

# Building Sustainable Brands

## **The New Battle of Hearts, Minds and Market Share**

For several years, niche 'evangelical' brands have been winning consumer trust. As the successes of Innocent, Green and Blacks, Ben and Jerry's, Body Shop, Ecover, Belu and others can demonstrate making connections between producer, environment and consumer are often powerful emotional drivers behind brand loyalty. In short, they have become distinctive points of difference between, and competitive advantage for, brands.

So, should your brand be 'carbon neutral'? Socially responsible? If so, it won't be the only one. Will consumers love your eco-initiative or dismiss it as 'green-wash'? How will your brand be judged if its carbon footprint is offset by farmers who are living below the poverty line?

You may risk doing considerable damage to your brand by not doing your homework or demonstrating the evidence.

So where has all this come from?

Leading the charge, are the 'conscience consumers'. Those who are affected by, and respond to, evidence that brands employ poorly paid farmers, factory workers or child labour; those concerned about environmental issues - climate change, recycling, food miles and healthier living. These once 'early adopters' are now going mainstream.

Motivating these consumer choices are those who provide and broadcast the evidence: campaigners, consumer groups and the media either exposing exploitation or environmental damage or simply challenging those making unsubstantiated claims.

Retailers have been quick to spot the risks and opportunities. M&S, Waitrose, Sainsburys and Tesco are all investing in the life-cycle analysis of their own brands; with 'choice editing' as the new byword, shelf space will be increasingly given over to brands that have their 'house in order' and can present a clear and simple ethical message.

Brands have responded by rushing to claim good credentials. However, a study conducted last year by Consumer International and Accountability showed that 9 out of 10 consumers are sceptical about 'green claims' made by companies. A report released by Britain's Advertising Authority found that in the past year, complaints about green-washing rose nearly 480 per cent. Shell, Ryan Air and Lexus were amongst those singled out for criticism. Last year, US-based environmental marketing company TerraChoice identified

that out of 1,018 consumer products assessed for their environmental claims, only **one** had the evidence to back its claims.

There are two major implications here for brands and their marketers. Firstly, that social or environmental credentials are increasingly a non-negotiable part of winning, building and retaining consumer trust. People's relationships with brands are often personal or emotional. They look to brands to help them feel good about themselves. And, increasingly, much of what makes people 'feel good' – apart from being perceived to be sexy, rich or powerful, is about 'feeling I've made a difference' in a social or an environmental sense.

Secondly, for those that already recognise this and are acting on it and not just talking about it, a whole range of commentators will be lining up to assess whether there is more talking than action! Having an ad pulled by the ASA is clearly a costly mistake that no brand can afford to make.

Brands that wish to stay relevant to consumers in the 21<sup>st</sup> century need to demonstrate not just their carbon footprint, but their wider 'footprint' on society and the environment: from farmer to fork, from well to waste, from banker to borrower.

Some companies with brand portfolios are ahead of the game. Britvic Plc has been working with Corporate Citizenship, using their Building Sustainable Brands methodology, empowering their brands to go forth, identify, and show responsibility for their total footprints. Müller Dairy has road-tested a methodology that goes beyond assessing its carbon footprint, but also looks at its wider impacts – both social and economic. Some of the story it has built into its consumer strategy, other parts it is treating simply as 'good brand housekeeping' - something that its customers and the retailers, will increasingly expect of it.

There are three steps that a brand must take to address this new need: firstly, by assessing its environmental, social and economic 'footprint' and conducting a brand 'audit'; secondly, by identifying the 'hot-spots' (or risks) and the opportunities that the 'footprint' will reveal, and thirdly, by working out what story to tell, how to tell it, and to whom.

What is clear, is that in a relentlessly competitive and fast-evolving consumer world, marketers must be armed with the facts to tell the brand story – a story in which consumers – and customers - increasingly want assurance that the farmers who grow the fruit that goes in their juice have been paid a fair wage, that no nasty chemicals have been used in the making of it, that the packaging on their food can be recycled, and that the manufacture of their mobile phone has harmed neither people, animals nor the planet. Brands that don't understand this may survive, but they are unlikely to thrive.

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