



How Strong Brands Can Lead to a More Sustainable Future

We all know the trends: population growth, consumption growth, resource depletion, water shortages, and climate change. It seems that right now we are at a tipping point. Will we be able to turn things around, live within the planet's means, and guarantee that our grandchildren have the same quality of life that we do? It is frightening to think that the answer might be no. Yet as individuals we feel helpless in the face of such huge systemic problems.



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I would like to suggest that business leaders, marketers, and market researchers can play an incredibly important role in building a sustainable future for humankind in at least two ways: We can make our businesses and brands sustainable, and we can inspire consumers to adopt more sustainable behavior. How can we accomplish these things? By continuing to work to build strong brands.

Implausible as it may seem, building strong brands is not incompatible with a sustainable future. In fact, it may be one of the more important things we can do. While many new "green" brands exist, they are in the early stages of developing consumer trust; strong, established brands that are already trusted are much better positioned to have a positive impact.

Companies Embrace Sustainability

Businesses already see the benefit of sustainability. It is good for the planet and good for the bottom line. A recent article in *Bloomberg Businessweek* featured the Subaru of Indiana Automotive plant, which achieved its goal of being the nation's first zero-landfill car factory. Ninety-eight percent of the factory's waste is recycled, and the remainder is incinerated at a trash-to-energy plant. A plant executive estimated that the company saved \$5.3 million last year by this obsessive attention to minimizing waste. This focus has been good for employees as well. The plant has never had layoffs and provides its workers with an enviable array of benefits.

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In Leicester, England, at the PepsiCo Walkers crisp (potato chip) plant, an effort is under way to develop a manufacturing process that will recapture the water that rises from the fryers in the form of steam. Since potatoes are 80 percent water, the benefit will be substantial; the expectation is that this process will save the plant \$1 million a year. Pepsi is also using all-



electric trucks for deliveries in some parts of the United States, saving on fuel and maintenance while reducing greenhouse emissions.

But Do Consumers Embrace Sustainability?

Sustainability requires more than companies willing to pursue it. Consumers must also be willing to act. And right now it seems that consumers are lagging behind companies in their efforts.

Here's the problem: From the data we see, it's not really clear that consumers care very much about a sustainable future. People may say they care, but their behavior suggests something else. In practice, few people seem to be willing to change their behavior or pay a premium for a brand that is greener than their current choice. According to the Yankelovich Monitor survey in the United States, although most people said that environmentally friendly products were important to them, only one in three said they would pay a little more for them. And even these apparently well-intentioned people may not follow through. Derived importance analysis shows that, in category after category, statements like "make an effort to be the most environmentally friendly brand" are found to be the least related to brand loyalty.

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But I really believe that many people do feel concerned for the future of the planet, even if they don't act on their stated intentions. I believe that sometimes, when responding to questions about socially sensitive issues, people tell us how they wish things were, rather than how they actually are. And when faced with an issue like the environment, people feel overwhelmed. They would like to do something constructive, but the problems are complex, and consumer confusion is compounded by greenwashing. So frequently people do nothing, and end up feeling helpless and guilty. They want the problem to be fixed, and they might even be willing to help, but they wish someone else would take the lead.

There is a big opportunity for businesses here, a latent need to be addressed: to ease consumers' transition to a more sustainable future and, in so doing, to assuage the underlying



guilt many feel as a result of their personal inaction. In the past, addressing this type of acute societal tension has allowed brands like Coca-Cola, Google, and Nike to achieve iconic status, thus ensuring their futures for decades to come. For businesses, then, addressing sustainability offers not only the opportunity for cost savings today, but also the possibility of creating new value in the future.

While it may seem perversely counterintuitive, the brands that are currently best positioned to change consumer behavior may not be found among the plethora of new green alternatives. Many of these new green brands are long on purpose but short on mass resonance and credibility. Their impact is hampered by their lack of brand strength. They may be regarded as different from other brands, but they fail to translate that difference into a compelling motivation for the majority of consumers. To maximize their impact, these brands must understand where "green-ness" and sustainability fit in the consumer's agenda, and then find ways to make their mission resonate with more than just a sympathetic green audience.

Sustainability Needs to Be "Baked In" to Businesses and Brands

The more people trust a brand, the more likely they are to be inspired to action by it. A business that has sustainability "baked in" to its brand is in the best position to motivate people to buy greener and more sustainable products. One such brand is Natura, a Brazilian personal care brand, which



was founded in 1969. While the company's direct sales model has undoubtedly helped fuel the brand's success in Latin America, Natura is also credited for embracing sustainability and the use of natural ingredients in its formulas. Since 1983, when Natura began producing and selling refills, the brand has achieved a significant decrease in the disposal of solid waste in the environment. And since 2007, when it put the Carbon Neutral Program into practice, Natura has reduced carbon emissions by almost 10 percent while enjoying a compound annual growth rate of nearly 20 percent.

To what degree does Natura's sustainability commitment

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drive the brand's appeal? While 64 percent of personal care buyers in Brazil agree that the brand behaves in a responsible way toward the environment, I would argue that Natura's environmental credentials are not the key drivers of the brand's success but supplementary ones. People appreciate the fact that Natura's products are high quality and healthy as well as sustainable, and they pay a premium price for them. Global brands like Dove and Avon may be as well known as Natura, but they simply do not inspire the same degree of passion. Fifty-four percent of people claim to have recommended Natura to a friend, compared to 41 percent for Avon and 22 percent for Dove.

It is because of examples like Natura that I believe strong brands are in a good position to adopt a true sustainability agenda and have a positive impact. Existing research and development resources, as well as economies of scale, position established brands to sell products that are functionally effective and appropriately priced as well as sustainable. An established customer base ensures that these products will be available to a large swath of consumers. And these strong brands can not only make a bigger difference, but they can make a difference faster. Let's consider how this might play out in one large category.

The Role of Green Credentials in the U.S. Diaper Category

The disposable diaper category in the United States is dominated by two well-known brands: P&G's Pampers and Kimberly-Clark's Huggies. But over the last decade a number of brands have been launched, trying to take share from the established brands by offering a greener alternative¹.

One of these brands, Seventh Generation, is best known for household cleaners and paper products. Its success in these categories has led to an impressive growth rate over the last decade. It has reasonable brand name awareness and is perceived as a brand that behaves in a responsible way toward the environment. However, in the diaper category, active awareness of the Seventh Generation brand in 2010 was low at 16 percent.



Even more problematic is the fact that, of the 17 attributes included in our analysis of importance, "are less harmful to the environment" ranks last. So even if people endorse Seventh Generation diapers on this statement, this endorsement will only affect brand choice if it can be coupled with something that resonates with potential customers. Mothers want to be sure the diaper they choose will keep their babies comfortable and content. If a brand can convince them that it is a good choice on these grounds, then, all things being equal, green credentials might justify switching brands.



However, as it stands now, Seventh Generation has a problem with people's perceptions of its price. As we saw earlier, people don't want to pay more for green products, and whether it is perception or reality, many people believe Seventh Generation diapers are too expensive. Addressing perceptions of affordability would go a long way toward growing the value of the Seventh Generation brand in this category. But Seventh

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Generation should only lower prices if this can be done by controlling costs and maintaining margins. Failing that, it would be preferable if they could find a way to reframe people's perceptions of value — but those perceptions must be based on benefits that are personal and tangible to consumers. The environmental benefit alone is unlikely to be sufficient.

Strong Brands Inspire People to Act

While I believe that Seventh Generation can succeed in the diaper category as it has in other categories, the necessary brand-building will take time. Another diaper brand may be in a better position to make a big difference immediately, and one such brand is Pampers. Pampers' mission, to help mothers raise happy, healthy babies, is directly aligned with what consumers value in this category. It is a mission that resonates with millions of moms around the world.

Decades of innovation have ensured that Pampers is seen as a credible, functional solution, and decades of marketing have reinforced the belief that Pampers is both the best product and an appealing brand. So, with functional and emotional credentials already established, if Pampers were to fully espouse a green agenda, it would likely be very successful (even if Pampers does currently appear to be "behind" Seventh Generation in environmental credentials).

There is good reason to believe that Pampers could inspire people to more sustainable behavior, because the brand already inspires them to action in another arena. Catherine, a blogger at Alpha Mom, reports on Pampers' mission to eradicate neonatal tetanus. The Pampers/UNICEF "1 Pack = 1 Vaccine" program has helped provide more than 100 million vaccines that protect moms and babies in developing countries from maternal and neonatal tetanus. Catherine was so inspired by this program that she offered to personally match other people's donations to the tune of \$500. This is the sort of passion that a strong brand can inspire when it takes a stand on something.

The Challenge for Brands

The leaders of many big businesses have adopted far-reaching sustainability agendas, and the financial benefits they have reaped by doing so prove that "green" is not inimical to business success. But to protect the quality of life for future generations, we need to do more than adopt sustainable production practices — we need to encourage sustainable consumption. This is where marketers and market researchers can play an important role. Strong, well-known, and trusted brands can facilitate widespread acceptance of sustainable products and behavior. The potential return goes far beyond short-term revenue growth. By bringing more green and sustainable products to a mass market, major established brands can address an important societal tension and help sustain our collective future — as well as their own.

To read more about brands and sustainability, visit our blog at www.mb-blog.com.

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