THE BASICS OF BRANDING & MARKETING

A GUIDE FOR SUSTAINABILITY PROFESSIONALS INTERESTED IN ENGAGING MARKETING & BRANDING DEPARTMENTS

The Sustainable Food Lab

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INTRODUCTION

It is generally agreed that a strong brand can be a valuable asset, yielding sales and profits over what would be achieved by a similar, generic product, and that marketing plays an important role in creating that value through its influence on consumer behavior. However, to the outsider branding and the practice of marketing can seem complex, obscure, and sometimes faddish. In part, that is because, unlike the physical sciences, some of the basic principles have yet to be fully understood and agreed.

MARKETING IS AN EVOLVING PRACTICE

Marketing has been practiced in one form or another for millennia, but only evolved to influence mass-market consumer behavior following the Industrial Revolution. Since then, the practice has continued to evolve in response to changes in culture, media, and technology. The advent of TV and then the Internet have marked dramatic transitions in the practice of marketing, and marketers are still trying to figure out best practices in a digital world. Marketing theory has evolved in parallel, seeking to codify the principles and practices of marketing and drawing on other areas of study such as behavioral economics and neuroscience.

SUFFERING FROM A LACK OF CONSISTENCY

Today, there is still debate in both professional and academic circles as to how marketing really works, and, unlike science or the law, the language of marketing is often ill-defined and open to interpretation. As a result, practitioners are free to create their own paradigm of how marketing works and what marketing activities will be most effective.

To better manage the marketing process, many large companies have implemented their own marketing frameworks, practices, and protocols. However, while these frameworks may share many commonalities, they often differ in terms of execution and terminology, which makes it even harder to the outsider to figure out what marketers are talking about.

THE OBJECTIVE OF THIS DOCUMENT

This document attempts to clarify the basic principles of branding and marketing as practiced today, exploring commonly used marketing concepts and terminology, and show how sustainability initiatives might fit with those activities.

The basic assumption adopted throughout the review is that we are dealing with a for-profit company that will prioritize sustainability only if it helps generate stronger sales growth, yields better margins, or mitigates a downside risk to sales. Many marketers might desire to be seen to make a positive difference in the world but will be limited by the basic financial objectives of the company for which they work.

BRANDING

WHAT IS A BRAND?

There are two sides to any brand:

1. The tangible assets that the brand owner controls, including the product or products, the design, customer service, marketing communications, packaging, brand name and logo. Depending on the nature of the company, the brand could be synonymous with the company or applied to a specific product offered by that company.
2. The intangible value created by the brand for potential buyers, which makes them more likely to choose the brand and pay the price asked. That consumer value rests in the associations, expectations and emotions created by indirect learning, e.g., through word of mouth or advertising, and direct consumption experience. In other words, the brand is how people perceive and interpret everything the company does.

The sustainability initiatives a company pursues will have an influence on its brand(s) provided potential consumers know about them and can readily appreciate the benefits of those activities.

A BRAND'S VALUE RESTS IN THE VALUE IT CREATES FOR BUYERS

By creating value for customers – even if it is only a convenient way to solve a need – brands create value for their owners. People are more likely to choose familiar and desirable brands than unfamiliar ones. They are often willing to pay more money for brands that they find different and desirable.

While there is growing concern over sustainability among the general public, to date only a small minority have proved willing to pay more for a sustainable product. This is in part because the majority of people do not feel sustainability is of immediate and personal relevance (no matter what the scientific evidence). In a recent Kantar survey, 82% of people agreed that when people shop, their mind is on saving money more than saving the planet. However, when a product is priced on a par with alternatives, then sustainable credentials can prove the tipping point in favor of purchase for more people. And as more companies move to make their products and services sustainable, more people are likely to act in favor of the brands they perceive to be doing the right thing for the planet.

Today, brands are often included as an asset on the balance sheet, and companies will seek to quantify that value, particularly when contemplating the sale or acquisition of a specific brand. However, separating the tangible and intangible value of a brand is a complex and often judgmental process. Companies like Interbrand, Kantar, and Brand Finance have created third party brand valuation systems, which provide a useful and accessible means of judging a brand's value, but of necessity these systems are relatively simplistic and rely on different data sets, which may result in different values being assigned to the same brand.

THERE IS EVIDENCE THAT SUSTAINABILITY IS OF GROWING IMPORTANCE TO BRANDS

The Kantar BrandZ Most Valuable Global Brands 2020 report finds that brands with a high reputation for sustainability are worth more and grow faster than those with a low reputation. And an analysis conducted by the University of Oxford's Saïd Business School, finds that perceptions of environmental, social, and employee responsibility are one of the factors that help drive profit over and above those predicted by standard financial models.

BRANDS ARE RESILIENT

Brand resilience refers to the ability of a brand to resist external shocks that might affect people's willingness to buy a brand. Contrast these two historic examples,

- Between 2009 and 2011, Toyota recalled millions of vehicles in response to complaints over sudden acceleration, including a reported 89 deaths. In 2011, Toyota's market share dropped almost 2 percentage points but recovered most of the loss the following year.
- A decade earlier, Firestone and Ford were involved in a controversy over tire failures and rollovers affecting the Ford Explorer, reported to have resulted in 271 deaths. This cost Bridgestone, owner of the Firestone brand, billions, caused it market price to fall by over half, and resulted in a decline in consumer demand for the Firestone brand.

One of the reasons that Toyota was relatively unscathed, and Firestone was not, is due to the strength of their brands. Toyota had a strong reputation for quality and reliability. By contrast, Firestone was not that well-known or trusted.

Brands often prove to be more resilient than expected. In part this is because unless there is some direct, personal threat, people can easily shrug off or ignore a crisis. Another reason is that it takes time for the downside risk of a crisis to become fully apparent. Even if Toyota owners had decided not to buy that brand again, it might have taken years for them to get round to buying a replacement vehicle, by which time memories of the crisis would have faded. Attitudes to brands are forged over decades and it takes a lot to change them. The biggest risk to a brand is that a competitor innovates first and disrupts the category.

FAILURE TO INNOVATE CREATES BRAND RISK

According to Kantar, 61% of consumers believe sustainability is the responsibility of businesses and producers. Not living up to those expectations poses a risk, particularly if a competitor makes sustainability an advantage for their brand. And brand can suffer when called out over greenwashing. For instance, prior to its diesel emissions scandal, VW had advertised the "greenness" of its diesel vehicles in the USA, likely exacerbating the negative consumer response to the scandal. While the scandal's impact on vehicle sales was largely short-term, the cost to VW in fines and settlements is estimated to have cost over $35 billion, and, according to Kantar BrandZ, VW's brand value dropped by around half and has yet to recover to its 2015 level.

FAILURE TO INNOVATE IS A SUBSTANTIAL RISK TO BRAND VALUE

> As sustainability grows in importance, the risk that another brand will innovate and use sustainability for competitive advantage rises.

Innovator	Laggard	
iPhone	NOKIA	Market value dropped from $150 billion to $7 billion in 7 years
f	myspace	Market value dropped from $12 billion to $35 million in 4 years
method.	CLOROX	Launched Green Works in response, which expanded the category and offset threat

As yet, sustainability has not created substantial brand risk (as opposed to business risk) but with sustainability growing in importance to consumers so too does the risk of not being seen to do the right thing. Many large companies have sought to mitigate that risk by buying small, more sustainable or environmentally friendly companies.

THE IMPORTANCE OF BRAND VARIES BY INDUSTRY

The degree to which a company derives value from its brand will depend on the nature of its industry. Consumer-facing goods like soft drinks are highly dependent on their brand, because they serve a generic need for refreshment and brand choice often comes down to habit and intuitive choices. IT infrastructure companies are far more dependent on their IP and technical expertise than their brand because customer needs are more complex, varied and the purchase process is more deliberative. Unfortunately, businesses engaged in primary resource extraction are probably least reliant on their brand to generate financial value.

MOST MARKETERS ARE SEEKING MARKET SHARE GROWTH

A brand may grow because sales of the category are growing, but overall sales in most categories are flat. In that case, to grow sales, brands must compete for market share – the proportion of total category sales they account for. However, there are two basic classifications of market share: volume and value. The first represents a share of units sold and the second is weighted by price. Importantly, the latter is predictive of profit and brand value.

Given that measuring brand value is a complex and time-consuming business, most marketers default to using market share as a proxy for financial value. However, too often the default is to use volume market share because it is simpler. Unfortunately, this prioritizes unprofitable growth and consumes resources unnecessarily. Companies that want to be more sustainable would do better to focus on growing value market share.

Given the importance of market share to measuring the impact of marketing, it is important to identify how sustainability initiatives might "ladder up" to impact market share, a topic we will discuss later in this document.

BRAND SIZE MATTERS

At a very basic level brands generate sales by being easy to mind, easy to find, and easy to pay. That is, potential buyers must think of the brand when a need arises and the brand is available when and where the buyer wants, and at a price they are willing or able to pay.

This means big brands have inherent advantages over small ones because they are both easy to mind and easy to find. Easy to mind because a big brand is likely to be a habitual or obvious choice for many people, and likely has a big marketing budget help bring in new customers. Easy to find because the brand will be widely available and have more shelf space or stores than the competition. The payoff to being easy to find is that if someone has little idea which brand they want to buy, or the brand they want is unavailable, they will likely go with the most easily available alternative.

New or small brands, on the other hand, are at a disadvantage. Even if they have a great product, one that is demonstrably better than the alternatives, they may not be well-known, and they are unlikely to have widespread distribution. While online recommendation engines, customer reviews, and search have made it easier to find small and niche brands, lack of familiarity will still create a barrier to purchase. Even if someone wants to buy a small brand, they may not be able to find it in the store or want to order online, and default to buying an alternative. Particularly when a small brand is distributed through grocery stores or other third-party retailers, the brand is going to have to first prove that it can generate sales, then it can start to bootstrap its growth by ramping up its marketing spend and availability.

The problem with many sustainable or eco-friendly brands is that they are often priced higher than the mainstream and tend to have smaller market shares, making them both less easy to mind and less easy to find.

MARKETING

MARKETING'S OBJECTIVE IS TO CREATE ADDITIONAL VALUE

The objective of marketing is to create additional consumer value by creating, investing in, and deploying brand assets to build sales and profit, either by creating a lasting desire to choose the brand, or influencing behavior more directly during the purchase process.

MARKETERS GROW VALUE BY GROWING SALES

Most marketers see their primary objective as growing sales, usually by acquiring new customers. Every brand will gain and lose customers over time and marketing's job is to help ensure that the gains outweigh the losses. Additionally, some companies will focus on developing new consumption occasions or reducing price elasticity (making sales less responsive to changes in price, which should help improve profits).

MARKETING AMPLIFIES BRAND VALUE

The effect of marketing is not independent of the brand and product being advertised. As advertising guru David Ogilvy is reputed to have said, "Great marketing only makes a bad product fail faster." What marketing does is amplify what the brand offers and stands for.

Marketing aims to ensure that people will think of the brand when it comes time for them to buy, and by improving the saleability of a brand, marketing helps increase the number of sales than would have been made otherwise.

MARKETING IS A SHARE GAME

Marketing is inherently competitive, a zero-sum game. As noted above, one of the key metrics marketers pay attention to is market share. Market share is based on sales, but depending on the product category and marketing task, brands may also compete for share of wallet, e.g., a proportion of someone's disposable income, share of throat, e.g., the proportion of total beverage consumption, or share of occasion, e.g., the proportion of breakfast sales.

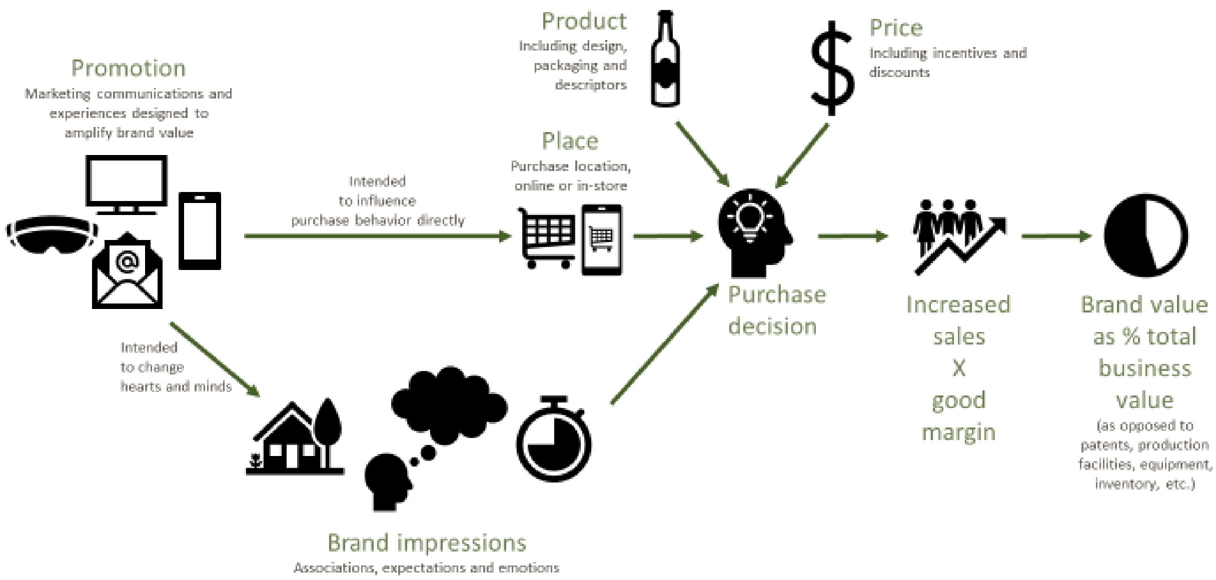
MARKETING SUCCESS OFTEN REQUIRES A TRIPLE WIN

Consumer-focused companies that must work through retailers will have to do more than just please end-consumers. Retailers often prioritize growing category sales rather than sales of a specific brand, so marketers must ensure that any marketing campaign is expected to increase overall category sales. So, a successful campaign likely needs to take account of the needs of the brand owner, the retailer, and the shopper.

THE MARKETING MIX REFERS TO THE BASIC GROWTH LEVERS

The marketing mix is composed of the basic levers that marketing can use to drive sales. Often referred to as the 4P's: product, price, place, and promotion.

HOW THE 4PS INFLUENCE SALES & BRAND VALUE



Over the years various other P's have been proposed, notably including people – to encompass the importance of customer service and employee commitment – packaging – obviously important to products sold on grocery shelves - and purpose – more on this below.

MARKETING'S RESPONSIBILITY VARIES BY COMPANY

<u>The degree to which marketing directly controls or is involved with any P apart from promotion will vary by industry and company</u>. In consumer-focused companies, marketing will likely be involved with all four, from identifying a consumer need that could be satisfied, helping to design the product, then figuring out how to price it, where to sell it and how best to promote it. A company like Diageo, selling brands like Johnnie Walker, Guinness, and Smirnoff, regards its brands as critical to growing sales and profits. As a result, marketing has more control over all aspects of the marketing mix and the company invests heavily in market research to better understand consumer behavior and attitudes.

By contrast, in tech-focused companies, marketing's role may be limited solely to promotion. A company like Dell will likely prioritize R&D and product innovation, leaving the marketers to publicize the resulting new products as best they can. Apple's Steve Jobs famously refused to conduct consumer research (a normal part of product development) because he believed ordinary people could not anticipate what they wanted until they were shown it.

Particularly withing global companies marketing may be broken up to focus on specific areas of brand growth. There may be a central brand development team that designs the overall brand strategy and is responsible for developing global marketing campaigns, an innovation center focused on product innovation, and market or country specific units devoted to local brand marketing and implementation of the overall campaign.

THE MARKETING PROCESS (IN THEORY)

START WITH THE CUSTOMER

It is generally understood that marketing starts with the end-customer: the people who are going to buy and use the brand (note, they may not be the same people). So, when seeking to incorporate sustainability into a marketing campaign it is important to know how the end-consumer is likely to feel about it.

The idea is to start with a good understanding of why people buy or do not buy your brand and then work back, identifying new opportunities for growth and things that either facilitate a purchase or create a barrier to purchase. The marketer then seeks to find ways to seize the opportunities, leverage things that facilitate purchase, and remove the barriers. Given that brands are competing for sales, marketers must seek to be more effective at doing so than their competition.

DEVELOP A BRAND STRATEGY

Effective marketing starts with a good understanding of the current status of the brand in its marketplace and compared to its competition: strengths, weaknesses, opportunities, and threats. <u>A brand's specific strategy will depend on the current status of the brand with customers in its product category, taking account of its competitive and cultural context, and will define how the brand aims to maximize sales growth over the long-term utilizing the resources available to it.</u>

However, we can identify three basic strategies, each of which will demand effective execution of a specific set of activities to achieve its objective:

1. **Disruptive growth**
   Radical innovation, be it in product, sales channel, customer service, purpose, or positioning, which the end-customer is likely to find differentiating and personally relevant, offers the best opportunity to disrupt the status quo and grow the category and/or gain market share. The basic challenge is to ensure that people who might want to buy the category know what the brand has to offer and why it might be relevant to them. Sustainability initiatives might offer the potential for disruption, provided they are perceived as meaningful by the end-consumer, e.g., create a better product experience or stronger emotional benefit. Method disrupted the household cleaning category by offering an alternative to harsh chemicals (its success was also dependent on its design aesthetic) and triggered a wave of innovation and acquisition by established manufacturers.

2. **Incremental growth**
   Most product categories end up in a state of equilibrium: overall sales are flat, competition for market share has resulted in stalemate, and the only real advantage is brand size. Growth is the result of identifying incremental growth opportunities, e.g., a grocery retailer might try to attract wealthier customers by stocking its own line of quality wines, and seeking less tangible advantages, e.g., advertising the brand's purpose to help improve desirability. Brands are most likely to benefit from highlighting their brand purpose if they are created with purpose "baked in," like Method, Seventh Generation, and Allbirds. However, an established brand can adopt a purpose to good effect, provided the chosen purpose is authentic to its heritage and positioning and the brand is willing to deliver on

that purpose. Many established brands have made a start down this road, e.g., Coca-Cola's plant-based bottle, IKEA's buyback scheme, or Tom's of Maine adopting recyclable packaging for its toothpaste.

3. Return to growth
   The brand is out of step with the times, the competition has changed the playing field, sales are in decline, margins are weak, and people are losing interest in what the brand has to offer. Time to find a way to revive the brand. The strategy must be to fix the basics of the business, redress product issues, and then publicize what has been done to give new and past customers a reason to reconsider their brand choice. New, more sustainable, product formulations and packaging, may be part of the solution.

Sustainability can be integral to all three of these strategies, but remember, it depends on whether you can make the end-consumer care enough to change their buying behavior.

CREATE A BRAND POSITIONING

Ultimately, brands provide a solution to people's needs, want, and desires. Brands must solve the need for which people buy them, i.e., brands offer a functional benefit. But particularly when there are multiple brands that might meet someone's needs, brands must address more emotional needs, i.e., brands offer an emotional benefit. The balance of importance of function and emotion will vary by brand and category, but the strongest brands offer both.

Given the competitive nature of most product categories, marketers focus on how their brand can gain competitive advantage versus the competition. The key question is why might someone choose this brand instead of its competition? The answer might be rooted in a product advantage or an emotional advantage and is often referred to as the brand positioning, and often extends to include a definition of the people most likely to choose the brand (the target audience), the functional and emotional advantages that make the brand desirable, the values the brand seeks to stand for, and its tone of voice.

<u>A brand's positioning is considered important because it helps a brand keep its marketing activities focused and consistent and most companies will have a formal document that details the important aspects of a brand's positioning</u>. Sustainability may be either explicitly or implicitly called out as an aspect of the brand positioning and is most likely to be included explicitly if the brand has adopted a clear purpose (next section).

ADOPT A BRAND PURPOSE

Related to brand positioning, brand purpose is a relatively new concept in marketing, its popularity dating from dating from 2011, when Jim Stengel's book "Grow: How Ideals Power Growth and Profit at the World's Greatest Companies" was first published.

Stengel served as the global marketing officer of Procter & Gamble from 2001 to 2008, lending credibility to his idea that the most successful brands served a purpose beyond simply making money, by connecting with fundamental human emotions, values, and wider purposes. For instance, Pampers' purpose was to help mothers raise happy, healthy babies. In contrast to

Pampers, the purpose of a brand like Dyson household appliances is purely functional, focused on efficiency.

So, all brands need a purpose, but some can gain competitive advantage by pursuing a wider Purpose to make people's lives better. The most effective brand purpose is authentically rooted in the DNA of the brand, its origins and heritage, not simply adopted to drive more sales. The acid test of a brand's purpose is whether it is willing to forgo short-term profit to achieve that purpose. Warby Parker's purpose is to make eyewear more affordable, and as part of that purpose, has distributed 4 million pairs of glasses to those that otherwise could not afford them. For Natura & Co, the Brazilian personal care giant and owner of The Body Shop, sustainability is integral to the brand's existence. In 2020, the company announced plans to further protect the Amazon rainforest, eliminate its greenhouse gas emissions and increase economic prosperity for local communities.

EXECUTE THE BRAND PLAN

The brand plan details how the brand strategy will be achieved. The plan may encompass different time frames, e.g., 3-year, budget year, or quarter.

Broadly speaking, the plan will detail what marketing activities will be conducted over a specific time frame, when they will be executed, how much will be invested in each one, and what results are expected. If the brand is pursuing a sustainability agenda, then the brand plan will detail how the brand intends to support and publicize its activities.

The scope of the brand plan will depend on the remit of marketing within the company, but every marketer aims to influence their potential customers in some way. Marketers enlist the help of specialist outside agencies to execute specific tasks, e.g., media agency, creative agency, digital agency, and consumer insight firms. With the complexity of today's media and retail landscape the overall brand plan is likely broken down by specialist discipline, e.g., digital, search engine optimization, in-house creative development. Other silos within the company may focus on other stakeholder audiences, e.g., publicity and investor relations. And each silo will need to interact with other disciplines within the overall company, e.g., R&D, finance, IT, key account management, production, and distribution, and its suppliers.

IMPLEMENT A MARKETING CAMPAIGN

A marketing campaign refers to a specific program within the plan designed to achieve a specific objective and usually built around a common idea or theme. Increasingly, companies are promoting their commitment to sustainability in specific ads, e.g., Apple created an ad featuring a baby to promote its commitment to being 100 percent carbon neutral for its supply chain and products by 2030.

There are two different tasks involved in executing an effective marketing campaign:

1. Media delivery

   The marketer must get the campaign content (otherwise known as advertising) to where it has the potential to be seen or heard. The media channel is like a road. A media channel could be TikTok, a podcast, or good, old fashioned TV ads. The marketer needs to pick the right road to get to the destination, an attentive audience. The marketing content is the vehicle that travels along the chosen road. Choosing the right media channels and investing enough in them to achieve the desired marketing objective is important, but it is the means to an end, not the end itself.

2. Creative impact

   Once the content gets to its destination it must then earn people's attention long enough to deliver the intended impression. How well the marketing content evokes a positive emotional response is critical to gain attention and ensure the advertising impression is remembered. Many studies have identified creative as the single most important driver of marketing effectiveness after category and brand size. The impact of creative is less to do with format, e.g., Instagram post, online video, or radio ad, and more to do with how well it captures people's attention. Typically, content that is enjoyable, interesting, relevant, and distinctive is most effective.

DEPLOY DIFFERENT TYPES OF MARKETING

Marketing as practiced today is a hugely complex business, involving many different types of marketing activity and different service suppliers, including a vast array of companies which support the technology platforms for buying and delivering advertising. Here we describe two broad types of marketing activity and cover other, more specific formats in the glossary.

1. Brand building

   <u>Brand building is any marketing activity designed to build demand for the brand by changing or strengthening people's brand awareness and attitudes.</u> Sustainability is most likely to be part of a brand building campaign.

   Brand building is often assumed to be the domain of traditional, broadcast advertising like TV, radio, billboards, print, and sports or event sponsorship. Brand building is also assumed to work over the long-term, i.e., influencing tomorrow's sales. Both assumptions are incorrect, but commonplace. There is absolutely no reason why digital marketing cannot help build a brand, if it is used with that intention, and if advertising does not generate sales among people ready to buy today, it is unlikely to have much influence on future sales. This said, brand building typically involves mass-market advertising designed to encourage people to choose the brand when the time comes to buy.

2. Brand activation

   <u>Brand activation refers to a raft of marketing activities designed to create deeper, more personal engagement with existing or potential customers</u>. On average, these activities account for most of the marketing budget. Some of the most relevant to sustainability initiatives might include the following:

   a) Experiential marketing

      Experiential marketing includes events and one-on-one experiences, such as a demonstration of product performance, delivering extra care to valued customers, and grassroots events. Several brands allow customers to trace back their specific purchase to the family or farm that grew a raw ingredient used in its manufacture.

   b) Influencer marketing

Influencer marketing involves paying or coopting people with large followings on social media to promote the brand and generate sales. The use of a well-known influencer like Tara McKenna @zero.waste.collective might form part of promoting a specific sustainability initiative.

c) Content marketing
This involves the creation and placement of content, often purporting to be articles, reviews, and think pieces, designed to highlight the brand's advantages. Sustainability could well form part of a content marketing campaign.

MEASURE THE RESULTS

Marketers often find it difficult to quantify the results of their efforts, in large part because the success of any marketing campaign is integrally bound up with the success of the company's products and business model. And even the most well-constructed marketing campaign may fail in the face of a more effective competitive campaign.

The following will typically be used to measure progress:

1. Sales and market share data
Every company will have a measure of sales and market share that is used to track overall progress. Data may be limited to ex-factory sales or shipments but more often the company will have access to some measure of competitive sales, e.g., audit of grocery store sales, audit of purchases from a panel of households, syndicated compilation of industry sales.

2. Brand surveys
A sample-based measure of consumer brand awareness, image, and purchase intent. Conducted periodically or run continuously over time to better examine trends. Often referred to as attitudinal data and generally considered inferior or diagnostic to behavioral data like sales. Questions may be included in studies to understand consumer awareness and attitudes of the brand's commitment to sustainability or specific sustainability initiatives or campaigns. Surveys can also be run to understand the consumer response to a specific ad or ad campaign.

3. Digital tracking
Online behavior leaves a data exhaust that can be mined to track brand salience and relevance (search share and trends), topics of interest (social media data mining), and track response to specific online content (clicks, dwell time, etc.). A brand could use this data to understand and track consumer interest in sustainability both generally, e.g., are buyers of its category more or less likely to talk about or search for topics related to sustainability, and specifically, e.g., did the new ad featuring the brand's commitment to regenerative agriculture generate a good number of views.

4. Marketing analytics
To try to isolate the influence of specific marketing activities on overall sales sophisticated statistical analysis may be used. Sales modeling, sometimes referred to as econometrics, will seek link variation in sales back to specific causal variables, e.g., distribution, pricing,

media investment. This type of analysis typically only identifies the short-term influence on sales. A more sophisticated approach is to build in attitudinal measures from brand tracking and identify the direct and indirect effect on sales. Sales modeling would likely identify the short-term sales impact from any sustainability focused ad campaign and changes due to discrete events, e.g., a change in ingredients or packaging. More sophisticated analyses would identify whether awareness and perception of sustainability initiatives had any influence on purchase intent and sales.

WHERE DOES SUSTAINABILITY FIT WITH MARKETING?

THE IMPORTANCE OF SUSTAINABILITY MIGHT BE WIDER THAN ASSUMED

Given that most consumers are focused on getting a good price rather than worry about sustainability credentials it can be easy to underestimate sustainability's potential importance. However, segmentation studies indicate that most consumers respond positively to sustainability.

While only 13% of consumers actively prioritize sustainable brands, over 60% of consumers are willing to prioritize sustainable products if they're either popular or equally affordable

Active 13%	Believer 35%	Considerer 26%	Dismisser 26%
Make a personal choice to reduce their footprint	Are more influenced by social compliance	Believe sustainability is the manufacturer's problem	Apathy and antagonism rule
A credibly sustainable brand is my first choice	If the famous and friends buy the brand, then it is good enough for me	Sustainability is a reason to choose, so long as it does not cost me more	If I must recycle I will, but forget giving up on anything else

Kantar Sustainability Foundational Study 2021, data for the Americas

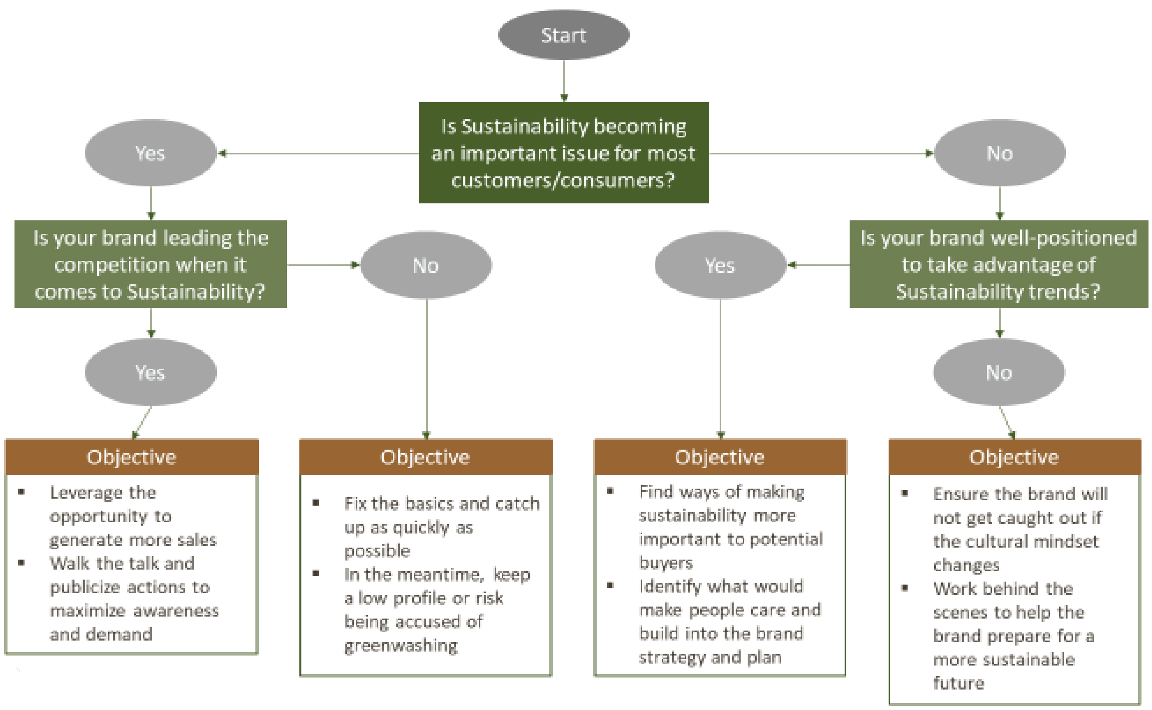
The challenge is to find the right way to catch people's attention and deliver the right sustainability message.

SUSTAINABILITY CAN FIT INTO THE BRAND PLAN

As you will have gathered, there are many places where there might be opportunities for sustainability to become part of a brand's marketing plan, from integral overall goal to a means to engage a specific target audience. But where might your initiative fit for your brand?

Part of the solution is to map out the ways in which your sustainability initiatives might dovetail with those of the marketing department. Do your own assessment. Ask yourself…

- Is there an obvious and growing awareness of sustainability issues among potential buyers?
- How is your brand positioned against those trends?
- Does your specific initiative offer the potential to build an existing competitive strength or remedy a weakness? Does it offer the potential to generate sales by making the brand seem more relevant to consumers? More likeable? More innovative? Different in a good way?
- Even if it does not offer an immediate return today, is sustainability something that could bring competitive advantage in the future? Either because of the changing cultural mindset, or because it offers a way to disrupt the current status quo in your product category.



The big challenge is making sure that marketing understands how sustainability might help improve brand sales now and in future. There is no doubt that it is becoming a more important issue for many, but how might your brand use it to gain competitive advantage today? And if it is not a major issue right now, how might your brand use it to gain competitive advantage? Your consumer insight team may already have data that shows how important sustainability issues are in general and specifically for your brand. Get hold of the brand plan and see what is already planned. Are there obvious places that highlighting sustainability initiatives might help?

Complete your assessment and then talk with the marketing team to see if there is any appetite for building your initiative into the marketing plan in some way.

IT IS ALWAYS GOOD TO TALK

If you can, start at the top, because senior marketers will be most familiar with business trends and issues, and are less likely to be bogged down in day-to-day operations. They know sustainability is a big and growing issue likely to affect all brands and will be looking to do something about it. However, it may be that younger members of the marketing team are more passionate about sustainability issues and will champion your cause within the team.

Marketers are always on the lookout for a new way to promote their brand, improve its appeal, and drive sales. Like you, they may feel concerned about highlighting small scale initiatives that have yet to be widely adopted but the public will give credit for a company trying to do the right thing. Most people want companies to do the right thing for the planet and, with the right communication, will reward a brand that can credibly claim to be making steps in that direction, even if they are small or not immediately relevant to the buyer.

KEEP IT SIMPLE

You know all too well that making a company more sustainable is fraught with challenges. However, simplicity sells. Before you make your pitch to marketing spend a little time to figure out how you can put your ideas across as simply as possible.

GLOSSARY OF ADDITIONAL MARKETING TERMINOLOGY

Acquisition
9 out of 10 times a brand grows if it increases its penetration. This means that the brand must acquire enough new users to offset people who defect or fail to buy again during the specific time frame.

Ad Impression
Typically used in the context of media planning and evaluation, an impression when someone is exposed to an ad. (Given the complexities of digital media, viewable impressions are defined as those where the ad was visible to the user for a specific time frame.)

Attitudinal Data
Any form of consumer feedback involving questioning. This could be qualitative, usually involving small numbers of people, interviewed in-depth in the form of a guided discussion, or quantitative, usually involving a predetermined survey asked of at least 100 or more people sampled to be representative of a larger group.

Behavioral Data
Direct measurement of consumer behavior, including store sales, consumer panels designed to measure sales, and digital metrics like clicks.

Brand Equity
Marketers often refer to brand equity and it is possibly one of the phrases most open to interpretation! Brand equity may be used to refer to three basic ideas:

1. The financial value vested in the intangible consumer value created by the brand.
2. The consumer associations, expectations, and emotions that underpin that value.
3. The measurement of those associations using surveys and social data.

Brand And Product Portfolio
A company may often own and market several brands in the same product category. The portfolio will be managed and marketed to maximize sales. Portfolios might address specific needs or occasions, e.g., most automotive manufacturers will have a range of models designed for different needs, or price points, e.g., premium, mainstream, or value.

Brand Extension
A product designed to meet new needs, e.g., a “green” alternative to a standard product.

Brand Image
This is how the brand is perceived by the end consumer, what comes to mind when they think about it. Often referred to as brand perceptions or associations and measured using survey data that asks how the brand compares to its competition, e.g., which of these brands are committed to being sustainable?

Brand Salience
Brand salience refers to the probability that a buyer will notice, recognize and/or think of that brand in a buying situation. Another term for this is mental availability.

Commerce Marketing
Commerce marketing focuses on making the brand easier for people to buy, e.g., marketing activities for traditional retail, e-commerce, or direct-to-consumer.

Communication Strategy
A subset of the brand strategy, the communication strategy details the theme of a marketing campaign, the media channels and advertising formats to be used.

Community Marketing
Building active engagement with a group of enthused customers with the intention of generating positive buzz and word of mouth.

Content Marketing
Placement of content, often purporting to be articles, reviews, and think pieces, designed to highlight the brand's advantages.

Convenience Metrics
Often part of the digital data exhaust left by internet users, e.g., views and clicks.

Creative Brief
A document intended to give ad agency personnel all the information they need to develop the creative idea and related content.

Creative Idea
How the content is intended to highlight a specific aspect of the brand or its communication. So Snicker's "You are not you when you are hungry" campaign depicts people acting out of character until they eat a Snickers.

Creative Execution
This is the incarnation of the creative idea, the final ad.

Customer Experience
The reaction of a buyer to using a product or service. Although most marketing attention is focused on the acquisition of new customers, service and retail companies recognize that a good customer experience is important to retaining customers over time. Quick and effective response to customer complaints is often an important driver of customer satisfaction.

Distinctive Assets
The unique identifiers by which people recognize a specific brand, e.g., Cornelius "Corny" Rooster for Kellogg's Corn Flakes, along with the logo, font, and color scheme.

Experiential Marketing

Experiential marketing includes events and one-on-one experiences, such as a demonstration of product performance, delivering extra care to valued customers, and grassroots events.

Human Truth

A creative idea will often be based on a human truth, a basic human motivation or reality, like the fact that people's temperament often changes when they are hungry. The challenge is to make the truth specific to the brand, as Snickers did, and not just a generic idea.

Influencer Marketing

Paying people with large followings on social media to promote the brand and generate sales.

Key Performance Indicators

Specific metrics chosen to identify a brand's overall progress or toward specific goals. Could be financial, commercial, or attitudinal. Used to identify areas requiring more management focus and investment and often reported in the form of online "dashboards" that seek to convey data quickly and easily.

Market Share (Volume And Value)

A commonly used measure of brand performance, market share represents the proportion of total category sales accounted for by the brand's sales. There are two basic classifications of market share: volume and value. The first represents a share of units sold and the second is weighted by price. Importantly, the latter is predictive of profit and brand value.

Media Context

Generally, communications are more effective if the theme of the content is consistent with the theme of the editorial content in which it is placed.

Paid, Owned, Earned, And Shared Media

Marketers commonly differentiate between four different types of media channel:

- Owned – those under the brand's direct control like its website, blog, or newsletter.
- Shared – social channels or user groups where the brand might either hope its content is shared or pay to advertise.
- Earned – unpaid publicity in the media (sometimes includes social media).
- Paid – any form of paid advertising, thought leadership, or sponsorship.

Path To Purchase

The process by which someone comes to buy a product or service, often focused on mindset and resources used to help decide brand choice.

Penetration/Trial

The proportion of buyers who have bought the brand in a specific time frame, e.g., the brand achieved an annual penetration of 45%. Trial is similar, but usually derived from a survey.

Performance Marketing

Performance marketing uses paid marketing channels, like Snapchat and Instagram, Google search, and content creators like Taboola (originator of the "Recommended for you" ads at the end of many online articles), that allow the marketer to invest based on results, not just whether someone just sees the brand's content. Ideally, the marketer only invests in the activities that are best able to drive sales, but this often defaults to using convenience metrics, like clicks, that are easily measured in real-time. A massive ecosystem of technology has grown up to facilitate buying, targeting, and delivering performance marketing.

POS

Point of sale refers to any in-store marketing activity.

Price elasticity

The degree to which sales increase or decrease in response to a rise or fall in prices. Price elasticity is a function of brand desirability, differentiation, and availability, and typically changes only slowly over time.

Promotion Marketing

Often designed to add perceived value to the brand, promotion marketing includes the use of competitions, gifts, and incentives to help boost sales.

Reach & Frequency

Marketers often talk of delivery in terms of reach & frequency. Reach is the total percent of the audience who have had the opportunity to see an ad or campaign at least once. Frequency is how often the content is seen on average within a specific time frame.

Receptivity

Generally, communications are more effective if people are in the right frame of mind for the brand's content to resonate with them when they encounter it.

Relationship Marketing

Sometimes referred to as database marketing, relationship marketing seeks to develop a more one-to-one relationship with customers using tailored products, promotions, and correspondence.

Repeat Purchase/Retention

Defined as the proportion of people who buy the brand more than once is a specific time frame. Repeat purchase is strongly related to penetration.

SEO

Search engine optimization refers to the manipulation of content, wording, tags, and more to ensure a brand's content appears as high up the search ranking as possible.

Share of Voice

The brand's share of overall marketing expenditure in a defined product category.

SWOT
Refers to strengths, weaknesses, opportunities, and threats, and is often used as a basic way of identifying the right growth strategy for a brand. Given the growing importance of sustainability, it should be considered as part of the brand plan.

Target Market
A specific group of buyers defined by their behavior, needs, or attitudes. So potential buyers could be segmented into groups based on their attitudes to sustainability and brand might target those most committed to recycling.

Touch Points
Any point of contact between a consumer and the brand, including seeing it used by others, in advertising, in the media or using it.

Trade Promotion or Sales Marketing
More closely aligned with sales or key account management than marketing, trade promotion involves the creation of promotions expressly designed to generate volume sales (these largely benefit of the retailer but are a requirement to ensure a brand is listed and gets the shelf space it deserves). Price discounts are the crack cocaine of trade marketing and are funded by the brand not the retailer.