



## How Marketing Can Deliver On Sustainability

More and more companies are embracing sustainability. However, faced with so many other pressures and often challenged by this seemingly tricky area, Marketers are often laggards in getting on board. In this article Nicola Day, Marketing Capability Director at Brand Learning, explains why Marketers have a key role at the heart of the agenda and how sustainability, rather than being a side issue, is an essential part of ensuring future growth for consumer brands.

Sustainability is no longer an optional add on. Like digital, it is happening and will be impacting all businesses in some way. Interest in sustainability stems not from a general sense of ‘doing good’ but from a solid business case. As Peter White, Director of Global Sustainability at P&G put it: “Nobody’s asked me to talk about the business case for several years. From our point of view, it’s a done deal – it’s proven, let’s get on with it”<sup>1</sup>.



Figure 1: Drivers of Growth in Sustainability

Companies have a powerful role in the world with corporations representing more than half of the top 100 global economies <sup>2</sup>. Recognising business as a hungry eater of natural resources, both governments and consumers are looking to companies to provide some of the solutions to global challenges. This coincides with a more empowered and globally linked consumer who has high expectations of brands and who is able to

hold them accountable as never before. The result is a change in a company’s licence to operate, especially if they do business in developing and emerging markets – and a vulnerability for brands that do not embrace sustainability.

**Definition of Sustainability:**  
“Meet the needs of the enterprise and its stakeholders today while protecting, sustaining and enhancing the human and natural resources that will be needed in the future” World Business Council for Sustainable Development

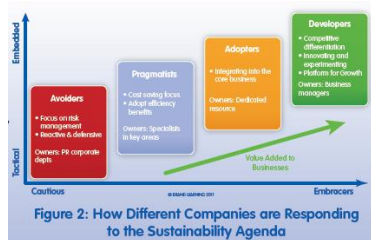


Figure 2: How Different Companies are Responding to the Sustainability Agenda

In this context companies are increasingly building ‘sustainability’ into their strategy. However, levels of commitment vary significantly. ‘Avoiders’ confine sustainability to risk avoidance, while ‘Pragmatists’ confine the agenda to areas of efficiency and cost saving, usually ‘green’ issues. Encouragingly, the majority of large corporations are integrating a wider definition of sustainability more deeply into their business. By sustainability they mean not just ecological systems but human systems and social responsibility – all must be considered to ensure long term legitimacy and growth.

Amongst these more forward looking businesses, ‘Adopters’ treat sustainability as an integral part of the business and dedicate significant resource to this area. The most advanced businesses – ‘Developers’ – regard sustainability as a driver of growth and area for competitive differentiation, and are innovating and shaping the agenda. There are an increasing number of these as they recognise they will be prime beneficiaries in the future.

### Critical Success Factors of Developers

When you look at Developers it is possible to recognise some critical success factors which explain why this agenda is building their growth. These are summarised in figure 3.



Figure 3: Critical Success Factors of Developers

1. **Win, win, win:** Developers ensure there is a win for the business, the consumer and society. They realise that a sustainable business can also be commercially successful. Their strategy is to build profits while also building value for consumers and for society in general. When Unilever launched a programme to educate rural areas of India on the importance of hand washing, it met head on the challenge of 3 million deaths a year due to diarrhoea, of which nearly half could be prevented by simple hand washing. However, by also launching an accessibly priced and appropriate soap product under its Lifebuoy portfolio, and training rural women to sell cleaning goods in remote areas, it opened up a previously inaccessible market of 130 million people<sup>3</sup>.



- Authentic:** Developers ensure the sustainability agenda relates to their core business. A company will not benefit unless its dedication to sustainability is integral to its Vision and core business, informing day to day decisions. For example, General Electric, voted top sustainable company in 2010<sup>4</sup>, have a mantra: “make money, make it ethically and make a difference”. Given that their core business has the potential to provide technological solutions to global energy issues, they have built a strong platform around energy solutions – Ecomagination – which delivered \$18 billion extra revenue in 2009<sup>5</sup>.
- Consistent:** Developers ‘walk the talk’. Closely linked to authenticity, unless a company embeds sustainability within the organisation and thereby radiates a common vision, then, no matter how many good things it does, it is in danger of being ‘caught out’ in actions that are not sustainable. ‘Developers’ generally use a sustainability platform to unify different activities. Plan A for M&S helped to get the whole company engaged in a common vision. Adam Elman, responsible for delivery of Plan A describes it as: “the most successful motivational and change management programme ever delivered within M&S”<sup>6</sup>. Plan A was the umbrella for 180 different commitments so employee engagement was critical to ensure delivery.
- Innovative:** Developers innovate, learn and then innovate again. ‘Developers’ do not just create new products but also apply innovation to processes and systems. Sustainability requires a review of the whole business and willingness to find solutions that redesign how a company does business. SABMiller redesigned their supply chains to enable them to buy and produce locally in Africa without having to import so many raw materials. This created benefits for the bottom line, but also product improvements for the consumer<sup>7</sup>.

### Role of Marketing in delivering the Corporate Sustainability Agenda



Marketing has a critical role to play in both building the corporate sustainability agenda and integrating that agenda into all customer/consumer brands. However, our experience working with a wide range of clients, suggests Marketing departments are not always fully grasping this role. While interest has been generated in other departments which have been impacted more quickly by sustainability issues e.g. the supply chain, the relevance to Marketing can be less clear.

As a way to address this challenge, the ‘WACI’ framework can also be used to guide how Marketers respond to the sustainability agenda for their brands:

**Identifying Impacts and Insights:** First, Marketers need to identify potential impacts of their brands on society and the environment. The most practical way to do this is to ensure sustainability considerations are built into the situational analysis stage of the brand planning process. In particular, Marketers need to include analysing the extended supply chain and consumer behaviours beyond the point of consumption.

Once they have identified the impacts (not just adverse but also neutral and positive) they need to ask which could create issues and/or opportunities for the brand. Some need to be dealt with to maintain the business i.e. they become ‘must address’ hygiene factors, while others provide platforms for growth.

Having identified these impacts, Marketers then need to generate rich insights into the ‘sweet spot’ i.e. where business, consumer and society all win.

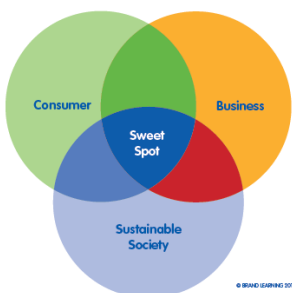


Figure 5: Marketers need to Find the Sweet Spot

**Identifying a Credible Role for the Brand:** Marketers should then assess what consumers see as a credible and relevant role for the brand in responding to these insights. Sustainability is not about a PR campaign, a one off philanthropic activity or a logo on the pack, so it needs to be considered when developing the brand vision, values and positioning. The societal role should be focused, distinctive, substantiated and relevant to the brand’s core.

**Walk the Talk and embed in all activity:** Marketers must then ensure that the Brand vision, values and positioning drive all brand activity. Marketers are accustomed to the concept that a brand’s positioning needs to be delivered consistently but it is particularly important now that this is applied not just to communication but also to the product supply chain, packaging, route to market, recycling issues etc.



## BRAND LEARNING

**Generate Sustainable Innovation Propositions:** Once Marketers have a clear picture of their existing and potential sustainability impacts, they will be more empowered to move from 'risk avoidance' activities to more inspiring opportunity development. Companies such as Philips, Electrolux and many others have integrated environmental concerns into all innovation development for many years.

Innovation should not just be confined to products and services but extend to processes and systems e.g. in two previously mentioned examples, Unilever's project in India innovated its approach to route to market while SABMiller innovated around raw materials sourcing.

### Implications for Marketing Capability

Succeeding with the sustainability agenda requires building fresh capabilities with marketing communities. Using Brand Learning's 3D structure, the following approaches will help make the step change required.

The  
BRAND LEARNING  
3D Approach™



**Define Strategy:** key elements of a capability strategy include objectives and the marketing skill areas to be covered. 'Sustainability' should be high on the agenda for inclusion.

**Develop Solutions:** marketing process development and skill building in areas like Strategy and Planning, Insight, Portfolio Planning, Brand Positioning, and Insight need to be reviewed to see where sustainability thinking fits.

**Drive Embedding:** the capability plan needs to include activities to make sure changes in attitudes and culture, skills and behaviours are truly embedded.

Putting sustainability at the top of the agenda for marketing will help the entire business open its minds to the ability of brands to add value to society. Properly approached, it will help marketers increase their contribution and help them deliver benefits to businesses, consumers and society.

1 Peter White, Director of Global Sustainability, P&G, Sustainability: The 'Embracers' Seize Advantage MITSloan Management review Research Report Winter 20112 Institute of Policy Studies, Dec 20003 Shakti and Swasthya Chetna programmes, Unilever website4 2010 Global 100 Sustainability Corporations5 GE Citizenship report 20106 Jackie Wills, guardian.co.uk, Thursday 26 May 20117 SAB Miller Sustainability Report

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