

Green Buyers and Green Sellers Don't See Eye-to-Eye

A survey from Greening Greater Toronto shows that large Canadian corporations seeking to become more environmentally responsible are still struggling to connect with vendors trying to sell them green products and services.

The survey was conducted following the inaugural Greening Greater Toronto Marketplace on May 11-12, 2009. The Marketplace brought together 142 registered buyers from organizations representing over \$50 billion in annual buying power with 27 “green” vendors offering products and services designed to deliver environmental benefits and positive business returns. The participants came from a variety of sectors, including: financial & professional services, utilities, technology & communications, public, not-for-profit, manufacturing, media, and education.

Vendors were asked to present their green products and services to eligible buyers. Each vendor was given 10 minutes to stand before the audience of potential buyers and talk about their green services, technologies and other wares – after that, they were encouraged to mingle with the potential buyers in the hope of making a deal. Two private meeting rooms were provided for suppliers and buyers to meet one-on-one to further forge green connections.

Telling Outcomes:

A post-event survey of Marketplace participants revealed that the perceptions of buyers and sellers were misaligned.

The survey showed that 27% of the green vendors thought buyers were reluctant to buy green products or services – while just 13% of the buyers actually felt this way. Similarly, some buyers expressed jitters about the unproven track records of some green vendors and worried they may not meet the needs of a large corporate buyer – concerns most green vendors were relatively unaware of.

These misconceptions highlight an opportunity for vendors to reassess their marketing and communications to ensure that buyer concerns are being appropriately addressed. Bridging these gaps could accelerate the adoption of green procurement in Canada's largest city region.

Here's what participating green vendors said were the top concerns of buyers:

- General reluctance to procure green (27%)
- Cost competitiveness of green vendors (46%)
- Lack of proven supplier track record (18%)
- Falling victim to greenwashing (18%)

Here's what participating buyers said are actually their top concerns about buying green:

- High cost of green solutions (60%)
- Lack of a proven supplier track record (37%)
- Inability of suppliers to provide adequate scale (37%) (NOTE: not identified at all by vendors)
- Green washing (30%)

Greening Greater Toronto Marketplace – Outcomes

Marketplace Spurs Green Deal Making

The GGT Marketplace’s approach to connecting green vendors and buyers looks promising:

- Over 80% of the buyers met with five or more vendors, with the majority of these relationships being new. Over 50% of vendors met with five or more buyers.
- Three quarters of buyers and vendors indicated that they expect to develop a new procurement deal based on discussions that originated at the Marketplace.
- Over 70% of buyers and vendors expressed a strong interest in a procurement website and future green supplier showcases.

Now What?

Greening Greater Toronto will work to address these issues and opportunities by:

- Creating a central hub for green procurement information (including a supplier database, local supplier profiles, green procurement best practices, and procurement tools and resources);
- Setting up strategy sessions to address key green procurement barriers and present new ideas (e.g. documenting cost competitiveness of green goods & services, assessment of economic and environmental claims, and showcasing early adopters);
- Designing a series of potential showcases to target specific groups of buyers for individual market sectors and products/services (i.e. mini-marketplaces).

About Greening Greater Toronto:

In June 2008, the Toronto City Summit Alliance launched Greening Greater Toronto with the aim of making the Toronto region the greenest city region in North America. It is led by a 45-member Task Force composed of leaders from across sectors and co-chaired by Eva Ligeti (Executive Director, Clean Air Partnership), David Pecaut (Chair of the Toronto City Summit Alliance and Senior Partner, The Boston Consulting Group) and Mike Pedersen (Group Head, Corporate Operations, TD Bank Financial Group). Over 120 volunteer experts have participated in analyzing the drivers of the key measures of our region’s environmental health and identifying high-impact opportunities to improve our environmental and economic performance. Greening Greater Toronto’s plan to capitalize on these opportunities has attracted the support of over 150 Partners from business, non-profits, labour, education and government, including the Province.

Interview opportunities:

If you would like to speak to a green vendor, buyer or member of Greening Greater Toronto’s management team, please contact:

Chris Conrath or Josh Cobden
Environics Communications
416.920.9000