



How to Become a “Sustainable” Brand

Sustainability is becoming a strategic differentiator for brands. If leveraged properly it can be transformational.

Sustainability is the new mantra for strategic differentiation. The global brand and marketing industry is abuzz with brands implementing new sustainability initiatives. The Hershey Company, for instance, recently made new deforestation prevention commitments in its supply chain through a comprehensive pulp and paper policy and increased efforts to trace the sources of all palm oil supply. Other examples include Mondelez International’s **Cocoa Life Initiative** and Unilever’s **Sustainable Living Plan**.

Becoming recognised as a “sustainable” organisation can enhance brand equity, unlock opportunities to create new markets and launch sub-brands, line extensions and packaging innovations. In the fashion industry a number of companies are reinventing themselves with fresh initiatives and brand identities with a sustainability focus. Many have differentiated themselves by integrating sustainable thinking into the values and principles of their organisations, transforming all the functions that influence their brand and creating new opportunities in the process.

Becoming a sustainable brand requires organisations to put processes in place at every level of the organisation, ensuring they all work in harmony to achieve the sustainable goals. Stopgap, infrequent, sporadic and unplanned efforts to ride

the sustainability platform will do more harm than good. Sustainability is as much a mindset as it is an objective and, like any major transformation exercise, it requires stakeholders at every level of the organisation to be part of the vision and work towards its implementation. Without the participation of each and every employee, sustainability cannot enter the veins of the organisation.

Brands winning in this regard are those that embody and follow these principles:

Communication is paramount

To be effective, communication needs to be holistic, addressing investors, internal stakeholders and consumers. Organisations need to engage in advertising campaigns and PR initiatives; gain recognition from industry bodies; and obtain impactful certifications and any form of unpaid visibility they can achieve. Communication also needs to help with status reporting against targets and benchmarks while also raising visibility about the initiatives.

Aim for the widest change

To avoid being accused of green washing, organisations should aim for the widest

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implementation of sustainability initiatives. Organisations can do this phase-by-phase or by introducing initiatives that have big impacts. For example, if there is a significant overlap in the sourcing of raw materials across a company's brands, then introducing sustainability initiatives in sourcing can have a wide impact. Organisations that have brands in multiple categories, with multiple raw materials and different supply chains, need phased introduction of initiatives.

For instance, Unilever's Sustainable Living initiative is a corporate level strategy, but it began with a global portfolio of brands with a wide geographic footprint.

Impact at every stage of implementation

Before it becomes a strategic differentiator, sustainability has to enhance profitability. However, the short-term implementation of sustainable initiatives can take time to make a difference to the bottom line. Organisations venturing on this path need to have strategies in place to mitigate these initial hiccups and remain focused on the path and goals of sustainability. Over time, these initial costs and reduced profitability will transition into longer-term benefits (both in terms of revenues and efficiencies realised through sourcing and supply chain optimisation).

Look for partners which add value

Last but not least, organisations have to have an open mind about sustainability initiatives. Strategic differentiation platforms can only be created with collaborations, tie-ups and ventures with external parties who have the ability to provide specialist expertise. The **Unilever Foundry** is a great example of how Unilever is inviting start-ups, entrepreneurs and other organisations to help them solve some of their core business challenges. For example, one of the sustainability challenges open for collaboration is around "developing products and technologies that allow consumers to get superior washing performance using lower temperatures and less water".

Truly differentiated positioning platforms are hard to find and adopt. When it comes to sustainability, organisations have the opportunity to differentiate on the path, as they go along. Starting from the idea, its dissemination, the steps taken to convert it into something tangible, the processes and the gradual steps towards the end goals are all opportunities for organisations to achieve differentiation and strengthen equity for their brands. Those who embrace the path whole-heartedly are the ones who are going to have the maximum chances of becoming "sustainable" brands.

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