

1 FUNCTION DESCRIPTION

While considered distinct disciplines, Marketing, Branding & Public Relations (MBPR) functions interrelate to influence preferences and behaviors of target audiences by delivering clear, compelling messages and experiences. At its simplest level, branding creates an overall identity and story, marketing tells the story to activate the desired response, and PR manages relationships and reputation.

2 VALUE PROPOSITION

Beyond promoting a company's new, more sustainable innovations, MBPR is uniquely positioned to use a number of its traditional strengths to maximize the business value of a company's sustainability efforts. MBPR can also use its understanding and tracking of trends across influencers and consumer insights to help define sustainability priorities that are linked to competitive positioning and business strategy. Externally, MBPR can simplify complexity of sustainability into relevant, clear, audience-specific messages and internally MBPR can help engage employees by increasing the perceived meaning of their work.

In many industries, the emerging "conscious customer" and other external stakeholders (influencers) are expressing new expectations and preferences for products, supply chains and transparency that are creating significant threats and opportunities for growth. In addition to traditional market differentiation strategies, MBPR can use sustainability to improve the general reputation of the company and brands and to respond to a broader trend in customer preference for brands that are perceived to have a greater meaning or create a positive difference in people's lives. Leadership on sustainability also provides MBPR the ability to generate "earned media" that is substantially less expensive (or free) compared to purchased media and also generally received with greater credibility by media consumers.

3 STRATEGIC INTEGRATION

Historically focused primarily on buying decisions, MBPR's scope has the potential to expand to other stakeholders that can influence the success of the company, including capital markets, governments, NGOs, employees and society at large.

Tracking not only key customers, but also other stakeholders, and their views on products, brands, and attributes enables MBPR to work closely with the Sustainability function in conducting the materiality assessments to understand, clarify, and help the company prioritize current and emerging sustainability issues in relation to business strategy. In close connection to this, MBPR can work closely with upstream functions like R&D and Supply Chain to enable the newest customer feedback to reach product innovation units.

Once established for the business, with the explicit support of senior leadership, MBPR should strategically use sustainability to differentiate itself and its products, translating sustainability goals into branding, marketing and public relations priorities for target audiences. As sustainability matures within the business, MBPR should begin to integrate the values and characteristics of priority issues into the core personality or essence of product or corporate brands, redefining "who" the company is and its relation with society, thus pursuing a "fifth P" for "Purpose" in the classic 4Ps marketing mindset.

4 OPERATIONAL INTEGRATION

MBPR can integrate sustainability into its internal operations by becoming a regular member of the internal sustainability steering team and a leading participant in strategic stakeholder activities such as materiality assessment.

To better integrate sustainability into its operations, MBPR should approach sustainability as another traditional market segment with a set of definable target market preferences and expectations that are well researched, defined, and tracked. Existing data on customer preferences should be mined for sustainability themes and standard research processes be adapted to proactively sense for priority themes. Priority sustainability segments based on sustainability themes should have established awareness, market growth and share KPIs like other market segments. Working with the Sustainability and Legal functions, MBPR develops information verification and disclosure policies and brand guidelines to improve the effectiveness and credibility of external sustainability communications.

MBPR aligns its standards with recognized guidelines for environmental claims and responsible marketing. MBPR works closely with the Sustainability function to incorporate sustainability into core brand architecture and identity to enhance the brand to audiences beyond devoted sustainability advocates. MBPR should establish regular engagements with the Sustainability and different HR functions to create and deliver relevant messaging for internal audiences and consider identifying a Sustainability Brand Manager.

5 CULTURAL INTEGRATION

To better achieve its purpose to engage influencers and drive growth, sustainability must be viewed as a strategic priority of MBPR, not philanthropy or cause marketing. While research and analytics are increasingly used to quantify customers, markets, and behavior, the creative, relational MBPR culture is dominated by subjective preferences, stories, relationships, and motivations of behavior. This is a quite different perspective than internal functions dominated by more objective, black and white, definitions of reality and performance, such as Legal, Operations, R&D, Finance and at times the Sustainability team who value comprehensiveness and detail over simplicity.

Also, the historic negative connotation of sustainability themes (waste, pollution, extinction, drought, exploitation, etc.) can be difficult to blend into the traditional positive messaging and relationships of MBPR. The most important element of engaging MBPR and integrating sustainability into its culture is to understand that sustainability is not calculated progress toward technical numeric targets, but primarily a human process of engaging people and motivating change.

In this context, a single metaphor can be more powerful than any footprint analysis, a story more compelling than any chart. Thus, sustainability is best framed as a powerful opportunity to evolve the identity of brands to a higher purpose, delivering real differences in people's lives (Branding); as a consistent source of new, fresh stories that marketing can tell to activate audiences (Marketing); and as a fruitful platform on which to build reputation and trusted relationships with all priority stakeholders (Public Relations).

6 EMERGING TRENDS AND INNOVATIONS

Embracing radical transparency as a marketing tool

External stakeholders of all kinds (NGOs, regulators and customers) are expecting radical new levels of transparency in markets and supply chains. Consumers, especially Millennials, are valuing access to unprecedented information about pricing, availability, promotions, peer reviews. Instead of fighting it, some companies are embracing radical transparency as an important marketing tool developing mobile apps and other ways of providing an accurate and real time picture of what the company at any given time is doing in the interest of the consumer.

Brands with purpose and values

Brands with a purpose and that are values-led are being increasingly preferred over brands that only differentiate. Top Meaningful Brands deliver marketing KPI outcomes that are double that of lower scoring brands, and the 2015 Meaningful Brands Report found that a meaningful brand has a 46% higher share of wallet (defined as how much a person spends on a particular product) than a low-scoring brand. Three pillars of meaningful brands have been identified - marketplace (functional benefits), personal well-being, collective well-being. The key is to focus on what benefits sustainability brings to the customers (rather than what customers can do for sustainability), thereby allowing marketers to close the "values-action" gap.

Internal brand ambassadors

Sustainability create great opportunities to express purpose beyond the immediate features and benefits of a product, building intangible meaning into a product or a company and thereby inspire a sense of "work that matters" for employees. There is a growing focus on internal communications and employee engagement to not only enhance innovation, productivity and customer satisfaction, but also to create brand ambassadors. More and more companies are looking at this as an opportunity to create brand ambassadors that "live" the brand and strategy of the company and that can be a powerful force in building trust and excitement in the marketplace and among different types of stakeholders.