

Sustainability Marketing: Marketing, communicating and selling your sustainability efforts

Elisa Niemtzow – September 2017



BSR[®]

The Business of a Better World

BSR: Global Nonprofit Business Network

We are a global nonprofit organization that works with our network of more than 250 member companies and other partners to build a just and sustainable world. From our offices in Asia, Europe, and North America, we develop sustainable business strategies and solutions through consulting, research, and cross-sector collaboration.



What you'll learn from today's presentation

Introduction

- **The Business Case:** Why Thai MICE players should invest in sustainability
- Why Selling Sustainability is Difficult

Part 1: The Barriers + Benefits Value Equation

- Three Simple Rules
- **Examples:** What Doesn't Work & What *Does* Work

Part 2: Sustainability Messaging – Lessons Learned

- The Sustainable Lifestyles Frontier Group Multi-Brand Test
- Findings and Recommendations

Q&A

Introduction

Meetings Planners Are Interested in Sustainability

- A SuccessfulMeetings poll found that over **70% of planners said that sustainability policies have some or a great deal of influence on hotel choice** and over 60% said the same about event venues and convention centers¹
- Approximately **40% of meeting planners expect to hold a green meeting in the next year**, which represents a 4% increase for both association and government planners (2016)²
 - Over 50% of meeting planners report that **recycling has been incorporated into meetings** and over 20% are interested in sustainable cuisine options and food donations.

What green meeting elements have you incorporated into your programs? Please check all that apply.

	TOTAL	ASSOC.	CORP.	GOV.	IND.
Recycling	50.6	47.9	48.9	73.5	38.9
Food donation/sustainable cuisine	22.6	24.0	17.9	11.8	33.3
Green venue site selection	16.5	16.7	14.1	35.3	22.2
Paperless meetings	33.9	38.5	32.1	58.8	22.2
Carbon offsets	3.7	4.2	3.8	5.9	0.0
I don't plan green meetings	31.9	30.7	34.8	11.8	44.4
Other	4.2	5.2	3.3	5.9	5.6

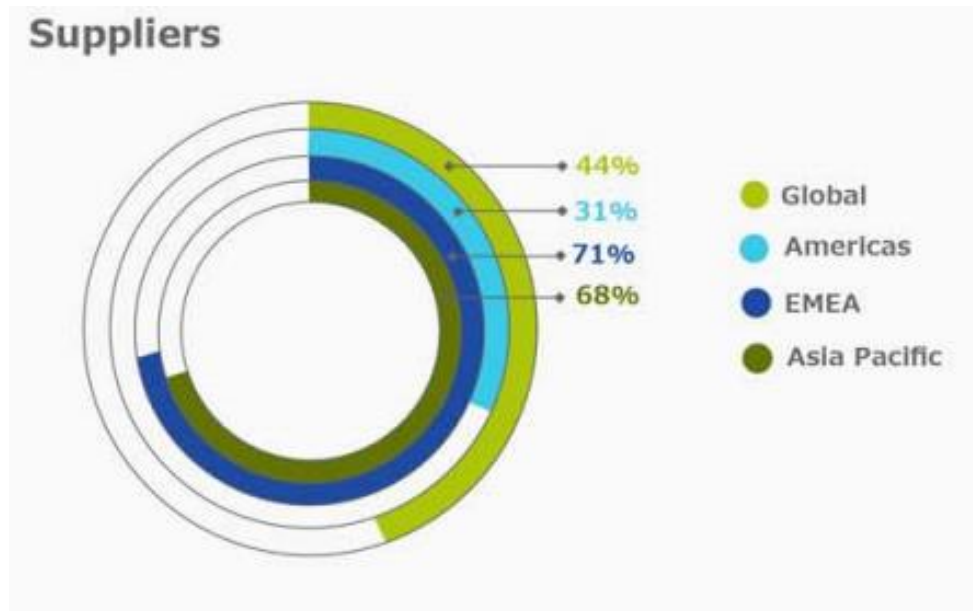
Findings from 2016 Meetings Today poll

¹ <http://www.successfulmeetings.com/Strategy/Meeting-Strategies/Research--Sustainable-Meetings-Survey/>

² <http://www.meetingstoday.com/Magazines/ArticleDetails/ArticleID/27482/RegionID/0?Page=2>

MICE Industry Has Increasing Expectations

- 44% of hotels worldwide and 68% of hotels in the Asia Pacific region have sustainability requirements for suppliers³
 - Approximately 40% of hotels in Asia Pacific have sustainability requirements in procurements with contractors and service providers.
- Research on the key factors effecting perception of sustainability within the Thai MICE industry identified **sustainability initiatives**, such as reusable promotional materials, **electricity consumption**, and **waste diversion as significant contributors to the perception of sustainability**⁴



Findings from 2016 Green Lodgings Report on the number of hoteliers using sustainability requirements for suppliers.

³ <http://hasekcom62.wpengine.com/wp-content/uploads/2016/11/Green-Lodging-Trends-Report-2016-11-29-16.pdf>

⁴ [Perceived Attributes of Event Sustainability in the MICE Industry in Thailand](#)

Building Resilience Against Climate Change is Crucial (1/2)

Why should Thai purveyors of conference venues be concerned about sustainability and climate change?

- Climate change will lead to **increased rainfall, more powerful weather events, and an increase in daily temperature** – higher temperatures are expected to lead to extended droughts¹
- Changes in temperatures, flooding, and impacts of rising sea level are likely to increase disease outbreaks, displacement in local populations, and increased social tension
 - **Direct impact will be felt on employees, host communities and supply chains**



Thai airways plane sitting in floodwaters in Bangkok following flooding in 2011.

¹ <https://www.bsr.org/our-insights/report-view/climate-resilience-in-thailand>

Building Resilience Against Climate Change is Crucial (2/2)

- **Sea level rise, coastal erosion and increased weather event intensity will likely damage coastal regions**, with a negative impact on beach resorts and tourism
 - For example, a 2010 Coral bleaching event off the coast of Thailand, Indonesia, and Malaysia resulted in losses of between \$50-80 million
- A 1.5 degree Celsius change can result in a 14cm rise in sea-level by 2025, which would lead to flooding in 43% of Bangkok
 - Potential for large scale impact on tourism infrastructure and perception ²
- Negative impacts from tourism on the environment have already caused the government to close islands near Phuket, damaging tourism revenues for operators

Thailand closes 'overcrowded' Koh Tachai island to tourists

Guardian

Three More Thai Islands Limit Tourists

Conde Nast Traveler

Tourism + Climate Change = Famous Thai Islands Closed

Triple Pundit

¹ <https://www.bsr.org/our-insights/report-view/climate-resilience-in-thailand>

² Turn Down the Heat: Climate Extremes, Regional Impacts, and the Case for Resilience, World Bank

Given the Business Case, Why is Selling Sustainability So Hard?

The **Values-Action Gap** = the difference between what consumers/buyers say in surveys and what they actually do

One simple question can change everything:

How can sustainability give my consumer more?

Part 1: The Barriers + Benefits Value Equation

Sustainable Lifestyles Frontier Group

- Mainstream consumers are beginning to look for **products** with **environmental** and **social benefits**, in addition to traditional benefits around **functionality** and **brand**.
- Businesses are beginning to adapt to this shift in consumer preference.
- The **Sustainable Lifestyles Frontier Group** (SLFG) is taking the lead on accelerating positive lifestyle and purchase shifts, learning from participating businesses on how to enable better marketing across industries and around the globe.
 - **Drive business case clarity:** uncover the evidence and arguments to drive action inside business
 - **Foster external engagement:** uncover shared challenges and solutions through engagement with global peers
 - **Facilitate internal engagement:** provide a platform for sustainability teams to engage marketing and finance teams



FUTERRA

Futerra is the sustainability change agency. Using strategy and communications to imagine better businesses, better brands, and ultimately a better world.

Selling Sustainability Guide

- The group's publically-available guide offers three rules to market by.



Three rules for marketing sustainability

IF YOU REMEMBER
NOTHING ELSE:

1

Offer consumers
more value from
sustainability

2

Build functional,
emotional and
social benefits

3

Timing
matters

1. Offer consumers more value

For most sustainable products and behavior campaigns the hard question of “what’s in it for the consumer?” is still largely unanswered.

Sustainable products and behaviors are better for the planet, but we need to make them better for the person.

Until we have a compelling value proposition from sustainability, well-intentioned products and campaigns will continue to struggle.

There is a value equation. You need to tip the balance between the barriers and benefits of your product or behavioral ask.




$$\text{LESS BARRIERS} + \text{MORE BENEFITS} = \text{VALUE}$$

Barriers can be lack of skills, motivation, infrastructure or beliefs (to list a few). For example, a barrier to purchasing an electric car might be the belief that the driving experience will suffer from inferior performance.

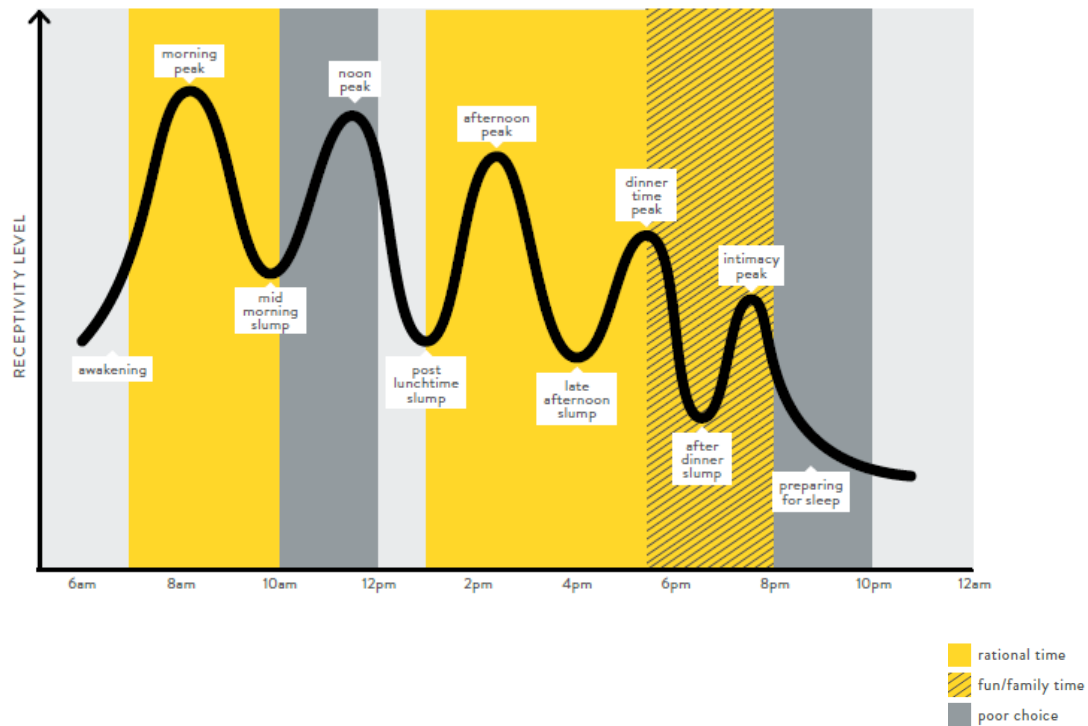
Benefits can be functional, emotional or social. Driving an electric car can come with functional benefits, in that you can refuel at home. It also has social benefits – automakers connect drivers to a community of ‘believers’ through apps and online forums.

Remove the barriers and shine a light on the benefits. This is how you deliver better consumer value from sustainability.

2. Build Benefits

 FUNCTIONAL VALUE	 EMOTIONAL VALUE	 SOCIAL VALUE
<p>Can sustainability add or detract from value for money?</p> <p>Enhance or hinder performance and efficacy?</p> <p>Improve or worsen quality?</p> <p>Give my consumer more or less time in their day?</p> <p>Add to safety or risk?</p> <p>Make their life easier or harder?</p>	<p>Can sustainability strengthen or weaken sensory enjoyment?</p> <p>Offer more or less physical comfort?</p> <p>Provide a thrill of excitement or only a dull experience?</p> <p>Heighten self-worth or add guilt?</p> <p>Can be personalized or just general issue?</p> <p>Make their life happier or sadder?</p>	<p>Can sustainability improve family bonding or generate strife?</p> <p>Make them seem more or less desirable in others eyes?</p> <p>Prove how cool, smart and able they are or make them look foolish?</p> <p>Offer community and sense of belonging or isolate them?</p> <p>Is it socially shareable or too singular?</p>

3.Messages Matter



What doesn't work ...

SAVE OUR PLANET

Dear Guest,

Every day millions of gallons of water are used to wash towels that have only been used once.

YOU MAKE THE CHOICE:

A towel on the rack means:
"I will use again."

A towel on the floor means:
"Please replace."



Guilting consumers to action



Thank you for helping us conserve
the Earth's vital resources. ♻️



***“I want
to **be** a pair
of jeans.
Recycle me.”***



IWantToBeRecycled.org



KEEP AMERICA
BEAUTIFUL

Tugging at the heart strings

Relying on consumer altruism



What does work ...

Case Study: Intermarché Inglorious Fruits & Vegetables

- <https://www.youtube.com/watch?v=qQQMygivn0g>



A HIDEOUS ORANGE

**MAKES
BEAUTIFUL
JUICE.**

Intermarché's
ingenious
fruits and
vegetables,
a glorious fight
against
food waste



INGLÖRIOUS
fruits & vegetables

by **Intermarché**

A GROTESQUE APPLE

A DAY
KEEPS
THE
DOCTOR
AWAY
AS
WELL.

Intermarché
Intermarché
Intermarché
Intermarché
Intermarché
Intermarché



INGLORIOUS
fruits & vegetables
Intermarché

THE FAILED LEMON

FROM
THE
CREATOR
OF
THE
LEMON.

Intermarché
Intermarché
Intermarché
Intermarché
Intermarché



INGLORIOUS
fruits & vegetables
Intermarché

THE DISFIGURED EGGPLANT

SO CHEAP
IT COULD
BE
EVEN
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Intermarché
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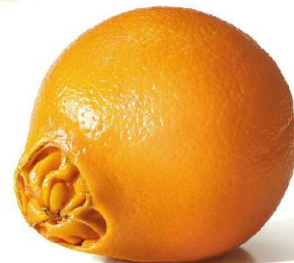


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Hospitality Example: Peninsula Hotels

- ***Naturally Peninsula***

“Naturally Peninsula” cuisine provides for guests who want to live a balanced lifestyle, but do not want to compromise on taste. Through “Naturally Peninsula”, chefs have applied their culinary artistry to develop a range of delicious, natural and sustainable modern dining options.

- ***Sustainable Luxury Guestrooms***

In 2015, The Peninsula Chicago underwent a comprehensive guestroom redesign. More than 90% of the woodwork used in its new luxurious furnishing comes from sustainable managed forests. We have also put a lot of effort into developing low-energy LED lighting, enabling the hotel to reduce the electricity demand in guestrooms by over 90%.



Part 2: Sustainability Messaging – Lessons Learned



SUSTAINABILITY MATTERS

Big Brands, Big Impact

FUTERRA



Putting Theory into Action

In 2016, we examined behavior change theory and then tested the thinking through several powerful B2C behavior change commercial experiments designed to influence purchase decisions, recycling behaviors, and brand reputation.

***Big Brands, Big Impact:
A Marketers Guide for
Behavior Change*** reviews findings from some of the first studies conducted by mainstream brands focused on activating new lifestyle behaviors and sustainable product choices.

Three Brands Explored Changing Commercial Behavior



AT&T investigated three types of promotional marketing messages for a new security and home automation service. The service enables homeowners to remotely and digitally manage home energy, water and security systems.

AT&T tested messages in a closed survey to measure purchase intent as well as overall appeal for each message.



eBay wanted to test whether messaging could influence consumers' decisions to sell pre-owned items on eBay.com.

eBay inserted a variety of messages into a mock email sent to users after they listed an item on eBay. This was a closed survey that measured intent to sell items and perceptions on brand reputation.



Walmart aimed to gain an initial understanding of consumers' perspectives and interest in sustainable apparel through a consumer survey.

Two Brands Explored Changing Recycling Behavior



McDonalds explored how different types of messaging at restaurant recycling stations could influence correct recycling behavior. Four types of messaging were tested against a standard, control message at one restaurant location.



Johnson & Johnson Consumer Inc. wanted to understand the most effective type of messaging to drive consumer bathroom recycling behaviors in its 'Care To Recycle®' digital and social media campaign. Seven different types of sample social media messages were tested in a closed survey. J&J measured 'intent to recycle' rather than actual observed bathroom recycling behavior.

J&J also investigated the impact of these different messaging types on brand perception.

KEY FINDINGS AND RECOMMENDATIONS

THE SLFG UNCOVERED INSIGHTS ACROSS FOUR AREAS



HOW TO INCREASE
PURCHASE INTENT AND
BRAND REPUTATION



HOW TO INCREASE
RECYCLING BEHAVIOR



HOW TO TEST CREATIVE
BEHAVIOR CHANGE
MARKETING



HOW TO BRIDGE THE DIVIDE
BETWEEN SUSTAINABILITY
AND MARKETING TEAMS



Purchase Intent and Brand Reputation

FINDINGS	RECOMMENDATIONS
<ol style="list-style-type: none"><li data-bbox="353 358 861 558">1. Sustainability has value for consumers. Consumers are interested in sustainable products and services, and in supporting companies that make a positive social and environmental impact.<li data-bbox="353 607 880 806">2. Sustainability messaging can boost brand reputation. Sharing environmental messaging and engaging customers on more sustainable choices can drive positive perception of the brand.<li data-bbox="353 856 865 986">3. Sustainability is an outcome not a marketing strategy. ‘Winning’ messages appeal to a direct, personal benefit for the consumer.	<ol style="list-style-type: none"><li data-bbox="1122 383 1483 547">1. Consider marketing and wider business objectives when leveraging sustainability messaging as a tool.<li data-bbox="1122 596 1450 661">2. Use sustainability to boost brand reputation.<li data-bbox="1122 705 1460 836">3. Consider positioning sustainability as an additional value, but not the only value.



How to Increase Recycling Behaviors

FINDINGS	RECOMMENDATIONS
<ol style="list-style-type: none">1. When trying to influence recycling behaviors, simple and easy-to-understand messaging works effectively.2. Tone is important to consider, as it is content and audience specific. Targeting messaging to the right audience is just as important when designing messaging for sustainable behaviors as it is in traditional marketing.	<ol style="list-style-type: none">1. Make your call to action clear and the behavior change easy.2. Know your audience and target them correctly.



How to Test Creative Behavior Change Marketing

FINDINGS

1. **Creative imagery can be a powerful ally or foe.**
While creative visuals are a powerful ally, the wrong creative, or no creative at all, can be a turn off for consumers.

RECOMMENDATIONS

1. Pay as much attention to the creative as you do in the messaging.
2. Follow the SLFG 7 Step Methodology

The 7 Step SLFG Methodology

To develop actionable results, each Behavior Change study was designed specifically to address the challenges, barriers, consumer needs, and constraints.

1. Choose behavior	Identify the type of behavior to influence (i.e. purchasing of eco-friendly soap or recycling)
2. Choose testing method	Choose a testing method that suits your company's resource capacity (i.e. live test in stores or online survey).
3. Map benefits and barriers	Map the potential functional, social and emotional barriers and benefits to engaging in our chosen behavior (i.e. a social benefit is having others view you as environmentally responsible).
4. Ask research question	Formally state what it is you want to learn from your test (i.e. what recycling signage attributes drive recycling behavior?).
5. Select hypotheses	Select a set of hypotheses that will answer your research question.
6. Design test	Select the appropriate test design and variables to measure (i.e. customer age, perceptions of brand, etc).
7. Develop messaging	Develop customer messaging to test each hypothesis.



How to Bridge the Divide Between Sustainability and Marketing Teams

FINDINGS	RECOMMENDATIONS
<ol style="list-style-type: none"><li data-bbox="392 390 846 623">1. Metrics matter to marketers. SLFG members were able to have more effective conversations with marketing colleagues as a result of presenting the results of the testing program.<li data-bbox="392 663 871 893">2. Cross-functional teams work best. Collaboration between sustainability and marketing teams leads to new insights about the mutual value of each team and ways to partner in the future.	<ol style="list-style-type: none"><li data-bbox="1122 385 1431 412">1. Do your own testing.<li data-bbox="1122 453 1464 513">2. Foster collaboration to enhance effectiveness.

McDonald's Case Study

How do you get customers to recycle properly?
Get them to smile.



Test Overview: McDonald's

Designing creative signage to influence correct recycling behavior

CHALLENGE

- McDonald's customers were not using the recycling bins properly.
- Previous observations suggested this was due to correct disposal not being convenient, taking too much time, and confusion as to what material goes in which bin.
- McDonald's objective was to help customers more effectively use the waste disposal bins in restaurants.

HYPOTHESIS

All hypotheses suggested that a new message would promote effective recycling behavior than the standard bin messaging:

1. Show people what to do.
2. Show people how recycling effort has a collective benefit.
3. Thank people for their effort and celebrate recycling success.
4. Present recycling as an opportunity to teach a child a valuable lesson.

METHOD

- Tested five different recycling signs at one restaurant in San Francisco over the course of five days.
- Sample size: 277 customers.
- Measurement indicator: Contamination / purity rates in each bin (the amount of correct material that is placed in each bin).
- Statistical significance testing was conducted on the data results.



Testing Behavior Scenarios

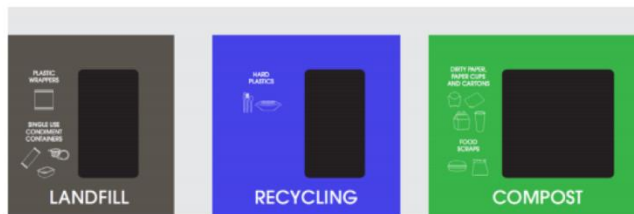
CONTROL





Testing Behavior Scenarios

WHAT TO DO



THANK YOU



COLLECTIVE BENEFITS



TEACHABLE MOMENT





Test Results

- All new messages outperformed the Control scenario.
- The most effective signs for driving recycling behavior were Thank You, Collective Benefits, and Teachable Moment.

SIGN TYPE	RECYCLING	LANDFILL	COMPOST	TOTAL
Control	0.2%	0.0%	98.9	40.8%
What to Do	4.2%	0.2%	99.9%	45.2%
<u>Collective Benefits</u>	1.0%	2.0%	99.5%	57.7%
<u>Thank You</u>	23.4%	4.1%	99.2%	60.8%
<u>Teachable Moment</u>	9.3%	13.0%	90.6%	53.7%

LEGEND

100% Purity Rate	All waste has been correctly discarded in bins
0% Purity Rate	All waste has been incorrectly discarded in bins

Insights

Making recycling fun can drive engagement.

The success of Thank You, Collective Benefits, and Teachable Moment could be attributed to several factors such as the fun creative designs and colors, which may have captured attention and inspired customers to 'play along' with the cartoon figures and graphics that gently implored to recycle and compost.

A better recycling experience creates a better brand experience.

While observing customers' reactions to each sign, McDonald's noticed customers smiled more. This carries value for McDonald's since the brand's promise is to 'make delicious feel good moments easy for everyone'. If play furl signage can make customers smile and relieve a pain point around recycling, then McDonald's considers it has enhanced the overall customer experience.

Q&A

