

# The Power of Brands to Create Better Futures

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PARADOXICALLY, marketing – which is the art of creating reputation – does not have a good reputation. It's seen as superficial and manipulative and maybe sometimes even dangerous.

Yet marketing also has the potential to create just and sustainable societies. From an environmental perspective for example, consumer consumption accounts for approximately three-quarters of all carbon emissions.

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So the very survival of the planet depends on designing brands with lower environmental footprint and which persuade people to modify their behaviour. Marketers, with their expertise in innovation and behaviour change, can and should be making significant contributions towards societal goals by enabling people to make more conscious choices and encouraging people to adopt more conscious consumption habits.

The purpose of this article is to explore the power of brands to tackle some of the most pressing social, economic and environmental challenges by sharing some examples where brands give people the power to improve their lives and the lives of others.

## Weighing Utility and Environmental Cost

Although marketing and branding cannot solve the problems of the planet by themselves, there is no doubt that they are powerful influencers in popular conversation and behaviour. For many years, colleagues and I at Unilever have recognized we have a considerable impact on people, their choices and their consumption patterns. We have 400 brands that are used *two billion* times a day by people in over 180 countries. Every year, half the households on the planet use at least one of our products. The responsibility that goes with this scale of activity is huge, and it demands that we look closely at our brands.



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As a result, all our global brands are put through our ‘Brand Imprint’ process to identify direct, indirect and induced impacts along the value chain. A brand’s ‘imprint’ is weighed against its social contribution, value or utility. Simply put, we ask: “Is this product improving people’s lives? How can we increase its social value? And at what environmental cost?” In the 21<sup>st</sup> century, I believe these criteria should ultimately become part of a supplier’s license to operate.

Some take aim at consumerism as a whole. Instead, an analysis of *what* we are consuming and *how* we are consuming will better inform the most sustainable approaches for the future. Our experience with the Brand Imprint Process shows us that we can spot issues and innovation opportunities that not only meet people’s functional and emotional needs but also addresses our shared concerns and desires as citizens.

## Beyond Copenhagen

Consumer goods companies, like Unilever, have a key role to play. Global brands and multinational companies have capabilities and competencies *that are different from the capabilities and competencies of governments and social institutions*. In the wake of Copenhagen, it is clear governments are not ready to act with the needed vigour and urgency. As Tim Jackson puts it in his book, *Prosperity without Growth*:

“Governments across the world—in particular [those] in liberal market economies—have been active in championing the pursuit of unbounded consumer freedoms, often elevating the consumer sovereignty above social goals and actively encouraging the expansion of the market into different areas of people’s lives. Policymakers are struggling with competing goals. The reason for the conflict becomes clear once we recognise the role that growth plays in macro-economic stability. With a vital responsibility to protect jobs and to ensure stability, the state is bound (under current circumstances) to prioritise economic growth. And it is locked into this task, even as it seeks to promote sustainability and the common good.”

The same tension policymakers feel between competing goals is seen in most of the boardrooms of the corporate world today. A lack of alignment around purpose slowly erodes attempts to be proactive toward any solution.

However, for companies offering products with high utility or social value, the situation is very different. Companies who can “do well” economically by “doing good” for society can reconcile that tension and lack of alignment. At Unilever, *what we do* is focused on health and well-being which have fundamental utility. *How we do it* can be described as “sustainable living” which captures our commitment to deliver brands with high social value and low environmental footprint.

This new vision is rooted in the conviction that our brands are a force for good in society, from a functional, emotional and social perspective. It is in fact quite difficult to over-consume Unilever products. We are tailored to small, everyday nutritional, hygienic



THE BRANDS THAT WILL FLOURISH IN THE 21<sup>ST</sup> CENTURY WILL BE THOSE THAT CAN KEEP MEETING PEOPLE'S PRIMARY FUNCTIONAL NEEDS WHILE REASSURING THEM THAT THEIR CHOICE IS A CONTRIBUTION ...

and personal-care needs. And even though we (like any supplier) value growing volumes and usage, we don't grow volume by asking the same people to take ten showers a day, brush their teeth twenty times a day, or eat every five minutes. Our portfolio not only has high utility but also entails relatively sustainable consumption patterns.

Other business sectors, where novelty pushes society to make purchases based on questionable needs, may find it difficult or impossible to establish a brand promise that combines utility with sustainability. Think of clothing, technology, or cars, all of which tend to be based on short durability cycles.

This distinction is quite important. Brands with high social value are ideally placed to play a pivotal role in starting a new conversation with people around sustainable consumption. For such brands, marketing can become a service; what they offer from a functional, emotional and societal perspective could be shown to be aligned and synergistic.

This way of thinking may seem uncomfortable. Since the publication of Naomi Klein's *No Logo*, some have regarded brand owners as exclusively self-interested. In reality the argument against brands was over-

simplified because while some can be bad, some also enhance our lives. As Nicholas Ind writes in *Beyond Branding*:

“As businesses grow in power, so does their accountability. They acquire larger roles that put them at the centre of our social worlds. They can use this power for good by promoting essential freedoms...or for control.”

Beyond that, self-centred thinking no longer works. More and more, companies who ignore their responsibility to help create sustainable economies do so at their own peril. The digital revolution has shifted power and knowledge to consumers and facilitated the growth in transparency, accountability and consumer democracy. In this new marketing landscape, the brand promise includes citizen considerations. And brands are ideal vehicles for this new social contract because they act as a window through which consumers have the power to access direct, indirect and induced impacts along the value chain. Brands make visible that which remains invisible in commodities while also providing an opportunity for people to be active participants in defining them. The implication of this is that brands have to be genuinely people-centric and recognize that value is created through genuine relationships with consumers. The brands that will flourish in the 21st century will be those that can keep meeting people's primary functional needs while reassuring them that their choice is a contribution toward achieving citizen desires and aspirations.

## Conscious Choices

Brand owners have a responsibility to help people make conscious choices. As Martin Kornberger writes in *Brand Society*: “The power of branding consists of its power to structure the field of possible actions”. For example, confronted with the rapid decline of the world's fish stocks through over-fishing, Unilever joined forces with the World Wildlife Fund (WWF) to find a global market solution. Together we created the Marine Stewardship Council (MSC) which certifies sustainable fisheries and provide brands with an MSC eco-label to use on packaging. This created a mechanism to help arrest the decline in fish stocks, but its

critical success factor was—ultimately—in convincing consumers to buy certified fish.

It has been a long haul but the widespread adoption of MSC certification has shown what can be achieved when companies and NGOs work together to create systemic change. Fifteen years ago, there was little interest in sustainable fishing; now McDonald's—certainly a large-scale consumer by any standard—is sourcing 98% of its whitefish from fisheries with favourable sustainability ratings.

Another example of sustainable thinking is Unilever's sourcing of palm oil. Many of the products people buy in the supermarket contain palm oil. Over the past decade population growth and rising affluence has led to a doubling in demand for this vegetable oil. More than one in three household products in the average weekly shop contains palm oil, which, if not produced sustainably, can be a cause of rainforest destruction. Last year Unilever funded the farming of 180,000 tonnes of RSPO (Roundtable on Sustainable Palm Oil) certified palm oil. That represents 80% of all the sustainable palm oil traded worldwide. It was only 15% of what we used, but next year we will more than double the volume. By 2015 all our palm oil will be sustainable. It is an important step, and if everyone did the same, we could transform the industry and help put a stop to palm-oil-led deforestation.

When dealing with global environmental challenges that are complex to regulate and urgent to solve, a market-led approach, with the associated scale of response, must be leveraged to generate real solutions.

Helping consumers to make conscious choices requires that people are given the power to access all the information about the consequences of those choices. *Partly* this job falls to the NGOs, such as Greenpeace, who draw attention to unsustainable corporate behaviour through media savvy protests and consumer boycotts. Boycotting unethical brands has played and will continue to play a key role in flagging problems and driving the agenda for change, but there is also a role for brand owners to flag solutions and help consumers to choose the right brands—a phenomenon which has been referred to as “buy-cotting.”

While boycotting is voting out of the problem, buy-cotting helps to fuel sustainable markets. Buy-

cotting has encouraged social and economic initiatives such as Fair Trade and environmental coalitions such as MSC.

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People would much rather buy brands that make a positive economic and environmental difference, and the decisions of mass market brands like Ben & Jerry's and Lipton tea to switch to 100% Fairtrade and Rainforest Alliance certified products respectively shows the potential to make positive purchasing a mainstream idea.

Jonathon Porritt, Founder Director of Forum for the Future, noted:

“Without getting too gloomy about the current state of the world, it's clear that there are choppy waters ahead—economically, environmentally and socially. Brands are going to have to open up a completely different kind of discourse with consumers—co-navigating these difficult conditions. For a growing number of consumers, trust will be paramount—based on an intuitive understanding that their purchases are not only not causing harm, but are, in some small way, helping create a better world.”

The challenge is twofold: on the one hand, brands will need to provide full transparency about their broader impacts to deserve being trusted and, on the other, brands will need to simplify their narratives so that people can engage.

As Unilever CEO Paul Polman, says:

“Brands that genuinely show consumers they are helping them to reduce their impacts will be seen to offer added value. As tackling climate change becomes more and more part of our daily lives, consumers will learn to separate out the green from the green-wash and will vote with their wallets for those brands who are addressing the issue with transparency and authenticity.”

## Conscious Habits

The environmental responsibility of a brand does not end at the check-out counter; there remain critical questions about when and how a product is used. Because approximately 70% of the greenhouse-gas footprint of consumer goods is incurred during consumer usage, it is important to design products that minimize environmental footprint during use. This also involves educating people on the most effective usage behaviours: lower water temperatures, concentrated products, full loads in the laundry cycle, just the right amount of water in the kettle, turning off the water when brushing our teeth, recycling, etc. These might seem insignificant actions individually, but when multiplied by the billions of consumers who use these products every day, product design and consumer habits have a huge environmental impact.

**AS THE GATES FOUNDATION PUTS IT, ‘HAND-WASH WITH SOAP IS THE CHEAPEST VACCINE.’**

Again, marketing is the key: make the product desirable and inspire consumers to use it in the most responsible way (following basic marketing principles) and change will follow—quickly, extensively and sustainably. Ignore these basic marketing principles, and the reverse will happen—so even the most environmentally desirable product or idea may be wasted.

There are also social and economic reasons to focus on conscious consumption. Our world is very imbalanced, and all indications are that it will become even more inequitable as population grows. The reality that some countries consume the resources of two, three or six planets while other parts of the world are starving or dying from preventable diseases is profoundly disturbing.

In *The End of Poverty*, Jeffrey Sachs argues that basic hygiene and nutrition are the first step up the ladder of poverty alleviation. If, for example, everyone in India washed their hands with soap at critical moments and ate sufficient micronutrients, then the mortality rate of children would go down significantly and those kids would be able to realize their full mental and physical potential. Diarrhea is still the world’s second biggest killer of under-fives. As the Gates Foundation puts it,

‘hand-wash with soap is the cheapest vaccine.’ As a contributor to this, the Lifebuoy brand has built the biggest health programme in rural India, reaching 159 million people (in 2008) with behavioural change interventions. For us, the Lifebuoy campaign is a powerful example of the benefits that can be derived from the alignment of moral and business arguments.

## The Role of the Corporate Brand

There are a number of reasons why product branding is not sufficient, and that corporate branding also needs to step up and do its part. First, conscious product choice is intricately bound up with intrinsic values – a sense of connection to community, to the wider human family, and to the natural world. Companies can embody these values, align them with their brands, and refrain from promoting contradictory values that undermine people’s motivation to choose socially and environmentally responsible products.



Second, it's not always easy for product brands to engage consumers on all the issues they care about. In some cases, social, economic and environmental considerations reinforce a brand proposition and enhance overall brand equity, as in the cases of Lipton and Ben & Jerry's. But in other cases some of those considerations may distract consumers from the core propositions. In general, consumers will not compromise on functionality, price, quality or convenience for "greenness."

Third, there is sometimes already too much to communicate on packaging or in product communication. The company brand can be, in many cases, far more effective as a communicator of issues relating to citizen concerns. At Unilever, we keep product brands focused and consumer-centric, but have the company brand shoulder the task of addressing the very real and emerging needs of citizens. So when someone chooses our Lifebuoy soap, for example, they know they are buying a brand that will allow them to 'live a life without fear' of disease (the simple product message). But the fact that Lifebuoy is a Unilever brand—signalled by the simple blue "U" on the package—should let consumers know that their choice is also the right one for everything connected to the brand—from the rights of factory workers to the well-being of Orang-utans in the rainforest.

This suggests that the company brand is a fundamental component in the dialogue product brands have with consumers. Consumers are becoming more conscious of social and environmental issues and increasingly want to know more about the company behind the brands they buy. As Dax Lovegrove, Head of Business & Industry Relations at WWF UK, notes:

"Corporate brands are hugely influential on society and can either be part of the problem in fuelling excessive and high-impact consumption or part of the solution in driving consumers towards sustainable living. The global challenge ahead of us is to enable humans to connect with what matters most—that which fulfils us and keeps us and our natural world healthy. The question for businesses is how are their brands and marketing activities to play a part in this agenda in order to stay relevant in a rapidly changing world?"

There are some key challenges here. One is that most product marketing is designed to build exclusive and excluding propositions. Successful brands often offer a discriminating benefit that is positioned as different, better and exclusive. Yet social, economic and environmental challenges are in essence inter-related issues, and societal solutions require the inclusion and collaboration of others, even competitors, not a claim of superiority. Bringing the corporate brand to the fore in part overcomes this contradiction.

As brands move from "compliance" strategies, toward more proactive, integrative strategies around sustainability, there is a temptation to market social missions in the same manner as functional benefits. The proliferation of green, ethical, natural and sustainable brand claims and endorsement schemes is overwhelming. Worse still, there have been significant violations of marketing rules and guidelines and a growth in "green-washing" in recent years. The effect is that consumers can become confused or cynical, which makes it all the harder to achieve the intended societal goals. This should humble us to the importance of sincere thinking about sustainable, collaborative strategies for systemic change.

## Conclusion

We believe that conscious choices and conscious consumption, fuelled by the digital revolution, are the two defining megatrends for consumer-goods companies and brands. They will have a qualitative impact on the way companies like ours do business. It's critical that marketers and brand owners see these trends not as threats but as opportunities to make a positive difference to the world and as openings for the business to flourish.

The key requirement is quite simple: we have to move beyond short-term thinking and an overt orientation on shareholder returns and instead focus on the real needs of people and the social value of our offer. Putting people at the centre of what we do provides better long-term value for shareholders. This is what gave Unilever its relevance and success more than a century ago, and it remains its driving force today. ■