

# Method:

## “Hip Not Hippie”



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Green Product

## Introduction

Take a look under your kitchen sink. What kind of cleaning products do you own? Did you purchase these items because of their acclaimed cleaning powers? Or because they were the cheapest ones in the aisle? Did you buy it because of brand recognition? Or because their ingredients and packaging are environmentally friendly? People will most likely answer “yes” to the first three questions, and a small fraction of the population will associate themselves with the “green” aspect of a product. Nonetheless, consumer-purchasing decisions are based upon a variety and a combination of reasons. *Method*, a company established in San Francisco, is making great strides in the cleaning industry by revolutionizing people’s perspectives and their habits revolved around everyday cleaning.

## How it All Began . . .

Metro Detroit natives and high school buddies, Eric Ryan and Adam Lowry, went their separate ways in life but were reunited as roommates years later in San Francisco in the 1990’s. Ryan, whose expertise was in advertising and branding, worked with companies like Gap and Saturn <sup>1</sup>. As for Lowry, he was a chemical engineer with a background in environmental science <sup>2</sup>. With the abundance of knowledge from their specialization and passion along with some innovative thinking, Ryan and Lowry co-founded and established the company, *Method*.

Household cleaning products is a \$18 billion industry <sup>3</sup>. Ryan and Lowry were hungry for a piece of that pie and knew that their strategies and approaches towards this industry had to be creative. They were going up against big time players like *Proctor and Gamble* whose 2006 revenues were \$2.7 billion <sup>4</sup> and *Clorox* with 2005 sales at \$4.4 billion <sup>5</sup>. These companies have such a presence in the cleaning world because of their enormous budget and “grandfatherness”; *Proctor and Gamble* was established in 1837 while *Clorox* was introduced about a century later in 1914. Comparatively, *Method* was established in 2001 and had a \$45 million revenue <sup>6</sup> in 2005, peanuts compared to their competitors. These differences in numbers may seem substantial, however, with *Method* being just five years

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<sup>1</sup> Dean, Jamie and Purewal. “Method Product, Inc.” Haas School of Business. University of California. May 2006.

<sup>2</sup> Method. [www.methodhome.com](http://www.methodhome.com).

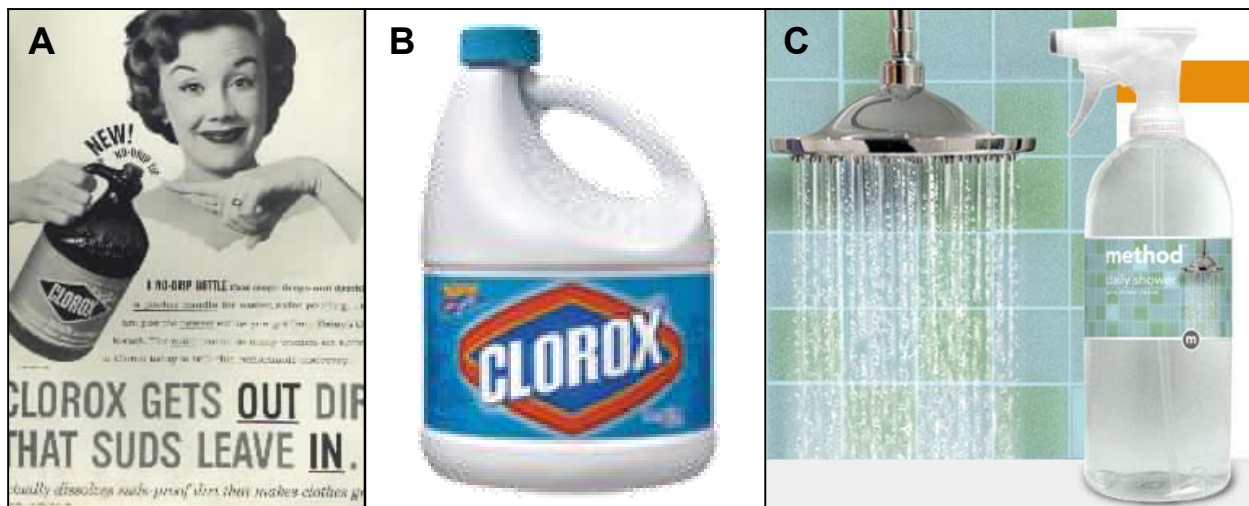
<sup>3</sup> DeBare, Ilana. “Recipe of Success.” San Francisco Chronicle. 13 October 2006.

<sup>4</sup> “Earnings: Proctor and gamble, Eastman Kodak, Visteon.” Fox News. 31 October 2006.

<sup>5</sup> DeBare, Ilana. “Recipe of Success.” San Francisco Chronicle. 13 October 2006.

<sup>6</sup> Ibid.

into the game has shown growth rates much more impressive. “Method’s dishwasher detergent sales grew by 28.5 percent over the past year, even though overall sales for that category grew by less than 2 percent . . . Method’s sales of liquid hand soap grew by 68 percent during that same period, while industry leader Softsoap grew by just 12.8 percent”<sup>7</sup>. Noticing the little change and stagnancy within the cleaning industry, Lowry and Ryan capitalized on this (Figure 1). Ryan commented, “The household cleaning aisle was so big, yet everything was so boring”<sup>8</sup>. *Method’s* design team specifically create products that are “different” in terms of ingredients, smell, and packaging design; all reasons that have contributed to the success of this startup, cleaning products company.



**Figure 1.**

- A: Clorox advertisement from the 1960’s (Source: [www.rareads.com](http://www.rareads.com));  
 B: With a few slight adjustments, the current Clorox bleach product highly reassembles its predecessor (Source: [www.sanitarysupplyco.com](http://www.sanitarysupplyco.com));  
 C: Method’s approach in marketing and packaging design clearly separate them from others (Source: [www.methodhome.com](http://www.methodhome.com))

<sup>7</sup> DeBare, Ilana. “Recipe of Success.” San Francisco Chronicle. 13 October 2006.

<sup>8</sup> Ibid.

**Products: Camouflage Green**

*Method* knew they had to market themselves and their products in a unique way. Both Ryan and Lowry wanted to produce a brand that would be environmentally conscious as well as increase people's health benefits. Even so, this would not be enough to bring their products above and beyond other companies. Thus, Michael Rutchik, renowned California photographer and designer, was hired to design the first line of *Method* products, a set of spray cleaners<sup>9</sup> (Figure 2).



**Figure 2.**

A set of *Method* all-purpose cleaning sprays  
(Source: [www.rubber-ducky.com](http://www.rubber-ducky.com))

Karim Rashid, award winning industrial designer, was also engaged in the design process of various *Method* items. Bottom line, their goal was to create products that would jump out to their potential buyers (Figure 3). As companies become larger and more competitive, "Now, more than ever, there is a need to achieve excellent stand out on shelf and product/ recall in the mind of the consumer"<sup>10</sup>. It is crucial that an item shows individuality and has the ability to attract and capture the attention of consumers. That is *Method's* approach.

**Figure 3.**

On shelf displays, *Method* products (indicated by the red rectangle) are much more aesthetically pleasing in contrast to the neighboring products with generic packaging.

(Source: Dean, Jamie and Purewal)



<sup>9</sup> Dean, Jamie and Purewal. "Method Product, Inc." Haas School of Business. University of California. May 2006.

<sup>10</sup> Gidda, Satkar. "Attracting Consumers through Package and Product Innovation." 23 May 2005. [www.brandchannel.com](http://www.brandchannel.com).

Surely, the company has other goals and values too besides “looking pretty” such as implementing environmentally friendly principles. Some of which include:

- None of *Method*'s products release harmful vapors and should not aggravate those with asthma problems.
- All *Method* dyes and colors have been certified as non-toxic, non-carcinogenic, and safe on surfaces.
- *Method* products do not contain propellants, phosphates, or chlorine bleach, chemicals that can produce toxins in the environment.
- *Method* candles are made from a vegetable wax unlike most companies who usually use petroleum-based paraffin, a non-renewable resource.
- All *Method* products are biodegradable, safe in the waste stream, and are derived from natural ingredients.

No doubt is this company producing a line of environmentally conscious products, but on the contrary, they are not necessarily advertising themselves as a “green” brand. Though they value the importance of utilizing renewable resources and product degradability, this message is much more subliminal in

comparison to the one they are sending about their physical image. I found it interesting that *Method* advertisements include people who are conveniently dressed in green camouflage clothing to model their cleaning products (Figure 4). Just as camouflage is meant to conceal and hide, *Method*, in some ways, is masking the fact that they are “green”. They decided to do so based upon marketing strategies as to capture a larger audience, feeling as though a “pretty” product would sell better than an “environmentally friendly” product. After all, they *did* develop a “Hip Not Hippie”<sup>11</sup> slogan to help define and describe



**Figure 4.**

A *Method* hand soap advertisement where the model is clad in a green camouflage outfit.  
(Source: [www.methodhome.com](http://www.methodhome.com))

<sup>11</sup> Dean, Jamie and Purewal. “Method Product, Inc.” Haas School of Business. University of California. May 2006.

their company. Hsiao-Yun Chin, assistant professor of industrial design at San Francisco State University, expresses his views on *Method* products, “It’s very sexy. It’s something you can display proudly on top of your sink. It’s another accessory to ‘cool,’ almost a lifestyle item rather than a cleaning item”<sup>12</sup>.



### Difference in Marketing “Green”

I find the approach of *Method* to be extremely fascinating. After finishing our presentations on various LEED projects, I have noticed that the marketing strategies of both projects, “LEED Buildings” and “Green Products,” to be completely opposite yet the goal is the same: to promote sustainability. As we discussed in class, many architects and developers create a beautiful LEED certified building to say that they have created a *beautiful LEED certified building*. They now own that title and can showcase their building as a green, sustainable entity, as if the building were shouting, “Look at me, look at me, I’m green and pretty.” Unfortunately, with many LEED buildings, it almost seems as if they were constructed for a publicity stunt, and consequently, the underlying message of sustainable design is lost.

In *Method’s* situation, they too are saying, “Look at me.” However, what they are not saying is, “Look at me, I’m green and pretty” – it’s strictly, “I’m pretty.” And consumers are buying into it and are buying it. *Method* purchaser, Mary states, “I love the bottle of the *Method* shower cleaner so much that I just keep the bottle and pour the Target brand

<sup>12</sup> DeBare, Ilana. “Recipe of Success.” San Francisco Chronicle. 13 October 2006.

cleaner stuff into it. It makes my shower look prettier”<sup>13</sup>. Nonetheless, both LEED certified buildings and *Method* have similar goals being that they 1) are advocating sustainability, 2) are bringing about environmental awareness, and 3) want public attention. Additionally, both have “green” aspects to them, yet they just differ in how they want to promote that.

### It's Catching On

Regardless of how *Method* is sending their “green” message, they have been tremendously successful. According to Mintel International research analyst Felicia McClain, “Revenue shot from \$156,000 in 2002 to \$3.4 million in 2003”<sup>14</sup>. Within one year, that is nearly a 2200% increase, and it is no surprise that *Method* is “the seventh fastest-growing private company in the United States”<sup>15</sup>. Concurrently, the market for “green cleaning” is expanding as well, where now, “ ‘natural’ cleaning products now tops \$100 million a year”<sup>16</sup>.

People are realizing the potential side effects and illnesses that cleaning chemicals can cause and as a result, are changing their purchasing-decisions and lifestyle. Exposure to these harmful compounds, according to the Environmental Protection Agency, can lead to headaches, irritations to the eyes, nose and throat, and damage to the central nervous system<sup>17</sup>. This has been an on-going problem, especially unsafe for people employed in the cleaning industry (ie maids, janitors, custodial staff, etc). In response, many movements have been made to address this issue. For instance, the New York State Education Department in their “State Education Law Section 409-l and State Finance Law Section 163-b required the New York State Office of General Services . . . to develop a list of approved green cleaning products”<sup>18</sup>. This legislation was put into effect on September 1, 2006 where all New York schools must follow the guidelines of a pre-approved cleaning products list. In fact, many children’s hospitals in New York are making a shift towards the utilization of green cleaning products in their space as well. In February of 1993, the U.S. General Services Administration and the EPA introduced the Cleaning Products Pilot

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<sup>13</sup> Mary. “Method Cleaning Products.” 7 March 2006. [www.theplainjane.com](http://www.theplainjane.com)

<sup>14</sup> DeBare, Ilana. “Recipe of Success.” San Francisco Chronicle. 13 October 2006.

<sup>15</sup> “Method Products – Cleaning and Growing!” 17 October 2006. [www.ecosherpa.com](http://www.ecosherpa.com).

<sup>16</sup> Doheny, Kathleen. “Should You Clean Green?” 12 September 2006. [www.forbes.com](http://www.forbes.com).

<sup>17</sup> Ibid.

<sup>18</sup> “Green Cleaning in Schools.” New York Education Department. [www.emsc.nysed.gov](http://www.emsc.nysed.gov).

Project to establish a framework for identifying and comparing environmentally preferable commercial cleaning products <sup>19</sup>. The first pilot project was actually implemented in May of 1993 at the James Byrne Federal Courthouse in Philadelphia where 19 different cleaning products were tested on their environmental attributes and cleaning effectiveness.

### The Future Method

*“To be the first company in the home care industry to become fully sustainable in all its facets: product, processes, people, & profits.”*

This is *Method’s* vision statement for sustainability. Even though this company is in its infancy stages as a business, they are constantly making changes and are continually focusing on product quality and design as well as considering the steps within the processes that produce them. “Before we [Method] manufacture anything, we have a team who looks into the conditions of the plant and treatment of the employees. We choose companies that have the closest ideals to our company – which is a challenge” <sup>20</sup>. Not only is it a difficult task to find manufacturers who will adopt environmentally friendly practices, but additionally, *Method* ideally wants them to be carbon neutral factories. Reducing the effects of global warming, this program involves a series of carbon offsets to decrease the amount of pollutants emitted into the atmosphere. Another objective for *Method* is to completely move away from standard plastic and instead, to replace their product packaging to corn-based plastic, a material that takes “just 45 days to biodegrade in a



<sup>19</sup> “Cleaning Products Pilot Project.” Environmental Protection Agency. February 1997.

landfill. Normal plastic can take thousands of years to decompose. Corn Plastics contain no petroleum, require 20 to 50 percent less fossil fuel to create and are derived from a renewable resource”<sup>21</sup>. Other green materials such as biodegradable polyesters are becoming more popular in the packaging industry because of their environmental and financial benefits.

Within a short amount of time, *Method*, who have thoughtfully branded their products with unique, innovative designs, are craving a niche for themselves in the cleaning industry. However, eager entrepreneurs, realizing *Method*'s successful marketing strategies, have no problem recreating cleaning products that have similar packaging designs. Companies too will go about loosely labeling their products as “biodegradable”, “environmentally friendly”, “phosphate free”, “recycled”, or “non-toxic”. Though their claims are not necessarily false, “Currently there are no formal universally-accepted or consensus-based green cleaning standards and this has caused concern among end users, government regulatory agencies and manufacturers”<sup>22</sup>. Thus, anybody can go about branding their product as green, misleading consumers who have genuine intentions of helping the environment.

Nonetheless, the topic of and concerns revolved around green cleaning products are growing. New environmentally conscious products are being manufactured, more stores are carrying green cleaning items, and people are buying them. Correcting some of the glitches, there needs to be a set standard as to how “green products” are defined and the green cleaning products guidelines established by the Federal Trade Commission ought to be law and enforceable<sup>23</sup>. With these ideas implemented and among others, “cleaning green” will be much safer and hopefully, more affordable. Harmful chemicals in the average cleaning household product affect the health of our family, friends, and surroundings. We need to make lifestyle changes and in that, make sustainable choices. As *Method* puts it, “We’re for the environment. We actually kind of love it”<sup>24</sup>.

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<sup>20</sup> LeClair, Kerin. Method employee. Personal interview on 1 November 2006.

<sup>21</sup> Russell, Julie A. “Corn-based plastic is ear today, gone tomorrow.” Columbia News Service. 15 March 2005.

<sup>22</sup> McFadden, Roger. “Green Cleaning Claims and Third-Party Certification.” Coastwide Laboratories.

<sup>23</sup> Ibid.

<sup>24</sup> Method. [www.methodhome.com](http://www.methodhome.com).