Office Depot's customers go out of their way to buy green, though many of those are large corporate or government accounts that insist on having green options available to their employees. Perhaps 15% have a corporate or legislative requirement to buy green whenever possible.

Office Depot also offers lighter green and just green options for customers who don't want to pay a large green premium, and identifies choices that are both less expensive and environmentally friendly.

Online retailers can bring a depth of product selection that bricks-and-mortar retailers simply don't have the shelf space for, and that's a major advantage in green marketing.

Eco-politan, which started in 2008, is on track to break into six figures in sales this year. The company grew out of Robin Morris's four months of bed rest during her first pregnancy, which she spent combing the web for environmentally responsible baby products.

The niche advantage

The store has 3,000 SKUs, all personally vetted by Morris and her staff, and not available through mass retailers. Going green really helps my business, she says.

She points out that even Denver, a city of 2 million in one of the most green-aware parts of the country, hasn't had a one-stop specialty store for all green needs. She recently opened her first physical location to keep enthusiastic Denverites from stopping by her house to check out the merchandise.

Green retailing has the built-in irony of trying to appeal to a market whose motto is reduce, reuse, recycle. We don't want to promote greener overconsumption, says Mathew Gerson, founder of eConscious World Market, Boulder, Colo., which sells thousands of eco-aware products from clothing and jewelry to household cleaning products, and donates 10% of each sale to a not-for-profit organization that the customer chooses from an approved list. The greenest thing you can do is not buy. It's not good for business, but it's true.

Elizabeth Gardner is a Riverside, Ill.-based freelance business writer.

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