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Its Not Easy Being Green Khalid Alkhudair Comments



IT'S NOT EASY BEING GREEN

Firms that have the will often don't have the means, reports Alex Malouf.

FOR THE savvy marketing professional there's been only one colour in fashion over the past few years. Being green has become commonplace for companies during the past decade. The trend has even taken root in the Middle East, with countless local firms talking about their environmental efforts.

For Philip Hughes, managing director of recycling consultancy firm Akhdar, the positive coverage that green issues is getting is laudable. However, Hughes believes that companies need to go back to basics and begin educating the consumer before they start marketing their wares.

"In general, awareness of green issues doesn't exist. In Europe end users have been led through a behaviour change to sort waste and be aware of green issues. Here people let the maid throw the junk out. Awareness of green issues

is incredibly low. Even if people are aware of the green issue on a personal level the infrastructure is not in place," says Hughes.

Jeremy Byatt, environment director at the Sharjah environment company Bee'ah, agrees that the private and the public sector need to work together if the region hopes to catch up with other parts of the globe.

"We need to build the physical capacity, raise people's awareness and introduce the required regulation all at the same time. We are behind the West on this issue and parts of Asia, especially Japan.

But, there are also significant environmental initiatives under way in various African countries and in places such as Turkey. Our challenge in the Middle East is to continue raising awareness and to translate this into understanding and action."

The Gulf's green mindset and infrastructure are not yet comparable to Europe or the US, but Byatt believes that multinational companies based in the region are beginning to adopt the environmentally friendly policies of global organisations, as long as the infrastructure allows.

"What we are seeing in the UAE is the impact of global CSR policies at a local level. Local arms of multinationals are now often stuck looking for outlets for initiatives that may be dictated internationally, but hard to execute locally, due to the lack of facilities. A great example is Bridgestone Tyres, which has a global commitment to recycle an old tyre for every new tyre sold. To do this, one needs local tyre recycling facilities that cooperate with local partners.

"Another example is Carrefour. They are replacing plastic bags with paper

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bags before they are required to be by law in the UAE. Are they doing this because they decided to do so locally or because Carrefour is doing this globally? Actually, it is a global Carrefour initiative and Carrefour wants to ensure that its shoppers carry paper bags that say Carrefour on them in order to both comply with CSR and to aid marketing. It is likely that as facilities become available local companies will move to implement their own CSR initiatives. This is a huge subject, but suffice it to say that good CSR planning helps with both recruiting and marketing as well as in the efficient allocation of resources."

According to Hughes, the focus on green among Gulf firms is long overdue, with many business owners still unaware of these issues. "We have noticed some local firms here who have realised phrases such as CSR. One company boss gave us a call, as he'd presented to a government organisation. They'd asked him what his CSR plan was and he stood there blank as he didn't know the phrase. We went and described CSR and explained to him how to get a CSR initiative going. The driver for this is Sheikh Mohammed bin Rashid Al Maktoum's vision for Dubai government, which is understandable. In the UAE we need 12 hectares of productive land to offset our carbon emissions. The global average is 2.2."

One company which has tried to set its own example has been advisory firm KPMG Saudi Arabia, which began paper recycling several years back, according to the company's communications and marketing manager, Khalid Alkhudair.

"When I first joined two years ago, I saw in KPMG that there were boxes being thrown out and I said you can't do that. I'd just come from Canada where they are very strict on recycling. So we started recycling. One of our clients was a paper manufacturing company and they came to our office. We get paid for our waste which we give back to the community. It is a very simple initiative and it promoted a culture where employees brought paper from home."



Luscious: Saudi's consumers are beginning to accept environmental messaging but there's still a way to go

To be honest, we've only achieved
30 per cent of what I had hoped for.

After Alkhudair and his team set the example in-house, KPMG decided to spread the green message among clients. "We established a monthly email called KPMG Green for our clients and ourselves. It was a very good initiative for us. We didn't use it for corporate but rather for CSR purposes. We placed the recycling and green initiative as the core of our KPMG foundation which we are building up."

As KPMG's marketing executive notes, companies in Saudi Arabia such as Saudi Telecom and Abdul Latif Jameel are spending more and more on CSR, including environmental issues as they follow in the footsteps of oil and gas companies such as Aramco. However, both Hughes and Byatt warn against companies using green causes for the sake of making money.

"Using the green issue as a gimmick has been tried and backfires badly in the face of the amount of knowledge that consumers have access to today and the viral effect of the internet once something becomes known. There's even a word to describe this kind of false environmental advertising - it's called 'greenwash'. Companies caught doing this get pounded in the marketplace," says Byatt.

"In Europe as much as there are serious and sensible messages there is ▶

INITIATORS



Exemplar: KPMG's
Khalid Alkhudair



Action-minded: Bee'ah's
Jeremy Byatt

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Grounded: Plastic shopping bags could be one of the first targets of UAE environmental legislation

also a massive awareness that this is a good marketing gimmick to add to your portfolio," adds Hughes, who also points out that firms here are yet to adopt such marketing tactics. "In contrast here there is a growing awareness of using green issues in marketing. I was doing training recently on carbon credits. The example used was that there is a voluntary emissions programme where you can offset carbon credits online. Carbon offset programmes cost car companies a dozen dollars or so, which they are using to market their brands. There is nothing untoward here but it is using green marketing to get you noticed."

One company whose unique selling point is its green credentials is the handmade cosmetics chain Lush, which opened a franchise in Saudi Arabia several years ago. Bucking research in the Europe and the US which points to lower spending on green products during a recession, Lush recently expanded its operations in Riyadh.

According to Saud Al Saati, the franchise owner for Lush in Saudi Arabia, green issues are top of mind for the educated Arab consumer. "To our customers environmental marketing is no less important than any other marketing focus. What

we teach and what people understand is that looking after the environment is the same as looking after oneself. Marketing with a focus on the environment spreads educational awareness for the consumer and underlines the various benefits resulting from taking care of the environment around us."

While Lush's GM is optimistic that Arab consumers are beginning to understand environmental messaging, Al Saati is still aware that there's a long way to go. Despite training his staff to push green issues with walk-in customers, he is still not satisfied with the results.

"To be honest, we've only achieved 30 per cent of what I had hoped for. Our

eventual aim is to ensure that consumers understand and know that by protecting the environment they are protecting themselves... Our hope is that the Saudi market is no less aware and educated than any other market in the world from the point of view of awareness and education in looking after the environment."

So is green set to become the next big thing in the Middle East? While research suggests that recession-hit consumers are shying away from spending extra money on green products, anecdotal evidence across the region would suggest GCC consumers are still shelling out. For Hughes there's no doubt that being green is more important than ever.

"We have no doubt that the environment will be a very important business, rather than a modern day Steptoe and Son. However, it is very easy to make mistakes, to jump on a green marketing bandwagon. Unlike in the past it is easy to find people that can help you and your company get it right, be it through carbon offset programmes or CSR initiatives. You need a holistic approach to this, rather than to drive your Hummer to the middle of a desert to have a group discussion. There is an awful lot to understand but we're making progress." ■



Hello green: Ekotibe has launched Envirosox designer reusable bags in the UAE which hold the equivalent of two supermarket bags.

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