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Federal Trade Commission  
Office of the Secretary  
Room H-135 (Annex J)  
600 Pennsylvania Avenue, NW  
Washington, D.C. 20580

Re: Green Marketing Consumer Perception Study, Project No. P954501

To Whom It May Concern:

General Electric Company ("GE") welcomes the opportunity to submit comments in connection with the review by the Federal Trade Commission ("FTC") of its Guides for the Use of Environmental Marketing Claims ("Green Guides"). These comments are submitted in response to the FTC's request for public comment regarding its plan to conduct a study to examine consumer perception of environmental marketing claims.

The FTC's Green Guides review comes at a very important time. Environmental concerns are some of the most critical issues we face today, and consumers worldwide are looking to industry to play a major role in addressing these concerns. GE's ecomagination initiative reflects its commitment to investing in a future that creates innovative solutions to environmental challenges, through efforts such as developing products that provide significant environmental performance advantages, investing in research in cleaner technologies, reducing greenhouse gas emissions, improving energy efficiency of GE's operations, reducing water use, and educating the public.

The Green Guides have been an effective tool in providing useful guidance to industry on how to communicate the environmental benefits of their products and services in a truthful and non-misleading manner. In order for them to remain relevant, they must be current. GE commends the FTC for the substantial resources and thought that it is devoting to the Green Guides review process. GE has been following the workshops and comments very closely; a great deal of useful information has been provided, but there is still a great deal to be learned.

Because of the significant impact that any revisions to the Green Guides could have on industry, GE believes it would be productive for the FTC to conduct a study to examine the consumer perception of environmental marketing claims. More information, so long as it is properly collected and its potential limitations are understood, can be useful.

We welcome the opportunity to raise some questions and concerns we have regarding the structure and implementation of the proposed study based on the information provided. We understand that the FTC intends to test consumer perception of claims such as “renewable” and “sustainable.” If the FTC is considering adding other new definitions to the Green Guides, or making any material revisions to existing definitions, we would encourage the FTC to test these terms as well.

We encourage the FTC to ensure that the study meets the highest standards of research. This includes, for example, making sure that: (i) the study is double-blind, so that neither participants nor administrators know its purpose or who it is for; (ii) the study identifies the proper universe of consumers and randomly samples from that universe; (iii) a proper sample size is surveyed to generate statistically significant results with a high degree of confidence; (iv) an adequate control is employed; (v) real-world conditions are replicated to the extent possible; (vi) the survey is designed to elicit relevant information; and (vii) the questions and stimuli presented are not suggestive or leading.

While we recognize the benefit, from a cost perspective, of an Internet-based study, such a study does have limitations. In particular, although the FTC seeks to study a broad cross-section of U.S. consumers, it will necessarily have to limit its participants to those with access to a computer (and perhaps even those with a high-speed Internet connection). This may exclude those with a certain level of education and economic means, potentially leaving many consumers under-represented. Internet survey participants also tend to be those who have self-selected by expressing an interest in participating in consumer research and, in some cases, with requests to join particular surveys (the topics of which are disclosed in advance). These potential participants will be those who already are interested in being a part of consumer research, and if they agree to participate in this particular survey, are those who likely have strong opinions on environmental issues.

Internet surveys also pose other challenges. For example, will participants be able to reference outside sources to answer questions about, for example, what particular terms mean? Will participants be able to consult with others as they answer questions? Will the study be conducted in a manner to ensure that the participants are sufficiently fluent in the language in which the study is being conducted (or will other languages be available)? What controls are in place to verify participant identity? Because participant behavior can be difficult to control in the Internet context, the FTC should recognize some limitations on information gathered in this manner.

We also have some questions regarding the overall design of the survey. For example, will participants be asked open-ended or closed-ended (leading) questions? Open-ended questions are likely to elicit more reliable data. In a closed-ended environment, consumers may give a response that does not reflect what they actually think, but instead reflects what they wish the situation to be or that is otherwise impacted by the manner in which the question was answered. For example, imagine that consumers are asked to respond to the following statement:

Q: A “sustainable” product is a product that is made without creating any adverse environmental impact.

1. Strongly agree.
2. Somewhat agree.
3. No opinion.
4. Somewhat disagree.
5. Strongly disagree.

Consumers might choose answer #1, not because they believe the marketing term “sustainable” means that a product has no adverse environmental impact, but because they hope and wish that companies would produce products that have no adverse impact. On the other hand, although an open-ended survey would tend to be more reliable, it is very difficult to implement one over the Internet. Participants in Internet surveys are typically more likely respond to closed-ended, multiple choice type questions than to open-ended ones which require time to type out full responses.

One of the hallmarks of reliable consumer research is context. Consumers should be asked about marketing terms in conditions that are as real-world as possible. We would encourage participants be shown actual advertisements or other stimuli rather than be asked about concepts in a vacuum. Because terms such as “renewable” and “sustainable” are used in connection with such a wide variety of products and services, and in so many different contexts, replicating real-world conditions may be difficult. It is well-established that the meaning of any term must be determined by looking at an advertisement as a whole. However, meaning is going to vary widely, based on the specific context in which the term is used. Therefore, we have concerns that no matter how a specific term is tested, the relevance of the data may be limited to the particular scenario presented to the participant. The FTC must also consider how to survey the relevant audience; will participants be those who are likely to be exposed to the specific claims and who are likely consumers of the products being advertised? The FTC must consider, then, how to conduct research on specific terms in a manner that will both be relevant and will have broader applicability.

Finally, if the FTC intends to test the meaning of multiple terms in the context of a single study, the order of the survey questions should be rotated.

We look forward to seeing the results of the FTC’s consumer perception study, and we hope that the concerns we have raised can be addressed. Again, we applaud the

FTC in its efforts to review and revise the Green Guides in such a thoughtful and thorough manner.

Thank you for the opportunity to comment.

Very truly yours,