

Can sustainability sell?



McCANN-ERICKSON WORLDGROUP



SUSTAINABLE
CONSUMPTION

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Ben Langdon
Regional Director, McCann-Erickson EMEA

"Consumers are increasingly interested in the world that lies behind the product they buy. Apart from price and quality, they want to know how, where and by whom the product has been produced. This increasing awareness about environmental and social issues is a sign of hope that Governments and industry must build upon that."

Klaus Toepfer, Executive Director, UNEP



Jacqueline Aloisi de Lardere
Assistant Executive Director, UNEP

For most of us, sustainability is a term that we are either unfamiliar with or unsure about. Does it mean corporate responsibility? Does it mean environmentalism? Does it mean human rights? The answer is that it means all these things and more. It relates to a desire to encourage consumers to consume with a conscience.

Yet, even when the term is clarified, the principle tends to be one that is easy to sympathise with on a personal level, but difficult to come to grips with in professional life.

Despite a very real desire to do the right thing, in many ways consuming with a conscience is very difficult. The term sustainability implies that the consumer society consumes less, or perhaps pays more for things that don't work as well.

And from a business perspective it suggests investment in something that, in these turbulent times, might not help the bottom line. But is this true?

As we move into the future, the context for brands is changing irrevocably. The relationship between consumers and their choice of brands has fundamentally shifted. The need for differentiation is ever more important, as is the requirement to create brands that fulfil the new consumer's exacting principles and standards: brands that do what they say, or preferably more than they say.

As the following pages show, the McCann WorldGroup, working together with the United Nations Environment Programme (UNEP), believes that far from depressing sales, sustainable principles could be essential to protect both brand health and future profitability. Our thinking comes from our knowledge and experience of global brands, and extensive research amongst both global consumers and corporate influencers. We also offer proof that sustainability can sell in the form of case studies that reflect some of our own efforts on behalf of our international client base.

We believe that sustainability offers a chance to reconstruct brands and to create a new value system. We hope you will take the time to read the evidence. More than that, we urge you to grasp an opportunity to lead in your sector, to differentiate your brand and to shape your business for the future, rather than the past.

Yes, sustainability can sell. This has been demonstrated by a number of leading companies working in partnership with UNEP, the world environment organisation.

The tremendous risk of climate change, the fresh water crisis and its consequences for food security, the unsustainable exploitation and depletion of biological resources, droughts and desertification, the increasing air, water and soil contamination by hazardous chemicals, the increase in poverty and unequal distribution of income among countries are all alarming issues. In addition, in a globalising world, there is growing public demand for corporate responsibility and transparency.

Consumers want to know what is lying behind the product they buy. Employees desire a sound and healthy environment. They want to be proud of the companies for which they are working. Financiers are increasingly screening their investments using environmental and social criteria.

In fact all these drivers provide wonderful new business opportunities and the future's successful companies will be those who are innovative and who develop novel business models, new products, new technologies and practices that will help reconcile economic growth, environmental protection and social concerns. Bringing such changes will require the involvement of all employees across all sectors.

In this context, marketers, together with advertising agencies, have a key role to play in promoting sustainable production and consumption patterns, and UNEP commends McCann-Erickson for its leadership role in facilitating communication for a better world.



the future?



what of my culture?



What is sustainability?

Good question. And one which, as our research shows, puzzles many people.

Sustainability is not “Green Marketing.” It is not energy saving. It is not a social programme. It is all of these things and more.

Sustainability is a collective term for everything to do with responsibility for the world in which we live. It is an economic, social and environmental issue. It is about consuming differently and consuming efficiently. It also means sharing between the rich and poor, and protecting the global environment, while not jeopardising the needs of future generations.

The goal of sustainable consumption was adopted at the Rio Earth Summit in 1992, and in Johannesburg in 2002 the world will meet to assess what has been achieved.

Sustainability is an issue for governments, for industry, for companies and ultimately for consumers.

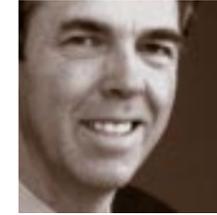
It has been a trickle-down process. Sustainability has not achieved the sudden prominence that ‘Green’ issues did a few years ago, and it has benefited from not being seen as a nine-day wonder, or an issue that is suddenly fashionable.

Many companies such as Unilever, Procter & Gamble and others, accepted sustainable principles at an early stage and began to build them into research and development processes, into manufacturing and the supply chain. Others have been forced to react to public concerns about their records on issues like pollution and the exploitation of child labour. In all of these instances, the ensuing media attention bought home a fundamental reality – that sustainable principles matter to the people who matter to companies – their consumers.

Annual reports and corporate web sites are full of commitments to sustainability. But until now, little of this has permeated into corporate, brand, or product communication strategies. Why is this? It’s a vicious cycle. We believe that companies have so far not detected sufficient consumer pull-through for sustainability to become part of their communications. This in turn has meant that there is little to further establish sustainability in consumers’ minds as something which adds value to brands. Equally, there is little to reward companies for their efforts in producing more sustainable products.

Consumers believe that governments, companies and the media should take the lead. Consumers don’t think that they can make a difference at an individual level: the issues are too large and too complex and they are not even clear about what is sustainable and what is not.

So how do we break the chain? We know that consumer interest in sustainable principles has been both underestimated and misunderstood. The studies reported here by Weber/Shandwick, the world’s largest public relations company, show that there is growing consumer awareness and interest in issues of sustainability and corporate social responsibility.



Mike Longhurst
Senior Vice President, Business Development,
McCann-Erickson EMEA; Member of UNEP
Advertising Advisory Committee

But, as qualitative studies through McCann-Erickson’s global Pulse programme have shown, turning sustainable product claims to advantage and making them sell is a tricky business.

Waiting for consumers to take the lead is futile and allowing governments to take the lead through who knows what legal and economic measures, is unwise.

We know that where brands lead, consumers will follow. So it is clear that the mission of Corporate Affairs managers, Branding Consultancies, PR consultants and Advertising Agencies must be to encourage and assist the open, public association of leadership brands with sustainable principles.

Many companies have excellent stories to tell, but are afraid to do so because they fear criticism of other products in their range.

They need help and support from consumer lobbyists and the environmental sector, to get behind campaigns that are really trying to make more sustainable products successful. This does not mean allowing companies to “green-wash” themselves, but it does mean limiting some of the destructive criticism that occurs long after companies have responded to legitimate concerns about their practices.

If companies only actively articulate sustainable principles when they are in trouble, they debase the relationship between consumers and producers. Consumers see it as cynical opportunism. Furthermore, it adds fuel to the view that life is over commercialised.

How do consumers choose between 20 kinds of washing powder or 30 different brands of instant coffee? We believe that sustainability offers a chance to build and differentiate brands on a far more solid basis than simply through bright creative advertising ideas.

The principles of sustainability must move beyond corporate mission statements and be embraced by everyone within an organisation. This can only happen if it is led from the top. Building sustainability into the behaviour of an organisation ensures that every action a company takes – either internally or externally – will support these principles.

We must overcome consumer fears that there must be some trade-off between performance and sustainability.

Why sustainability matters **ignore it at your peril**

If you are inclined to dismiss the events of Seattle, Gothenburg and Genoa as the deranged rants of a few fringe groups, then you may have missed something that threatens you.

The views of extremist groups reflect the increasingly strong feelings amongst many consumers.

The threat does not come from a small hard core of activists wrecking McDonald's, Starbucks or Gap or plastering "Boycott Esso" stickers on the London Underground. It is the subtle movement of the silent majority of consumers who vote with their wallets and simply stop purchasing products from companies that do not share their values.

When something does go wrong, companies often resort to corporate advertising but at this point advertising is at its least effective and is often too late.

But unless companies use communications as a means of making themselves accountable to all stakeholders, including the general public, they remain vulnerable. It is no longer enough to try to deflect criticism by focusing on what the company is doing for good causes or the Third World. People are becoming less willing to cancel out what is perceived as bad practice with the good.

Sustainability in all its many facets offers a range of areas in which companies can become involved. And that involvement has to be effectively delivered and communicated if companies are to avoid the very real threat of anti-global, no-logo and consumer boycotts.



Hedonism versus **hair shirts**

As we have seen, a growing number of consumers are voting with their wallets but they don't always find it easy. The young find there is a dichotomy between wanting to help the planet and the hedonistic desire to buy the latest "must-have" brands.

In order to support the UNEP Sustainable Consumption Forum, McCann WorldGroup has conducted a series of research initiatives in order to fully understand both the 'mood' of consumers towards issues of sustainability and social responsibility, and the potential implications for corporations and brands. Here, we present an overview of the findings.

The first study is by Pulse™, McCann-Erickson's proprietary consumer insight programme. Conducted on behalf of UNEP, the research was used to gain a better understanding of how young people viewed the issue of sustainable consumption. Supporting the findings are two significant studies by Weber Shandwick Worldwide.

Does youth care?

While there is a general confusion regarding the terminology **"Sustainable Consumption"**, it is clear that young people today have strong concerns about the principles that sustainability highlights.

These fall into three key areas: the protection of the environment, animal testing and human exploitation in developing countries.

"If we don't take care of our environment it will be uninhabitable in years to come." (UK)

"We have to help the poor countries because western countries have been exploiting their natural resources for over 200 years." (Finland)

With such strong and consistent views from across the globe, why aren't today's youth doing more?

One of the main reasons for inactivity is the contradiction in the minds of these consumers. They are both hedonists and idealists. They want to 'Have it All': a sustainable planet **and** their favourite brands. This is the 'use and throw' generation, but at the same time, they have dreams of a private and wonderful world. Most importantly they are not aware of the consequences of their own shopping behaviour. There is a feeling that they are 'unable to change the world'. Yet they want the world to change.

Lack of opportunity

Many young people are unaware of opportunities that exist to make a difference particularly in the area of environmental friendliness. They don't know where to buy environmentally friendly products, they find recycling a hassle and their knowledge of 'helping the environment' doesn't extend far beyond 'recycling' & 'bottle banks'.

"A recycling bin represents the need to maintain the planet's resources...it is perhaps the most recognised way each person can 'do their bit' for the planet." (UK)

Lack of motive

Unless there is something in it for them, young people won't act. They don't make the connection between how the purchase of certain products might be of benefit on a global scale. More importantly, they tend to be sceptical about where the money will end up.

"Is the money going to the right person or do they use the money on administrative costs or weapons?" (Finland)

Your issue, not ours

Youth in some countries like Turkey and Argentina, who live under conditions of poverty view charity and environmentally-friendly consumption as a luxury they cannot afford.

"Ecological issues are good for countries like Switzerland because they're rich and have no unemployment."



Josephine Timmins and Juliette Portulier
McCann Pulse

So who is responsible?

While young people today believe fervently in the power of individual responsibility, when it comes to sustainability, they won't put these beliefs into action until an example has been set.

Yet they do want action, and they are very clear that the hierarchy of responsibility begins with Government, moves to companies and the media and finally to the individual.

In their view it is imperative that the government set examples by educating and regulating to protect the environment and the individual.

Consumers want to know how products have been made and from where raw ingredients have been sourced. It is clear that brands are significant symbols of authority in the minds of young consumers, but they demand that the company gives something to earn that authority.



About Pulse™

Pulse™ is a McCann-Erickson proprietary consumer insight programme. It is the largest programme of its kind in the world and operates in over 90 countries. It is designed to constantly monitor and anticipate changing consumer moods and attitudes on a local, regional and global basis.

The Pulse™/UNEP study was used to gain a better insight into how young people view Sustainable Consumption. The Pulse™ research took place in 28 countries across Europe, Asia Pacific, South and North America.

"I use Body Shop products which play a role in supporting third world countries and their jobs."

As for the media, young people believe it should mobilise and take a more proactive and informative role to prompt people into action.

Fundamentally, young consumers feel that all individuals need to be more active.

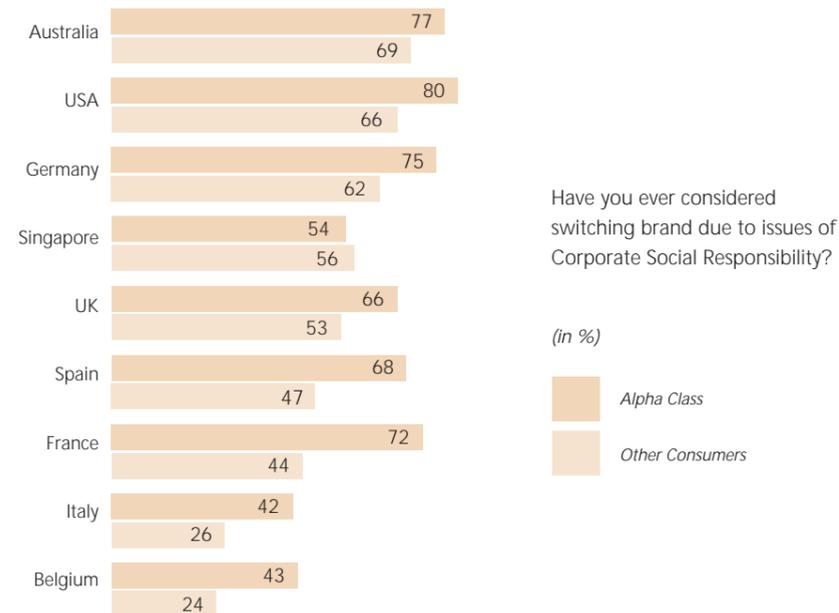
"Everybody needs to take responsibility for their own actions, it is up to every person."

Voting with their wallets

In a recent global survey of over 8000 consumers, we sought to understand the importance of corporate social responsibility for consumers when purchasing branded goods or services.

Present glitches aside, Europe has been going through a period of affluence where quality has become more important than price. As disposable income grows, consumers can increasingly afford to apply 'moral' criteria to the decision making process. Awareness and knowledge of corporate social responsibility issues has risen through increased exposure via the media and Internet. Consumers are no longer content simply to know the product; they want to know who produced it, and how.

'Brand switching' is a clear demonstration of how consumers perceive a company. When asked whether the respondent had ever had considered switching brands when a company was negatively portrayed in the media in respect of social responsibility issues such as environmental or employment policies, the results were revealing. The Australian (71%) and the US (67%) respondents were more sensitive to these issues than their European counterparts. Germany heads the EU countries with 62% of consumers who had considered switching brands when made aware of corporate behaviour. Among all respondents, the 'alpha class' (high education/high income) are more prone to brand switching. On average two-thirds of all 'alpha class' consumers have considered switching brands because of corporate social responsibility issues. They are likely to have a disproportionate effect on a brand's prosperity and to lead the behaviour of others, in turn.



Ian Rumgay
European Special Projects Director,
Weber Shandwick Worldwide

The survey was conducted by SWR, the market research agency of Weber Shandwick Worldwide. Over 8,000 consumers were questioned in 6 European countries plus the US, Australia and Singapore for global comparison.

Many of the issues associated with corporate social responsibility have become causes in their own right promulgated by European activists, NGO's and political groups. Indeed, issues such as environmental care have attracted more popular support in Europe than any other region in the world. European Union legislation of corporate governance has established common best practice standards in all member states and moulded the common expectations of its citizens.

In summary, whereas a decade ago consciously purchasing products based on the social responsibility of the manufacturer was the privilege of a small number of consumers, it has now become a common characteristic.

Good products and low prices are no longer enough. Consumers want to know that their favourite brands also care about the environment and their employees.

To build successful corporate brands, companies need to develop integrated communication programmes with all stakeholders, including consumers, employees, suppliers and environmental groups.

Euro endorsement

When a group of leading European MPs, civil servants and EU correspondents were questioned about the importance of and trends in social responsibility, the responses were similar.

The majority agree that its importance is growing and the CEO or European President of an organisation should be responsible for corporate social responsibility policy. Most respondents believe that less than half of the international companies based in Europe have social responsibility policies or codes of conduct.

When asked to rank the most important issues of corporate social responsibility, the panel stated the top five as being:

- Child labour
- Health, safety and the environment
- Equal opportunities employment
- Bribery and corruption
- Harassment in the workplace (sexual, racial, religious)

Why sustainable issues will continue to grow

In our opinion corporate social responsibility is likely to continue to grow in importance stimulated by some of the following factors:

- Companies are increasingly promoting their corporate social responsibility virtues. Their investment in the corporate brand has to be justified as being beneficial to the bottom line.
- Multinational organisations with universal brands support social responsibility policies.
- Large multinational corporations are extending the need for corporate social responsibility on to their suppliers and customers.
- An organisation's corporate responsibility policy will have to extend beyond its own immediate boundaries to business and government relationships.
- NGOs, previously disparate organisations, are becoming more effective in keeping their respective agendas to the fore. These champions of social responsibility are extremely adept at utilising the internet to marshal resources and connect with like-minded organisations and are able to recruit skilled professionals to their respective causes.

- For the past decade retail chains have tried to position themselves as the first line of defence for consumer interests, rather than as the end of the production chain. Their increased power will continue to put societal issues on the corporate agenda.
- The media has an increased need for controversial issues. Corporate ethics and social responsibility are among them, amplified by the scope and impact of global news reporting. Media tend to especially influence consumers' negative purchasing behaviour.
- Governments are more accountable to their parliaments and media than ever before. Increasingly they will require ethical standards for public procurement programmes. At a European level, the subject is on the political agenda.
- The continued growth in ethical investment funds and the recent arrival of ethical market indices means that corporate social responsibility performance in Europe is now being assessed by investors and their advisers.

For a corporation in Europe today, much more is at stake than just selling products. Obtaining market access, permission for new production sites, getting access to financial resources and attracting and retaining the best employees, are all factors related to corporate social responsibility which have to be taken into account.

For while Europe may not embrace political correctness or litigation to the same extent as North America, its citizens will continue to demand that business in all forms takes corporate social responsibility seriously.



who can
we trust?

Tapping into **new tribalism**

Although young people in particular are unsure how they can make a difference at an individual level they are clearly concerned about the principles of sustainability. This concern is manifesting itself in the emergence of 'new tribalism.'

Long ago, people came together as tribes. These affinity groups were bound together in a bid for survival against every known threat. Their survival depended on collective action and their unity was expressed through a shared value system; a set of deeply held beliefs, practices, customs and aspirations.

"The truly great brands are far more than just labels for products. They are symbols that encapsulate the desires of consumers... they are standards held aloft under which masses aggregate."

Anthony O'Reilly of H.J.Heinz

It is clear is that there are now emerging consumer 'tribes'. Consumers around the world opt to join a culture group of like-minded individuals rather than be members of a particular nation state. They band together with other consumers who share their values and concerns.

The growth of the Internet means that they can share information about the companies behind the products they buy, and spread the word about those companies which are perceived to be behaving badly.

The single most important factor for companies is not the products that they make or their distribution but a healthy relationship with the global tribe who share an affinity for their brands. Products change but values endure.

The emergence of this new brand citizenry transforms brand communication. In the past, communications were point to point. Today they are about a virtuous circle of values, actions, presence, involvement, dialogue, relationship and experience.

There has been a fundamental change in consumer loyalties and brand owners will also be required to make a fundamental change. They will actually have to begin living their brand values – not just paying lip service to them in marketing messages.



Kevin Allen
Marketing Director EMEA, McCann-Erickson WorldGroup



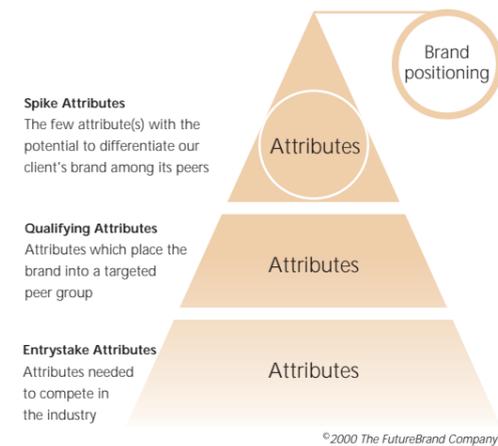
How sustainability helps **future growth**

So just how important is sustainability to company health? FutureBrand recently did some research across Europe. We asked consumers which brands they felt would survive the next 15 years and which would not, and why. The results show the importance of quality and innovation. They also show that brands not following social and ecological standards are at risk.

The impact on Nike sales following criticism of its international employment policies is a case in point. Not just sales, but the fashionability of the brand suffered.

So how do we explain this from an analytical point of view?

We use a pyramid of brand attributes to define a brand's positioning. This combination of attributes makes a particular brand distinctively attractive to its target audience. The pyramid has three layers:



The base level, the entry stake attributes, are those required of all competitors in a category – for example, security is normally an entry stake attribute for a bank. These are not the attributes that a company chooses to publicise, as they are expected of all companies in that segment.

Instead companies normally communicate their spike attributes – those attributes that differentiate the company or the brand and make the product special. These could be functional attributes, such as flavour, durability, or ease of use. Or they could be emotional attributes, such as sexiness or motherhood. Communicating these reminds the consumer what makes the product stand out from the competition.

It is a similar story for corporate brands. Companies that understand what makes their business special communicate this point of difference to attract potential investors, business partners and staff.

However, it is also critical that companies are not seen to violate the entry stake attributes for their business. A bank could be incredibly innovative in terms of products and service, but if its security is weak it will not attract savers.

For most corporate brands sustainability should be an entry stake attribute. However, due to rising criticism of major corporations and their brands by activists, the media and in books such as Naomi Klein's "No Logo", sustainability is being elevated to a qualifying attribute – these are attributes which place the brand into a targeted peer group.

Companies that genuinely can promote themselves as valuing and following principles of sustainability will raise themselves about the throng, and put themselves into the 'Premier League'. Companies that can't make these claims – or who can, but fail to assert them – risk being seen as second-class.

Given that brands can account for over 50% of the market capital value of many major corporations, that is a considerable risk to shareholder value. So it is increasingly important for companies to be seen to be actively managing their reputations.

For consumer brands it is more complex. Coca-Cola as a company clearly has very strong standards. But what about its soft drink Fanta? The acceptability of a product can be affected by people's views about the acceptability of its source. So a company with a very sound reputation can make its products more acceptable by visibly endorsing them.



David Hensley
European Director of Consulting, FutureBrand

The Body Shop, for example, has made a competitive advantage out of its principles. Having Body Shop products on your bathroom shelves says that you are a person who is concerned about the world. The corporate endorsement of The Body Shop on the soap or shaving cream guarantees that it has been manufactured to the best sustainable principles. The Body Shop ensures that third parties audit all their supply chains to ensure that suppliers uphold sustainability.

Tuna is marked 'Dolphin Safe' to show that it has been produced by acceptable forms of fishing. Paper goods are marked to show that they have come from 'Sustainable Forests'. As they are important to some consumers, products that cannot or do not show these marks are limiting their potential markets. They will therefore sell less, lose economies of scale and so suffer increased costs.

In today's difficult economic circumstances, sustainability might look like a 'nice-to-have' attribute. But the downturn means that few companies can afford to risk alienating their potential market.

So how should brands communicate their sustainability principles? Should all corporate and product brands rush to advertise their social consciences? Well, they certainly need to get their values in front of consumers in more dynamic media than the corporate web-site. But brands that talk about nothing else risk being seen as "nice but dull."

We worked extensively with Saudi Aramco, developing its brand and new visual language which is visible on oil production and storage facilities, trucks, planes, literature and advertising. We were fascinated to hear how it had developed a 600-acre evaporation lake for waste water.

This not only created a much more environmentally friendly way of treating waste water, but also attracted more than a dozen new bird species previously unknown in Saudi Arabia – giving the country a richer bird life than any other part of the Middle East. This example of sustainability does not form part of its livery, but undoubtedly strengthens the brand.

Du Pont is another company that has actively promoted sustainability. Historically it was a traditional, smokestack chemical company but in recent years the business has transformed itself into a truly innovative provider of value adding technologies and materials, such as GoreTex.

As a result, the brand's positioning is 'the miracles of science'. This is reinforced by the advertising campaign developed by McCann-Erickson which focuses on a '**to-do list for the planet**' and clearly positions Du Pont at the heart of the sustainability agenda.

Sustainability is clearly an important issue for consumers but how can companies promote and encourage sustainable consumption? The Environmental Programme of the United Nations (UNEP) has launched an Advertising and Communication Forum to help find the answers.

Communication for **a better world**

UNEP's Sustainable Consumption Programme aims to create space for consumption for those most in need and at the same time improve environmental outcomes. This means that more efficient consumption is needed especially in the developed countries using fewer resources and causing less pollution. "Doing more with less." Its main activities are to:

- **Inform** (consumer trends, life cycle assessment, indicators)
- **Inspire** (eco-design, product and service systems, assisting governments in implementing policies)
- **Communicate** (advertising, training, education).

United Nations Secretary General, Kofi Annan, at the 1999 World Economic Forum in Davos, said that there should be a closer and mutually supportive partnership between the UN and the private sector to defend humanitarian values, working together in a "global compact of shared values and principles in three key areas: human rights, labour standards and environmental practice."

At the UN Commission on Sustainable Development (CSD) Rio+5 Earth Summit, governments were recommended "to encourage business, the media, advertising and marketing sectors to help shape sustainable consumption patterns."

Building on these strong political signals, the Environmental Programme of the United Nations (UNEP) launched an Advertising and Communication Forum to answer this key question: "How to best communicate to promote sustainable consumption and production patterns?"

UNEP has considerable expertise and experience in promoting cleaner production and sustainable consumption. However, it definitely needs the creative talent and communication skills of the advertising sector to help achieve its goals.



Bas de Leeuw
Coordinator UNEP Sustainable
Consumption Programme

Solange Montillaud-Joyel
UNEP Project Coordinator

Jelly Helm, former Senior Vice President,
The Martin Agency

*"It's unrealistic to think advertising will start a revolution.
Advertising isn't meant to set social policy.
But advertising is very effective at listening
and reacting to public will."*

*And the public seems to be catching on to the costs
of our extreme patterns of over-consumption."*

The Advertising and Communication Forum aims to:

- Raise awareness of the advertising industry on environmental and sustainability issues
- Establish a platform for dialogue with other stakeholders: consumer organisations, industry and governments
- Share information

The World's sustainability action plan, adopted in 1992, Agenda 21, identifies the consumption and production patterns of developed countries as generally unsustainable and as the major causes of global environmental deterioration. It calls for all countries to promote sustainable consumption patterns and for developed countries to take the lead.

This awareness about the need to shift to more sustainable patterns of consumption comes from a global degradation of the Earth's resources in the past decades and an increasing inequity between developed and developing countries.

Earth's resources are suffering

In developed countries the issue of "sufficiency" needs to be addressed. How best to move from consumption patterns based on quantitative values ("more is always better") to enlightened consumption based on qualitative values ("quality over quantity")? In the developing world, the first priority is poverty alleviation. More than one billion people live on less than \$US1 a day. Basic resources such as water and energy are often used very inefficiently by those who are most impoverished, simply because they do not have the means to act differently.

This problem needs to be addressed by governments through international cooperation. It is also important for the wealthier part of the population in rapidly industrialising countries to be made aware of the environmental implications of its consumption choices.



... and I think to myself what a wonderful world

UNEP's policy response

UNEP has three key roles to play:

- Understand environmental challenges
- Identify solutions through international agreements and voluntary initiatives
- Empower change

To fulfil these roles, UNEP Division of Technology, Industry and Economics (DTIE) has developed several responses that include:

- The integration of environmental considerations in mainstream decision making
- The promotion of a life cycle economy
- Knowledge building and sharing of information
- Economic incentives
- Voluntary initiatives

Communication is key for success

The advertising sector plays a role in influencing consumption patterns by representing a link between producers and consumers. It is widely known to have creative talents and expertise. Such creativity is needed to translate the concept of sustainable consumption/lifestyle into different images to promote a product or service.

Response of business and advertising

Producers, who have to meet consumer needs effectively and in a sustainable manner first explore what consumers want. Many surveys indicate that consumers are increasingly interested in "the world beyond" the product they buy. They may not all take action, but the underlying trend is clear. And this holds true world-wide. Examples of UNEP trend studies are "The Global Consumer Class" and "Is the Future Yours?" (to be found on UNEP's website: www.uneptie.org/sustain).

William Ford, Chairman of the Ford Motor Company:

"What does social responsibility have to do with shareholder value? A lot today and even more tomorrow ... In every market we tested around the world, people strongly and universally were demanding corporate responsibility – especially young people."

It is true **we cannot expect a revolutionary change in advertising without a revolutionary change in business**. This has already begun. Some companies have adopted an environmental ethic as a core corporate value throughout the organisation. Companies who take this route are also less likely to be accused of "green-washing" by corporate watchdog groups.

But as **Tom Delfgaahuw**, Vice President for Sustainable Development, Shell International, explains, the corporate trend is on the rise.

"The number of companies that are actually promoting sustainable development in an operational way is still quite limited, but at conferences, industry association and business networks, I observe a visible interest building up. I'm convinced that within the next two years, we'll see a major wave of companies spending time on this and clamouring for consultants' time," he says.

Many corporates have recognised the importance of building sustainability into business practices.

As **Niall FitzGerald**, Co-Chairman of Unilever said:

"Sustainability is here to stay or we may not be."

Building a forum for dialogue

After several expert meetings, various workshops (in Paris, Hanover, Berlin and Pattaya, Nairobi, Kuala Lumpur and Sao Paulo) and the presentation of its activities on advertising in professional events – including the Annual Conference of the EACA in Johannesburg in 2000 – UNEP has established an Advisory Committee and is facilitating a Forum on Advertising and Communication to promote sustainability.

Over the coming years, this Forum is expected to deliver a better insight into consumer behaviour and on how to effectively communicate sustainable messages. This is expected to be worthwhile not only for UNEP but also for all governments. And ultimately for everyone.

SC.net

SC.net is UNEP's monthly Internet based newsletter with updates on developments in sustainable consumption policies and activities for governments, business and NGOs all around the world. URL: www.uneptie.org/pc/sustain/sc-net/sc-net.htm

For more information: sc@unep.fr

Case studies proof that sustainability can sell



DuPont: To do list for the planet

How do you reinvent a 200 year-old chemical company in the eyes of key influencers? Reposition it as a Science Company.

DuPont's reputation is based on its expertise in the chemical industry. However, through extensive research, we discovered that most people, including investors, customers, consumers and even its employees didn't fully understand what the company did, or how affected people's daily lives.

The goal was to change the perception of DuPont as just another chemical company and position it as a forward thinking science company, moving the brand from 'Better living through chemistry' to 'Miracles of Science'. As DuPont's product line is very diverse, we wanted to highlight its accomplishments so we produced a 'To Do List for the Planet' – showing what DuPont is, what it has achieved and what it will do in the future.

The 'To Do List' campaign helped to point the whole corporation in a positive direction and to revive, inspire and re-focus its workforce. The overall brand perception was broadened and Dupont is no longer seen as an old fashioned smokestack company but as a leading force in the dynamic world of life science, providing a platform for future growth and development.

How MasterCard harnessed new consumer values

By the-mid 1990's MasterCard was seeking a way forward for the brand. In both perceptual and business terms it was weakly positioned against Amex and Visa didn't emotionally connect with consumers.

We realised that the leading credit card brands were locked in a 1980s time warp of conspicuous consumption at a time when there was a widespread consumer shift away from materialism.

These brands stood for rich lifestyles in a world where consumers were increasingly looking to enrich their lives. In a very real sense, credit cards were in danger of becoming yesterday's status symbol, representing outdated values and behaviour.

Our strategy was to create a new provenance for MasterCard and to anchor the brand in a newly emerging set of values that would resonate in every market.

McCann-Erickson created the 'Priceless' campaign for MasterCard which ran in over 30 countries. The core brand message – "There are some things that money can't buy. For everything else there is Mastercard" reflected more responsible attitudes towards consumer spending, indirectly endorsed more sustainable consumption and differentiated the brand from the competition.

MasterCard does not sell sustainability but it recognises that responsible consumption can have global consumer appeal and it embraces that as a persuasive point of difference. How persuasive? Well the campaign received a Gold Euro Effie for advertising effectiveness in 2001.

IKEA recycles Christmas trees

IKEA is at the forefront of efforts by the furniture industry to encourage a sustainable approach to furniture manufacturing and retailing. The firm has removed PVC from almost all of its products, pioneered the use of energy efficient light bulbs and is a leading member of the Forestry Stewardship Council. Last Christmas Weber Shandwick helped IKEA communicate the launch of its Christmas tree recycling scheme. This was designed to reduce waste after the festive season and position IKEA as an environmentally responsible company and a partner for Government in the effort to provide solutions to environmental problems.

The company recycled trees at its 10 stores around the country. Customers who bought £6 trees from IKEA received a £5 gift voucher to spend in store when they returned the tree to be recycled. IKEA also recycled, free of charge, Christmas trees bought from other retailers.

Weber Shandwick worked closely with officials at the Department for Environment, Transport and the Regions to secure Government support for the scheme. Government Ministers highlighted the scheme as a way in which the public could do their bit to minimise waste after Christmas. The exercise secured wide-ranging and universally positive coverage.

The motor industry shows that good things come in small packages

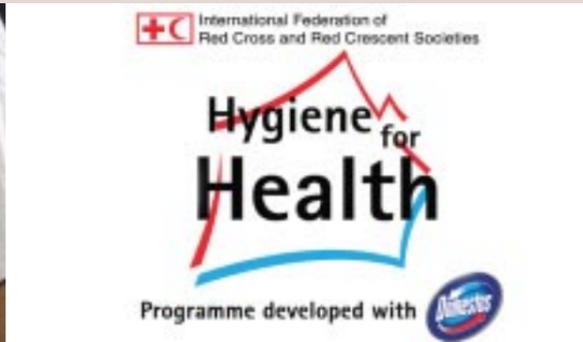
Consumer demand for more economical and longer-lasting cars, is not a new phenomenon. Since Sir Alex Issigonis' creation of the Mini in 1959, the small car sector has grown substantially.

The introduction of a host of brands including the VW Polo, the Ford Fiesta and the Nissan Micra has reflected our changing lifestyles and the need for compact, affordable, convenient cars for nipping about town or picking the kids up from school.

But consumers are not prepared to compromise on functional and emotional benefits such as performance, space, safety, speed, prestige, style and the need to be kinder to the environment. Car manufacturers have had to address these issues at every stage of development in car design and technology and communicate that small cars do satisfy big consumer demands.

In the past, consumers wanted bigger, faster cars but astute advertising has helped to enhance the desirability of smaller, more sustainable models.

Campaigns like that for Opel Agila recognise and exploit consumer reservations about small cars and position the product as an intelligent solution. The Renault Clio 'Size Matters' campaign which ran in the UK, didn't overtly entice consumers away from larger car types, but it did communicate the fact that the Clio not only satisfies rational demands for economy and convenience but is also so much more chic than gas-guzzling larger models and is the smart choice for discerning consumers. The inescapable move towards more sustainable cars was confirmed when Mercedes launched the A series, finally putting prestige into a category which already boasted style, performance, utility and safety.



Turin connects with the World Wide Web of Life

In November 2000 the Province of Turin was chosen by UNEP, the United Nations Environment Programme, to host World Environment Day 2001.

Taking the theme, **'Connect with the World Wide Web of Life'**, the Province organised a number of events linking mankind's development and ultimate survival with the delicate balance of the natural world. Turin also hosted UNEP's official events for the day.

Events organised locally included: the Biennial International Eco-Efficiency Fair, a Conference of the President of the Italian Regions and various street events, which included a street 'party', a video retrospective on environmental topics and an exhibition of art installations made of recycled materials.

UNEP's events included the launch of the Millennium Ecosystem Assessment (a global study on the state of the world's ecosystem); the launch of the Global e-Sustainability Initiative (an initiative to improve the global environment and support sustainable development).

The organisation also hosted a Global 500 Awards Ceremony in which UNEP assigned awards to individuals and organisations which have made outstanding contributions to the protection of the environment.

Weber Shandwick in Italy planned and implemented a public relations campaign around these activities. This included identifying opinion leaders, producing information and promotional materials, and developing a comprehensive media relations campaign.

As a result of an agreement reached with the National Soccer League on 24 May all players from the 'Series A' and 'Series B' championship wore a World Environment Day

T-shirt. The occasion generated extensive media coverage with the players shown on all major sport programmes. WSW briefed the anchormen of the major sport programmes about World Environment Day and the reason why the players were wearing the T-shirts.

Licia Colò, famous as one of Italy's most environmentally-committed TV presenters, presented the Global 500 Awards Ceremony. Almost 1000 people attended the event in Turin.

Beppe Grillo, a famous Italian comedian, performed during one of the street events. The event attracted thousands of people and received wide media coverage.

Around 300 articles and features and 90 pieces of news footage was generated in the space of four months.

UNILEVER

Unilever is one of Weber Shandwick's oldest and largest clients – we have worked for the company and its brands in the UK for over 10 years. We have been involved in several sustainability projects including The Red Cross/ Domestos Alliance, production of a tablet detergents brochure and the "Fish Forever" campaign.

Red Cross/ Domestic Alliance

Weber Shandwick is currently facilitating a three year alliance between Unilever's Domestos brand and the International Federation of Red Cross and Red Crescent Societies. This is the international co-ordination of an alliance focusing on the issues of health and hygiene. The alliance will help both organisations in their common objective of highlighting hygiene and health care in local communities.

We have played a key role in organising the alliance between Unilever and the Red Cross. We developed and facilitated the concept, generating ideas, brokering the relationship between Unilever and the Red Cross and developing the pilot template. We are now involved in refining marketing and visual identity guidelines, co-ordination of market research, providing assistance to participating countries, sharing good practice, providing recommendations for roll out and helping new countries develop the campaign and selling in the concept within Unilever and the Red Cross.

Tablet Detergents – Towards a more sustainable future

Unilever launched a new format in 1998 – detergent tablets. In June 2000, we worked with Unilever to produce a report 'Tablet Detergents – Towards a more Sustainable Future'. This demonstrated Unilever's commitment to continuous improvement in environmental performance in all their activities.

The report shows how Unilever is working with others to minimise adverse environmental impacts and highlights the contribution of detergent tablets to the environment. It details how Unilever uses 'Life Cycle Assessment' - an environmental management tool for evaluating potential effects a product has on the environment.

We produced the text for the report and also developed supporting documentation such as extensive question and answer and a table highlighting potential target audiences for the brochure which included academics, UK political parties, local government and environmental officers. We also produced a proposal on how to exploit the report, detailing ideas such as conferences and seminars, direct mail campaigns and media relations. On a pan-European level, Weber Shandwick produced recommendations for the exploitation of the tablets report among opinion formers across Europe highlighting target audiences, launch plans and other events.

In summary

McCann-Erickson WorldGroup

McCann-Erickson WorldGroup is comprised of best-in-class specialist global marketing communications companies. These companies are united by a shared culture of leadership, creativity and accountability and a shared commitment to collaborative solutions, achieved through a set of common operating principles and strategic processes. Launched in late 1997, the WorldGroup has expanded rapidly to become the world's leading networked marketing communications group, now working with more than 25 key worldwide clients in three or more disciplines.

The WorldGroup now includes McCann-Erickson Advertising, MRM Partners – relationship marketing, Momentum – experiential marketing and sales promotion, FutureBrand – brand development and design, Zentropy Partners – digital marketing, Torre Lazur Healthcare, Universal McCann – media planning and buying, and Weber Shandwick – public relations.

About the UNEP Division of Technology, Industry and Economics

The mission of the UNEP Division of Technology, Industry and Economics (UNEP DTIE) is to help decision-makers in government, local authorities, and industry develop and adopt policies and practices that:

- are cleaner and safer;
- make efficient use of natural resources;
- ensure adequate management of chemicals;
- incorporate environmental costs;
- reduce pollution and risks for humans and the environment.

The UNEP Division of Technology, Industry and Economics (UNEP DTIE), with its head office in Paris, is composed of one centre and four units:

The International Environmental Technology Centre (Osaka), Production and Consumption (Paris), Chemicals (Geneva), Energy and OzonAction (Paris), Economics and Trade (Geneva).

UNEP DTIE activities focus on raising awareness, improving the transfer of information, building capacity, fostering technology co-operation, partnerships and transfer, improving understanding of environmental impacts of trade issues, promoting integration of environmental considerations into economic policies, and catalysing global chemical safety.

UNEP DTIE functions as a catalyst to bring industry, government and non-governmental organisations together to work towards environmentally sound forms of industrial development and promote sustainability.

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