

the sustainability + branding survey

February 2011

themes: authenticity, transparency & hold the greenwash

Should the practice of branding be different for an organization striving to become sustainable? According to the new **Sustainability + Branding Survey**, businesspeople committed to sustainability are divided: 53% said no, 47% said yes.

Branding is branding, said nearly 40% of the respondents, who believe the practice of branding should be the same – regardless of whether a business is on the sustainability path. Of those who believe the practice should be different, nearly a quarter believe branding needs to place a greater emphasis on authenticity, honesty and “walking the talk” and 20% believe branding must be approached as part of a comprehensive, company-wide effort to be sustainable.

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key findings:

83% say the sustainable development movement is gaining momentum and will play a bigger or much bigger role in the next five years in the U.S. economy.

78% say it is a “greater sin” for a business to fall far short in delivering on its sustainability promises than it is to make no claim or effort to be sustainable but otherwise keep its promises.

73% say sustainability investments yield positive returns; only 19% say returns come in less than three years.

63% say brand and 59% say sustainability is of primary importance to their organization’s success.

53% say the practice of branding should not be different for companies striving to become sustainable.

47% advise firms that are branding more sustainable products to “walk their talk.”

A theme of honesty, authenticity, transparency and keeping your promises emerged elsewhere in the survey. In response to multiple open-ended questions, respondents consistently cited the business practice they most want to eliminate: greenwashing. **One respondent's unvarnished advice epitomized the prevailing sentiment: "Walk the walk or keep your mouth shut."**

This loathing for greenwashing was further demonstrated when 78% of respondents said it's a "greater sin" for a business to make an effort to become more sustainable but allow its publicized promises on sustainability to far exceed its actual practices. Only 22% said it's a greater sin for a company to make no claim or effort to become sustainable but otherwise deliver on all of its promises.

To keep their word on sustainability, businesses are advised by their peers in the survey to build a solid foundation of sustainable business practices and to accurately measure and verify their progress (preferably by a third party). **What that means for the branding of business sustainability, says one respondent, is "get your act together before putting it on the road."**

Greenwashing aside, survey participants were generally in a good mood regarding sustainability – despite an unstable world economy and recent election outcomes that resulted in a more conservative Congress. **More than four out of five believe the sustainability movement is gaining momentum and will play a bigger or much bigger role in the U.S. economy over the next five years.** And more than two out of three respondents say interest in sustainable products and services is on the rise among their customers.

The Sustainable Branding Collaborative (Portland, Oregon) conducted the **Sustainability + Branding Survey** with three objectives in mind:

1. Gauge opinion on how branding should be conducted among organizations striving to become sustainable;
2. Validate the Collaborative's multi-disciplinary branding methodology;
3. Measure opinion on the current state of sustainability.

The survey gathered responses from 291 innovators and early adopters in the sustainable business movement. The Sustainable Branding Collaborative in cooperation with Sustainable Industries (San Francisco) conducted the survey November 10-17, 2010.

featured results:

areas for improvement in branding

By asking respondents to rate the importance of nine branding practice items to their organization and their performance of each, we learned the audience's greatest needs for improvement:

The practices considered **most important** were:

- 1 *Delivering a consistent message*
- 2 *Enabling consistently positive customer experiences*
- 3 *Establishing competitive distinction and customer relevance*

The practices performed **least effectively** were:

- 1 *Measuring brand awareness, loyalty or value*
- 2 *Ensuring every stakeholder experience is aligned with the organization's brand promise*
- 3 *Training employees on how to fulfill the organization's brand promise*

most
important

least
effective

help needed

Comparing performance versus importance of key branding practices indicates that respondents' self-judged **top areas for improvement** in their organizations are:



The gap analysis measures the difference between importance and performance ratings for nine branding practices on a ten-point scale. The largest gaps reveal the branding practices that most need improvement.

conclusion

Step one in creating a brand within the context of sustainability is measuring and understanding the perspectives of key stakeholders. Training employees on how to consistently fulfill the brand promise in all stakeholder interactions provides the message-action alignment needed to achieve real authenticity.

actions speak louder

Be honest, authentic, transparent and, whatever you do, don't greenwash! That was the unmistakable takeaway from respondents when asked in an open-ended question for their advice for organizations that are branding products and services as more sustainable. Respondents advised others to let their company actions lead their communications by building a solid foundation of sustainability practices; measuring and reporting progress; and using third-party certification to validate their claims.

top five take-aways

The top five **pieces of advice** for companies branding more sustainable products and services:

- 1 *Be honest, be authentic, "walk your talk"*
- 2 *Build a solid sustainability foundation**
- 3 *Measure, verify and certify sustainability claims*
- 4 *Be transparent*
- 5 *Internalize sustainability before branding externally*

* Respondents advise using methods such as The Natural Step Framework, whole systems thinking, and triple bottom line accounting.

conclusion

Branding is often associated with the making and marketing of an image. Businesses serious about sustainability should let their image grow naturally from an authentic commitment to sustainability, verifiable actions, and transparent accountability first and marketing communications second.

"Match your actions with your branding. Be clear on what sustainability is for your organization – do things 'exactly' as you portray and do what you say, say what you do."

survey response

branding is branding – or is it?

Respondents were asked: Do you believe the practice of branding – creating and maintaining a brand – should be different for an organization that is striving to become sustainable? The question produced one of the survey's most even splits: 53% said no, 47% said yes.

The split response demonstrates a lack of consensus about the relationship between sustainability and branding practices in business. About half said all companies should follow what today is a generally understood and established process for branding. The other half emphasized the need for additional branding considerations for companies striving to be sustainable. These include environmental and social impacts within the company's supply chain and distribution channels that have the ability to enhance or damage the firm's reputation and brand.

The leading reasons given for why **branding should be the same** regardless of whether the business or product is considered sustainable were:

- 1 *The branding process is the same, no matter what's being branded*
- 2 *Products should be sustainable, not the brands*
- 3 *Branding principles such as honesty and transparency are necessary regardless of the level of sustainability*
- 4 *The brand is your promise and the company's behavior is inherent within it*

“Sustainable companies should include their social responsibility as part of their brand, but that doesn't change the practice of branding.”

survey
response

The top reasons cited by those who said yes, **branding should be different** were:

- 1 *Sustainable organizations need to be more authentic and better at “walking the talk”*
- 2 *Branding needs to be more comprehensive by taking into consideration the whole product life cycle – both upstream materials acquisition as well as downstream use, distribution and disposal*
- 3 *Sustainability values must be visible in the brand and must be demonstrated in the practices of the business*
- 4 *Sustainability advantages should be stressed like any other competitive advantage*

“If you are striving to be more sustainable, your actions need to demonstrate that in everything you do, which means new ways of thinking about branding.”

survey
response

No matter how you go about branding your business or product, the values of honesty, transparency and keeping your promises are paramount. You may believe traditional branding methods enable these values to be built into the brand. Or you may believe new branding approaches are needed to ensure the brand walks it talk. Either way, be advised to do what you say.

branding =
same

branding =
different

conclusion

improving sustainability performance

most important

Among thirteen different sustainability practices, respondents rated the following three sustainability practices as **most important**:

- 1 *Reducing environmental impacts (air, water, waste)*
- 2 *Promoting a sustainable image*
- 3 *Selling more sustainable products and services*

“Every claim and commitment must be backed by factual data that is measurable and verifiable. Marketing must avoid the sins of greenwashing.”

survey response

least effective

They rated their organization’s performance as **least effective** in:

- 1 *Measuring social impacts*
- 2 *Greening distribution channels*
- 3 *Greening the supply chain*
- 4 *Measuring environmental impacts*

“Independent third-party verification of claims based on testing by accredited laboratories and agencies is critical to brand credibility – the public is understandably very jaded.”

survey response

help needed

The differences between perceived importance and organizational effectiveness underscored the following **performance gaps** among respondent organizations:



The gap analysis measures the difference between importance and performance ratings for thirteen sustainability practices on a ten-point scale. The largest gaps reveal the branding practices that most need improvement.

conclusion

Integral to “walking your talk” as a sustainable brand is knowing your company’s environmental and social impacts. Even leaders in sustainable business represented in this survey see their organizations falling short on measurement. Every business seeking a reputation for sustainability can benefit from a complete, accurate understanding of its impacts, both positive and negative. Further study may reveal whether the gap in measurement can be closed by making measurement a higher priority and by making it easier to gauge environmental and social performance.

benefits of sustainability investments

Respondents said the **biggest financial benefit** for investing in sustainability is cost savings (36%), followed by increased market value of their organizations from an enhanced reputation (33%). Only 15% viewed increased sales leading to higher profits as the greatest financial benefit. A full 73% said sustainability investments yield positive returns, but only 19% say they come in less than three years. More respondents (84%) at the largest organizations (more than 1,000 employees) claimed sustainability investments yielded a positive return on investment than those at smaller organizations (71%).

Financial investments in sustainability should deliver environmental and/or social benefits AND a positive ROI over a reasonable period of time.

conclusion

sustainability still going strong

An overwhelming number of respondents (83%) believe the sustainability movement is still gaining momentum. This registered as one of the survey's most surprising results, given the dampening effects of the long-struggling U.S. economy and stalled federal policies.

The reasons cited most often for the **continued momentum** include:

- 1 *Growth in consumer awareness and understanding of sustainability has led to a growing market for sustainable businesses, products and services*
- 2 *More businesses are taking sustainability seriously, including large, prominent retailers like Walmart*
- 3 *Sustainable products and services continue to improve*

Among the much-smaller group that took a less sanguine perspective, the top reasons for **lost momentum** in sustainability are:

- 1 *Politics at the federal level, specifically efforts by the GOP, along with Big Oil, to thwart sustainability efforts*
- 2 *The market still doesn't understand the need for sustainability*
- 3 *The recessionary economy is overshadowing sustainability*

The innovators and early adopters in sustainability, as represented in this survey, have not lost faith in the sustainability movement. If anything, they see its impact growing. That conviction and optimism bodes well for continued progress in the spread of sustainable business practices.

still chugging

losing steam

conclusion

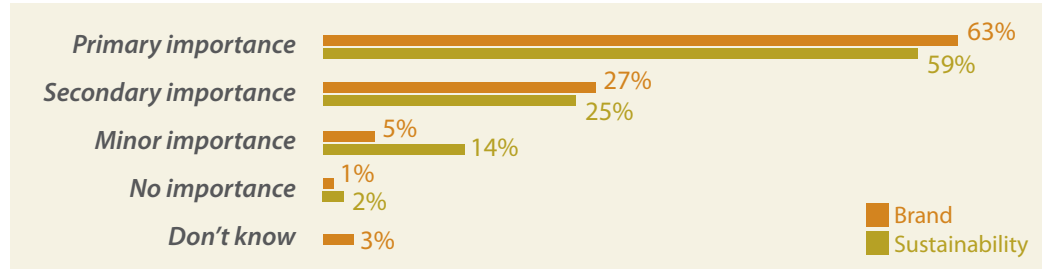
“Sustainability is becoming less of a fad and more mainstream. So it may feel like it’s losing momentum, but it’s actually just less of a movement with a capital M.”

survey response

brand and sustainability key to success

The survey asked respondents to state the relative **importance of sustainability and their brand to the success of their organizations**. In both cases, a strong majority viewed them to be of primary importance.

mission critical



The audience was especially clear about the importance of branding overall. When asked for their perception of branding itself, respondents were unequivocal in their views that branding is: 1) suitable for organizations that value sustainability and authenticity, regardless of size, and 2) not simply a luxury for better times.

conclusion

Even among sustainability advocates, as represented in this survey, brand slightly eclipses sustainability in importance. And the practice of branding is seen as essentially independent of a company's sustainability values or size or a bad economy. In other words, brand building isn't a dubious activity to be left to the unsustainable in business.

behind the survey

sustainable branding [collaborative]

building valued brands

The Sustainable Branding Collaborative, based in Portland, Oregon, helps companies realize their full potential as authentic sustainable brands. Created by and for sustainability leaders, the Collaborative employs a comprehensive and distinctive approach to branding. We integrate branding, sustainability, and employee engagement practices grounded on market research to help organizations walk their talk, prevent greenwashing, deliver a compelling message and enable consistently positive customer experiences. We're a different kind of branding practice for a different kind of business – partners on the journey to a sustainable future. Get in touch to find out how your organization stacks up.

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