

BEYOND BRANDS: WHY PEOPLE ARE KEY TO SUSTAINABILITY

Ogilvy CONSULTING

EXECUTIVE SUMMARY

Behaviour change has the power to solve climate change. As the Intergovernmental Panel on Climate Change has recognised, 40-70% of emissions cuts will come from people changing their habits, like cutting back on flying or eating less meat.

Climate change is the biggest behavioural change brief for marketers on the planet right now. Convincing people to act sustainably, however, is no simple matter.

Research suggests that sustainable alternatives are often seen as having trade-offs not worth making, on important purchase driving factors like costs, efficacy, or taste.

Worse still, brands can unintentionally reinforce these trade-offs by misdirecting their sustainability communications: choosing to highlight an initiative or benefit in their marketing that plays to these preconceptions.

The new research in this report presents a psychological solution to this problem: brands' sustainability communications must appeal to peoples' selfish interests to help negate perceived trade-offs.

In simple terms, this means that anything I buy must benefit both me and the planet. For example, I need to think that the sustainably produced food I'm purchasing tastes good and that its brand's sustainability efforts make it taste even better.

This is not to suggest that people do not act altruistically, appealing to which can be another way of driving demand. However, as we look to drive mass adoption of sustainable purchasing behaviours against the backdrop of a cost-of-living crisis and constrained economic growth, meeting people on their terms will be a motivating factor.

If marketers get can get this messaging right, it will benefit both their brands and the planet: in our research, we've found that selfish sustainability features or initiatives can help brands to make price increases without decreasing demand.

So, with our planet's best intentions at our heart, it might not hurt marketers to appeal to our selfish side a little more over the years to come.

- By Jamie Hamill and Klara Kozlov

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01.

**OUR HYPOTHESIS
& RESEARCH
METHODOLOGY**



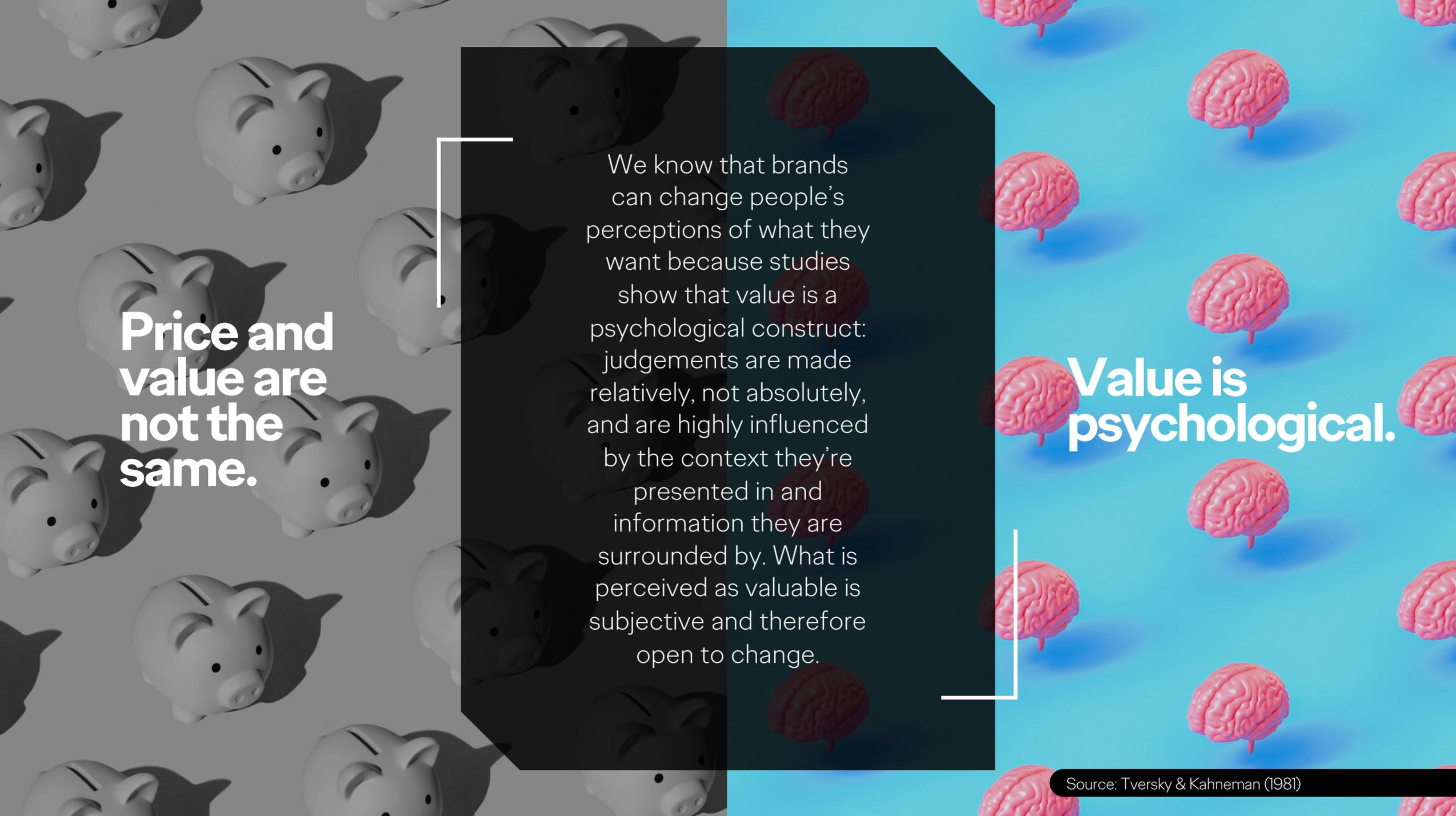
**Behaviour
change has
the power
to help
solve
*climate
change***

The urgency of this topic needs no introduction but it's the role that each of us can play that does. As the Intergovernmental Panel on Climate Change has recognised, 40-70% of emissions cuts will come from changes in habits and preferences made by individuals: from eating less meat or cutting back on flying. This combination of market shifts and behaviour change are integral to the efforts to reduce emissions and advance other development goals.



Communicating sustainability features or initiatives risks unintentionally *reinforcing trade-offs* in peoples' minds

For the marketing industry, it gives us a hugely important problem to solve. However, convincing people to make sustainable purchases is challenging. Research (the papers referenced on this slide) suggests that sustainable products are often seen as having trade-offs not worth making: from how effective they are, to their taste or quality. These trade offs can be unintentionally reinforced by brands communicating about the sustainability initiatives or features of those very products.

The background of the slide is a repeating pattern of piggy banks. On the left side, the piggy banks are white and set against a grey background. On the right side, the piggy banks are pink and set against a light blue background. A large, dark grey rectangular area is positioned in the center, containing text.

**Price and
value are
not the
same.**

We know that brands can change people's perceptions of what they want because studies show that value is a psychological construct: judgements are made relatively, not absolutely, and are highly influenced by the context they're presented in and information they are surrounded by. What is perceived as valuable is subjective and therefore open to change.

**Value is
psychological.**



Sustainability communications must appeal to *selfish interests*

At Ogilvy Consulting, we believe there is a psychological solve to the problem of perceived trade offs: if the personal benefit of a sustainability initiative used to make a product, or its features, are made clear to its purchasers, alongside the wider environmental or social benefit, people will be more willing to act sustainably and buy that product. In short, brands sustainability communications must appeal to selfish interests, to help negate any perceived trade offs.



So what does *that mean?*

Sustainability marketing has traditionally appealed to altruistic motivations, such as using less plastic. But altruistic motivation is often too abstract, too diffuse and too far from the key behavioural motivators driving purchase decisions.

To more effectively engage consumers and to increase the perceived value of goods and services, brands and businesses need to appeal to selfish interests.

This doesn't mean interests that aren't aligned with sustainable impact, but that are crucially near, immediate, tangible and offer a personal benefit to the consumer. The cause of sustainability needs to be tightly linked to primary purchase drivers.

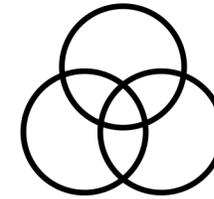
WE WORKED WITH PSB INSIGHTS TO GET UNDER THE SKIN OF THIS ISSUE

We wanted to speak to a broad audience that were open-minded when it came to sustainability but weren't necessarily eco-consumers. We wanted to understand how mass brands, rather than boutique sustainability brands, could reach and engage this kind of audience.



1.

We spoke to 1,500 people in the USA, India and UK, for a broad assessment of opinions on climate change and sustainability actions by governments, businesses and people.



2.

We ran a conjoint analysis with the same group, using three theoretical brands and products to assess what drives demand of sustainably produced products.

02.

**FINDING 1:
PEOPLE WANT
TO BE 'AGENTS
OF CHANGE'**

CLIMATE CHANGE IS UNIVERSALLY ACKNOWLEDGED AS HUMAN CAUSED

Climate impact is felt across the USA, India and UK – and universally acknowledged as caused by human activity. Over 9 in 10 Indians reported that climate change is already impacting their life, compared to just over half of Brits and Americans.



People are *skeptical about the ability of businesses* to address climate impact



ONLY
12%

of respondents thought that business will primarily solve climate change

Most respondents in each country believe businesses are putting profits before sustainability. In the UK, this was a shockingly high 77% of respondents.



People view themselves as the *agents of change* for sustainability

Instead, the majority of people we spoke to view themselves as the agents of change when it comes to sustainability. They claim to value the environment, understand that changing how they behave has a significant impact, and want to take action and buy more sustainable products as a consequence.

HOWEVER, THEY CLAIM TO FIND IT DIFFICULT TO LIVE A SUSTAINABLE LIFE



KNOWLEDGE

VS

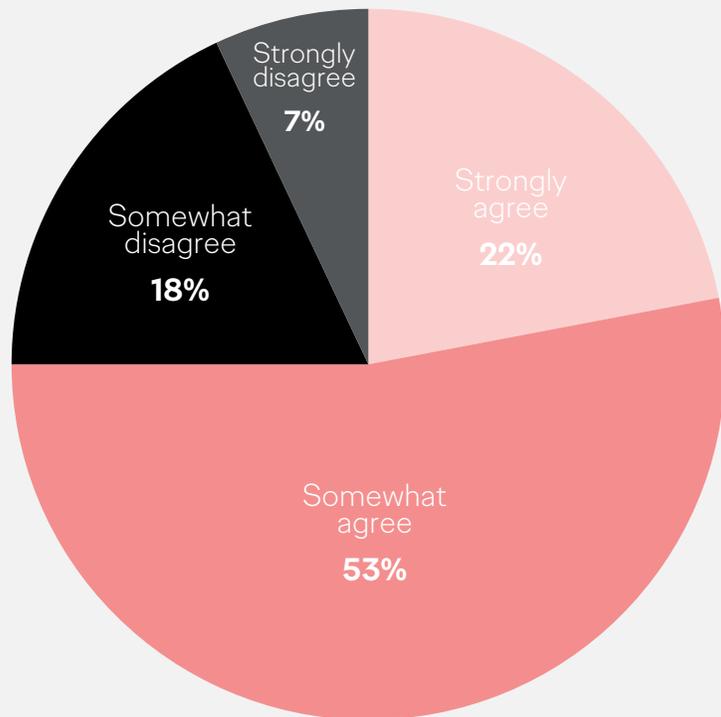
ACTION

of people agree that they
know how to be more
sustainable

of people find it very easy
to live a sustainable life

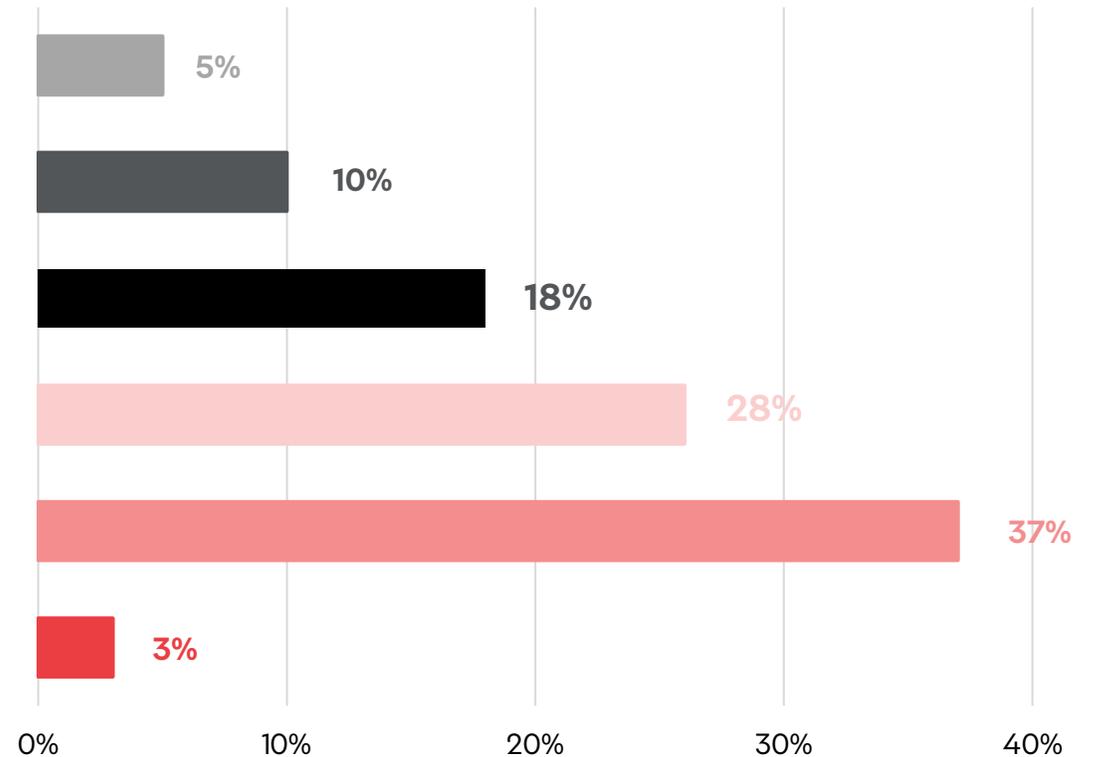
People struggle to work out which brands & products are *sustainable*

I struggle to find out how sustainable a company is



- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree

The price of sustainable products is the biggest barrier to *purchase*



- I don't want to be more sustainable
- More sustainable products are too expensive
- There isn't enough availability of sustainable products
- I don't know which products are sustainable
- I don't trust brands' claims to be sustainable
- Sustainable products are lower quality

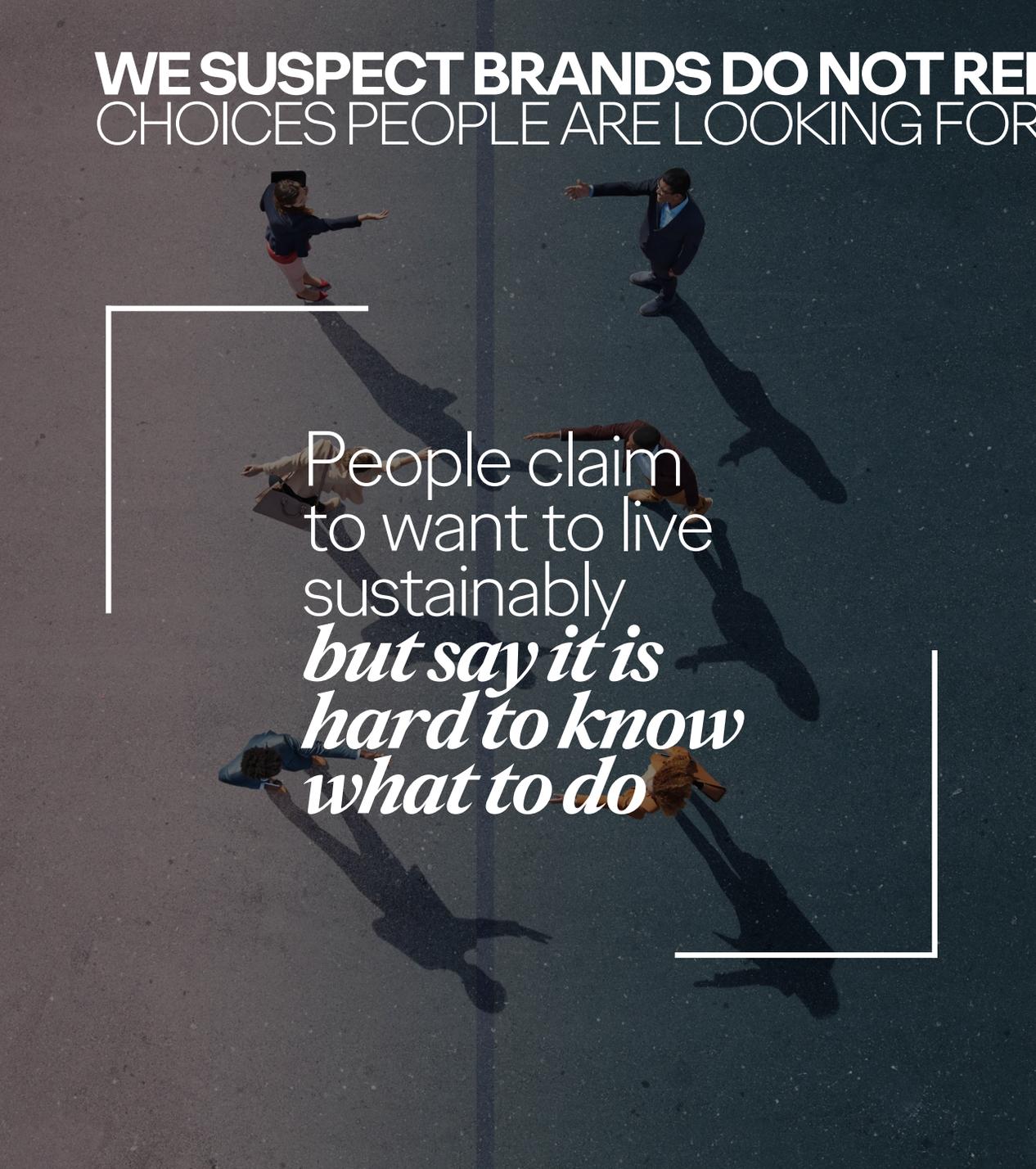
DESPITE THESE BARRIERS, WHY ARE SIGNIFICANT NUMBERS OF PEOPLE CLAIMING TO BE WILLING TO PAY MORE?



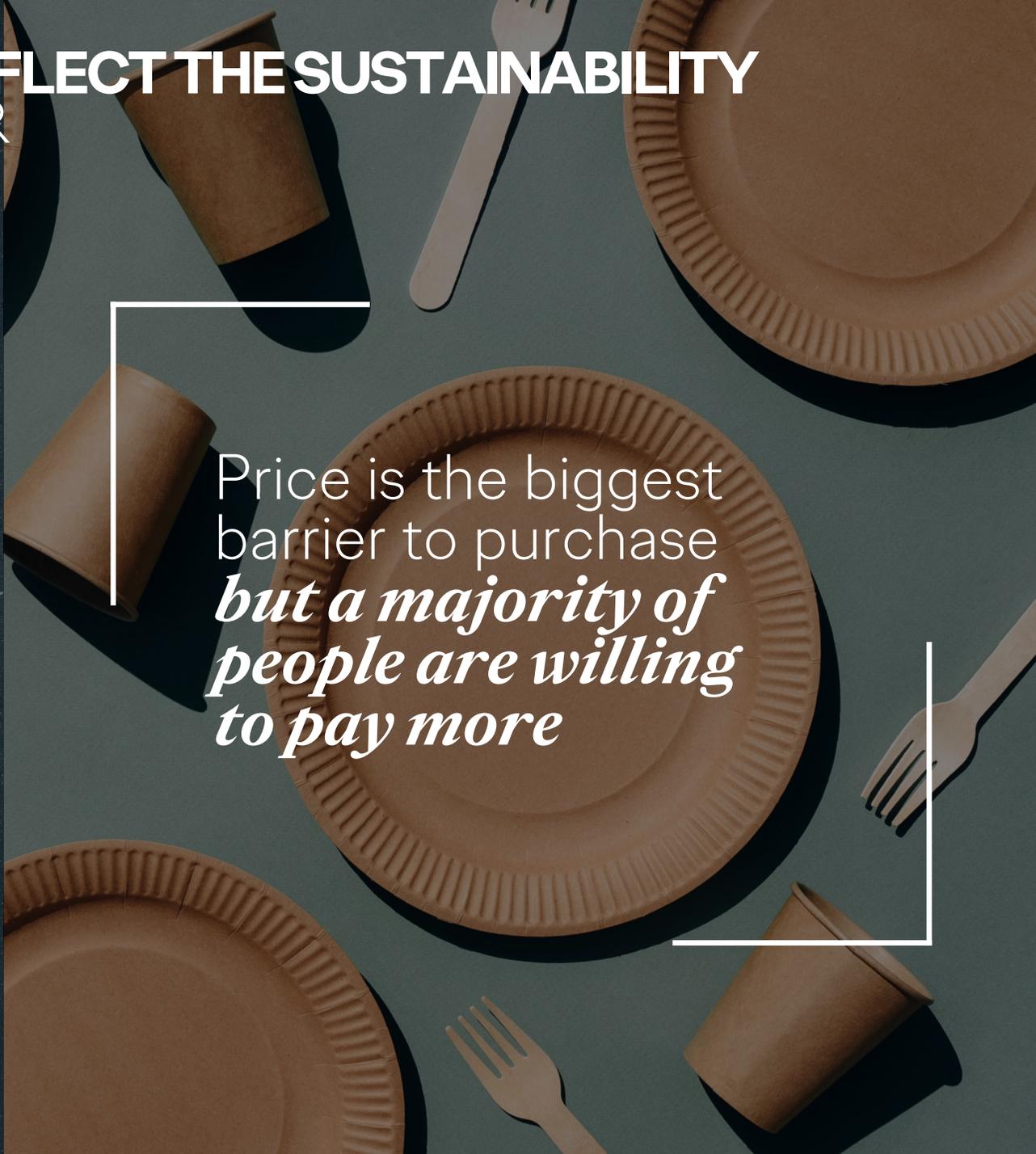
Yet another observation within the data challenges this point. A significant proportion of people indicate being willing to pay a small to medium amount more for products which are sustainable – and this holds true across categories, seen across toiletries, groceries, travel to electricity.

	TOILETRIES	GROCERIES	TRAVEL	ELECTRICITY
BASE	1501	1501	1501	1501
A large amount more (30%+)	166	211	159	191
	11%	14%	11%	13%
A medium amount more (10-30%)	336	347	376	355
	22%	23%	25%	24%
A small amount more (5-10%)	616	563	553	504
	41%	38%	37%	34%
I wouldn't be willing to pay more	383	380	413	451
	26%	25%	28%	30%

WE SUSPECT BRANDS DO NOT REFLECT THE SUSTAINABILITY CHOICES PEOPLE ARE LOOKING FOR



People claim to want to live sustainably *but say it is hard to know what to do*



Price is the biggest barrier to purchase *but a majority of people are willing to pay more*

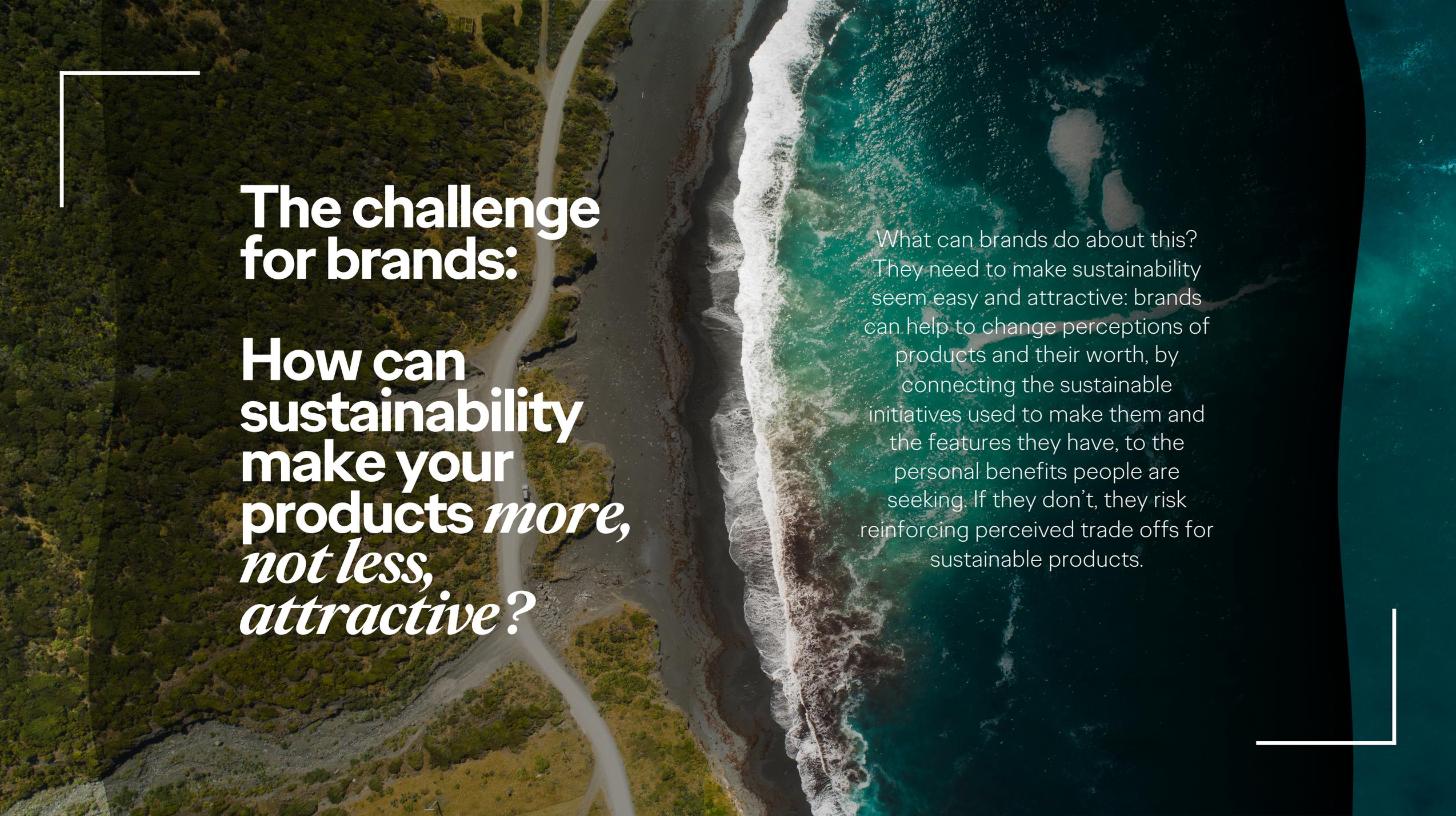
In summary:

*People believe
they are agents
of change* –
but perceived
sustainability
trade-offs are not
being framed in
ways that appeal
to their 'selfish'
needs



03.

**FINDING 2:
'SELFISH'
INTERESTS
ARE THE KEY
TO ACTION**

An aerial photograph of a coastline. On the left, a river flows through a lush green forest. The river meets a dark, sandy beach. To the right of the beach, the ocean waves are breaking, creating white foam. The water transitions from a dark blue to a vibrant turquoise near the shore. The overall scene is a mix of natural beauty and coastal environment.

**The challenge
for brands:**

**How can
sustainability
make your
products *more,*
not less,
*attractive?***

What can brands do about this? They need to make sustainability seem easy and attractive: brands can help to change perceptions of products and their worth, by connecting the sustainable initiatives used to make them and the features they have, to the personal benefits people are seeking. If they don't, they risk reinforcing perceived trade offs for sustainable products.

Brand reputation for being sustainable has ***little impact*** on purchase decisions

This is important for brands because simply having a reputation for being sustainable is not enough – as 74% of people claimed, a brand's reputation does not help it to overcome the reasons why they purchase products, like cost, size or meeting other needs.



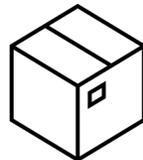
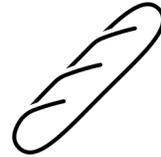
74%

of respondents would not prioritise reputation over cost, size or 'meeting my needs'

WE TESTED 3 BRANDS & PRODUCTS TO UNDERSTAND PEOPLE'S MOTIVATIONS

We wanted to better understand how brands could make sustainability seem easy and attractive, so we assessed how different sustainability features and initiatives drive demand for products.

To do this, we created a conjoint analysis featuring hypothetical scenarios with three brands and their products: sliced bread, washing up liquid, and delivery services.



Sliced bread

Washing-up liquid

Delivery services

RESPONDENTS CHOSE BETWEEN THREE SUSTAINABILITY FEATURES & INITIATIVES

Respondents were asked to choose between three possible sustainability initiatives or features each brand and product could take. Each initiative was tested against each other, bringing in price and quality of products as trade-offs to see where consumers may be willing to compromise.

To make the test as fair as possible, we chose examples that were seen as widely relevant and emphasised that the different initiatives or features were all expected to have the same impact on the sustainability of each brand. The key difference for each was whether it was felt to benefit them or not.

OPTION
1

OPTION
2

OPTION
3

NEAR

INTERMEDIATE

FAR

'SELFISH' BENEFIT TO THE
PRODUCT PURCHASER

NEAR:

Replace toxic chemicals with plant-based ingredients while maintaining the product's cleaning power

Here is an example, our dishwashing brand. Both options were positioned as having a similar environmental impact. But the 'near' sustainability initiative had both a personal benefit alongside a planetary one, maintaining the cleaning power of the product and reducing the associated health risks with toxicity, compared to the 'far' initiative, where this personal benefit was not as apparent.

FAR:

Change the packaging from single use plastic to a recyclable alternative

BRANDS' SUSTAINABILITY INITIATIVES AND FEATURES IN DETAIL

NEAR, INTERMEDIATE AND FAR TERM



OPTION 1

Sliced Bread

PROXIMITY TO BRAND'S CORE OFFERING

NEAR Use organically farmed grains in the breads which are great tasting and better for the planet

INTERMEDIATE Commit to paying all Farmhouse Breads farmers above the living wage

FAR Offset the emissions created by the production and transportation of its breads by planting trees



OPTION 2

Washing-up Liquid

PROXIMITY TO BRAND'S CORE OFFERING

NEAR Replace the toxic chemicals with plant-based ingredients, while maintaining its famous cleaning power

INTERMEDIATE Donate a percentage of profits to a campaign for families in need of cleaning supplies

FAR Change the packaging from single use plastic to a recyclable alternative



OPTION 3

Delivery Services

PROXIMITY TO BRAND'S CORE OFFERING

NEAR Switching its fleet of petrol and diesel trucks to electric alternatives, reducing emissions

INTERMEDIATE Replacing the single-use plastic wrapping on packaging with a recyclable alternative

FAR Investing in new technologies to eliminate the risk of accidents for its drivers



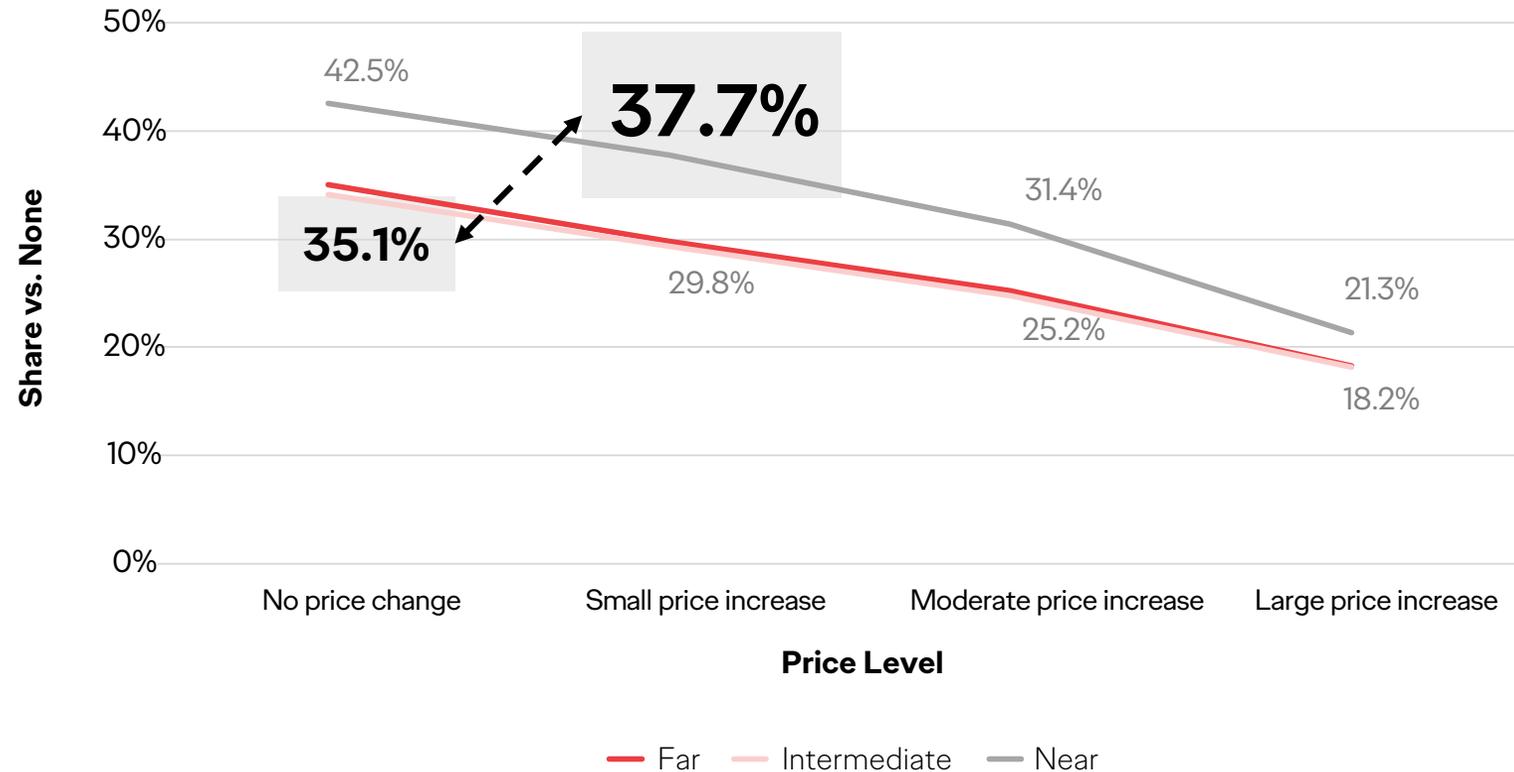
**‘Selfish’
sustainability
features or
initiatives help
brands to
*increase price
without
decreasing
demand***

Products made with sustainability initiatives or features that have a selfish benefit to the purchaser were significantly more effective in driving demand. These products were overwhelmingly preferred and this remained consistent across price points.

EVEN WITH A PRICE INCREASE, PEOPLE PREFER FEATURE OR INITIATIVES THAT ARE 'NEAR'

In fact, even with their price increased, a proportion of people remained more likely to prefer products made with a 'near' feature or benefit (the 37.7% figure) over a cheaper product made using sustainability initiatives with less 'selfish' benefits (the 35.1% figure).

PRICE CURVES BY MESSAGING LEVEL
(ACROSS PRODUCTS, QUALITY = "AVERAGE")



ACROSS THE THREE MARKETS OF INDIA, UK & US

THIS 'NEAR' PREFERENCE REMAINS CONSISTENT

Deep diving into the data, this pattern stays consistent across markets and scenarios with similar variance across them all.

Near 'self interested' messaging in relation to sustainability features and benefits is more likely to be able to command a higher price point without affecting demand across markets. However, it is worth noting that this affect tapers off as the price increases get bigger.

A product or service with a "near" sustainability initiative or benefit will allow for a small price increase without affecting demand compared to other types of sustainability initiative. This indicates that if a brand communicates its sustainability efforts in the most optimal 'near' way then it has the opportunity to align price with associated level of investment.

UK

PRICE CURVES BY MESSAGING LEVEL
(ACROSS PRODUCTS, QUALITY = "AVERAGE")



US



India



Far
Intermediate
Near

ACROSS THE THREE BRAND & PRODUCT OPTIONS

THIS 'NEAR' PREFERENCE REMAINS CONSISTENT BUT WITH VARIANCES

Although a similar pattern emerges with the three options, variances also appear. For example, in the Washing Liquid Option, respondents were prepared to pay more for 'near' and 'far' sustainability benefits than 'intermediate' ones. Whilst for Sliced Bread and Delivery, the variance between 'intermediate' and 'far' benefits was more negligible and only 'near' term benefits demonstrated respondents' appetite for more substantial price increases.



OPTION 1
Sliced Bread



OPTION 2
Washing-up Liquid



OPTION 3
Delivery Services

PRICE CURVES BY MESSAGING LEVEL
(ACROSS PRODUCTS, QUALITY = "AVERAGE")



Far
Intermediate
Near

A SIMILAR PATTERN EMERGES WITH RESPECT TO QUALITY WITH CONSUMERS ACCEPTING LOWER QUALITY

If price is held constant then consumers are willing to accept greater trade offs in quality for products with “near” term sustainability features or benefits. This insight goes against the convention that consumers demand a perceived higher quality from sustainable products and services.



OPTION 1
Sliced Bread

PRICE CURVES BY MESSAGING LEVEL
(ACROSS PRODUCTS, PRICE = "NO PRICE CHANGE")




OPTION 2
Washing-up Liquid




OPTION 3
Delivery Services



— Far
— Intermediate
— Near

04.

CONCLUSION



Conclusion:

People want to be *agents of change* – but sustainability communications must appeal to their *selfish interests*

People want to be the agents of change that make the world more sustainable – but they face perceived barriers to action. Brands have a clear role to play in helping to overcome these barriers – and they can start by thinking selfishly, designing and communicating initiatives and features which meet both the needs of the planet, and the people buying their products.



Not all
sustainability
features &
initiatives are
created *equal*

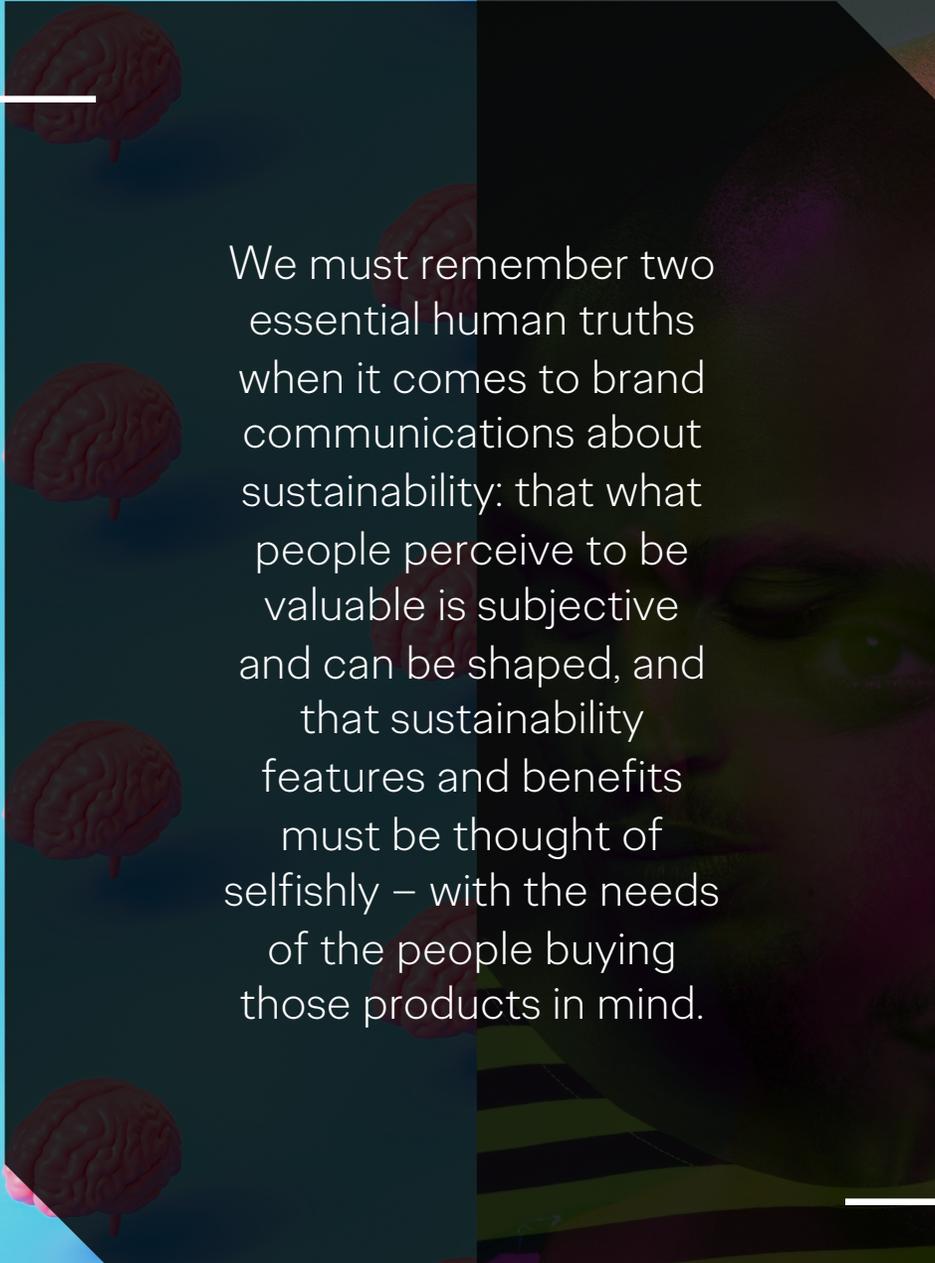
NEAR

INTERMEDIATE

FAR



**Value is
psychological**



We must remember two essential human truths when it comes to brand communications about sustainability: that what people perceive to be valuable is subjective and can be shaped, and that sustainability features and benefits must be thought of selfishly – with the needs of the people buying those products in mind.



**Sustainability
must be selfish**

05.

APPENDIX

BROKEN DOWN SURVEY SAMPLE

1500 RESPONDENTS SPLIT OVER GENDER, GEOGRAPHY AND AGE

	COUNTRY				AGE						
	Base	United Kingdom	United States	India	18-24	25-34	35-44	45-54	55-64	65-74	75+
BASE	1501	500	501	500	208	296	280	242	223	154	98
MALE	755	237	241	277	100	136	145	126	120	79	49
	50%	47%	48%	55%	48%	46%	52%	52%	54%	51%	50%
FEMALE	746	263	260	223	108	160	135	116	103	75	49
	50%	53%	52%	45%	52%	54%	48%	48%	46%	49%	50%

GET IN CONTACT

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**WE BELIEVE
BUSINESSES
CAN MAKE AN
IMPACT THAT
MATTERS.**



Ogilvy CONSULTING

WE HELP CLIENTS ANSWER THEIR MOST IMPORTANT SUSTAINABILITY CHALLENGES

OGILVY

How can we **integrate sustainability into our brand** in a genuine way?

We have a good record of sustainability but we're not getting credit for it – how can we **become known** for all all that we are doing?

We know sustainability is important but it's not a core focus for us – how can we **make sure we are doing the right thing?**

How do we best **communicate** all of the steps of our ESG policies to all of our stakeholders?

How can we get staff or customers to behave differently or to **choose different products?**

How can we **demonstrate the positive impact** that we are making on the environment?

WITH A DEEP UNDERSTANDING OF HUMAN BEHAVIOUR

By understanding the *psychology* that fundamentally underlies both individual and business decision-making, we get to the heart of sustainability challenges.

Helping corporations and customers to *bridge the gap* between what they know to be important and the way they choose to act.

Allowing us to *design and deliver* strategies that unlock sustainability and business impact.

Subtraction Blindness

People systematically overlook subtractive changes, such as ones to improve sustainability.



Drop In The Ocean Effect

We undervalue the power that we have to make a difference.



Present Bias

We prefer outcomes that are closer to the present when considering potential trade-offs.



Social Norms

The actions of others fundamentally impacts our own decision-making.



Cognitive Dissonance

When we hold two or more conflicting beliefs, one necessarily becomes held less strongly.



Defensive Decision-Making

Many decisions are taken because they are rationally defensible in a business sense.

