Corporate Use of Environmental Marketplace Advocacy
A Case Study of GE’s “Ecomagination” Campaign

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Abstract

This study explored the concept of marketplace advocacy within the context of General Electric’s “Ecomagination” environmental campaign. The study looked at what makes marketplace advocacy campaigns successful, how these campaigns are used to conceal environmental issues, and what concerns the public has with the corporations that implement these campaigns. The results indicated that marketplace advocacy is a powerful strategic communications tool that can be used by corporations to successfully alter public opinion and impact policy surrounding environmental concerns and issues.

I. Introduction

The field of communications continually evolves to include profoundly influential campaigns. “Marketplace advocacy” is one specific tool being used by corporations worldwide. This powerful strategic communications tool, a form of issue advocacy, is used by corporations to promote a product, service or industry function while influencing policy and public opinion (Miller, 2012). These campaigns are profoundly integrated into a corporation’s core and require support from all stakeholders. Due to the strategic value of these campaigns, they are often used to address environmental concerns.

Scholars have determined that corporations’ motivations behind these campaigns are primarily driven by extrinsic goals, such as political favor, financial gain and risk management (Basu & Palazzo, 2008). This has stirred debate over the ethicality of marketplace advocacy campaigns. Environmentally based campaigns serve as one example of deliberated campaigns. For example, General Electric’s “Ecomagination” campaign works to influence a broad range of stakeholders to support its efforts in creating clean technology to solve environmental problems (GE, 2012). There is concern, however, about whether or not General Electric is being honest with the public through the outreach tactics being used (Kranhold, 2007).

This example served as the inspiration for this study—to explore how a successful marketplace advocacy campaign is implemented and to identify the factors that influence how and why a corporation uses marketplace advocacy to conceal environmental concerns. Specifically, this study sought to address the following research questions:

RQ1: What techniques contribute to the success of a marketplace advocacy campaign?
RQ2: What concerns does the public have with corporations’ use of marketplace advocacy campaigns?
RQ3: How are marketplace advocacy campaigns being misused to conceal environmental issues?

* Keywords: marketplace advocacy, environmental communications, Ecomagination, corporate communications, advocacy campaigns

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Understanding how marketplace advocacy is used, the issues surrounding this strategy, and its ability to conceal environmental issues will establish the first step towards future research to fully comprehend this communications tool as it develops and begins to be used widely by corporations around the world.

II. Literature Review

The author reviewed scholarly articles on marketplace advocacy campaigns, qualities of successful marketplace advocacy campaigns, public concerns surrounding marketplace advocacy campaigns, and the use of marketplace advocacy campaigns to conceal environmental issues.

Understanding Marketplace Advocacy Campaigns

To fully comprehend marketplace advocacy, it is important to first understand issue advocacy. Issue advocacy campaigns are used by corporations to reduce the potential for government intervention resulting from public calls for investigation. These campaigns aim to inform, educate, and persuade the public about the positive contributions the corporation is bringing to society and the economy (Miller, 2012). The functions of an issues advocacy campaign include integrating public policy issues into corporate strategic planning, perceiving stakeholders’ opinions that may influence operations, prioritizing issues of greatest operational, financial and political significance, creating strategic response plans, communicating on issues to change opinion and mitigate regulations, and evaluating the impact of the campaign to make changes to the management core (Nelson & Heath, 1986).

Marketplace advocacy is a type of issue advocacy that seeks to protect a company’s market by specifically influencing public policy. This form of advocacy represents a significant portion of issue advocacy campaigns. It allows companies to promote their business while addressing any public concerns associated with the product, service or manufacturing processes used. Research has shown that marketplace advocacy may effectively influence public policy because of its ability to persuade without seeming to do so (Miller, 2012). This method of communications can be used by any organization, but is often used by organizations promoting risk-related products such as tobacco, gas, oil, coal and pharmaceuticals. Marketplace advocacy appeals to common values and beliefs and can be used to distract attention from serious concerns about possible issues, while gaining public support for an organization (Miller, 2012). Its target audiences can range from the general public to narrowly defined audiences. Targeting smaller groups allows corporations to develop messages that specifically address opinions and attitudinal predispositions of the audience (Davis, 1995). Perhaps the most important audience group is composed of individuals who live where a business is located. Community stakeholders, those who live within geographic proximity to the business, are of importance because of the potential support they offer to corporations after gaining economic and psychological benefits such as employment, community pride and a sense of heritage (Miller, 2012). Other stakeholders include shareholders, employees, customers, investors, suppliers, competitors, the media, and government organizations (Haroon & Nisar, 2010).

When targeting the general public, marketplace advocacy tactics are seen frequently on public media outlets. Advertisements appear during morning and prime-time television, in national newspapers, in popular magazines, on billboards, and in public transportation facilities such as airports and train stations. Other strategies include media relations, sponsorships, the use of opinion leaders and hosting events (Miller, 2010).

The Qualities of a Successful Marketplace Advocacy Campaign

Once the target audience is decided and a campaign is implemented, various evaluation procedures may be used to evaluate the success of the campaign. Research shows, however, that many corporations have made minimal efforts to fully understand the impact of these campaigns. Instead of following a pretest and posttest model, many corporations that have used marketplace advocacy evaluate only through post interviews and response rate monitoring (Miller, 2010). Corporations also monitor media coverage, public opinion polls, and outcomes in political decisions and elections.

The success of a marketplace advocacy campaign can be defined as the advancing of an organization’s position on an issue. In other words, success is the altering of the public’s opinion on an issue that may
have brought about a public call for government intervention (Miller, 2012). One way of assessing this is to examine the media’s portrayal of the campaign and corporation. In some cases, the media may negatively react to a campaign by producing stories that are skeptical or adverse. A successful media portrayal, however, would show positive stories written about the campaign and a shift in media coverage from criticism to praise and support.

Another method to measure success is performing post research. Surveys can be taken of target audiences to see how their attitudes toward the marketplace advocacy sponsor have changed since the campaign implementation began. Studies like these have shown that marketplace advocacy campaigns have the ability to influence the public’s opinion regarding industry-related issues and increase acceptance and approval of the organization (Miller, 2012).

The main goal of marketplace advocacy campaigns is to avoid government intervention. Therefore, the success of a campaign can be observed through the corporation’s ability to operate under no government intrusion, while also gaining support from political parties to continue their current operations without restrictions. Continued support and positive political positions all give encouragement for the necessity of marketplace advocacy campaigns.

Lastly, marketplace advocacy is successful if it has affected the corporation’s organizational environment and adjusted its strategic plans. Due to its links to management and public relations, marketplace advocacy is an internal as well as an external form of communications. Managers of marketplace advocacy campaigns must train employees to understand their impact on public perception of the organization. A campaign is successful if it has become a vital part of the corporation’s planning, operating and communicating activities and all employees understand and help support the agenda the campaign is aiming to set (Nelson & Heath, 1985).

Public Concerns Surrounding Marketplace Advocacy Campaigns

A campaign that is able to penetrate deeply into a corporation’s working model while influencing public policy is likely to have risks of disputes and concerns. These problems may be seen among the organization’s employees or from the target audience of the campaign. A unique function of marketplace advocacy campaigns is that there is no requirement for a corporation to visibly state what issue or concern they are trying to change the public’s opinion on. In some cases, the issue may be obvious, but in other cases, the campaign may be able to alter the public’s perception without them realizing. In most circumstances, however, the corporation is reluctant to openly admit that it is managing an issue or seeking to change public’s perception for its own benefit (Nelson & Heath, 1985).

Tactics used in marketplace advocacy campaigns can individually cause dispute. An example of this is the use of advocacy advertising. Controversy surrounds corporations’ use of advocacy advertising because of legal and regulatory freedoms. Since the advertisements are not specifically selling a product, but instead trying to persuade public opinion, there is debate on whether to classify these advertisements as commercial or political speech (Cutler & Muehling, 1989). Commercial speech would allow for government control to ensure that viewpoints are presented in an honest, accurate and balanced manner. Political speech protects corporations under the First Amendment and does not allow government regulators, including the Federal Trade Commission, to substantiate any claims made. Currently, the classification of commercial or political speech pertaining to marketplace advocacy is not clear.

An additional problem associated with marketplace advocacy tactics is the public’s general controversial view of marketing. While some companies employ ethical and truthful marketing strategies, others have been accused of being misleading and even causing societal problems (Jahdi & Acikdilli, 2009). Studies have found that campaigns, similar to those of marketplace advocacy, that aim to increase positive public perception of an organization are not always driven by intrinsic and ethical motives, but are instead driven by extrinsic motives including political pressures, opportunity for financial gain and risk management (Basu & Palazzo, 2008). This triggers an issue because the public has no way of knowing what motives the campaign stems from.

Commonly, stakeholders desire to know more about corporations in order to make decisions on what businesses to financially support. Corporations are fully aware of this and seek to expand their marketing efforts to include positive aspects of their company that will boost their reputation and encourage the public’s investments. Through positive advocacy campaigns, corporations seek to fulfill the consumer’s desire to learn
more about the company while also gaining a competitive edge, avoiding penalties for unethical behavior, preventing negative impact of future legislation and ensuring long-term investment in their brand image. In order to avoid suspicion, corporations use powerful and effective communication tools to implement their marketplace advocacy campaigns, including public relations and sponsorships (Jahdi & Acikdilli, 2009).

The issue predominant among marketplace advocacy campaigns is that of transparency, with transparency being defined as a business operating in a way that is easy for consumers to see, understand and openly criticize its actions. Researchers often question transparency of marketplace advocacy campaigns because the audience does not know the campaign foundation. As stated earlier, sponsorships are often used to implement stronger marketplace advocacy campaigns. In these cases, corporations sponsor a campaign where the corporation’s name and brand are omitted from all marketing materials or are hidden by misleading pseudonyms (Miller, 2010).

The challenge with marketplace advocacy campaigns is that they assume a central role in corporate strategy where the public is interested in learning more about the corporation. When marketplace advocacy campaigns are implemented, the public often questions their legitimacy (Nazari, Parvizi & Emami, 2012). For years, commentators and researchers have challenged corporations to communicate issues and campaigns in a more responsible and meaningful manner (Nelson & Heath, 1985).

The Use of Marketplace Advocacy Campaigns to Conceal Environmental Issues

Marketplace advocacy campaigns are often used to change the public’s perception of risk-related industries. These campaigns can, however, greatly mislead the public through their lack of transparency. This is commonly seen when corporations attempt to conceal environmental issues through marketplace advocacy campaigns.

Energy and environmental issues are often targets of marketplace advocacy campaigns because of the ability to influence social opinions and political outcomes. At a community level, environmental issues may include industrial health hazards, noise, odors and hazardous discharges to land, water and air. At a general public level, environmental issues commonly revolve around energy production and the use of potentially harmful fossil fuels over renewable energy sources (Miller, 2010). It is interesting to point out that research indicates that corporations’ shareholders are perceived as the least interested group in environmental communications (Collison, Lorraine & Power, 2003).

Environmental marketplace advocacy campaigns tend to strategically praise societal beliefs and values and associate these with environmental issues in a confusing and conflicting way with pro-environmental goals (Miller, 2010). Framing an environmental issue in this seemingly manipulative way influences audience behavior to support the corporation’s attended policy goals (Davis 1995). The use of marketplace advocacy campaigns to conceal possible environmental issues and concerns is a valuable tool for risk-related industries. The campaigns allow corporations to defend their images and reputations while influencing political decisions and broad public opinion.

III. Methods

To further explore the use of marketplace advocacy in today’s market, this research looked to General Electric’s “Ecomagination” campaign as a case study. "Ecomagination" serves as an example of the effectiveness of a marketplace advocacy campaign to influence public opinion and policy surrounding environmental concerns.

Case Study: General Electric’s “Ecomagination” Campaign

General Electric (GE) is a corporation that researches, develops and manufactures a variety of technologies for use in a wide-range of industries. These include the health care, transportation, city infrastructure, home construction, finance, entertainment, and power generation industries. The global corporation has over 300,000 employees and 3,000 facilities (GE, 2012). Since 2005, GE has been implementing the “Ecomagination” campaign to increase public awareness of the commitment GE has made to develop clean technology and sustainable infrastructure to solve environmental challenges while increasing financial gains (GE, 2012). The campaign takes the form of a companywide strategic business initiative to promote GE’s environmentally
friendly practices and products (Creamer, 2005). It is targeted at a vast audience including investors, consumers, corporate customers, lawmakers, and employees (Miller, 2012).

The campaign kicked off with eight-page inserts in four major newspapers, advertisements in magazines, TV commercials being aired during prime time and large amounts of news coverage. The company also conducted an internal communications effort featuring a children’s magazine that explained “Ecomagination” to employees and their children. At the beginning of the campaign, GE estimated that it would double its revenue from environmentally friendly products to $20 billion in five years (Creamer, 2005).

Over the past seven years, GE has utilized various communications tactics as part of their “Ecomagination” campaign. These tactics include television commercials, a high-tech website, social media, news coverage, internal communication initiatives, and a print advertisement campaign. In 2006 alone, GE spent $150 million on advertising for the campaign (Miller, 2012). Advertisements range on topic but always showcase the innovative technologies GE has created to help solve environmental problems. One example of an advertisement is of a young boy catching the wind. This ad aired during the 2009 Super Bowl. The boy catches the wind in a jar and runs home to use the wind to blow out the candles of his grandfather’s birthday cake. The voice over explains, “Capturing the wind and putting it to good use—Wind Energy from GE, the cleanest renewable energy on earth” (GE, 2012). This advertisement, promoting GE’s wind turbine technology, gained widespread attention and was nominated for an Emmy.

To further increase consumer engagement, GE also created competitions and consumer interaction opportunities. The “Ecomagination Challenge” gave businesses, entrepreneurs, innovators, and students a chance to share their ideas on designing renewable energy technologies, grid efficiency technologies and environmentally friendly homes and buildings. GE partnered with four other organizations to award the winning entries with a total of $200 million to help fund their projects. The “Ecomagination Photo Project” encouraged the public to upload photos representing Light, Wind or Water to Flickr, a photo sharing website. For each photo that was uploaded, GE donated money to three different charities working in rural Peru. The final contribution provided 4.8 million gallons of clean water through fresh water wells, 17 million hours of light through solar powered lanterns and 45,000 kilowatt-hours of energy through wind turbines. One last engagement example is “Tag Your Green.” This social media based campaign let users share ideas and show how they were being environmentally responsible in their daily lives. Customers could use YouTube, Flickr, Howcast or Foursquare to showcase environmental innovations in their area or create their own media advocating for a more sustainable future (GE, 2012).

In the political arena, GE’s “Ecomagination” advisory board fully supports political changes to promote and require cleaner technology. The “Ecomagination: 2010 Annual Report” explains that it is necessary for GE to know that its investments are aligned with policy and supported by government (GE, 2010). To this end, Jeffrey Immelt, GE’s CEO, has been active in helping to draft environmental government rules. In 2006, Immelt asked the U.S. government to limit carbon-dioxide emissions and has since recruited other CEOs to do the same (Kranhold, 2007). Government support and regulations would allow for GE to continue building clean, efficient technologies and increasing its revenue.

“Ecomagination” fits into marketplace advocacy not because of the large amount of planning and money spent on audience engagement, but because of the message and the integration of the campaign into the core business model. In the “Ecomagination 2010 Annual Report,” GE specifically states that the campaign is a business strategy. The message of the strategy is that GE does not harm the environment when it brings good things to life (Creamer, 2005). This message and strategy have since been integrated into every aspect of the corporation. The integration starts with products. Every product that has qualified to be part of the “Ecomagination Portfolio” must significantly improve consumers’ operating performance and environmental performance. GE has partnered with an organization called GreenOrder that ultimately decides if a product meets the necessary criteria (GE, 2010).

GE is also incorporating the eco-friendly practices into their own facilities and offices. Each GE division is encouraged to invent and restructure products to be more environmentally responsible and a team has been hired to oversee the campaign (Gwynne, 2010). The company doubled its investment in clean technology research and development, reduced its greenhouse gas emissions and improved water reuse (GE, 2010). Employees are also responsible for holding to the set environmental standards. GE links its external communication efforts with its internal efforts to better penetrate the campaign goals. All efforts are supported and encouraged by Jeff Immelt, GE’s CEO, who also participates in political efforts to take a stand for environmentally responsible efforts (Kranhold, 2007).
With its global reach and integrated components, “Ecomagination” fully meets the criteria to be considered marketplace advocacy. A careful look at the advertisements and communication efforts reveal that GE is not attempting to sell a specific product, but instead is promoting a general idea. The idea is centered on environmental responsibility and the opportunity for growth in the clean technology sector. GE has the ability to rise greatly in this arena and earn higher revenue if clients decide to invest in environmentally responsible products. By forming this positive image of both the corporation and innovative technologies, GE is impacting the public’s opinion and altering the politics around clean energy. GE’s lobbyists have already discussed with Congress about reviving the wind industry’s tax incentives, standardizing rules for connecting solar panels to energy distribution systems and multiple other clean energy related policies (Fairley, 2004).

Marketplace advocacy campaigns are designed to protect a company’s market by generating both public and political support. GE has met these criteria with its “Ecomagination” campaign by engaging with multiple stakeholders to convey the importance of clean technology. It has also strengthened relations with original supporters and shareholders by showing that innovation can lead to both better environmental practices and increased stock prices. GE earned more than $85 billion in “Ecomagination” product sales in its first five years of implementation (GE, 2010).

Often with marketplace advocacy campaigns, however, the company is attempting to reduce public calls for government intervention and regulation (Miller, 2012). GE is a huge corporation and emits a large amount of toxins from its facilities. In GE’s first official greenhouse gas inventory, completed in 2004, the corporation estimated its yearly emissions at 11.26 million metric tons. This is equal to the yearly emissions from two million cars. The inventory, however, did not include GE’s investments in power plants. GE continues to sell coal-fired steam turbines and seek opportunities with nonrenewable energy facilities (Kranhold, 2007). The corporation is investing in research and development to make these energy processes cleaner, yet some of the public have called out GE for not being transparent with its practices. A search on environmental news sites like TreeHugger and Grist brings up headlines like “Greenwash Watch: Slick Movies from GE Ecomagination” and “General Electric fights for change from the inside … of a coal industry front group!” GE has, however, cut its emissions to set an example of “Ecomagination,” but for some, the campaign will not be considered trustworthy until the corporation stops supporting nonrenewable energy sources.

Another environmental issue that was brought up by critics and the press soon after the announcement of the “Ecomagination” campaign was that of GE’s pollution catastrophe in the 1970s. One of GE’s facilities located on New York’s Hudson River had been discharging toxic polychlorinated biphenyls into the Hudson River for over a decade. Throughout the 1980s and 1990s, GE battled with regulators and advocacy groups over whose responsibility it was to clean up the river. It was not until 2001 that the new CEO of GE agreed with the United States Environmental Protection Agency to develop a cleanup plan (Kranhold, 2007). Marketplace advocacy campaigns can work to overshadow issues like these and show the public all of the good the corporation is doing to avoid possible environmental devastations in the future.

“Ecomagination” as a whole has made great strides toward innovative technologies that help increase environmental responsibility. The campaign has seen much success surrounding the campaign. According to the “Ecomagination: 2010 Annual Report,” GE generated more than $85 billion in revenue from “Ecomagination” services since the launch of the campaign. In 2010, there were 22 new products introduced that met the necessary criteria to be considered an “Ecomagination product.” These products provide value to investors because of their increased value proposition and environmental performance. The report states that GE has exceeded every “Ecomagination” goal originally set including $5 billion dedicated to clean-tech research and development, a 22% reduction in facilities’ greenhouse gas emissions, a 30 percent reduction in facilities’ water use, and $130 million in energy efficiency savings (GE, 2010).

GE itself does not claim any heritage to environmental responsibility. The campaign instead talks to the future opportunities of clean technologies. It highlights the positives of the technologies, but does not make false claims about the corporation’s sales or investments (Garfield, 2005). Nevertheless, “Ecomagination” serves its marketplace advocacy purpose of showcasing the opportunities GE has to offer to this innovative field while impacting the public’s opinions and the political environment surrounding GE’s industry developments and financial goals.
IV. Recognizing Marketplace Advocacy

Marketplace advocacy is a controversial communications tool. It is beneficial to a corporation because it can successfully protect a company’s image while changing the political and public atmosphere surrounding an issue. It is important, however, for stakeholders to be able to perceive a marketplace advocacy campaign because of the campaign’s great persuasion ability. A study completed in 1996 on consumer’s understanding of advocacy advertising found that the audience’s understanding of an advocacy message was based on three perceptions, which included the individual’s perception of the organization, the issue, and self (Haley, 1996). If the organization was recognizable, likable, and understood, then the viewer would be more likely to support the advocacy message. Also, if the message personally related to the viewer, then it would be easily accepted. Lastly, if the issue was of importance to the viewer, then it was likely to be understood and contemplated by the viewer.

In the GE case study and through other corporations’ uses of environmental marketplace advocacy, it is important to assess how environmentally-minded people will react to the campaign. Research has shown that a viewer’s reaction to an environmentally-oriented message is drastically different between those who have an ecological-centered consciousness and those who are more anthropocentric (Cantrill & Chimovitz, 1993). Viewers who have more environmental concern are less susceptible to persuasion by environmental marketplace advocacy campaigns. These viewers are also likely to base their opinion of a corporation on the transparency and environmental concern they see being displayed by the corporation (Miller, 2012).

The ability to recognize environmental marketplace advocacy is a positive aspect for pro-environmental advocacy groups (Miller, 2012). In the case of GE, however, research showed that the corporation is both commended for its dedication to inventing new clean technologies and criticized for its continued investment in coal power plants and other nonrenewable energy sources. Personal preference and opinion may be the leading factor in an individual’s choice of whether or not to support the corporation. The ability to discern marketplace advocacy is beneficial for individuals because they can learn not to take campaigns at face value, but to first research the company’s motives and determine if the corporation is trying to cover up a larger issue.

V. Conclusion

Marketplace advocacy is a form of issue advocacy where corporations implement a campaign to impact the public’s opinion and the political environment surrounding a specific topic or issue (Miller, 2012). Marketplace advocacy is unique because it involves an integrated approach by management to implement the campaign in every aspect of the corporation. Since marketplace advocacy is so powerful, the campaigns can be used for “good” or “bad” (Garfield, 2007). “Good” campaigns can be considered as transparent and implemented for the better wellbeing of the target audience. “Bad” campaigns are manipulative and cause the target audience to support a cause or idea that they are not fully educated on and that actually may worsen their well-being. Detailed research is needed on each individual marketplace advocacy campaign to understand if it is a “good” or “bad” campaign.

Through a case study of GE’s “Ecomagination” campaign, one can perceive the tactics and dedication needed for a successful marketplace advocacy campaign. The campaign must be thoroughly implemented in all parts of the corporation and the public must be kept informed. GE’s “Ecomagination 2010 Annual Report” stated that the public was kept engaged through the website, annual report, citizenship report and collaborative opportunities in communities. GE has also invested a large amount of resources in creation and distribution of print, online and televised advertisements, while also keeping the public engaged through social media. Every aspect of GE’s “Ecomagination” campaign fits the criteria of a marketplace advocacy campaign.

GE is an interesting example of environmental marketplace advocacy, and the case study should be used as a model for other corporation’s environmentally focused campaigns. It is important for the public to understand marketplace advocacy because of its successful persuasion techniques and its likelihood of covering a concern or serious issue. This is especially relevant to environmental issues because environment-degrading companies commonly sponsor marketplace advocacy campaigns (Miller, 2010). Individuals should be aware of advocacy tactics and look for transparency in the messages.
Marketplace advocacy is an incredible communications and business strategy. It discovers an issue and forms a full campaign around the issue in order to alter the public’s opinion and political environment. It penetrates deeply into a corporation’s core so that all involved understand the importance of the campaign and can speak on its behalf. As an outcome, marketplace advocacy can allow corporations to change their business strategies in order to turn the political environment in their favor, increase revenue, protect their market and form a positive brand image. It is the corporation’s final decision on whether to use this strategic tool for “good” or “bad”.

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Bibliography


