

Industry Agenda

# Engaging Tomorrow's Consumer

A report by the World Economic Forum's Sustainable Consumption initiative  
Prepared in collaboration with Accenture

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# Foreword



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The magnitude of the challenge is clear. Three billion consumers are expected to enter the middle class by 2050, the vast majority of them from developing markets. These emerging middle class consumers want a lifestyle like today's western lifestyles, one characterized by conspicuous consumption and intense resource use. With a global population already consuming resources equivalent to more than 1.5 Earths annually, we cannot continue on this path. We are at a tipping point; the time for action is now. We need people to take a leadership role, and we believe the critical actors in growing sustainable consumption are consumers themselves. Thus, after four years of researching how to make the *supply* of goods and services more sustainable, we have shifted our focus to the *demand* side.

The World Economic Forum's Engaging Tomorrow's Consumer project serves as a platform for stakeholders to identify the most effective strategies for engaging consumers in sustainable consumption and implementing those strategies at a scale and pace that can more adequately address today's global environmental and social challenges.

This report provides a first look at our efforts to understand how to better engage the consumer to enable more sustainable lifestyles, extract lessons learned from recent attempts to engage today's consumer, identify the key consumer segment of tomorrow, and provide recommended strategies that companies can use to make immediate, scalable progress.

The following Industry Partners of the World Economic Forum provided leadership to the Engaging Tomorrow's Consumer Initiative: Aegis Media, Best Buy, The Coca-Cola Company, Henkel, Kingfisher, Lenovo, Marks and Spencer, Omnicom, Unilever, and WPP. Their collective insights have been invaluable. The report has been produced with the support of Accenture, the adviser for this initiative.

A handwritten signature in black ink that reads "Sarita Nayar".

## Acknowledgement of Project Board Members

The World Economic Forum would like to thank the following companies for supporting this initiative.

Aegis Media  
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Unilever  
WPP Plc

## Executive Summary

The World Economic Forum, in collaboration with its Partner companies from a range of sectors including retail, consumer goods, technology and advertising have collaborated to explore the key question, “*How can companies engage consumers to trigger simple behavioural shifts that enable more sustainable lifestyles, grow demand for more sustainable products and create business value?*”

During 2012, the project pursued three areas of work, each derived from the aforementioned key question:

- How are companies engaging consumers in behaviour change, and what are the lessons from those engagements?
- Who are tomorrow’s key consumers and which of their attitudes, motivators and behaviours can companies use to encourage sustainability?
- What do these findings tell companies about how to engage tomorrow’s consumers differently in order to encourage more sustainable lifestyles?

An analysis of over 50 case examples of behaviour change initiatives and the review of academic literature, combined with interviews and workshops with subject matter experts, revealed three key findings:

- 1. Sustainability needs a makeover:** Consumers need to be excited and motivated by sustainability in order to engage. Business needs to use language that is more familiar and offer consumers incentives and sustainable choices that are more relevant to their lives and aspirations.
- 2. Millennials present the greatest opportunity for engagement:** Millennials are people born between 1981 and 1995.<sup>1</sup> They are receptive to and engaged in global issues, and they enjoy growing influence and incomes, especially urban Asian millennials.
- 3. Companies can use six key strategies** to seize the opportunity and enable more sustainable lifestyles. They can strengthen the consumer case for sustainability, engage their marketers, better integrate sustainability into research and development, create platforms for consumer collaboration, activate employees as advocates, and quantify outcomes.



## Introduction

At the World Economic Forum Annual Meeting 2012 in Davos-Klosters, chief executive officers and other stakeholders gathered to set the sustainability agenda for the year. The mandate was clear: to achieve scale, business must better engage consumers by reshaping demand to make sustainable consumption more personal and relevant to consumers; redesigning products and services to deliver increased value with fewer resources; and leveraging innovative communications to drive transparency and engagement.

In response to that mandate, the project explored the key question, “How can companies engage consumers to trigger simple behavioural shifts that enable more sustainable lifestyles, grow demand for more sustainable products and create business value?”

The project reviewed and analysed over 50 case examples of behaviour change initiatives and innovative business models focused on sustainability, and conducted interviews and workshops with subject matter experts and global business leaders to address three areas of work, each derived from the aforementioned key question:

- How are companies engaging consumers in behaviour change, and what are the lessons from those engagements?
- Who are tomorrow’s key consumers and which of their attitudes, motivators and behaviours can companies use to encourage sustainability?
- What do these findings tell companies about how to engage tomorrow’s consumers differently in order to encourage more sustainable lifestyles?

## 1. Sustainability needs a makeover

Consumers need to be excited and motivated by sustainability in order to engage. Today four messages are commonly heard from consumers (Figure 1):

### “I’m confused about sustainability”

**Many consumers see sustainability as confusing and irrelevant:** In a survey across the European Union, 48% of respondents said green product labels *do not* help them to identify products that are genuinely environmentally friendly.<sup>2</sup> A similar study showed that only 28% of United States (US) consumers knew that terms such as “green” and “environmentally friendly” indicated that a product had a smaller environmental impact than similar products or previous versions of the same product.<sup>3</sup>

**Consumers don’t trust companies’ sustainability claims:** Only 44% of US consumers say they trust companies’ green claims.<sup>4</sup> A Chinese millennial interviewee in Shanghai noted that he would not purchase environmental brands because they are “*mostly fake*” and “*not as good as claimed*”.<sup>5</sup> Published evidence of fake claims and insufficient consumer understanding about the meaning of sustainability contributes to this lack of trust. An analysis of environmental claims for 5,296 different consumer products found that over 95% of products made at least one false claim; the most common problem was that claims could not be readily or reliably substantiated.<sup>6</sup>

**Consumers feel that companies don’t show the full picture:** Current sustainability-focused marketing initiatives generally use only one element of the marketing mix. Successful initiatives have used a range of marketing tools and methods to change consumer behaviour. For example, Recyclebank is using technology and financial incentives to create consumer benefits and increase recycling in Philadelphia, Pennsylvania (US). In 18 months it increased recycling by 38,000 tons and avoided 100,000 metric tons of CO<sub>2</sub> equivalents, saving the city US\$ 3.5 million.<sup>7</sup>

Figure 1: Sustainability needs a makeover... Consumers need to be excited and motivated by sustainability



**“I do what I can, but it isn’t easy”**

**Adopting sustainable behaviours can be hard:** Consumers cannot always choose more sustainable lifestyle options because those options are not readily available, and those products and services that are more sustainable are often seen as more expensive and of poorer quality. When asked what discouraged them from purchasing more environmentally-friendly products, 42% of US consumers said they were more expensive, 33% didn’t believe they would be as effective or of similar quality, and 23% said they were difficult to find (Figure 2).<sup>8</sup> When asked “how easy is it to live a more harmonious/environmentally-friendly lifestyle”, one Chinese millennial responded, *“I actually think that this is very difficult. The whole consumption trend and habit are not supporting environmental protection... This needs the whole society and the government to have policies/incentives put in place to motivate people.”*<sup>9</sup>

**Simple changes can lead to new habits:** Companies can trigger changes in consumer behaviour by tapping into their desires and presenting them with effective “triggers”. These are signals, alarms or product labels that are clearly linked to the target behaviour and delivered at the right time and place to stimulate the desired behaviour change.<sup>10</sup> A comment from a millennial responding to the question “what motivated you to reduce your impact on the environment” illustrates this point. She said, *“...what compelled me was being given specific examples on how to easily change small, everyday actions that will benefit the environment.”*<sup>11</sup>

One success story illustrates what companies could be doing. As part of a commitment to improve the oral health of 50 million people, Unilever developed a programme to get children to take better care of their teeth: it sent mobile phone alerts to parents at their children’s bedtime. In countries participating in the pilot programme, children started brushing their teeth more frequently.<sup>12</sup>

**“Excite me and I will follow!”**

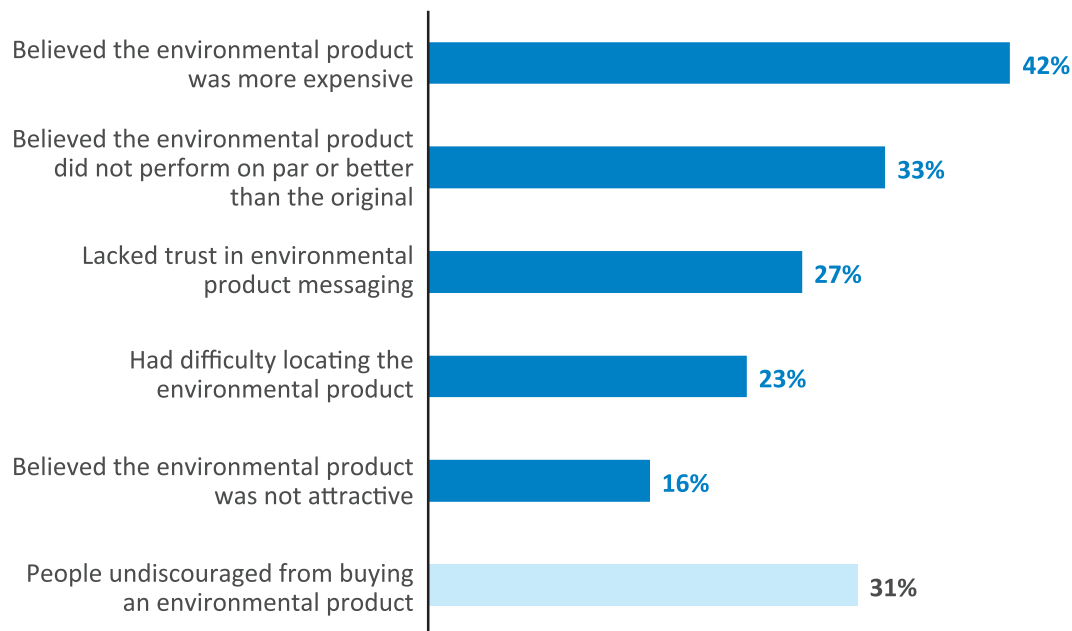
**Consumers can re-examine their lifestyle aspirations:** Consumers may be prepared to shift to more sustainable models of consumption if they are encouraged to re-imagine what personal success and status look like. In China, a non-profit organization, JUCCE, is campaigning to move people away from the “American Dream” to a more sustainable “China Dream”.<sup>13</sup> By re-imagining prosperity and reshaping consumerism to be innately sustainable, the China Dream project is encouraging a new aspirational lifestyle among the emergent Chinese middle class.<sup>14</sup>

**Not just consumers, but brand ambassadors:** Consumers often become more engaged and loyal when they feel part of a brand community. gDiapers, based in Portland, Oregon (US) boosted sales by promoting the use of a compostable diaper via online social networks. The company has recruited more than 46,000 followers on Facebook<sup>15</sup>, and their most loyal followers (gMums and gDads) actively spread the word about their product experiences, helping gDiapers deliver consistent increases in annual sales.<sup>16</sup>

**Celebrity association:** Celebrity role models exert a major influence on many consumers. Media attention and public interest can help to make sustainability “cool”. Satyamev Jayate (Truth Alone Prevails) is a television series hosted by the popular Bollywood actor, Aamir Khan. The show covers social issues in India, ranging from female foeticide to unsustainable water consumption. Its campaigns have been very popular among Indian millennials. Viewers participate in an online community of 8.1 million people, creating nearly 1.25 billion online and social media connections and generating nearly 15 million responses.<sup>17</sup>

Figure 2: The most common reasons consumers have been discouraged from purchasing environmental products

(Adapted from Cone Communications, 2012)



## “Listen to me, listen to us”

**Consumers are ready for collaboration:** Consumers globally, and especially young consumers, are often eager to collaborate with companies to build new products and services. In a global survey, nearly 60% of millennials said they would volunteer to test new products from trusted brands.<sup>18</sup> By collaborating with consumers, companies can increase engagement. This drives scalable change and creates long-term business opportunities. Carrotmob is a California-based non-profit organization that uses “buycotts”, a type of positive activism (the opposite of a boycott), to organize consumers. It encourages them to “vote with their wallets” by purchasing goods and services from businesses that agree to become more sustainable.<sup>19</sup> In New Zealand, a consumer group organized a Carrotmob event at cafes in three different cities (Hamilton, Wellington and Auckland). Nearly a thousand people purchased coffee at participating cafes, which donated between 45 and 70 NZ cents from every dollar spent to support the purchase of a solar-power system for a Pacific Island coffee farm.<sup>20</sup>

## 2. Millennials are the opportunity

*Millennials are receptive to global issues. They are influential and have growing incomes. Urban Asian millennials present the greatest opportunity (Figure 3)*

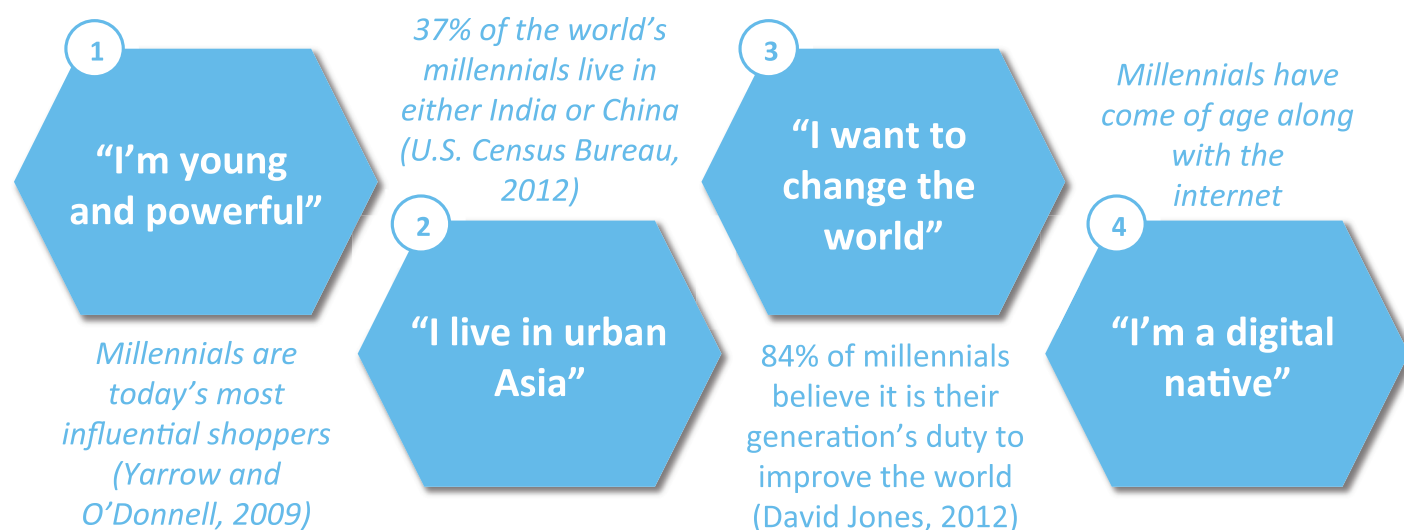
### “I’m young and powerful”

**Millennials are a dominant consumer group:** While baby boomers have accumulated wealth and are today’s leading consumer segment<sup>21</sup>, millennials represent 25% of the global population (and will still represent 20% of the global population in 2030).<sup>22</sup> This generation has started, or will soon start, their professional careers and are positioned to be the world’s wealthiest generation.<sup>23</sup> In the US, for instance, millennials are projected to earn as much as US\$ 3.4 trillion annually by 2018, surpassing the earnings of the baby boomers.<sup>24</sup> Millennials will also be tomorrow’s biggest spenders; in the United States alone, they are projected to spend more than US\$ 2.45 trillion annually by 2015.<sup>25</sup>

**Millennials are the world’s most influential shoppers:**<sup>26</sup> Through their words and actions, millennials can shape the behaviour of other people and consumer markets. Roughly 70% of global millennials recommend their favourite brands; 47% have criticized a brand<sup>27</sup>; 86% are willing to share their brand preferences online.<sup>28</sup> And as millennials become parents, they will influence the next generation of consumers.<sup>29</sup>

**Brand loyalty is often a matter of trust:** Brands are personal identifiers for millennials. One noted, *“In today’s society, brands are everything – what you wear, who you wear, all matter...”*<sup>30</sup> Beyond product affordability and quality, which top their list of buying concerns, they look for brand characteristics that relate to sustainability. These include trust (78%), environmental friendliness (71%), ethical practices (71%) and alignment with a cause or social issue (61%).<sup>31</sup> Once trust is established, companies can develop a deeper relationship with their millennial consumers: 58% of millennials would be willing to share more personal information with a trusted brand in exchange for greater access to the company (for example, receiving coupons, free samples or previews of new products).<sup>32</sup>

Figure 3: Millennials, especially urban Asian millennials, present the greatest opportunity for engagement



## “I live in urban Asia”

### Millennials are an untapped opportunity, especially in the East:

The global influence of millennial consumers in North America and Europe will continue. But the rising urban, Asian, middle class millennials, especially those in India and China, present the greatest opportunity because of their emerging wealth, attitudes and behaviour. Of the 1.7 billion millennials globally, 61% live in Asia and 37% live in either India or China.<sup>33</sup> By 2030, 66% of the global middle class will be in Asia-Pacific (3.2 billion people), compared to 28% in 2009, and 59% of spending by the global middle class will originate in Asia-Pacific (US\$ 32.6 trillion), compared to 23% in 2009 (Figure 4).<sup>34</sup> The size of the consumer market for the urban, Asian middle class millennial will be US\$ 6-7 trillion dollars<sup>35</sup>, presenting companies with a significant opportunity for engaging this consumer segment in sustainable consumption.

### Tomorrow’s consumer will increasingly be urban.<sup>36</sup> The implications of that are significant:

Massive urban migration is occurring globally. By 2050, more than 67% of the world’s population is expected to live in an urban area, and the urban population in Asia is projected to grow by 1.4 billion people.<sup>37</sup> This could intensify environmental and human health problems.<sup>38</sup> Urban air pollution contributes to 1.2 million deaths annually, and a major portion of that pollution is due to vehicle emissions.<sup>39</sup> In China, auto emissions are currently a major part of the nation’s air pollution problem<sup>40</sup>, and the number of vehicles on the nation’s roadways is expected to grow by 19% annually.<sup>41</sup>

## “I want to change the world”

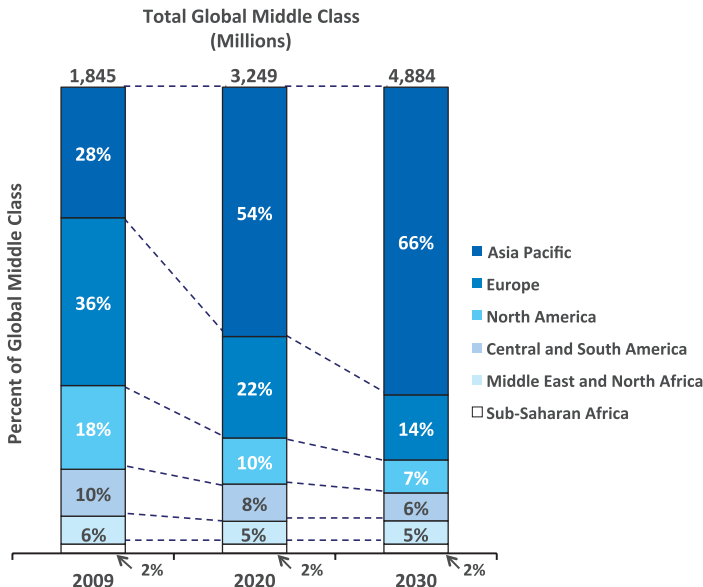
**Millennials believe in their power to be agents of change:** Asian millennials care about society and the environment. 82% of global millennials believe their generation can improve the world; 84% of millennials globally (and 90% in China) believe it is their generation’s duty to do so.<sup>42</sup>

**Millennials are climate conscious:** 85% of Asian millennials believe climate change will seriously affect future generations; 71% see themselves as environmentally conscious.<sup>43</sup>

**Millennials are action-oriented:** At least 80% of global millennials have acted in support of a brand they trust. They have shared brand experiences, joined an online brand community and posted product reviews.<sup>44</sup> 61% of them seek and buy environmentally-friendly products, where possible.<sup>45</sup>

Figure 4a: The geographic shift in the global middle class population, 2009 - 2030

Adapted from Sanjeev Sanyal, Deutsche Bank, 2012



## “I’m a digital native”

**Millennials are fundamentally digital:** A defining characteristic of millennials is the way technology has shaped and will continue to shape their lives. In the US, use of digital platforms is highest among millennials, and includes MP3 players (72% vs. 44% for non-millennials), gaming platforms (67% vs. 41%) and smartphones (59% vs. 33%).<sup>46</sup>

**Millennials rely on social networks:** Millennials often see social media as a force for positive change.<sup>47</sup> They use social networking to share experiences and opinions that shape behaviour. Globally, millennials do more social networking than non-millennials.<sup>48</sup> They maintain larger online social networks (46% of US millennials have 200 or more Facebook “friends”, more than double the percentage of non-millennials – 19%).<sup>49</sup> Millennials are more likely than non-millennials to explore brands on social networks (53% vs. 37%); when purchasing goods and services, millennials more than non-millennials prefer brands that maintain Facebook pages and mobile websites (33% vs. 17%).<sup>50</sup>

### Millennials are adapting differently to constant

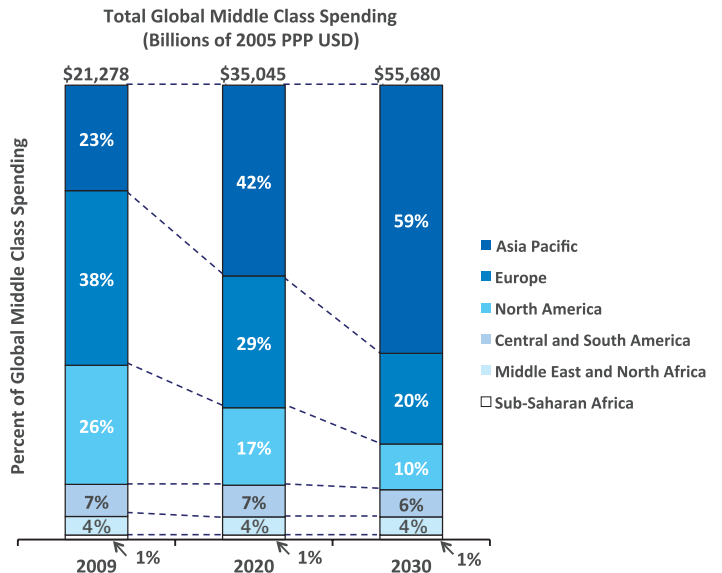
**connectedness:** Because they are “online all the time”, millennials are bombarded with information and tend to be more self-reliant when making purchasing decisions. Globally, they look for product information an average of 7.4 times each month; the majority consult up to six different information sources before making a purchase.<sup>51</sup> In response to the steady stream of information, they turn more frequently to close friends and family for advice and critical information. In recent surveys of US consumers, millennials were two to three times more likely than individuals from other generations (baby boomers or generation X) to value the advice received from friends and family.<sup>52</sup> When making important decisions, millennials’ most trusted information sources are still close friends and relatives. For major decisions, 77% of them consult family members and 64% consult friends.<sup>53</sup> Their next most frequently consulted information sources are search engines (by 21%), expert websites (21%) and co-workers (20%).<sup>54</sup>

### Millennials want to connect digitally with brands to make a

**difference:** Many millennials want to engage more directly with brands and develop their relationship with their favoured ones. In a survey of 1,000 Indian millennials, 75% said they wanted to contribute toward improving available products and services; 51% wanted businesses to create interactive channels to make this easier.<sup>55</sup> For Indian millennials, the most common motivator (43% of survey respondents) for developing and sharing innovations is the desire to help others.<sup>56</sup>

Figure 4b: The geographic shift in global middle class spending, 2009 - 2030

Adapted from Sanjeev Sanyal, Deutsche Bank, 2012





### 3. Six recommended strategies to seize the consumer opportunity for sustainability

Companies can use six key strategies to seize the consumer opportunity. They can strengthen the consumer case for sustainability, engage their marketers, better integrate sustainability into research and development, create platforms for consumer collaboration, activate employees as advocates, and quantify outcomes (Figure 5)

#### “What’s in it for me?” - Build the consumer case

**Make sustainability an integral part of the brand:** Brands can align their sustainability programme with the broader corporate agenda and consumer expectations. Sustainability is not an add-on to brand strategy or to the company’s wider plans. It is a core part of everything the business does. The brands that best integrate sustainability offer products and services that are more sustainable, enable more sustainable lifestyles and drive business growth.<sup>57</sup>

**Deliver an enhanced value proposition:** Millennial consumers need to be convinced that more sustainable products and services offer greater value: They cost less, perform better and/or match their social, environmental and other values.

**Make sustainability tangible and “about me”:** Millennial consumers increasingly demand personalized products and services. As part of this personalization, millennial consumers can be shown how sustainability is directly relevant to their lives and aspirations, and how “I” can benefit when purchasing a more sustainable brand or adopting a more sustainable lifestyle. When asked “how companies can motivate individuals to act in a more environmentally-responsible manner”, one millennial noted, “...By showing me how sustaining the environment is easy, convenient and beneficial to future generations.”<sup>58</sup>

#### “Get with the programme” - Engage marketers

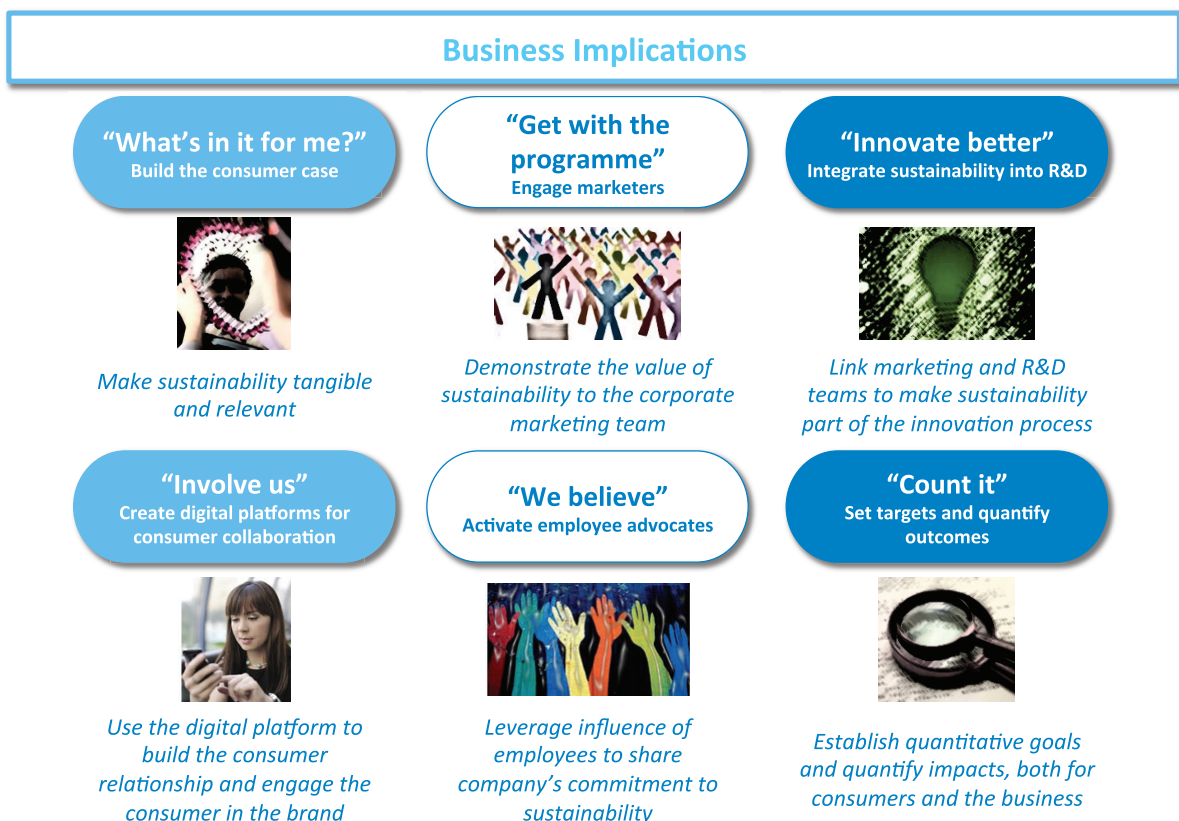
**Convince the marketers:** To make sustainability relevant to the millennial consumer, marketers need to be convinced of sustainability’s value, so it becomes a core part of their marketing activities. Companies that have done this successfully suggest the key steps in the process are:

- Educate the marketing team about sustainability
- Show the marketing team that sustainability is an enabler of business growth
- Identify a unique point-of-view on sustainability for each brand and embed that point-of-view in all brand messaging
- Use scalable pilot projects to test whether the brand’s point-of-view is correct
- Share success stories to prove that including sustainability in the brand’s point-of-view pays off

**Select the right strategy:** Global sustainability leaders have identified three different strategies that marketers can adopt to drive brand growth and value through sustainability:

- *Profit strategies:* Rely on revenues generated from the initiative to create value across society. Procter & Gamble runs campaigns focused on supporting disadvantaged youth and providing relief following disasters. It links money and services it donates for these causes to product sales.<sup>59</sup>
- *Process strategies:* Use process changes in the supply chain, manufacturing and/or distribution to differentiate a product from its competitors. The certification of products like coffee, tea and apparel by Fair Trade USA provides farmers with fair prices, workers with safe conditions and communities with resources for more sustainable livelihoods.<sup>60</sup>
- *Product strategies:* Incorporate societal benefits directly into the design of a product or service. Coca-Cola Japan has launched a new eco-bottle that twists into a 12-gram piece of plastic that is about 40% lighter than other PET (polyethylene terephthalate) bottles for its I Lohas brand of bottled water.<sup>61</sup>

Figure 5: There are six recommended strategies to capture the full value of the opportunity presented by engaging urban, Asian millennials in sustainable consumption



**Change the language of sustainability:** Current sustainability language reflects sacrifice (“to be sustainable, I have to give something up”). This can be de-motivating for the consumer. As sustainability is incorporated into marketing and brand strategies, marketers can change how they speak about sustainability, and make the conversation about the extra value and tangible benefits that more sustainable products and services can deliver.

### “Innovate better” - Integrate sustainability into R&D

**Deliver products and services people want:** The challenge of sustainable consumption is not just a matter of communication. Brands also need to deliver products and services that consumers want. B&Q developed “eco” alternatives for home insulation and developed a service to clean a home’s attic space, install the insulation and build a boarded storage space. This made it easier and more convenient for its customers to insulate their homes and save both energy and money. When B&Q used communications that highlighted these benefits, consumers were three times more likely to purchase both the eco-insulation and installation service than just the eco-insulation alone.<sup>62</sup> As one member of our Project Board mentioned, “If consumers aren’t buying the sustainable product, we’re not making the right product”.<sup>63</sup>

**Embed sustainability in product development:** Key sustainability performance criteria (such as energy efficiency and water efficiency) can be used to evaluate new product and service ideas as they are being developed. Henkel assesses new product and service ideas across each of its six sustainability focal areas (social progress; performance; safety and health; water and wastewater; materials and waste; and energy and climate).<sup>64</sup> If a new product or service idea does not improve product performance in any one of these areas, development stops.<sup>65</sup>

**Re-imagine the product lifecycle:** Using closed-loop thinking can build value from products at the end of their useful life. Marks & Spencer sells a coat made with 100% recycled wool from products collected via its Shwopping initiative, which asks consumers to bring their old clothing to one of its stores rather than throwing it away.<sup>66</sup> Likewise, Best Buy’s Geek Squad refurbishes electronics returned to its stores, puts those refurbished goods through a series of tests to ensure they work like new, and sells them, with a warranty, as Geek Squad Certified Refurbished products.<sup>67</sup>

**Pass on efficiency savings to the consumer:** The perception held by many consumers, that sustainable products are more expensive, can be changed if they see savings passed on by brands driving sustainability, and therefore efficiency, through the value chain.

### “Involve us” - Create digital platforms for consumer collaboration

**Build the consumer relationship and trust:** Brands can gain the loyalty of millennial consumers by displaying ethical practices that earn their respect.<sup>68</sup> They can create deeper relationships by building digital platforms that reach the constantly-connected consumer and by using them to *show* millennials that they’re doing ethical, responsible business to deliver affordable, high-quality products.

**Engage millennials in product design:** Crowd-sourcing can be a powerful way to capture and use the ideas and innovations of millennial consumers in the product development process. In 2011, Volkswagen (VW) launched its People’s Car Project in China to gather ideas for the VW of the future.<sup>69</sup> More than 33 million people visited the project website, where they submitted more than 119,000 ideas.<sup>70</sup>

## Engaging Marketers

In support of this project, Millward Brown Corporate conducted a global survey of 237 marketers from companies with at least 1,000 employees to understand potential barriers to the adoption of sustainability at a brand / category management level. Our Project Board companies were included in the sample set.

Key insights from the survey suggest that “The future that marketers are creating is not a sustainable future, despite knowledge of top-level commitment to sustainability.”

- After financial considerations, 20% more brand managers rated ‘communicating brand values’ than ‘executing the corporate vision’ as the most or an important consideration for their job
- A strong majority of brand managers are aware of their company’s sustainability plans and commitments, but do not feel empowered or responsible for prioritizing sustainability
- Marketers believe that the stimulus for more marketer engagement on sustainability must come directly from higher in the company or external stakeholders (consumers, competitors, suppliers), not from within the marketing department
- Key barriers to implementing sustainability include:
  - Lack of brand and individual performance metrics linked to sustainability
  - The belief that profit margins and brand value would be reduced if sustainability were implemented
  - The lack of practical information for implementing sustainability
- Brand managers who are financially rewarded for meeting sustainability targets are more likely to implement sustainability strategies that are consistent with the CEO’s vision
- Interesting regional differences include:
  - Marketers from Europe and Asia are more enthusiastic about sustainability than marketers from either North or Latin America
  - Fewer marketers from North America (46%) than from any other region said that ‘I always consider sustainability when developing plans for my brand’. In contrast, 76% of marketers from Asia always consider sustainability when planning for their brand

Source: Millward Brown Corporate, Engaging Marketers: Summary of Findings, December 2012.

### Use the digital comfort of millennials to activate new

**consumption models:** The ease with which millennials inhabit the digital world creates opportunities for them to consume products and services in new, more collaborative ways. Brands can tap into this. Airbnb harnessed social networks to connect travellers with individuals willing to rent out their home or apartment. It has booked over 10 million nights since its founding in August 2008.<sup>71</sup> This type of sharing economy has the potential for significant sustainability benefits. Sharing a home instead of renting a hotel room reduces a traveller’s carbon footprint by 60%.<sup>72</sup> Nike released its Nike+ FuelBand to increase individual fitness through gamification (applying game-design thinking to non-gaming applications). It allows consumers to set daily fitness goals, track daily activity and sync performance data with a website or mobile device to compare their performance against other members of the online Nike+ community.<sup>73</sup>

## “We believe” - Activate employee advocates

**Mobilize employee advocacy:** Given that millennials most frequently consult family and friends when making decisions<sup>74</sup>, companies with large workforces have a powerful source of influence that they could harness. If staff – whether millennial or non-millennial – are informed and motivated, they can tell friends and family about the company’s commitment to sustainability. They can also share innovations.

**Create incentives that improve performance:** One of the most effective ways to change people’s behaviour is by offering incentives. Millennials want their employers to provide meaningful work, empowerment, personal development and supportive colleagues.<sup>75</sup> Brands can harness the creativity of their own millennial employees by offering rewards and incentives for driving sustainable innovation. To cut its use of natural fibre in half by 2025, Kimberly-Clark Corporation asked employees for sustainability ideas. As an incentive, it offered them the chance to travel and work with the company’s partner (a non-governmental organization) on an international development project.<sup>76</sup>

## “Count it” - Set targets and quantify outcomes

In the research that we have completed, the success of individual sustainability initiatives is rarely quantified. If brands are going to treat sustainability as a serious part of their marketing and innovation efforts, they need to measure it as they would any other activity. When establishing behaviour change initiatives, consider the desired outcomes and quantitative indicators of success at the outset, and set quantitative goals for both behavioural change and business impact. Further, put mechanisms in place to assess and report progress against those targets.

## 4. The path forward

The members of our Project Board serve several billion consumers daily. Through those daily interactions they have the power to create a truly global shift towards a more sustainable future. All of these companies agree that a critical first step is to develop their brands’ unique sustainability points-of-view, so that they clearly target the intersection between the corporate agenda and the demands of the consumer.

We will discuss these insights and business implications further at the World Economic Forum’s Annual Meeting in Davos this year. Coming out of those discussions, we will have direction from stakeholders on how to push forward on consumer engagement. Sample questions that we will explore in 2013 are:

- How do we get people to see sustainability as a benefit rather than a sacrifice?
- How do we shift our definitions of success so that consuming no longer equals status?
- How do we change business models so companies can profit while encouraging people to consume differently?
- How can companies work together to meet the challenge of sustainable consumption?

# Acknowledgements

The Project Team would like to thank the following individuals serving on the Project Board or the Global Agenda Council on Sustainable Consumption for their input throughout this project. While the views expressed in this study do not reflect the totality of opinions, their participation and guidance has been critical.

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## Notes

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