

Module 4

CSR related Marketing and Communication

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Importance of having a strong brand in early start life

Topic 1: Commercial benefits

In 2020 NYU Stern School of Business Center for Sustainable Business and IRI® released the findings of a new U.S.-based study and established the Sustainable Share Index™, an in-depth analysis of consumer purchases of products that are marketed for their sustainable attributes — the research finds that these products are responsible for more than half of the growth in consumer packaged goods (CPGs) since 2013.

Topic 1: Commercial benefits (continuation)

Sustainable Share Index Findings

The research conducted by the Center for Sustainable Business found that sustainability-marketed products delivered 50.1 percent of market growth from 2013-2018, while representing 16.6 percent of the CPG market in dollar sales in 2018. To conduct the research, Stern's Center for Sustainable Business partnered with IRI, which contributed its comprehensive point-of-sale data on US consumer purchases. The Center analyzed data from across 36 product categories, representing approximately 40 percent of total CPG sales, excluding tobacco and alcohol.

Topic 1: Commercial benefits (continuation)

Sustainable Share Index Findings – cont.

- Across all categories, sustainability-marketed products delivered \$113.9B in sales in 2018 — +29 percent vs. 2013 — and are expected to grow to \$140.5B by 2023, based on an extrapolation of the analysis.
- Products marketed as sustainable grew 5.6x faster than conventionally marketed products, and 3.3x faster than the CPG market.
- In over 90 percent of individual product categories examined, the growth of sustainability-marketed products outpaced total category growth.
- Sustainability-marketed products account for 16.6 percent share of market (\$) in 2018, up from 14.3 percent in 2013.
- Sustainable products have more than 20 percent category share in many food categories, including natural cheese, salty snacks and coffee.

Topic 2: Purpose Perception

Porter Novelli's Implicit Association Study (2021)

- **Purpose creates stronger mental connections:** When evaluating brands, respondents made higher (aka faster) associations between brands and Purpose attributes (ex: responsible, compassionate, ethical, inclusive) versus functional attributes (ex: reliable, convenient, affordable, practical) — suggesting when consumers store information about brands, they make stronger mental connections with Purpose words. So, Purpose-driven brands stick in consumers' minds in a way other brands just don't. In fact, 78 percent of exit survey respondents indicated they are more likely to remember a company with a strong Purpose.

Topic 2: Purpose Perception (continuation)

Porter Novelli's Implicit Association Study (2021)

- **Purpose brand attributes trigger beneficial action:** Marketers' main job is to not only inspire goodwill and strong reputations, but also drive action. To more directly connect brand association with desired consumer behaviors, the research then explored what types of brand attributes most motivate consumers to take specific actions. The research uncovered that, when compared to functional attributes, Purpose attributes were more likely to drive certain desired behaviors. Test respondents were more likely to indicate Purpose as the motivator for behaviors — including deciding which brands to trust, work for, be loyal to and, ultimately, form deeper connections with. This reinforces that Purpose can act as a signal to consumers to engage with a brand in myriad ways.
- **Purpose drives purchase and impulse:** In a grab-and-go situation, Purpose prevails. 66 percent of respondents said they consider a company's Purpose when making purchasing decisions, and 62 percent said a company's Purpose is an important factor when making a quick or impulse purchase. This shows that Purpose is a differentiator not only on the shelves, but in a brand's overall perception.

Topic 3: Why is CSR Marketing important

- Talk the Walk: Sustainable businesses communicating how they are changing the world by being sustainable
- Have an opinion – lobby for change
- Drive consumers' behavioral change
- Change the narrative – challenge old fashioned beliefs
- Consumer feedback – get a good sense of consumer behavior change

Topic 3: Why is CSR Marketing important (continuation)

Example Intermarché

Intermarché drove behavioural change by altering the narrative around how consumers respond to wonky veg. by launching “the inglorious fruits and vegetables”. A campaign to rehabilitate the imperfect fruits and vegetables by celebrating the beauty of the ridiculous potato, the hideous orange or the failed lemon...

For the very first time, a supermarket decided to change the way the system works. Intermarché bought from its growers the products they usually throw away, and sold them in stores just like any others, but 30% cheaper to make it attractive to its consumers.



Unit 2

Basics on CSR related Marketing and Communication

Topic 1: Sustainable Brand Identity

Objective: To be able to integrate CSR into marketing and communication strategies.

A commitment to corporate social responsibility (CSR) is a contract between a company and its stakeholders. As such, companies have a responsibility to communicate what they are doing. This isn't bragging; it's delivering on a promise.

Sustainability Marketing is a newly developed and multifaceted subject, in order to master it, it is vital that we understand

- 1. Set up a Sustainable Brand Identity**
- 2. Identify strategies of good marketing**
- 3. Greenwashing**

Topic 1: Sustainable Brand Identity

- **Have Purpose :A purpose-driven company” is defined as one that “helps to positively impact society and the world.”**

Purpose Premium Index: How Companies Can Unlock Reputational Gains by Leading with Purpose (Novelli P., Cone, 2018) examined US consumer perceptions of the country’s top 200 companies, The findings is that a purpose-driven approach to business is intrinsically linked to a company’s **Reputation**.

- The research revealed a strong correlation between Purpose and Reputation, as these scores moved together for nearly nine out of every 10 companies (88 percent) ranked. In fact, of the top 10 leaders named on both the Purpose and Reputation lists, four companies landed on both lists — **Amazon**, **UPS**, **Colgate-Palmolive** and **Google** parent company **Alphabet**. The top 10 Purpose-driven and Reputational companies, according to those consumers surveyed, are: **Amazon**, **UPS**, **Community Health Systems**, **Disney**, **Colgate-Palmolive**, **HP**, **Johnson & Johnson**, **Cardinal Health**, **Alphabet**, **Kraft Heinz**

Topic 1: Sustainable Brand Identity (continuation)

- **Be Authentic**

To increase fidelity of purpose, companies must ensure their products and services, processes, images, experiences and any other characteristic on which consumers and investors might judge them, reflect the essence of who they are as a company and align with the aspirations and values of their customers and employees. Fidelity requires innovative thinking, demonstrable convictions and, above all, authentic actions that bring purpose to life every day.

Unilever recently celebrated the 10th anniversary of the USLP, sharing insights into its purpose journey, noting both victories and misses for its brands — again demonstrating the organization's humility and humanity — while underscoring that purpose is a journey, not a destination.

The power of authentic purpose comes from integrating it into an organization such that it generates shared value for all stakeholders. Where an organization is on this journey will have an even greater impact in the years to come.

Topic 1: Sustainable Brand Identity (continuation)

- **Be Transparent**

Be honest and balanced in your communications. That means not just sharing the good news, but also acknowledging any “bumps in the road” from which lessons have been learned.

- **Take a stand - React**

Recent global movements like FFF, BLM, women’s rights on abortion have taken on stroll and brands are called to react, in a social media world brands must act fast – Air BNB

- **Employees as Ambassadors**

Well-informed, engaged employees are your company’s best spokespeople. Keep internal communications a high priority to build employee support for and advocacy of company CSR programs. Structured communication

- **Measure Results**

Showing how you are delivering on your promise communicates commitment and integrity. Do things that can be measured, and continually report progress.

Topic 2: Sustainable Strategy

- **Keep the message simple**

While there may be a variety of stories to tell and details to share, make sure you continue to make these key points:

- Social cause(s) the company supports and why, including how the company's business aligns with supporting that specific issue.
- How CSR programs and metrics relate to the company's mission.
- Relevance to stakeholders highlighted through specific examples and events.

- **Keep the Consistency**

Inconsistent CSR communications does more harm than good. Both too much or too little communication can create skepticism among your constituents. The key is determining the right cadence for your company, your audiences and your channels, and then committing to it.

Topic 2: Sustainable Strategy (continuation)

- **Take a stand - React**

Recent global movements like FFF, BLM, women's rights on abortion have taken on stroll and brands are called to react, in a social media world brands must act fast – Air BNB

- **Multichannel**

Having a page on your website and publishing a report are two important ways to communicate CSR activities, but they should not be the only channels you use. Consider a mix of owned, paid and earned media channels to ensure your messages reach all your audiences.

- **Refresh Content**

No matter the cadence of information, or the channels you use, be sure to continually update your content. CSR is an ongoing, ever-evolving process. Stale, old information connotes lack of commitment. Updates and results, including new program information, should be shared in real time.

Topic 3: Greenwashing

Critics point out that simply marketing messages is not a guarantee that the company is actually making a conscious effort to become more sustainable (Riley, 2013). As a result, reporting and marketing has provided opportunities for organizations or individuals to expose corporate greenwashing.

Just a few short years ago, “green marketing” and vague promises of action often received little scrutiny. But since COVID-19 outbreak, and human isolation has forced people to reflect on many challenging elements of our society and planet. One clear implication is that consumers, investors, and auditing bodies are less inclined to accept disingenuous messaging around sustainability. There are greater expectations that organizations must diligently address the changes required to achieve sustainability with great level of strategic business focus.

Topic 3: Greenwashing (continuation)

The consequences of corporate greenwashing are becoming more dire, it is inferred that when greenwashing is identified in the product, it loses the aspects of loyalty, satisfaction and benefits, as well as becoming a product that causes confusion of consumption (Chen & Chang, 2013).

Green Hash - On the flip side, as a result or fear over the risk of their marketing messages being labeled as greenwashing, some firms have become wary of communicating positive sustainability messages – a phenomenon that has been labeled 'green hush' unless they have strong proof of the effectiveness of their efforts.

That phenomenon can only be perceived by sustainable savvy (mainly generation) as either lack of sustainable activity or lack of confidence in it.

Unit 3

Reporting and Eco Labeling

Topic 1: Reporting

One method of communicating with stakeholders is through the mechanism of reporting. In an article for Sustainable Brands, Matthew Yeomans describes sustainability reports as 'an important calling card that companies now use to demonstrate their sustainability commitments' (Yeomans, 2013b). The Global Reporting initiative (GRI) emphasizes that sustainability reporting is proof of alignment between a company's strategy and a commitment to being part of sustainable economic practices (GRI, n.d.) Sustainability reporting provides value that goes beyond communication as it obliges organisations to monitor sustainability performance which in turn provides data to shape organization priorities and strategy.

Topic 1: Reporting (continuation)

Under Directive 2014/95/EU, large companies have to publish information related to:

- environmental matters
- social matters and treatment of employees
- respect for human rights
- anti-corruption and bribery
- diversity on company boards (in terms of age, gender, educational and professional background)

Topic 1: Reporting (continuation)

‘Even companies that demonstrate real panache in their sustainability communications fails to make the best use of the research data and information that goes into their sustainability report (Yeomans, 2013b). As such companies have been using more creative approaches and accessible channels to convey their sustainability story and performance. Some example of creative campaigns and channels below:

<https://www.ge.com/news/>

<https://us.gsk.com/en-us/behind-the-science/?tag=More+than+medicine>

<https://about.sainsburys.co.uk/sustainability/plan-for-better/our-stories>

Topic 1: Reporting (continuation)



Topic 2: Eco-labeling

Another potential application of communication to drive consumer behavioral change is that of labeling products. In the Rethinking Consumption report, research undertaken by the Regeneration Roadmap revealed that 40% of consumers across six national markets (Brazil, China, Germany, India, UK and US) look to certification seals or labels on product packaging as the most trusted source of information about whether a product is environmentally and socially responsible (BBMG, 2012). Some global examples to follow.

Topic 2: Eco-labeling (continuation)

Rainforest Alliance Certification

The Rainforest Alliance seal promotes collective action for people and nature. It amplifies and reinforces the beneficial impacts of responsible choices, from farms and forests all the way to the supermarket check-out. The seal allows consumers to recognize and choose products that contribute toward a better future for people and planet.

The new seal (since September 2020) will replace the current Rainforest Alliance Certified seal and the UTZ label, but there will be a period when all three seals will be visible in the market.



The seal means that the certified product or ingredient was produced using methods that support the three pillars of sustainability: social, economic, and environmental. Independent, third-party auditors—critical to the integrity of any certification program—evaluate farmers against requirements in all three areas before awarding or renewing certification.

Topic 2: Eco-labeling (continuation)

Fair Trade Certification

Its mission is to connect disadvantaged farmers and workers with consumers, promote fairer trading conditions and empower farmers and workers to combat poverty, strengthen their position and take more control over their lives. Fairtrade sets social, economic and environmental standards for both companies and the farmers and workers who grow the food we love. There are over 1.66 million farmers and workers in 1,411 producer organisations across the Fairtrade system.

The farmers are independently checked to ensure that their standards have been met by the farmers, workers and companies that are part of products' supply chains. And in order to reassure consumers that this has happened, the use of the FAIRTRADE Mark is used on products and packaging to signal this.



Topic 2: Eco-labeling (continuation)

Leaping Bunny Program - cruelty free and vegan products

One key requirement that sets the Leaping Bunny Program apart from other cruelty-free certification programs is that companies must annually recommit to remain free of animal testing at all stages of product development. List of companies that recommitted (and didn't) is updated weekly.

The Leaping Bunny Program provides the best assurance that a product is free of animal testing. In order to become Leaping Bunny certified, brands must comply with requirements in place that go beyond current laws. Specifically, companies must:

- Adhere to a fixed cut-off date, an unalterable date after which neither the brand nor any of its suppliers and/or manufacturers may conduct, commission or be party to animal tests. Set up a Supplier Monitoring System to ensure all their suppliers and manufacturers comply with Leaping Bunny criteria. Be open to independent audits to ensure their Supplier Monitoring System adheres to the Leaping Bunny Standard. Renew their commitment to the Leaping Bunny Program annually.



Topic 2: Eco-labeling (continuation)

PETA Cruelty free

This certification's requirements include ingredients, ingredient suppliers, formulations, and finished products. PETA has a dedicated team of scientists, regulatory specialists, and lawyers working together to end the use of tests on animals worldwide. They work directly with companies' CEOs, management teams, research and development specialists, and global sustainability officers to ensure that all the information that we receive is 100% accurate and complete, from the top down.

Companies may be certified by PETA under one of two designations:

- **Global *animal test-free* recognizes** companies and brands that have verified that they and their suppliers do not conduct, commission, pay for, or allow any tests on animals for their ingredients, formulations, or finished products anywhere in the world and that they will never do so in the future.
- **Global *animal test-free and vegan*** recognizes companies and brands that meet the same requirements and whose *entire* product line is free of animal-derived ingredients. These companies are truly cruelty-free.



Topic 2: Eco-labeling (continuation)

Certified B Corp

- Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. B Corps are accelerating a global culture shift to redefine success in business and build a more inclusive and sustainable economy.
- As B Corporations and leaders of this emerging economy, we believe: That we must be the change we seek in the world. That all business ought to be conducted as if people and place mattered. That, through their products, practices, and profits, businesses should aspire to do no harm and benefit all.
To do so requires that we act with the understanding that we are each dependent upon another and thus responsible for each other and future generations.



Topic 2: Eco-labeling (continuation)

Marine Stewardship Council (MSC) - MSC Certification

A non-profit organization that recognizes and rewards efforts to protect oceans and safeguard seafood supplies for the future.

MSC's sustainability claim is the MSC Fisheries Standard. To be sold with the MSC label, seafood must come from a fishery certified to the standard. Every business along an MSC certified seafood supply chain must comply with the MSC Chain of Custody Standard, ensuring that MSC labelled seafood can be traced back to a sustainably managed certified fishery.

MSC certification requires fisheries to ensure that environmental impacts are minimized and that fish stocks are effectively managed and sustainable.

