

CMO Sustainability Accelerator

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ACTION PLAN

The Future is Mainstream Green

Introducing a New Growth Strategy

[Click here](#) for an overview (abbreviated version)

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A step-by-step action plan
focused on driving Mainstream
Green

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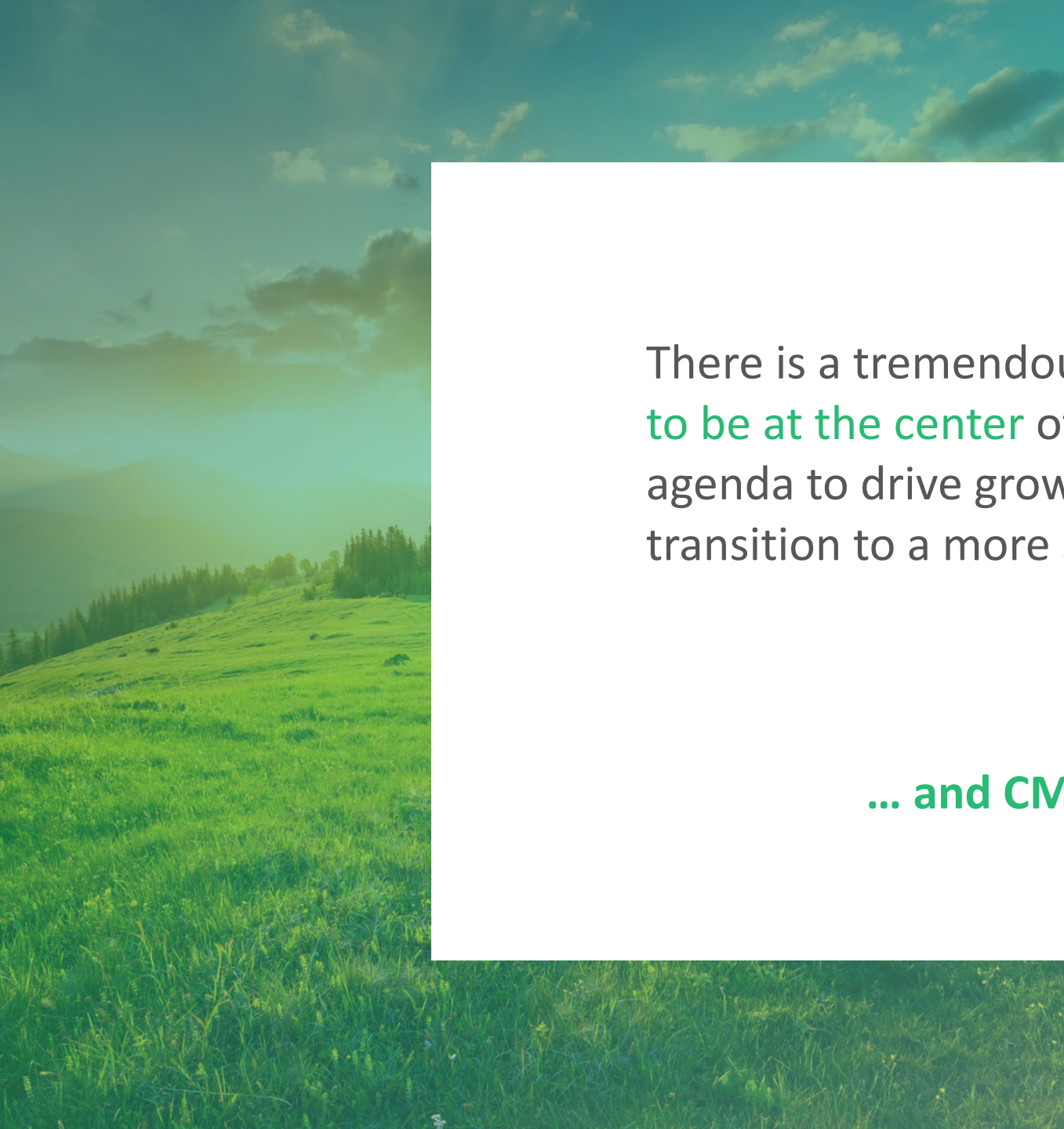
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Additional resources



Introduction

- Why environmental sustainability for marketers?
- Why now?



There is a tremendous opportunity for **customers to be at the center** of the CEO's sustainability agenda to drive growth and accelerate the transition to a more sustainable economy

... and CMOs provide that critical unlock

Why CMOs?



Represent the voice of the customer

Without this crucial stakeholder, companies can only achieve a portion of their environmental sustainability goals



Bring a unique set of skills

- As “Chief Collaboration Officers,” CMOs build allies and ensure cohesion across functions to realize business value from sustainability
- As experts on engaging the customer, CMOs can flip the script on hurdles to environmental sustainability adoption, helping make complex topics digestible and unfamiliar products desirable

Case study

How understanding the customer perspective unlocks carbon reduction goals



Company with ambitious carbon reduction goals realized that supply chain optimization was only projected to achieve **1/4 of the target**



Product itself was key driver of emissions and needed to be changed, with two key challenges:

- Still had to deliver on customer needs
- Had significant perceived barrier that more sustainable products equated to lower quality products



Collaborative “win-win” product innovation put company on track to achieve **100%+ of CO₂ reduction goals**, with marketing to show customers that the new product is objectively better—only possible by including customers and their needs in the strategy

Why now?

Sustainability is not a new topic, but pressure is growing from a variety of stakeholders to address the environmental component of ESG¹

- Shareholders
- Employees
- Customers
- Governments

Companies must help close the “say-do” gap to achieve

- Business growth
- Environmental goals and impact

+3pp
total shareholder
return

for top-quartile environmental performers globally²

<20%
of retailers

are on track to meet sustainability targets that >70% of them have set

~68%
of employees

say they are more willing to accept jobs from organizations they consider to be environmentally sustainable³

69%
of global customers

believe most companies are using sustainability to improve their image or sell

96%
of US customers

say they try to live sustainably at least some of the time

<10%
of global customers

consistently act and purchase on sustainability just to “save the planet”

7.1x
growth rate

of sustainability-focused CPG products vs. conventional⁴

127
countries

now have restrictions on single-use plastic

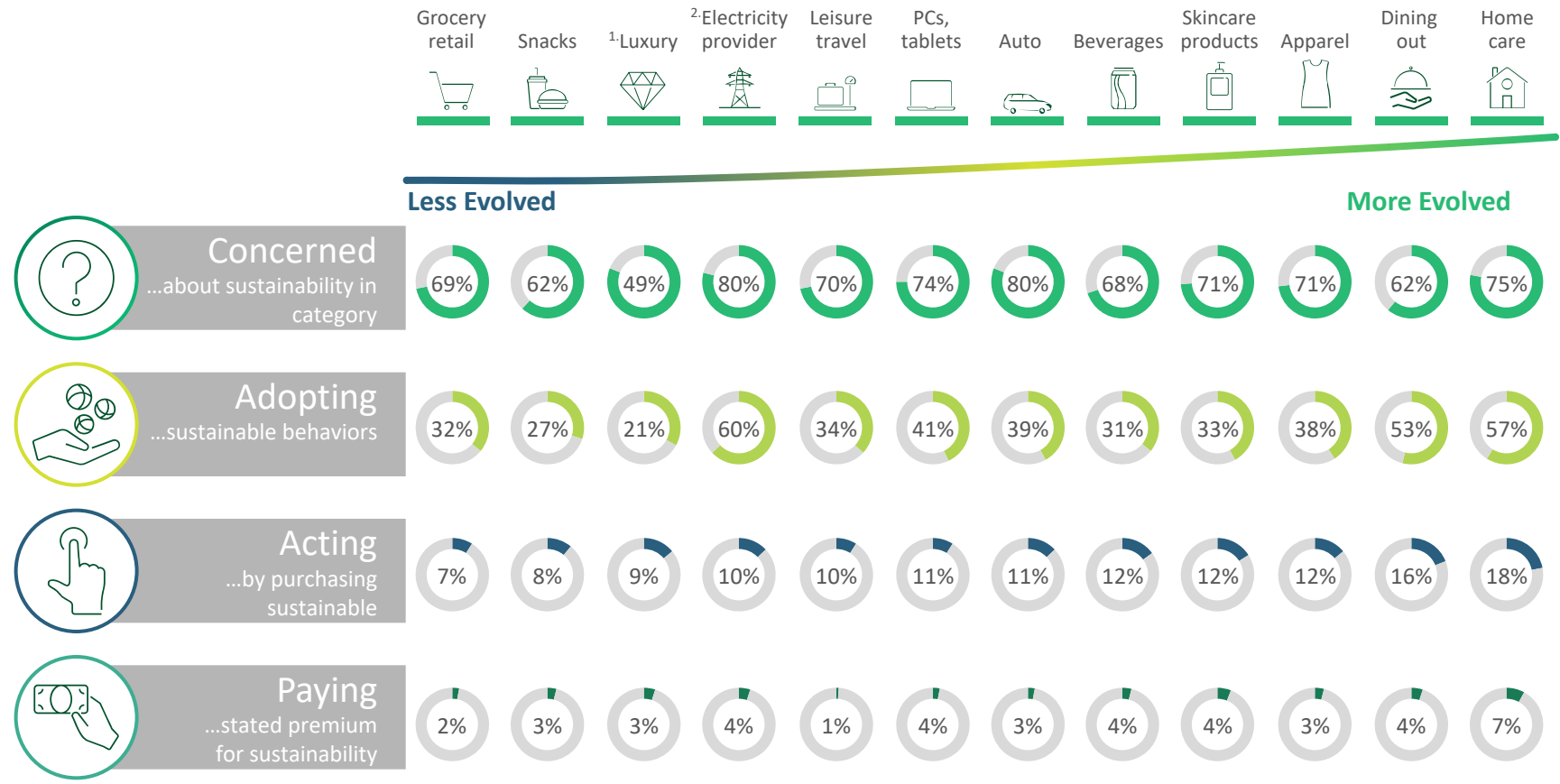
1. Environmental, social, governance 2. +3pp total shareholder return: Average customer company valuation premium versus median ESG performers, all else equal; pp = percentage points 3. 68% of employees: In addition, ~1 in 3 of those surveyed who changed jobs in the last year said they accepted a lower salary to work for sustainable or socially responsible organizations 4. Versus conventionally positioned products. Products with sustainable positioning drove ~55% of all growth in customer products in 2015 – 2019. Sources: +3pp total shareholder return: World Economic Forum (2022); <20% of retailers are on track: CDP emissions target database; 68% of employees are more willing to accept jobs from environmentally sustainable organizations: IBM Institute for Business Value survey (Feb 2022); 69% of global customers believe companies are using sustainability to improve image or sell: BCG sustainability customer survey, June 2022; 96% of US consumers try to live sustainably: Sustainable Brands Socio-Cultural Trend Tracking Research (Aug 2021); <10% of global customers consistently act and purchase sustainability: BCG analysis (Center for Customer Insight consumer research 2020 and 2022); 7.1x growth rate for sustainably focused CPG products: First Insight, NYU Stern Sustainable Market Share Index 2021; 127 countries restrict single-use plastic: World Resources Institute (2019)

Industries are at different stages of maturity when it comes to sustainable action by customers—all have a “say-do” gap

Implication for marketers

Customers express concern for sustainability but most are not yet acting, creating an opportunity for marketers to help close this "say-do" gap

Percent of customers at various stages of “say” and “do”



1. Luxury excluded from Germany, India and Brazil. 2. India, China and Brazil excluded from electricity provider acting stage as not applicable. Questions evaluated the likelihood or degree of concern, adoption, action or payment across each category. Weighted market representative random sample only, n=11,836; countries include USA, Japan, Germany, France, Italy, China, India and Brazil. Numbers represent simple averages of % of respondents per country
 Source: BCG sustainability customer survey, June 2022



TO LEARN MORE, SEE BCG'S RESEARCH ON "CONSUMERS ARE THE KEY TO TAKING GREEN MAINSTREAM"

Achieving **Mainstream Green** is a key opportunity for marketers to help close the “say-do” gap

This is a guide focused on taking green beyond niche, beyond luxury, and beyond a statement. To the mainstream. We call it **Mainstream Green**

Mainstream Green is about driving sustainable choices by marketing to *all* consumers, not just those who are moved by sustainable claims



Where we focus:

Drive **sustainable choices**

Marketing such that collective customer behavior leads to sustainable outcomes

Most guidelines focus here:

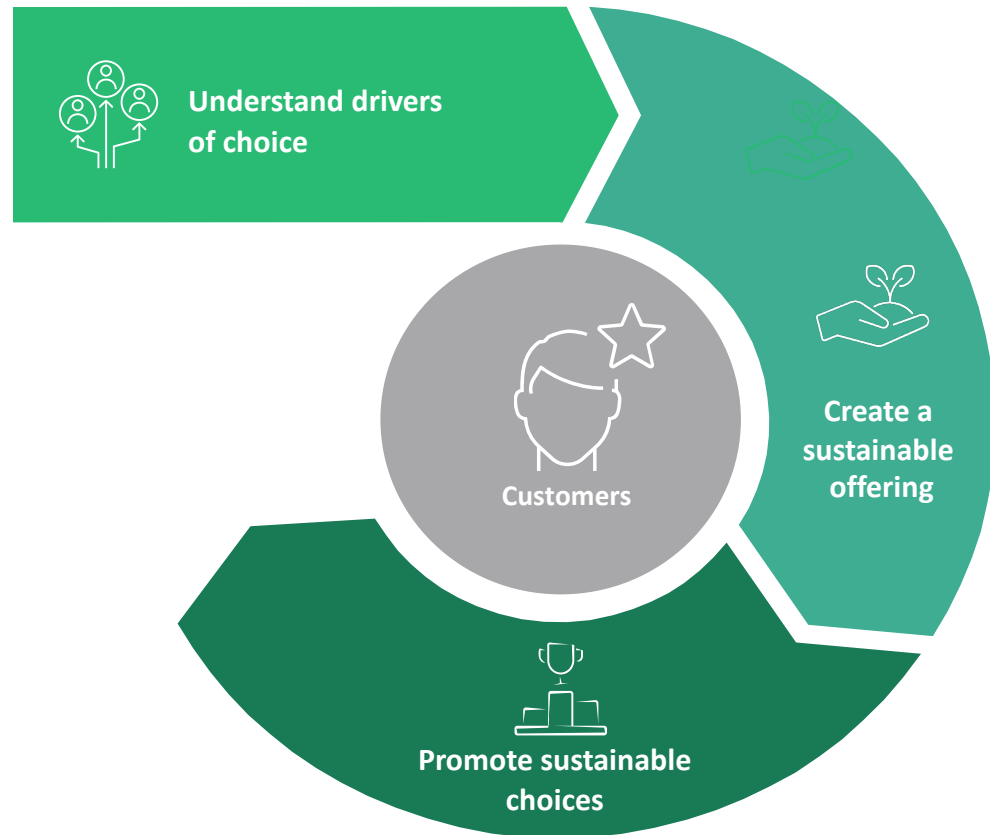
Make **sustainable claims**

Marketing using a sustainability benefit as the primary message



The Mainstream Green approach

- Understand customer needs that drive sustainable choices
- Create a sustainable offering with customer-centric innovation
- Change behavior and promote sustainable choices



Marketers can inspire more customers to make sustainable choices by putting them at the center of the growth strategy

Three steps help make environmental sustainability a growth strategy with mainstream appeal



Understand drivers of choice

Identify the needs that drive choice and barriers that hinder sustainable choices



Create a sustainable offering

Shape the products and services that drive sustainable choices and remove *real* barriers to adoption



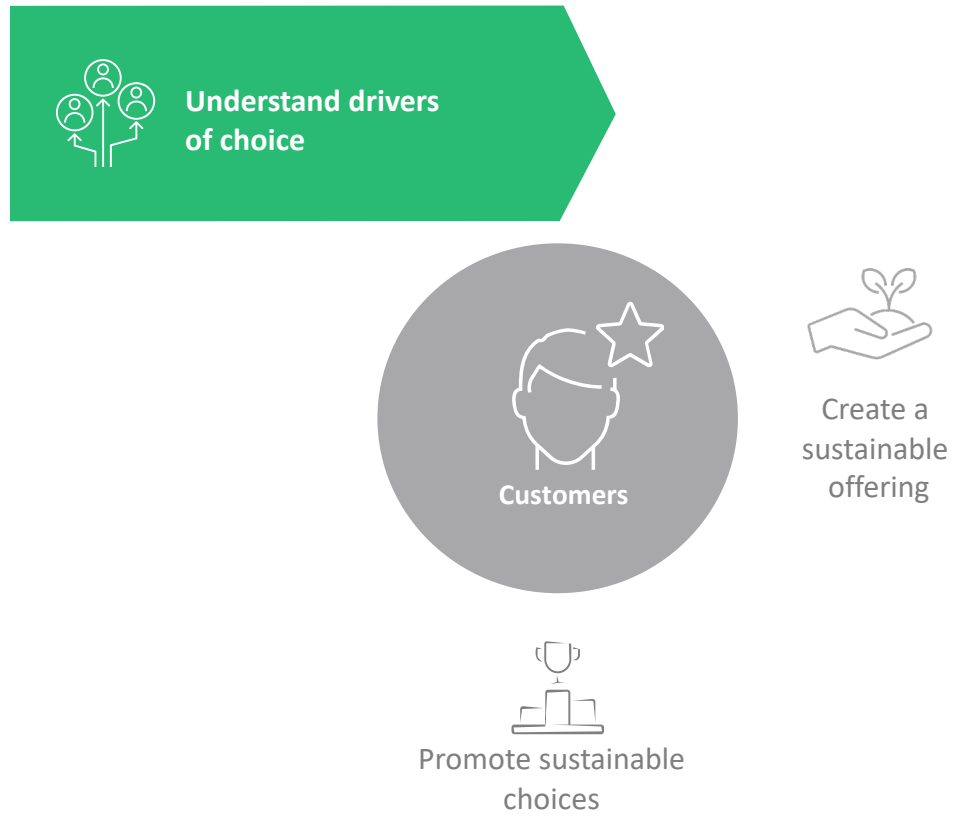
Promote sustainable choices

Remove *perceived* barriers by marketing products so that collective customer behavior leads to sustainable outcomes

Note: organizations with a sustainable offering that meets customers' needs and addresses real barriers may not need to pursue additional innovation



Mainstream Green starts with understanding customers' drivers of choice



Section Key Takeaways

- 1 Identifying customer needs and barriers/enablers is a critical first step that helps marketers know where to focus on **Mainstream Green**
- 2 Linking sustainability to **broader related needs** can grow customers 2 – 4x where sustainability is related to, but not a primary driver of, choice
- 3 Making sustainability a **“bonus benefit”** significantly expands the sustainable customer base to those for whom sustainability is not a driver of choice at all

Several key questions can help pinpoint where needs and barriers meet sustainable choice



What are our customers' needs and barriers?

- What are key customer needs?
- What types of barriers and enablers impact sustainable choice?
- What is the role of sustainability in our market and category?



How can we best drive sustainable choices?

- Where are the greatest opportunities for our company?
- How can our portfolio drive sustainable demand for green and non-green segments?



What will it take to drive action?

- What collaboration is necessary to remove customer barriers?
- What is the role of innovation versus customer engagement?

Steps to identify where customer needs and barriers overlap with sustainability



Understand

Customer starting point



Align

Priorities



Drive

To action

Key Action Steps

How do our customers' needs relate to sustainability?

- How do sustainability benefits drive choices?
- How do sustainability-associated benefits (or trade-offs) drive choice?

Which barriers prevent sustainable choices?

- Are the barriers *real*, i.e., pertaining to access/use?
- Are the barriers *perceived*, i.e., pertaining to feelings that a trade-off is required?

What does this tell us about strategic choices and opportunity sizes?

How should we define and prioritize opportunities considering:

- Customer needs
- Environmental impact
- Our company and starting point
- Opportunity size

What trade-offs do we need to make?

How do our opportunities align across our portfolio strategy?

How might we adapt our product portfolio to overcome *real* barriers? Do we need to develop, optimize, or both?

- **Step 2, Create a sustainable offering**

What tactics can we use to overcome *perceived* barriers?

- **Step 3, Promote sustainable choices**

How do we leverage relationships up and down the value chain to drive action?

Key Output

A clear understanding of drivers of choice

Direction for sustainable growth

Cross-functional actions



A refined understanding of whether each barrier is real or perceived determines the most effective way to drive sustainable choice

Nature of barriers

Is the barrier *real*?

“It's hard to take a cross-country road trip in an electric vehicle”

Service, product, or infrastructure shortcomings that make the purchase or use of sustainable products prohibitive

Is the barrier *perceived*?

“Washing dishes by hand makes them cleaner and is better for the environment than using the dishwasher”

A customer's feelings that sustainability requires a trade-off with important product or service attributes

Next steps

Innovation solutions can take several forms



Products and services



Business models

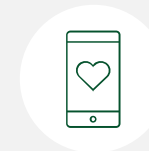


Technologies

Customer engagement toolkit creates leverage



Marketing



Sales



Pricing



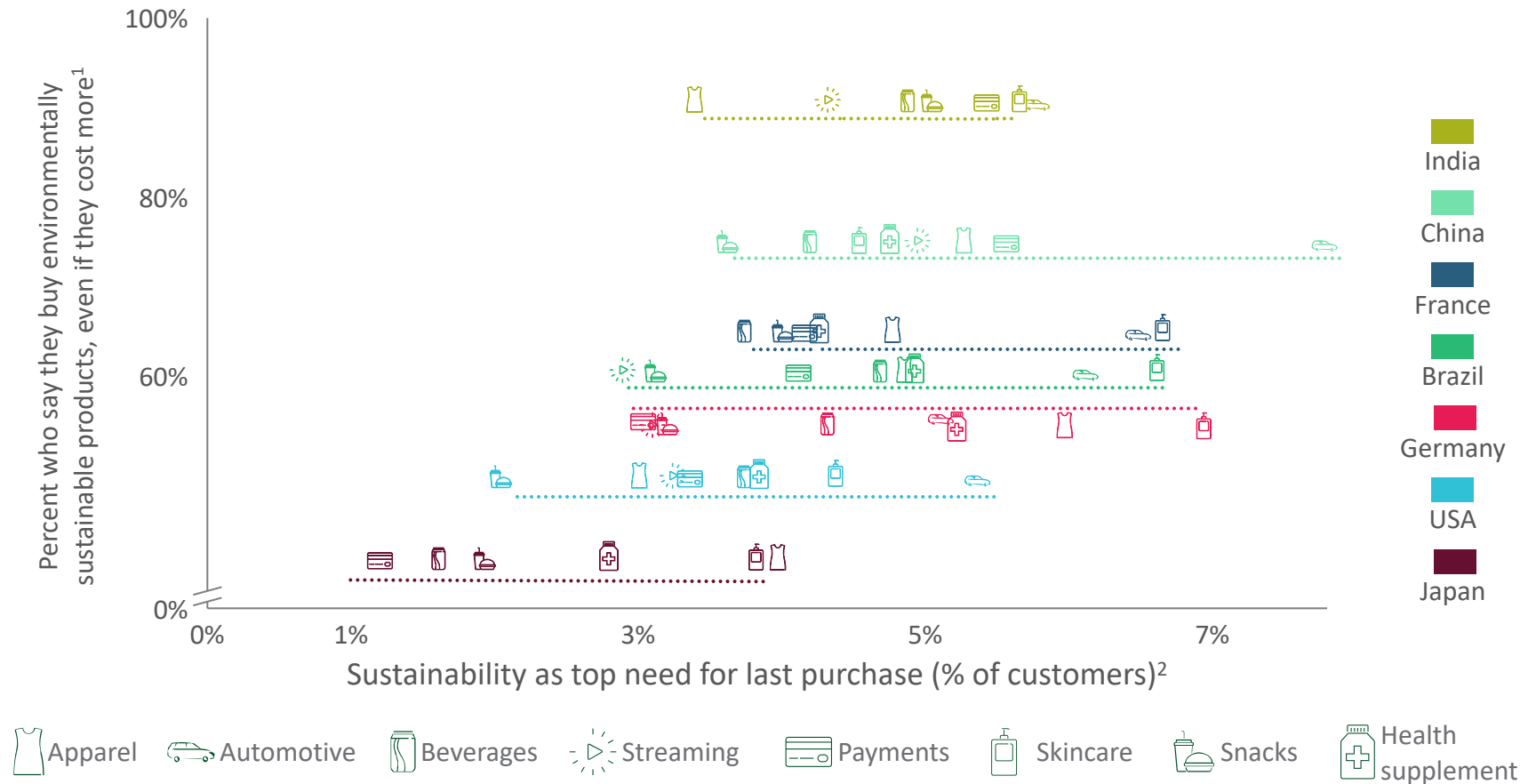
Customer experience

Sustainability drives choice in different ways across markets and categories

Data Insight

Most customers are conscious of sustainability; however, only ~3–6% had sustainability as the #1 “driver of choice” on their last purchase

Drivers of choice by market and category



1. Question text: Respondents who agree with statement “I buy products environmentally friendly, even if they cost more” (top 3 box)
 2. Question text: Respondents who chose “a choice which is environmentally and socially responsible” as top need on last purchase via MaxDiff prioritization. N = 312–741 by country and category, 2,826+ by country, 2,387+ by category.
 Source: BCG CCI research global drivers of customer choice, September 2020



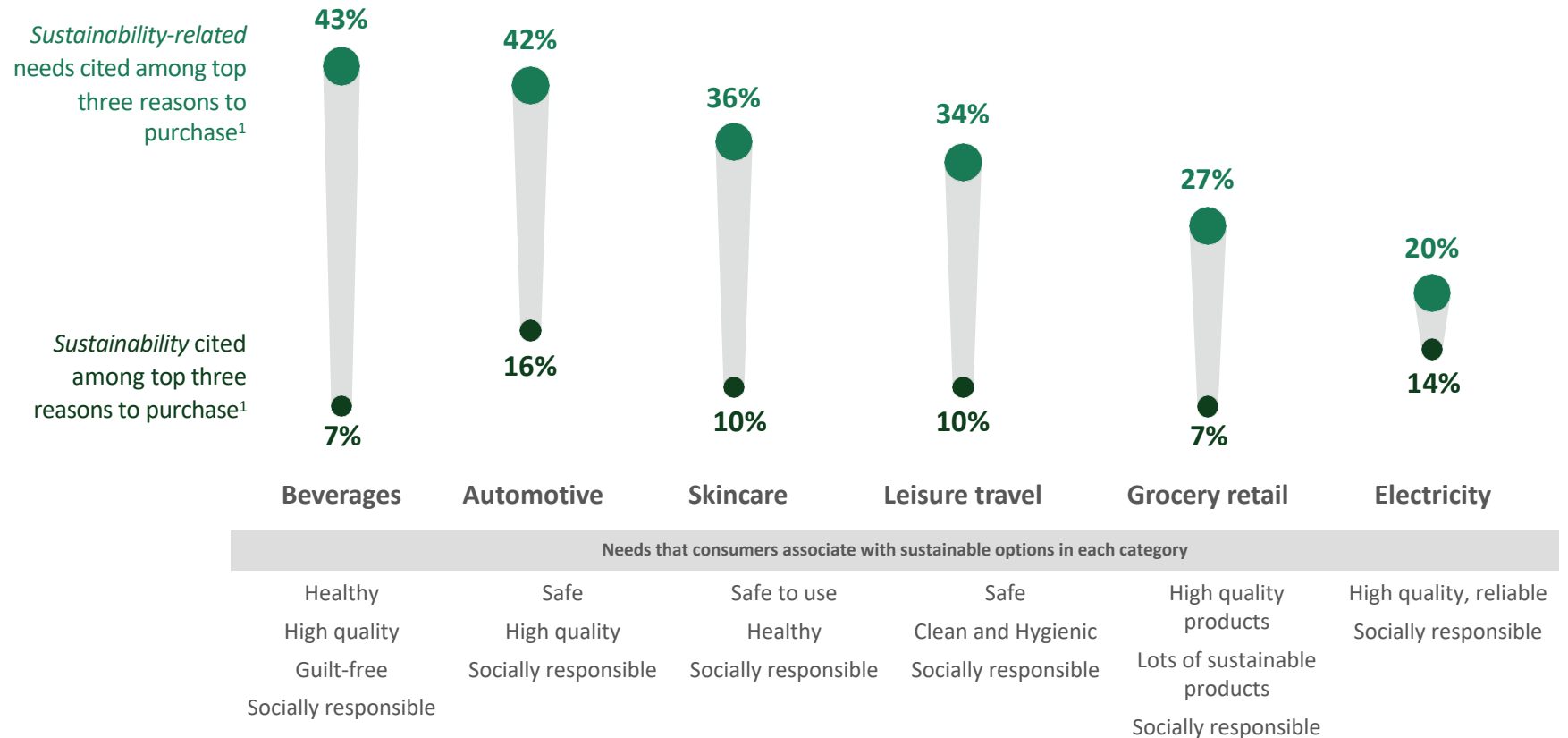
[TO LEARN MORE, SEE BCG'S RESEARCH ON "DEMISTIFYING GLOBAL CONSUMER CHOICE"](#)

Communicating a broader set of benefits for sustainable products could double or quadruple the number of customers who act

Implications for marketers

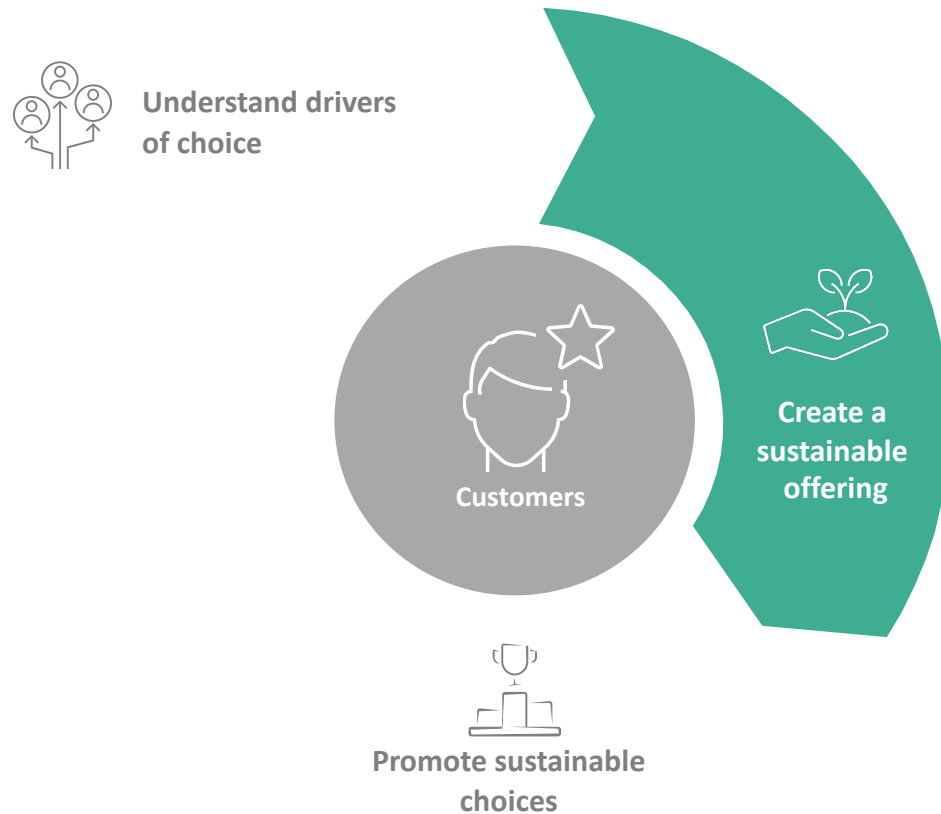
Drive sustainable choices by appealing to needs associated with sustainability (and not sustainability alone)

Percentage of customers with sustainability-related drivers of choice



Question text: What were your top 3 reasons for purchasing this particular product or service?
 Note: n =19,024, including booster sample; results from US, Japan, Germany, France, Italy, China, India, and Brazil. Global category numbers in this chart represent simple averages of category scores across surveyed countries.
 Source: BCG climate and sustainability consumer survey, June 2022

Customer-centric innovation can help overcome real barriers to **Mainstream Green**



Section Key Takeaways

- 1 Marketers can **help prioritize the right approach to innovation** by understanding which *real* customer barriers need to be removed
- 2 **Innovation creates a win-win-win** solution that makes sustainability an "and", not an "or"
- 3 Customer-centricity elevates sustainability innovation for **collaboration across functions and produces better outcomes**



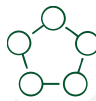
[TO LEARN MORE ABOUT GREEN INNOVATION, SEE BCG'S "MOST INNOVATIVE COMPANIES 2022"](#)

Understanding the real barriers that prevent access and usability guides which innovation approach will best enable sustainable choices



Does the product or service need to be modified?

- How can we innovate the core offer to remove barriers, improve sustainability, and drive usage?
- How do we reimagine product/service usage for a more sustainable value proposition?
- Is there an opportunity to create a whole new sustainable product/service?



Does the business model need to be changed?

- Is there opportunity for us to expand our business into adjacencies (e.g., up- or downstream) and drive sustainability?
- Where can we leverage partnerships to encourage more positive behaviors (e.g., resale)?



Does new technology need to be invented?

- How can we focus our R&D efforts to solve sustainability barriers?
- Is there a partner whose technology we can apply and amplify to make our product/service more sustainable?







Choosing the right type of innovation combines design thinking, and lean and agile methodologies into four phases; marketing contributes the customer-centric lens



Questions to guide sustainability innovation

For each step, the company should consider: Do we build it in-house, partner with another company, or acquire the capability/solution?

- | | | | |
|--|--|---|---|
| <ul style="list-style-type: none"> What are the material sustainability topics for your geography, industry, etc.? ➤ Step 1, Understand drivers of choice  | <ul style="list-style-type: none"> Which stakeholders should participate in ideation workshops to generate a diverse set of ideas to overcome barriers? Do our prioritized ideas account for the following? <ul style="list-style-type: none"> Sustainability objectives Brand strategy/purpose Current product and service portfolio Target segments | <ul style="list-style-type: none"> How can we quickly build a minimum viable product (MVP) to test, learn, and iterate on how to overcome sustainability barriers? How can we create room to experiment, innovate, and drive behavior change (e.g., product trial, switching, usage)? | <ul style="list-style-type: none"> Will launching the new sustainability features, products, or experiences generate value, relevance, and trust? Are we prepared to scale the innovation (e.g., are our value chain partners bought in)? ➤ Step 3, Promote sustainable choices  |
|--|--|---|---|

Marketing role

- | | | | |
|--|---|--|---|
| <ul style="list-style-type: none"> Identify sustainability topics that dovetail with customer drivers of choice | <ul style="list-style-type: none"> Weigh in on what changes will move the needle with customers, elevating sustainability innovation out of a singular functional silo | <ul style="list-style-type: none"> Run in-market testing (in-store, in-field, online) Enable full breadth of innovation possibilities, from small changes to big transformations | <ul style="list-style-type: none"> Build go-to-market plan, including measurement strategy to track success throughout product lifecycle |
|--|---|--|---|

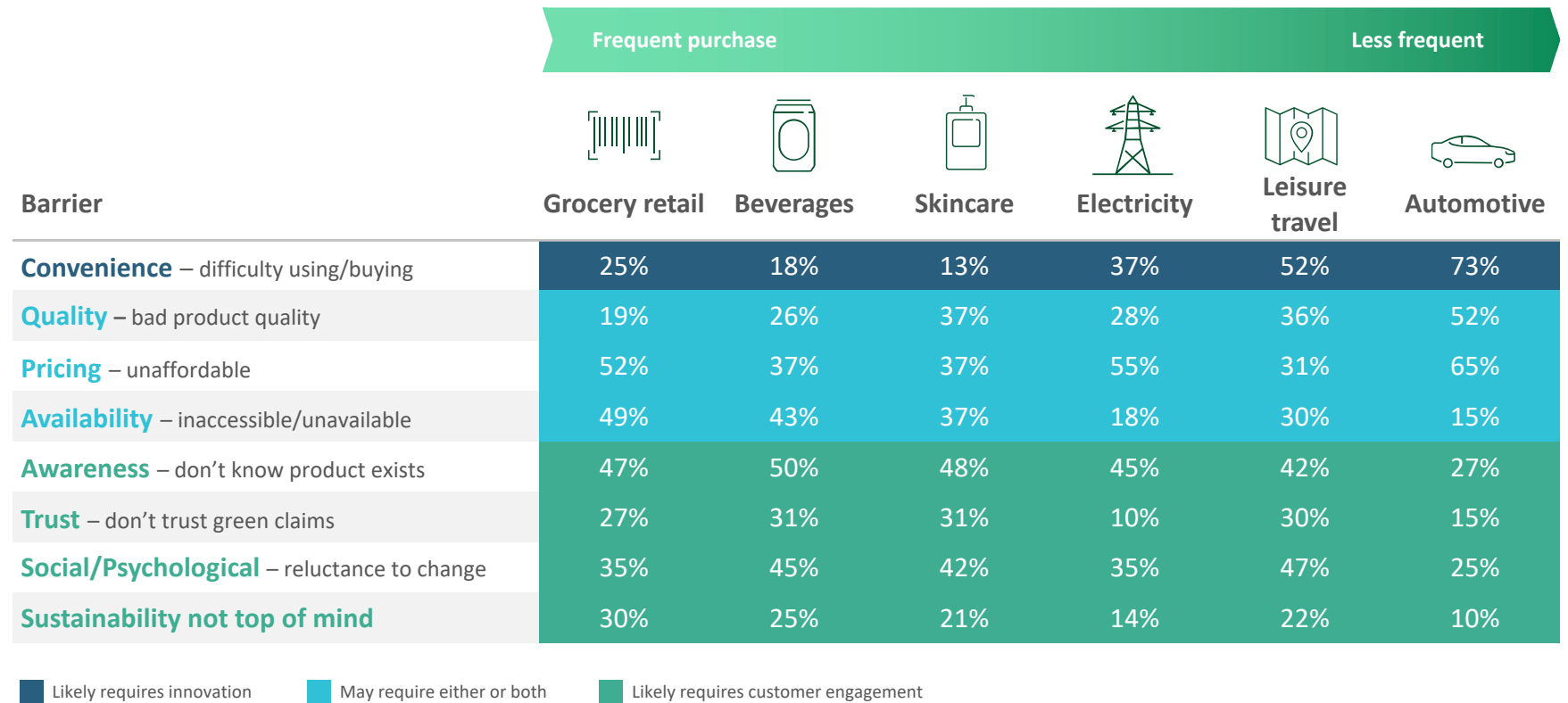


Understanding the nature of barriers to sustainable choice helps identify the most effective solutions to address them

Data Insight

- The automotive industry faces convenience barriers that require innovation
- Skincare and beverage categories have the highest trust barriers

Percentage of customers who agreed that barriers in each category prevented them from making sustainable purchases



Question text: What would you say is holding you back (if anything) from purchasing more sustainable products/services within each category? Percentage of category buyers/users who select any of rank 1 to 5 for barriers. Simple averages of % of detailed barrier list taken to arrive at theme level %. Simple average of % of each barrier from countries taken to arrive at category level average percentages. Electricity not included for India as no options available for selection
 Note: Weighted market representative sample, n=19,024; countries include USA, Japan, Germany, France, Italy, China, India and Brazil
 Source: BCG climate and sustainability consumer survey, June 2022

Innovating to remove convenience and quality barriers would help unlock leisure-travel customers on a global scale

Implication for marketers

Marketers can help their companies prioritize innovation options to address top barriers to sustainability

Percentage of customers who ranked barrier as one of the top 5 barriers holding them back from sustainable leisure travel

Leisure travel								
Pricing	36%	35%	23%	29%	34%	27%	29%	38%
Convenience	45%	50%	62%	55%	51%	43%	57%	52%
Quality	33%	32%	32%	17%	33%	53%	62%	25%

■ ■ Blue and red indicates top barrier for country, across all real and perceived barrier types



Convenience barriers

- Customers believe sustainable travel takes too long and is too complex compared to less sustainable options
- Opportunity for marketers to minimize travel time and transfers to better meet customer needs (e.g., airlines partnering with rail to reduce short-haul flights)



Quality barriers

- Within the quality barriers, Brazilian and Chinese customers over-index on comfort, reliability and safety barriers
- Marketers should do further research to uncover cost-effective comfort and safety improvements to resolve these tensions

Question text: What would you say is holding you back (if anything) from purchasing more sustainable products/services? For each category, % of respondents who rank 1 to 5 for barrier statement. Calculated among category users/buyers.

Note: Weighted market representative sample, n=19,024; countries include USA, Japan, Germany, France, Italy, China, India and Brazil.

Source: BCG climate and sustainability consumer survey, June 2022.

Removing perceived barriers through engaging marketing is the final step to catalyze Mainstream Green



Understand drivers of choice



Customers



Create a sustainable offering



Promote sustainable choices

Section Key Takeaways

- 1 Marketers have **powerful tools and techniques** to convert customers and accelerate the shift to sustainable choices
- 2 For early sustainability adopters, **remove friction to purchase, strengthen customer connections, and amplify advocates authentically**
- 3 For sustainability laggards, **disrupt existing habits and inspire and empower customers toward greener options**

Marketers can help their organizations understand where customers are along the sustainability adoption curve and adapt how they engage



Who are the existing sustainability (early) adopters?

- Who are the sustainability adopters within our existing customers or among those we are trying to acquire (and for what occasions)?
- How can we make the purchase of our sustainable product or service as easy as possible, particularly for repeat purchases?
- How can we turn them into loyal advocates for our product/service?



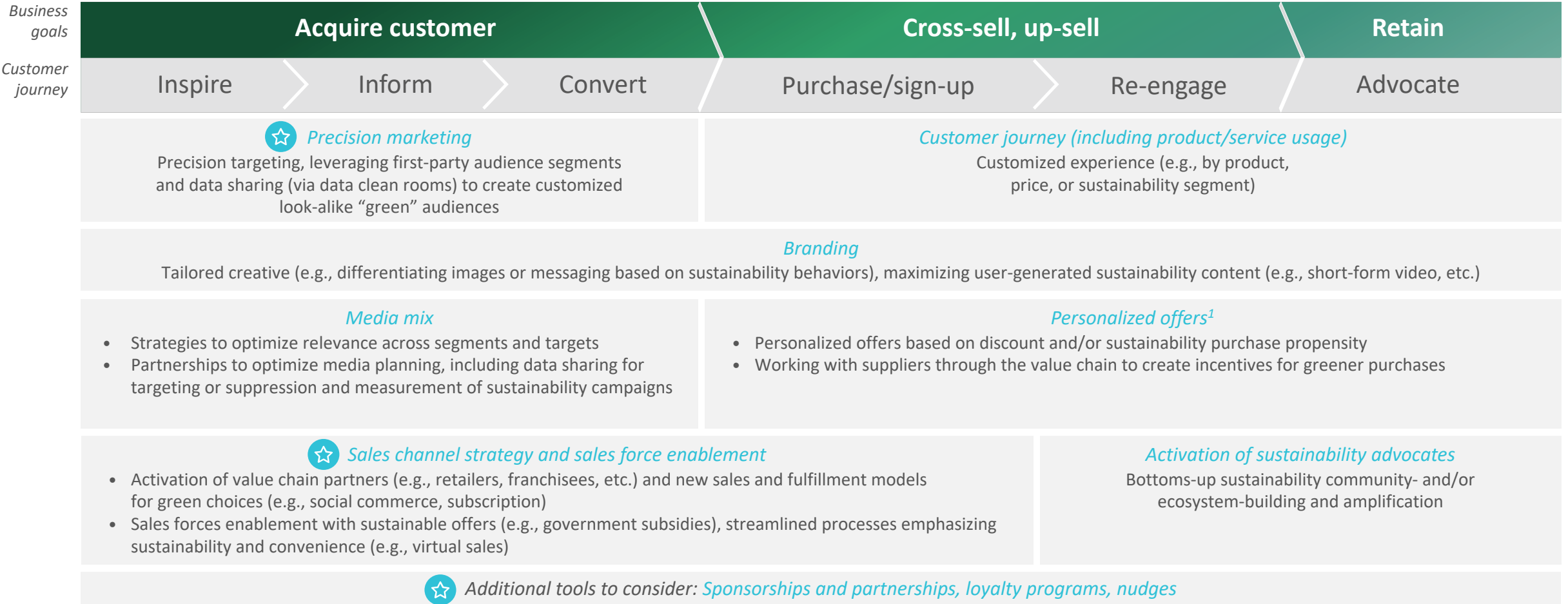
Who are the sustainability laggards?

- What are their existing sustainable perceptions and habits?
- How can we best disrupt to build awareness and remove perceived barriers to sustainable choices (e.g., lower quality)?
- How can we nudge consumer behavior toward sustainability adoption with marketing, sales, and pricing?



Marketers can deploy tools according to where customers are on the sustainability adoption curve and desired outcomes

Illustrative examples of how sustainability tools can apply across existing customer engagement toolkit



Including discounts and promotions, “green premium”, and price pack architecture strategies
Source: BCG experience

Three example tools and illustrative “test and learn” steps to overcome perceived barriers and enable sustainable purchases and behavior



Precision marketing

Tailoring sustainability messages and experiences, using technology at scale

- Provide the right message, through the right channel, at the right moment to prompt the desired sustainability behavior
- Demonstrate link between sustainable options and customer’s personal needs and preferences
- Focus on sustainability habits by tapping into customer motivations, reinforcing existing sustainable routines, and building incremental sustainable routines

- Perceived barriers addressed:
- Awareness
 - Pricing
 - Trust
 - Social
 - Lack of concern



Nudges

Designing choice architecture to alter sustainability behavior in predictable, easy, low-cost ways

- Highlight sustainable options throughout the purchasing journey and use prompts to encourage customers to adopt new behaviors
- Simplify sustainable choices by making them the default
- Educate customers on environmental costs, share data and insights that highlight the value of sustainable options
- Engage customers and communities in actions that reinforce their commitments—reflect socially acceptable group behaviors

- Perceived barriers addressed:
- Awareness
 - Trust
 - Social
 - Lack of concern



Sales channel strategy

Where or how a product/service is sold to make sustainable choices more accessible

- Consider new distribution models (e.g., subscription)
- Optimize last mile delivery (e.g., through utilizing electric vehicles, bundling, etc.)
- In B2B or B2B2C businesses, explore partnerships with business customers to promote sustainable options and jointly reach sustainability and business goals







- Perceived barriers addressed:
- Awareness
 - Availability
 - Trust



For sustainability adopters, marketers can be even more effective if they address the environmental claims this customer group cares about most

Implication for marketers

Balancing the claims that customers care about with outcomes that are best for the environment ensures meaningful sustainability outcomes and reduces the risk of greenwashing

Preferred claims	 Beverages	 Skincare	 Grocery retail	 Leisure travel	 Electricity	 Automotive
	"Free from" bad ingredients Free from pesticides Antibiotic-free/hormone-free	"Free from" bad ingredients 100%/90% natural Free from chemicals	Packaging Minimal/no plastic in store Non-plastic bags	Climate/nature Invests in R&D for greener travel Efficient route to save fuel	Climate/nature 100% sustainable sources Protects forests and biodiversity	Climate/nature Zero emission Lower CO ₂ emission Lower particle-emission technology
	Packaging Recyclable Made from recycled materials	Packaging Recyclable Made from recycled materials	Origin Sources from eco-friendly suppliers Sells local products	Packaging Recyclable/reduced packaging on board	Origin Electricity produced locally	Origin Assembled in your country
	Climate/nature Low carbon Organic Carbon offsets	Climate/nature Protects forests & biodiversity Non-harmful waste	Climate/nature Minimizes food waste Protects forests and biodiversity	"Free from" bad ingredients Offers products free from pesticides Organic products		
	Origin Locally made Locally sourced ingredients	Origin Locally made Locally sourced ingredients	"Free from" bad ingredients Offers products free from pesticides Organic products			

Question text: Which of the below claims are most and least important to you when making purchasing decisions for [each category's] product/service? N>200 for each category
 Note: All claims pertain to environmental sustainability. Electricity not tested in China, Japan, India, Brazil.
 Source: BCG sustainability customer survey, June 2022

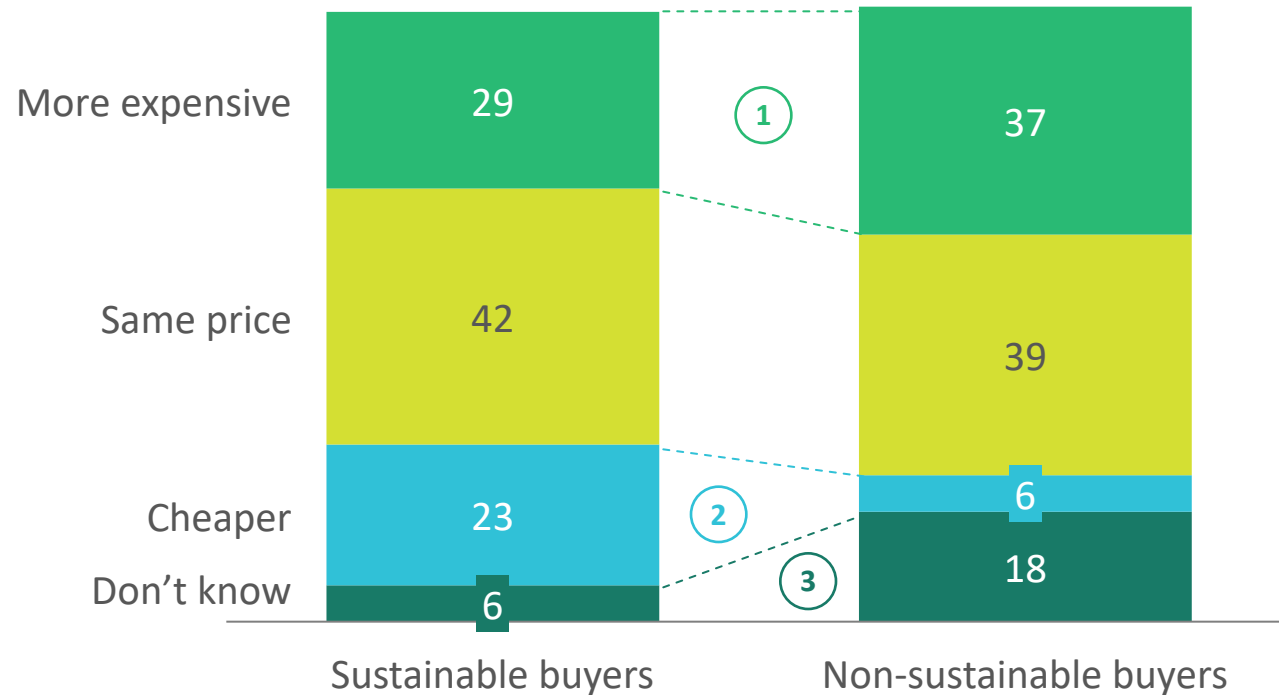
Marketing can help change the perception that sustainable products are more expensive, removing a barrier for laggards

Data Insight

1 Non-sustainable buyers are more likely to believe that sustainable options are more expensive

2 In contrast, nearly 1 in 4 sustainable buyers assert that sustainable products are cheaper

3 A “price-awareness gap” exists among non-sustainable buyers, with ~20% unsure of the price comparison between sustainable and non-sustainable options

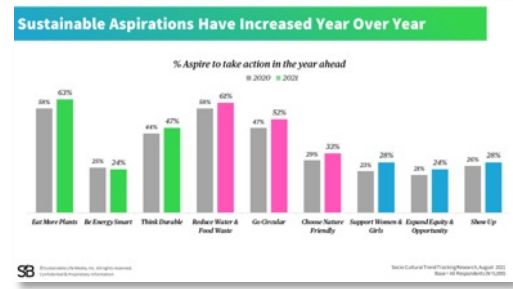




For laggards, marketers can help drive new behaviors that close the gap between intent and action

Implication for marketers

Many tools exist to help marketers close the "say-do" gap including articles and tools from Sustainable Brands



Understand the “intent-action” gap at a general population and brand-specific level with benchmarks via the [Socio Cultural Trend Tracker](#), an annual research study, with ongoing pulses, designed to assess consumer attitudes to and around sustainability



Through this research, Sustainable Brands created a short list of the [Nine Sustainable Behaviors](#) that people and brands can take together to create positive change...



... and created the [Ad Sustainability Awareness Platform \(ASAP\)](#) that enables marketers to measure their creative assets’ effectiveness to drive action against these behaviors

[Reach out](#) to learn more about the [Sustainable Brands toolkit](#)

Apply the action plan for Mainstream Green



Understand drivers of choice

- Understand customer needs
- Analyze role of sustainability for each need (i.e., reason to believe versus trade-off)
- Identify *real* and *perceived* barriers and corresponding enablers of sustainability adoption
- Measure risks of inaction and opportunities to drive growth for the business



Create a sustainable offering

- Hold multi-stakeholder ideation workshops to generate a diverse set of ideas
- Prioritize ideas, considering:
 - Sustainability and growth objectives
 - Brand strategy and purpose
 - Current product and service portfolio
 - Target segments
- Build minimum viable products (MVPs) to collect customer feedback and provide continuous customer input
- Launch new sustainability features, products, or experiences and prepare to scale the innovation



Promote sustainable choices

- Consider full customer engagement toolkit and select approach(es) to address perceived barriers
- Tailor deployment to different customer archetypes (e.g., market, sustainability maturity, types of perceived barriers, step in the customer journey, etc.)
- Test and gather feedback on tool effectiveness, adjusting as necessary

Continuously measure impact, iterate, and improve



Examples of how companies are starting to drive **Mainstream Green**


- For additional resources or to submit your own case study, contact the [Association of National Advertisers](#)

Case study | Tide innovates and educates customers on why it is better to wash in cold water


Background


- Tide is an American laundry detergent brand and **one of the best-selling detergent brands in the world**

Insight and actions

 Customers **desired a detergent that ensured clean clothing and hesitated to wash in cold** due to:

- The perception that **cleaning in warm water was more effective**
- **A lack of awareness** of the environmental and financial benefits

 Recognizing that **90% of energy usage came from heating water** to wash, Tide **innovated to increase product effectiveness** in cold water

 Tide promoted cold-washing as a sustainable choice, collaborating with sponsors and influencers to **overcome lingering customer skepticism**. They:

- **Emphasized cost savings** and increased clothing lifespan
- Convinced 15 NFL teams to #TurnToCold to **overcome the perception of lower efficacy**
- Published the environmental benefits of washing in cold to **nudge customers towards sustainability**

Results

- **39% increase** in sales of Tide Hygienic Clean
- **2 billion** earned media impressions
- **1.3 billion** new loads washed in cold
- **1 billion** kg CO₂ saved


Source: P&G; Tide website; GreenBiz


Case study | Dole Sunshine Company partners and invests in new technology, turning pineapple leaves into leather and reducing food waste

Background


- Dole Sunshine Company (DSC) is one of the **largest producers of fruit and vegetables** in the world with revenues close to \$2B

Insight and actions

 Customers **desired inexpensive, good-looking, comfortable, planet-friendly and sustainable leather alternatives**

 DSC, seeking ways to reduce their food waste and emissions, partnered with Ananas Anam, a leather alternative pioneer, to **overcome the lack of sustainable, non-petroleum-based options**:

- DSC **monetized a waste stream** and capitalized on increased demand for Piñatex, a brand owned by Ananas Anam that creates alternative leather from DSC's pineapple waste
- DSC has invested both funds and resources **to build an ecosystem** that encourages growers to participate in fiber production

 Ananas Anam's brand Piñatex has expanded, partnering with over 200 brands to increase customer access

Results

- Growth rate on track to become **10% of DSC ingredient business by 2025**
- **Waste reduction in line with Dole Promise of zero fruit loss by 2025**
- **Cut emissions** by reducing the amount of pineapple leaves left to decompose and produce methane

Source: Dole Sunshine Company

Case study | Incapto drives sustainable behavior change through better coffee experiences

Background

- Incapto is a Spanish coffee company founded in 2019 and the fastest growing coffee brand serving customers across Southern Europe

Insight and actions

- Two key drivers of the coffee experience, **convenience and taste**, contributed to 60B capsules produced annually. However, customers lacked awareness that:
 - The capsule **compression process reduces taste**
 - **80% of these capsules end up in landfills**
 - **One person can consume up to 40,000 capsules** in their lifetime
- Incapto **drove sustainable behavior change** by ensuring people continued to enjoy taste and convenience. They:
 - **Created a machine** that mixed coffee and other ingredients easily, **eliminating the need for capsules/compression while improving taste**
 - Motivated and educated consumers through a subscription service **measuring individual impact** of removing pollution

Results

- **2x revenue growth** on a monthly basis since 2021
- **Removed 4 million coffee capsules** across Spain, Portugal and France
- **Reduced 80% CO₂ emissions and removed 30% pack waste** via HP digital print

Source: Incapto company website; Incapto 2022 case study; HP Graphic Arts LCA Study

Case study | Google Cloud empowers customers to choose sustainable cloud computing

Background

- Google Cloud is a **cloud computing offering** from Alphabet, Inc.

Insight and actions

- Customers desired more **cost-efficient and sustainable IT infrastructure** and computing to support meeting their own cost and carbon emissions commitments
- Google innovated to meet those needs:
 - Built **2x more energy-efficient owned and operated data centers** versus the average
 - Created tools (Carbon Sense suite) to **enable reliable tracking, visualization, and insights** on any cloud project's carbon emissions
- Google **nudged sustainable choices by surfacing information** on data center regions with lowest carbon impact
 - Users were **19% more likely** to select lower carbon regions after seeing indicators within platform

Results

- Contributes to **47.5% CAGR in cloud revenue from 2017 to 2021**
- Computing costs, energy use, and carbon emissions **reduced by 65 - 90% when customers switched**
- **100% renewable energy** for all cloud regions

Source: Google



Get the fundamentals right

- Environmental, Social, and Governance strategy
- Responsible marketing practices

Mainstream Green is at the core of a broader set of actions marketers can support to drive environmental sustainability

Additional actions marketers can take include

- Supporting the creation of a holistic ESG strategy
- Ensuring responsible marketing practices, including ethical marketing and sustainable operations

Focus of this chapter

Environmental, Social, and Governance (ESG) strategy

- Connects organizational values to operations
- Has broad-reaching, multidisciplinary impact
- Puts environmental sustainability and the role for marketers in context

Responsible marketing practices

- Ensures clear, ethical communication of sustainability benefits
- Promotes sustainable operating best practices
- Recognizes company impact via partners and creates accountability

Focus of previous chapter

Mainstream Green

- Promotes positive, collective customer behavior and leads to sustainable outcomes
- Improves achievement of enterprise sustainability goals

The journey to **Mainstream Green** requires an ESG strategy

- Sustainability is one part of a broader ESG strategy
- Tools, such as Sustainable Brands' Brand Transformation RoadmapSM, exist to support companies navigating from business-as-usual to sustainable brand



Steps companies can take to move towards a holistic ESG strategy

Map the journey

Diagnose where the business is today, pinpointing measurable solutions and next steps

Rally around purpose

Engage, inform, and unite different parts of your company around a common purpose

Build company infrastructure

Enable effective goal-setting, planning, capacity-building, and cross-functional collaboration

Communicate effectively

Use language that is accessible not only to sustainability executives but also to the rest of your company

Grow external relationships

Strengthen stakeholder engagement and provide context-specific recommendations for resources and partners

Source: Sustainable Brands

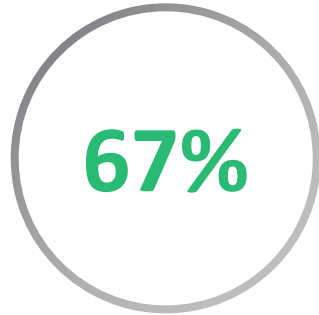
Responsible corporate and supplier practices can offset mistrust around sustainability marketing

Customers don't believe companies are genuinely committed to sustainability ...



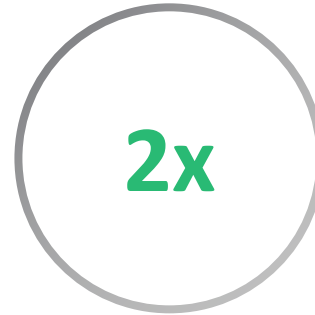
of customers agree that "Most companies are not committed to sustainability—they communicate only to improve image or sell"¹

...and have trouble naming companies who help them address the issue



of customers say that "none come to mind" when asked which companies are going above and beyond to help them address environmental challenges²

Meanwhile, climate issues see increasing attention from press



more press coverage between 2019 and 2021³

Marketers can minimize reputational risks and build greater customer trust by marketing sustainability responsibly

1. Question text: How much do you agree or disagree with the following statements regarding sustainability? N=19,024; Countries USA, France, Germany, Italy, China, India, Brazil, Japan 2. 67% of customers say that "none come to mind": Sustainable Brands Socio-Cultural Trend Tracking Q4 Pulse, December 2020. N=1000 3. Media coverage: BCG Center for Growth and Innovation Analytics – analysis of ~2.9K news and media articles related to ESG efforts retail companies (published between 2019 and 2021) were analyzed/clustered using natural language processing.
Source: BCG sustainability customer survey, June 2022

A wide variety of environmental sustainability marketing guidance already exist; this section summarizes key use cases



Global



[ICC Framework for Responsible Environmental Marketing Communications, 2021](#)



[Guidelines for Providing Product Sustainability Information, 2017](#)



[Global Guidance on Environmental Claims, 2022](#)



[Environmental Claims: Findings and Conclusions of the OECD Committee on Consumer Policy, 2011](#)

[Net Zero Marketing, 2022](#)



[UK Advertising's Response to the Climate Emergency, 2020](#)



United Kingdom



[CMA Guidance on Environmental Claims on Goods and Services, 2021](#)



[The Environment: Misleading Claims and Social Responsibility in Advertising, 2022](#)



United States



[Green Guides, 2012](#)







[Greenwashing and Advertising, 2021](#)

Many country-specific guidelines and regional publications are also available (e.g., Union des marques: Le programme FAIRe)

Ethical sustainability marketing principles are thematically consistent across existing materials and are a useful tool to evaluate messaging



Understand local laws and regulations regarding marketing communications

Criteria	Ethical sustainability marketing principle	Checklist ¹ to evaluate sustainability message
 Ambitious target?	<ul style="list-style-type: none"> Consider full lifecycle of product or service, or specify which part it applies to if not to full lifecycle Be forthcoming with information, especially with limitations 	<ul style="list-style-type: none"> Does the claim involve a goal that can be met in a reasonable time frame? Is the element of sustainability that the claim addresses clear? E.g., air, water, waste, carbon, etc.
 Authentic and meaningful?	<ul style="list-style-type: none"> Be truthful and accurate, clear and specific Be useful to the customer 	<ul style="list-style-type: none"> Are the sustainability benefits expressed through words or implied with visuals, e.g., greenery, leaves, mountains, etc.? Could customers be misled? Is the claim relevant to the intended audience? Does the claim relate to the company's purpose and identity?
 Fit to core?	<ul style="list-style-type: none"> Be material: talk about major improvements, in areas that matter Make fair and meaningful comparisons 	<ul style="list-style-type: none"> Does the claim have a net positive impact or contribute to other issues? E.g., recyclable packaging might require high water use for net negative impact If the claim is relative, is the comparison clearly communicated? E.g., current product versus earlier version, component or package Does the claim indicate if it may apply to the product, packaging, or both?
 Feasible?	<ul style="list-style-type: none"> Have robust evidence and substantiation 	<ul style="list-style-type: none"> Do the claims meet regulatory or legal requirements? Are the proposed claims verifiable? Does the customer need to access special/external facilities, e.g., recycling infrastructure, home composting, etc., for the claim to be achieved?

See following pages for more details and nuances that may apply to your company's specific situation

1. Checklist based on [ICC Framework for Responsible Environmental Marketing Communications, 2021](#)

Backup | Reference list of existing materials and related publications (I/II)

Ethical sustainability marketing

Select publication according to relevant (trade) organizations and/or geography

Publication title	Author organization	Applicable users	Publish date	Short content recap
Global Guidance on Environmental Claims	World Federation of Advertisers (WFA)	Global marketers	2022	Six key principles for trustworthy environmental claims and examples of global best practices
ICC Framework for Responsible Environmental Marketing Communications	Global Chamber of Commerce (ICC)	Global marketers and agencies	2021	Summary of the ICC Code principles and commentary/guidance for applying them to environmental advertising
Guidelines for Providing Product Sustainability Information	United Nations Environment Programme	Global marketers and agencies	2017	Claims guidance for product-related sustainability information, through minimum requirements and increased ambition over time
The environment: misleading claims and social responsibility in advertising	Committee of Advertising Practice (CAP)	UK agencies	2022	Guide on how to interpret the UK CAP and BCAP rules concerning environment-related advertising issues
Programme FAIRe	Union des marques	France marketers	2018	Commitment program for companies, with 15 mandatory responsible communications principles
Green Marketing Guide for Western Pennsylvania Small Businesses	Duquesne University	US marketers (esp. small business)	2014	Overview of green marketing, laying out opportunities, watch outs, and questions marketers should consider

Sustainable marketing practices

Guideline title	Author organization	Applicable users	Publish date	Short content recap
Ad Net Zero	UK Advertising Association	UK marketers and agencies (Global 2023+)	2020	Guide to reduce the carbon impact of developing, producing, and running advertising
AdGreen Resources Guide	AdGreen	UK agencies	2022	Help those in the advertising industry eliminate the negative environmental impacts of production, by department

Backup | Reference list of existing materials and related publications (II/II)

Laws and regulations

Select publication according to relevant geography

Guideline title	Author organization	Applicable users	Publish date	Short content recap
Guidance on the Unfair Commercial Practices Directive (Section 4.1)	European Union	EU marketers and agencies	2020	Guidance for businesses to comply with the respective country's customer protection law regulations as they relate to environmental claims
CMA guidance on environmental claims on goods and services	Competition and Markets Authority (CMA)	UK marketers	2021	
Green Guides (shorter summary)	US Federal Trade Commission	US marketers and agencies	2012	
Environmental Claims and Greenwashing	Competition Bureau Canada	Canada marketers and agencies	2021	
Green Marketing and the Australian Consumer Law	Australian Competition and customer Commission	Australia marketers and agencies	2011	
Vejledning om brug af miljømæssige og etiske påstande m.v.	Danish customers Ombudsman	Denmark marketers and agencies	2014	

Other publications

Select according to specific content use case

Guideline title	Author organization	Geographic scope	Publish date	Short content recap
Environmental Claims: Findings and Conclusions of the OECD Committee on Consumer Policy	Organization for Economic Co-operation and Development (OECD)	Global marketers and agencies	2010	How information on environmental characteristics of products can be improved to help customers make more informed choices
ISEAL Codes of Good Practice Guide	ISEAL	Global developers of sustainability standards	2022	Best practices for creating and maintaining effective and credible sustainability systems

Ad Net Zero

The climate crisis is the biggest challenge our world faces and requires collective action from us all. Ad Net Zero is the advertising industry's drive to reduce the carbon impact of developing, producing, and running advertising to real net zero. Launched in 2020 in the UK, it is now a global collaboration and will drive change in the advertising ecosystem, starting with the world's largest advertising markets. Ad Net Zero USA will launch in 2023.

To begin greening your advertising operations and partnerships, download and read the [full Ad Net Zero report](#) and get in touch via adnetzero.com

Produced by the UK Advertising Association, which represents all the advertising industry's stakeholders, the Ad Net Zero report lays out recommendations for cross-industry actions on the five fronts below. These actions will be extended and refined to be used in other advertising markets in 2023, starting with the US, working in partnership with the ANA, along with 4A's, IAB and leading global businesses including Dentsu, Havas, Google, IPG, Meta, Omnicom, Publicis, Sky, Unilever and WPP.

- 01 Advertising businesses' own operations**
All companies commit to curtail their own carbon emissions, principally by reducing travel, non-sustainable energy use, and waste, setting targets and measuring progress against these to be on a pathway to net zero emissions
- 02 Advertising production**
Advertisers, agencies, and production companies commit to adopt tools and training to measure, manage, and reduce the emissions from advertising production—the report recommends [AdGreen](#) and similar programs
- 03 Media distribution**
Media agencies use carbon measurement programs like the [IPA Media Climate Charter](#) in the UK, working with their clients to measure, manage, and reduce the emissions from media distribution
- 04 Awards and events**
Organizers build sustainability criteria into the entry criteria for awards, and plan events to minimize their carbon footprints, especially from travel
- 05 Using advertising's positive influence**
Advertisers and their agencies harness the power of their advertising to accelerate more sustainable customer choices and behaviors, thereby gaining competitive advantage and driving more sustainable consumption



Key takeaways and next steps

Key takeaways



Mainstream Green can make sustainability a growth driver

CMOs have the knowledge and the platform to drive change, and can collaborate with a variety of leaders to drive mainstream sustainability growth from the center of the organization



Sustainability strategies that move the needle focus on customer needs

An intimate understanding of customers' needs is the foundation for a differentiated purpose and value proposition



Marketers bring a critical lens to removing real and perceived barriers

Marketing puts the customer at the center of the innovation process to tackle real barriers and brings the tools and techniques required to dissolve perceived barriers

Next steps

Determine your action plan

- Commit to making a change
- Establish governance and oversight for deploying **Mainstream Green**

Deeply understand your customer

- Link customer needs to your value proposition
- Classify and remove barriers to sustainable choice

Embrace responsible marketing

- Understand and abide by ethical marketing communication principles
- Mitigate marketing's operational environmental impact
- Hold partners accountable to the same standards

Measure your impact and track progress

- Align on enterprise sustainability KPIs that are credible, measurable, and aligned to company goals
- Establish capabilities to track, benchmark, report, and optimize against your data
- Share learnings and best practices with fellow CMOs

Next steps: Illustrative action roadmap

	Immediate	<6 months	6+ months
Create a seat at the table for marketing	<ul style="list-style-type: none"> Understand role of marketing in sustainability strategy Understand company's current sustainability state Establish governance forums for ongoing collaboration 	<ul style="list-style-type: none"> Obtain CEO and leadership buy-in for marketing's role in sustainability strategy Educate team on importance of customer-centric view of sustainability 	<ul style="list-style-type: none"> Adjust company processes to include marketing in sustainability Align on customer-centric sustainability measures of success, required data systems, and processes to track and report Track, report, and optimize against sustainability KPIs Embed sustainability in core decision-making and business processes
Understand drivers of choice	<ul style="list-style-type: none"> Recognize importance of understanding needs and barriers as they relate to sustainability 	<ul style="list-style-type: none"> Design and analyze customer insights to uncover needs/barriers Share learnings with cross-functional leadership team 	<ul style="list-style-type: none"> Synthesize insights and implications in customer-centric sustainability strategy Prioritize opportunities, considering sustainability and growth objectives, brand strategy, and product/service portfolio
Create a sustainable offering	<ul style="list-style-type: none"> Understand the value marketing brings to the sustainability innovation process 	<ul style="list-style-type: none"> Assess sustainability's role within current innovation processes Understand required capabilities 	<ul style="list-style-type: none"> Embed insights in innovation to accelerate sustainable innovation, adjust processes to include marketing Establish build/buy/partner model to meet capability requirements
Promote sustainable choices	<ul style="list-style-type: none"> Understand that different segments require different sustainability marketing tactics 	<ul style="list-style-type: none"> Understand role of sustainability within current customer engagement approach 	<ul style="list-style-type: none"> Create customer engagement strategy that includes sustainability, tailoring tactics to segments
Follow responsible marketing practices	<ul style="list-style-type: none"> Read Ad Net Zero report 	<ul style="list-style-type: none"> Evaluate advertising practices and partners with sustainability lens 	<ul style="list-style-type: none"> Adopt new tools and practices Work with partners to change their practices

→ **Reach out** for questions or support in following the action steps for **Mainstream Green**



We are building towards a future where marketers galvanize and activate **large-scale collective action** toward **Mainstream Green**

Together, we can make this win-win-win for customers, companies, and the environment



Additional resources

Appendix | Additional resources for guidance (I/III)

Topic	Resource title	Use case
Understand drivers of choice	<u>Demystifying Global Consumer Choice</u>	Top customer needs across categories and geographies and what that means for marketers
	<u>Gen Z Is Torn Between 'Conscience' and 'Commerce' When They Shop</u>	Gen Z value-action gap and six takeaways for engagement
	<u>How Retailers Can Capture \$5 Trillion of Shifting Demand</u>	Understand needs and contexts driving customer choices
	<u>Pull Factor Project Report</u>	US customer environmental and social expectations of companies and takeaways
	<u>The Consumer Sustainability Journey</u>	Australian customer awareness and willingness-to-pay and key implications
Create a sustainable offering	<u>Winning the Consumer with Sustainability</u>	UK customer awareness and willingness-to-pay and key implications
	<u>Four Steps to Sustainable Business Model Innovation</u>	Framework of an iterative innovation cycle to achieve competitive advantage
	<u>Are You Ready for Green Growth?</u>	Sustainability challenges for companies and implications for innovation solutions
	<u>The Secrets of Sustainability Front-Runners</u>	Determine positioning in the sustainable innovation business landscape
	<u>When a Business Ecosystem Is the Answer to Sustainability Challenges</u>	Business ecosystem's ability to address barriers and how to apply

Appendix | Additional resources for guidance (II/III)

Topic	Resource title	Use case
Promote sustainable choices	<u>Nudging Consumers Toward Sustainability</u>	Leverage nudges to guide customer behavior to complement sustainability goals
	<u>Want to Do Good in Advertising? The UN has a Plan for That</u>	Ideas from campaigns that supported UN Sustainable Development Goals
	<u>When It Comes to Creating Shareholder Value From Climate & Sustainability Commitments, There Are No Shortcuts</u>	Five components of effective communication to generate valuation credit
Industry spotlight	<u>Closing the Food Waste Gap</u>	Key drivers of food loss and waste and potential solutions
	<u>The Untapped Climate Opportunity in Alternative Proteins</u>	Gain insight on customer sentiment and market opportunity for alternative proteins
	<u>How Luxury Companies Can Advance as Responsible Pioneers</u>	Understand the luxury industry's value proposition for sustainability
Resource hubs	<u>BCG Climate Change and Sustainability Insights</u>	Our latest thinking on climate change and sustainability
	<u>CMO Sustainability Accelerator (CSA) Hub</u>	Source sustainability news, insights, tools, and case studies from the community and CSA partnership
	<u>Business and the circular economy</u>	Learn strategies, case studies, and practical tips for a circular economy
	<u>WARC Sustainability Hub</u>	Access curated insights and proprietary tools for marketers to drive sustainability

Appendix | Additional resources for guidance (III/III)

Topic	Resource title	Use case
ESG strategy and enablement	<u>AI Is Essential for Solving the Climate Crisis</u>	Applications of AI to address climate change topics
	<u>BCG-WEF Project: The Net-Zero Challenge</u>	Guidance on net-zero strategy, operations, and organization
	<u>How to Build a High-Impact Sustainability Alliance</u>	Three models for collaboration and how to build to achieve ambitious sustainability goals
	<u>Optimize for Both Social and Business Value</u>	Principles to pursue in transformation for both corporate and social value
	<u>Six Pitfalls to Avoid When Mobilizing for Sustainability</u>	Six factors preventing effective corporate organization and how to avoid
	<u>Six Steps to a Sustainability Transformation</u>	Six actions to drive sustainability transformations in strategy and operations
	<u>The Challenges of a Sustainability Transformation</u>	Three main challenges preventing effective transformations and how to address
	<u>The Climate Is Changing, Are You?</u>	Brand and agency attitudes on sustainability and implications for actions to take
	<u>The Strategic Race to Sustainability</u>	Create strategic and competitive advantage through sustainability
	<u>What You Need to Know to Become a Sustainability Champion Within Your Agency</u>	Eight tips to increase sustainability considerations in advertising and marketing collateral



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If your company would like to learn more about the research in this report or how to follow the action steps for **Mainstream Green**, please reach out to MainstreamGreen@bcg.com.

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