

ICXI-POST newsbriefing

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Introduction From The President

Do customers have the power to change the world?

The recent COP 26 (Conference Of the Parties) global summit in Glasgow set out to address the issue of global warming caused by the behaviour and consumption of the world's population.



According to Hansard :

*The UK presidency will focus on five campaigns in the areas of energy, transport, nature, finance and adaptation and resilience. **Population growth is not an explicit focus for the COP.** At the Climate Ambition Summit in December, the COP 26 president-designate set out four strategic aims for COP 26: a step change in mitigation; a strengthening of adaptation; getting finance flowing; and enhancing international collaboration.*

<https://hansard.parliament.uk/lords/2021-03-11/debates/71D508AD-370E-49D5-9FAE-9E1845296F4E/GlobalPopulationGrowth>

What is surprising about that is the statement regarding population growth. It has prompted a reaction from a number of sources including two UK newspapers, The Guardian and The Daily Express.

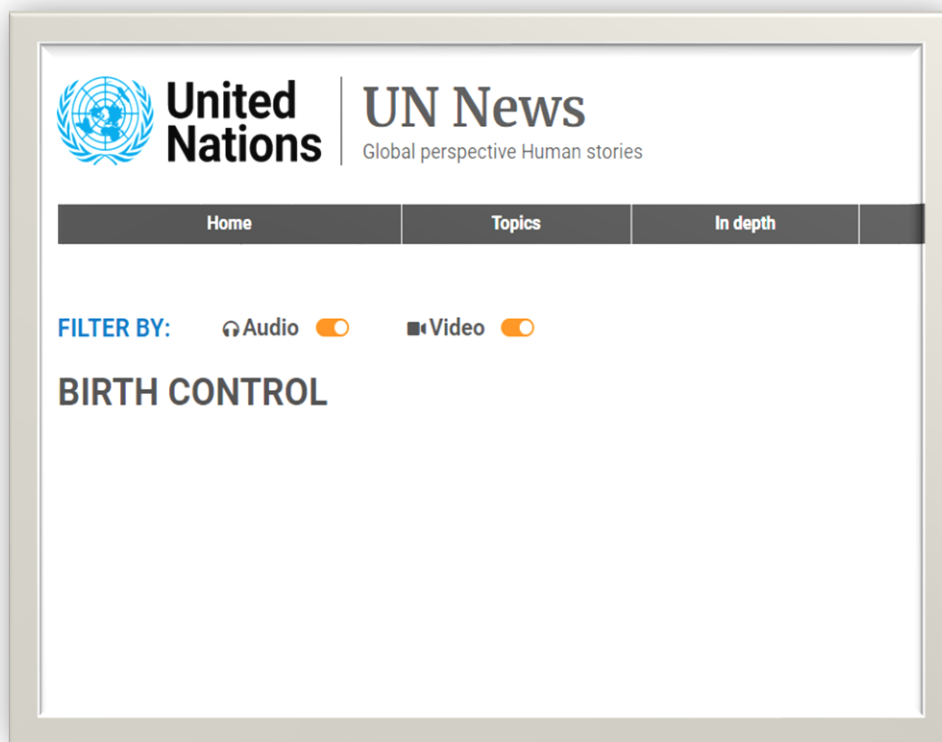
In a letter to Alok Sharma, president of the UN [Cop26](#) climate conference, an alliance of more than 60 NGOs has called for the funding eligibility rules to be changed to allow projects concerned with removing barriers to reproductive healthcare.

<https://www.theguardian.com/global-development/2021/aug/26/use-your-11bn-climate-fund-to-pay-for-family-planning-uk-told>

There are currently 7.9 billion people on Earth, a total expected to rise by at least one billion every 12 years. It is a level of growth whose insatiable demands not only put an intolerable strain on our natural resources, but also fuels the ruination of eco-systems, from rivers to rain forests. It is estimated, for example, that 80 percent of extinction threats are due to ever more industrialized agriculture. Population growth "underlies just about every single one of the problems we've inflicted on the planet".

<https://www.express.co.uk/comment/columnists/leo-mckinstry/1514446/cop26-glasgow-agenda-population-growth>

So what does the United Nations website, under whose auspices COP26 happens, say about birth control ? It would appear not too much.



Are politicians globally showing clear leadership and behaving as role models?

It is sickening to be given lectures on the need to reduce our carbon footprints by plutocrats who treat private jets as taxis. The G20 summit in Rome at the weekend, the precursor to Glasgow, provided a perfect example of those grotesque double standards, as President Joe Biden arrived in an 85-strong motorcade which had been flown in from the US.

<https://www.express.co.uk/comment/columnists/leo-mckinstry/1514446/cop26-glasgow-agenda-population-growth>

So while politicians appear to avoid addressing the root cause of climate change can consumers and the organisations that supply them take any steps to attenuate the impact of the symptoms of over population?

Do customers as consumers care about such issues?

There is mounting evidence that consumers are increasingly concerned about the impact of their purchasing behaviour on the health of the planet and are modifying their purchase decisions accordingly.

Deloitte Explore the Issue

Shifting sands: Are consumers still embracing sustainability? Changes and key findings in sustainability and consumer behaviour in 2021

In the last 12 months which of the following have you personally done, specifically in an effort to adopt a more sustainable lifestyle

% of all UK consumers



Lack of information is stopping 34% consumers from choosing brands that have ethical practice/values

What are the most important environmentally sustainable or ethical values, and how does that vary by category?

As above it is frequent, essential purchases that garner the greatest interest from consumers in shopping sustainably. Discretionary purchases such as alcohol and tobacco, nights out, and major purchases such as cars generate less interest.

Over the last 12 months, depending on the category, certain brand values have shown themselves to be particularly significant when deciding to shop sustainably or ethically. Waste reduction (68%) or sustainable packaging scores highly (69%) when grocery shopping; and a reduced carbon footprint is also valued highly (48%) when it comes to buying major household appliances.

Equally, around two thirds of customers pay attention to ethical working practices and human rights issues when they shop for clothes and footwear.

No one aspect appears to have the highest level of importance



So when it comes to the two basic core principles of customer satisfaction those of “**Importance**” versus “**Performance**” organisations need to address not one, but all the issues if they are to sustain customer loyalty.

*In Summary businesses need to plan for ways they can make their products more sustainable. Sustainability remains a key consideration for consumers in 2021. 28% of consumers have stopped buying certain products due to ethical or environmental concerns Gen Z are adopting more sustainable behaviours than any other groups: **As wealth transfers to younger generations, sustainability and ethical considerations will need to become the standard.** Consumers want to do more but want brands to take the lead*



“Business Insider” Looks at the Fashion Sector

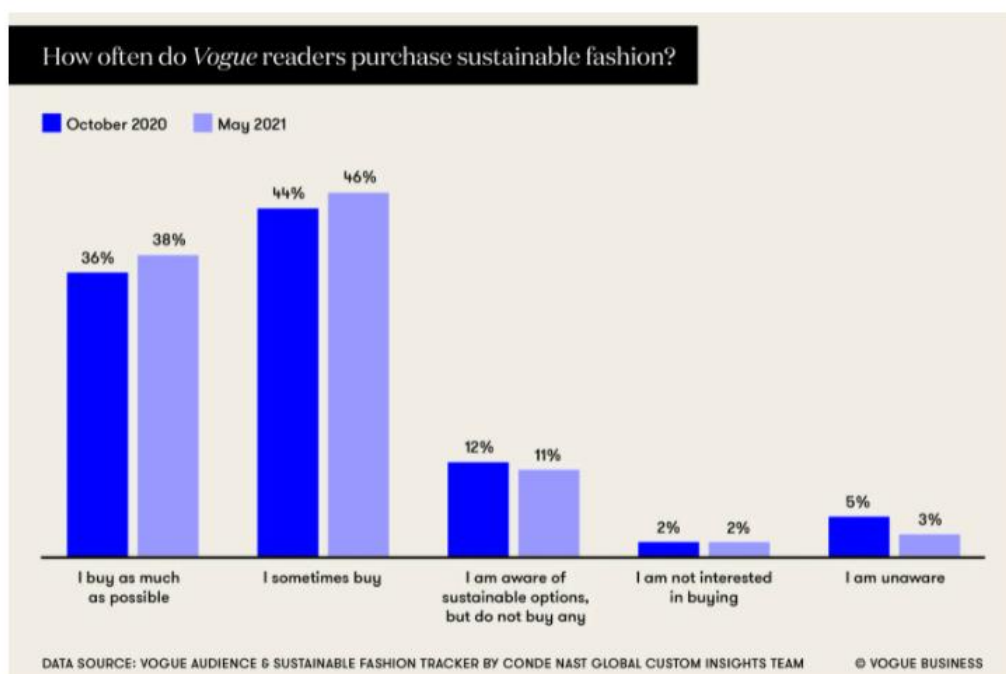
Sustainability sells: Why consumers and clothing brands alike are turning to sustainability as a guiding light

A good product is no longer enough to win a consumer's favor. Shoppers want more than just quality, often looking for products and brands that align with their personal values. Why support a brand financially if we don't agree with their social and environmental values? In the face of climate change, those of us who care enough are ready to consider the consequences of our shopping habits.

*The fashion industry is one of the biggest culprits when it comes to pollution. According to the United States Environmental Protection Agency, 26 billion pounds of textiles end up in landfills each year. Realistically, most of us won't quit shopping cold-turkey. We may not even give up all fast-fashion. But, many people are willing to change their habits for the better. Value and ease of purchase are still the main drivers of purchase decisions, but sustainability is becoming a bigger factor. A survey led by Hotwire found that 47% of internet users worldwide had ditched products and services from a brand that violated their personal values. Protecting the environment topped that list. For many shoppers choosing a sustainable product is a personal priority, and they want people to know it. It's called **Social Signalling**, a theory that we buy certain things because of what they say about us to the people around us.*

<https://www.businessinsider.com/sustainability-as-a-value-is-changing-how-consumers-shop?r=US&IR=T>

Its not just the fast fashion sector Vogue also shows its readers are moving in the direction of sustainability



<https://www.voguebusiness.com/sustainability>

A Turning Point

Forrester research indicates the consumer move towards sustainability is a real turning point



<https://www.teaandcoffee.net>

Forrester's consumer data analysis signals another change in empowered consumers' behavior that will precipitate the next business transformation: committing to environmental sustainability. While consumer conversations about the climate have ebbed and flowed for decades, 2020 marked a turning point. The combination of escalating climate hazards and a newfound consumer consciousness sparked unprecedented urgency and action around the climate crisis.

In 2021 Overall, consumers are hyperaware of the condition of the environment. Forrester data reveals that a third of US online adults say they spend more time thinking about the climate than they did before the Covid-19 pandemic.

More consumers are motivated to take action on environmental sustainability. In direct response to the events of 2020, 36% of US online adults are looking for ways to contribute to local communities and 31% spend more time thinking about global challenges like poverty or hunger.

Highly empowered consumers seek and champion brands that commit to sustainability.

68% of highly empowered consumers plan to step up their efforts to identify brands that reduce environmental impact,

61% seek out energy-efficient labels when making purchases and

47% regularly buy organic products.

*The radical change in work and lifestyle conditions will continue to catalyze new demands, expectations, and behaviors in 2021 **and well into the decade**. As consumers' sensitivity to the environment exerts a stronger influence on purchase decisions across multiple categories of buying, your sustainability strategy becomes critical not only to recovering from the pandemic but also to developing resilience for the long term.*

<https://www.forbes.com/sites/forrester/2021/01/21/empowered-consumers-call-for-sustainability-transformation/?sh=43b02d1f2042>

The World Economic Forum adds to the picture of changing consumerism in their article based on the Road to COP26 and Beyond. BTW. They also fail to deal with Birth Control.

The Global Eco-wakening: How Consumers are Driving Sustainability

Research shows support for sustainable business is growing in both developed and developing economies.

- *Many consumers believe brands bear as much responsibility for positive change as governments.*
- *Business must commit to protecting nature and natural systems.*

*Momentum has been building for some time around brand purpose – **a reason to exist beyond making money**. Now, given the latest research, we know that it's no longer acceptable or smart to ignore sustainability in business. It should be of considerable interest to the business community that a key finding in a new global report from The Economist Intelligence Unit, commissioned by WWF, shows a staggering **71% rise in online searches for sustainable goods globally over the past five years**.*

This “eco-wakening” is not just occurring among consumers in high-income countries, but is also strong in developing and emerging economies, with an increase of 24% in Indonesia, for example, and a phenomenal rise of 120% in Ecuador.

<https://www.weforum.org/agenda/2021/05/eco-wakening-consumers-driving-sustainability/>

The key fact in this extract is that consumer awareness on this issue is also high in emerging markets which has implications for organisations seeking to optimise growth in these markets.





The Elusive Green Consumer

Companies that introduce sustainable offerings face a frustrating paradox: Most consumers report positive attitudes toward eco-friendly products and services, but they often seem unwilling to follow through with their wallets. How to encourage sustainable consumption after experiments and research in marketing, economics, and psychology.

Five Routes to Sustainable Behavior

A variety of approaches can positively affect consumers' product and service choices.

Use social influence

- Link the desired behavior to relevant social norms*
- Show that others are engaging in the behavior*
- Make the behavior public*
- Create positive associations with the behavior*
- Foster healthy competition between social groups*

Shape good habits

- Make sustainable behavior the default*
- Use prompts and feedback to create positive habits*
- Use incentives appropriately*
- Introduce sustainable behaviors during major life changes*

Leverage the domino effect

- Make the first sustainable action particularly effortful*
- Encourage meaningful commitments to behavior change*
- Don't allow consumers to signal that they are "good people" with an initial token act*

Decide whether to talk to the heart or the brain

- Tap into feelings of hope and pride*
- Subtly activate feelings of guilt*
- Frame messages in terms of what can be lost*
- Offer concrete information and reference local impacts*

Encourage experiences over ownership

- Consider business models that offer experiences rather than material goods*
- Think about how to repurpose your products when the consumer is finished with them*

The Business Case for Sustainability

Consumers and companies alike are becoming more interested in making sustainability-focused choices, but how to do so isn't always clear. McKinsey partners provide some research-based insights.



The overall theme is that sustainability and improving company performance actually go hand in hand. Of course, sustainability doesn't come for free, but overall it pays off economically.

Three facts to make this a little more tangible.

- 1. Sustainable products have been a growth driver in the past; across consumer categories, **those marketed as sustainable have been growing five to six times faster than the average market.***
- 2. Sustainable products may come at a high price premium. Consumers say they're willing to pay a little or even a lot more if they know that those products have been sustainably sourced and produced.*
- 3. Lastly is one of the most interesting—is the opportunity that comes with sustainability in new business building, green business building.*

It's amazing how many start-ups seen every month that are focusing on the topic of sustainability in the consumer sector. It's not only new kids on the block—not just millennials. Established companies can also drive their business and innovate based on the topic of sustainability.

<https://www.mckinsey.com/industries/retail/our-insights/prioritizing-sustainability-in-the-consumer-sector>

And What About Employees are They Engaged in the Issue?

Employees want climate-positive action from companies.

Workers want to feel that their employers are aligned with their values and actively taking action

Traditionally organisational change is enacted from the top down. But increasingly, demand for change is being driven from within. *Workers don't just care about climate change on a personal level; they want to feel that their employers are aligned with their values and actively taking action.*

Almost two-thirds (65%) of survey respondents said that they were more likely to work for a company with strong environmental policies. Climate change, human rights and social equity are all issues of growing importance, especially for millennial employees, who now make up the majority of the workforce.

These internal demands for climate-positive action are forcing a transformation of workplace culture. Gone are the days of simply writing aspirational sustainability reports and not integrating it into the DNA of business operations. Workers are raising their voices and flexing their individual agency to speak up and demand transformative, tangible change. It's not simply a passive desire for management to change either; 63% of employees expressed the desire to learn more green skills so that they can become more valuable in the workplace.

<https://www.reutersevents.com/sustainability/employees-want-climate-positive-action-companies-heres-how-they-can-deliver>

How Going Green Can Improve Employee Engagement

Employees are more likely to be engaged when working for eco-friendly organizations? Environmental and socially responsible companies are a major draw to employees looking to do more than simply punch the clock.

72% of Americans place a large emphasis on a CEO's involvement in corporate responsibility when making job decisions.

51% of employees won't work for a company that doesn't have strong social or environmental commitments.

96% of Generation Y employees are concerned about the environment and expect their employers to take steps towards becoming more sustainable.

74% of employees say their job is more fulfilling when they are provided with opportunities to make a positive impact on social and environmental

70% would be more loyal to a company that helps them contribute to important issues.

Employees want their company to establish and carry out sustainable initiatives. In turn, these initiatives will motivate and inspire them.

<https://greenerideal.com/news/business/going-green-can-improve-employee-engagement/>

Some Considerations In Scoping the Issue

The International Customer Experience Institute's 5 P's Model can provide a useful template for developing the scope of a Sustainability Strategy

	Now
Policies	<p>Has the organisation undertaken a review of their overall sustainability profile and measured their PERFORMANCE against what their present and potential customers perceive as the IMPORTANT priorities on the issue?</p> <p>By what process will it revise its values in order to make the Expected Results an operational reality?</p> <p>Is the organisation a positive role model in its sector?</p> <p>Key Point – How will the organisation best communicate its innovations to its customer base in order to optimise its commercial and loyalty opportunity?</p>
Products /Services	<p>How could the sustainability impact of the products and services the organisation be improved? What benefits in revenue/waste reduction could be achieved?</p>
Places	<p>How could the use of the current business channels and real estate/property/facilities of the organisation be improved?</p>
Processes	<p>To what extent are the legacy systems capable of being improved to manage current operations and for developing future growth?</p> <p>Does the omni –channel technology operate with the minimum amount of waste?</p> <p>How is the supply chain up and down stream engaged in the issue</p>
People	<p>How are employees views on the issue understood and taken into consideration?</p> <p>How will future performance effectiveness/skill development and career progression be monitored/measured an implemented to optimise the employees opportunities?</p>

Final Word

While COP 26 and the UN may have copped out of addressing the core population issue the research clearly indicates that the broader issues in and around sustainability has become and will continue to be a key driver of values led organisational behaviour change. **What an organisation does and as importantly the way that it does it** will influence both the way they are able to attract and retain both customer and employees. The politicians may not be doing the best job or setting the best example so the opportunity is for organisations, particularly those with an international or global reach to establish themselves as genuine role models in this area.

“Customer” and “Consumer” have long been interchangeable terms it may well be that they now see themselves more as “Consumers” and it may be a small help when revisiting organisational values to see them more in that reference and to ask how the development and delivery of what they consume can be made more sustainable.

Recommended Reading

<https://www.forbes.com/sites/forrester/2021/01/21/empowered-consumers-call-for-sustainability-transformation/?sh=43b02d1f2042>

<https://www.weforum.org/agenda/2021/05/eco-wakening-consumers-driving-sustainability/>

<https://www2.deloitte.com/uk/en/pages/consumer-business/articles/sustainable-consumer.html>

<https://www.businessinsider.com/sustainability-as-a-value-is-changing-how-consumers-shop?r=US&IR=T>

<https://www.weforum.org/agenda/2021/05/eco-wakening-consumers-driving-sustainability/>

<https://hbr.org/2019/07/the-elusive-green-consumer>

<https://www.mckinsey.com/industries/retail/our-insights/prioritizing-sustainability-in-the-consumer-sector>

<https://www.voguebusiness.com/sustainability>

<https://www.reutersevents.com/sustainability/employees-want-climate-positive-action-companies-heres-how-they-can-deliver>

<https://greenerideal.com/news/business/going-green-can-improve-employee-engagement/>

The ICXI One Question Quiz

Has the organisation a clear view of its consumers' priorities on sustainability? YES

If “No” how will you decide what action to take to optimise their experience? NO