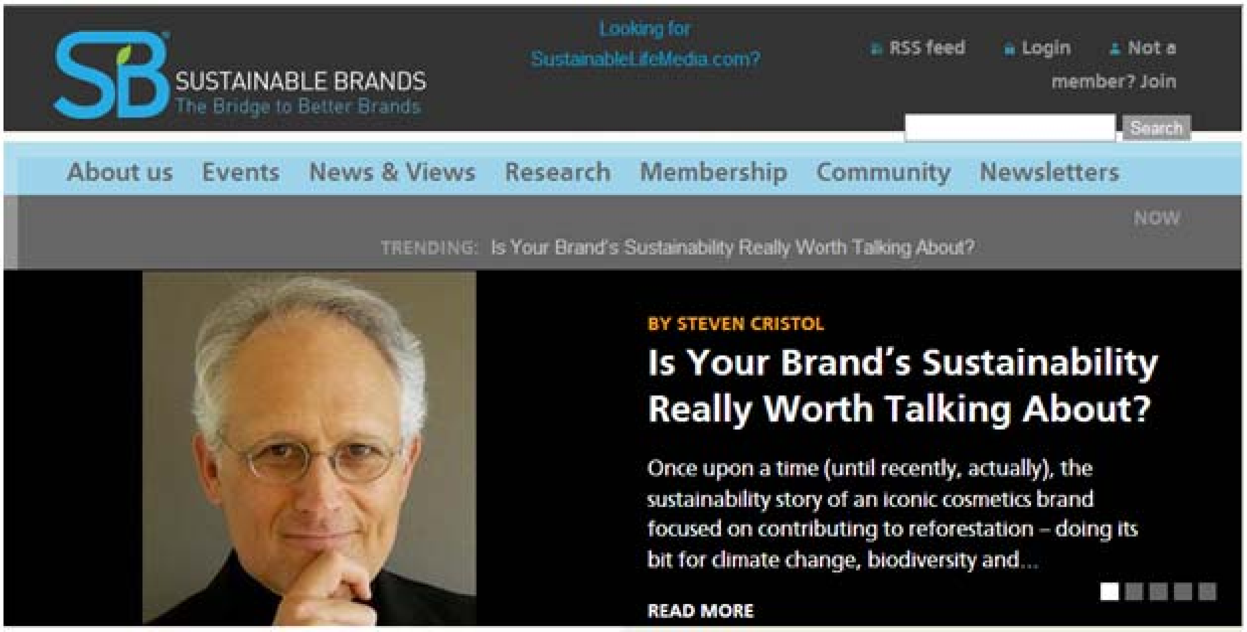

Is Your Brand's Sustainability Really Worth Talking About?

by Steven Cristol |

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Once upon a time (until recently, actually), the sustainability story of an iconic cosmetics brand focused on contributing to reforestation – doing its bit for climate change, biodiversity and cleaner water. This brand said little about what it was doing to reduce toxins in its products or source and manufacture those products more sustainably. (Not that much, it turned out.) This despite the fact that the overwhelming majority of most product companies' environmental footprint is, of course, in the products themselves. To savvier consumers, investors and employees, the reforestation story was the equivalent of a deflecting nervous laugh trying to divert attention from the brand's core sustainability reality.

Over time, every company's sustainability ROI boils down to just two things: reality and perception. From atop the growing mountain of evidence, we've already seen that sustainability reality, done right, reduces costs and risks while driving innovation and product appeal. Meanwhile, each year sustainability perceptions have a larger impact on brand equity and its attendant revenue, pricing power, and customer and stakeholder loyalty. Regardless of how you tell your sustainability story in an increasingly transparent world, whether brand impact will be positive or negative is utterly dependent on your sustainability reality. So as communicators, every day we have to ask if our sustainability performance – not just professed values or stated corporate commitments – is actually worth talking about.

Whose job is it, anyway?

It's critical to get very clear on what part of achieving your brand's desired sustainability perceptions is up to Marketing/Corporate Communications and what part is up to product development. Is your sustainability reality weaker than the story you're telling, or is it actually stronger?

If perceptions lag reality as they do for many brands (Dow, L'Oreal, Merck, Nokia, Shell among them), there is uncaptured ROI in unrealized brand equity. That's up to communicators to fix, staying current on the brand's legitimate sustainability proof points and weaving them into an appropriate and powerful tapestry. But when reality is weaker than the story (the more common scenario; you know who you are), reality is your ceiling for how compelling your sustainability communication can be without significant greenwashing exposure. In product companies, it's up to product development, supply chain, and product lifecycle managers to raise that ceiling.

In that context, the big problem is that CMO's/corporate brand stewards seldom have a seat at the table when product design and development decisions are being made. How can CMO's be accountable for brand health when sustainability perceptions will be largely determined by product content, sourcing, manufacture, packaging, distribution, use, and disposal/re-use?

Yet that doesn't mean just accepting the hand we're dealt. It means we must persistently and urgently ask the executives responsible for product development decisions "What more can we do to ensure that sustainability criteria are *systematically* encountered when product ideas/improvements are being evaluated for development?"

This requires ensuring that product sustainability is not a segregated assessment, but that preliminary assessments are *integrated* with other non-sustainability criteria impacting customer appeal – and always occur early enough in the development decision cycle to prevent investments that diminish or even cripple your sustainability reality.

What's a brand steward to do?

1. *Know where you stand.* In the absence of sustainability-focused primary research designed to assess where you are today on sustainability reality vs. perception, reports like those linked above (from Interbrand and BrandLogic) are useful inputs. If your brand is not included in such reports, you may need to undertake primary research or at least piece together other secondary research with whatever you already have.

2. *Define communication objectives calibrated to what degree your sustainability reality is truly worth talking about.* If your reality is stronger than your perception, portray that reality aggressively and compellingly to meet those objectives. If it's weaker, urge your senior executive leadership team to keep up the pressure on reality with systematic, integrated sustainability assessments in your product development pipeline – before product development projects are approved.

3. *Ensure that your perception monitoring mechanisms do all they can to gauge whether your story is going far enough so that you don't leave unrealized brand equity on the table, but not so far that it greenwashes.* Savvier customers are already punishing brands that selectively tout the good part of their story while burying the bad. The transparency imperative will keep increasing the pressure on your reality.

Just to be clear, I think contributions to reforestation are great. But when products companies give short shrift to the harder part, they can punish their brands (and brand communicators) as much as the environment.

Steven Cristol is founder of Strategic Harmony® Partners and has advised some of the world's most innovative companies on brand strategy and product strategy. He holds a patent for the first decision model and process for optimizing product development portfolios to build brand equity, and his current work includes advancing integration of sustainability into product development portfolio management. Steven's marketing books for Free Press and McGraw-Hill have been published in 11 languages.