
Communicating to Millennials; the New Ecological Consumer

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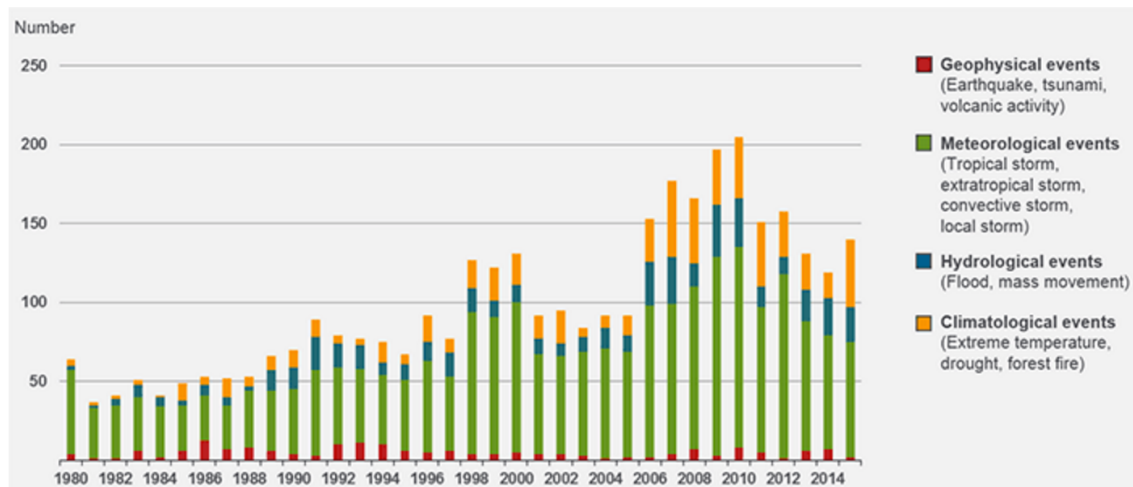
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INTRODUCTION

Life or Death?

Climate change is becoming a dark reality and we are experiencing new extremes each year. 2014 and 2015 were consecutively the hottest years on record, as measured by NASA.¹ We also find ourselves stuck in a seemingly endless cycle of droughts and increased flooding. The air is undeniably becoming more and more polluted, and pristine wild lands are being ruined in search of oil and raw materials. Each year we lose between 200 and 2,000 living species caused by the destruction of forests, increased acidity in the ocean, and general pollution, according to WWF's 2016 report.²

These are real figures that the American public has easy access to. Along with growing concern by the general public, the media and government are starting to take this threat to humanity and nature very seriously. Since 2005, FEMA, America's natural disaster relief fund, has seen notable increases in aid payouts, mostly in response to meteorological and climatological events.

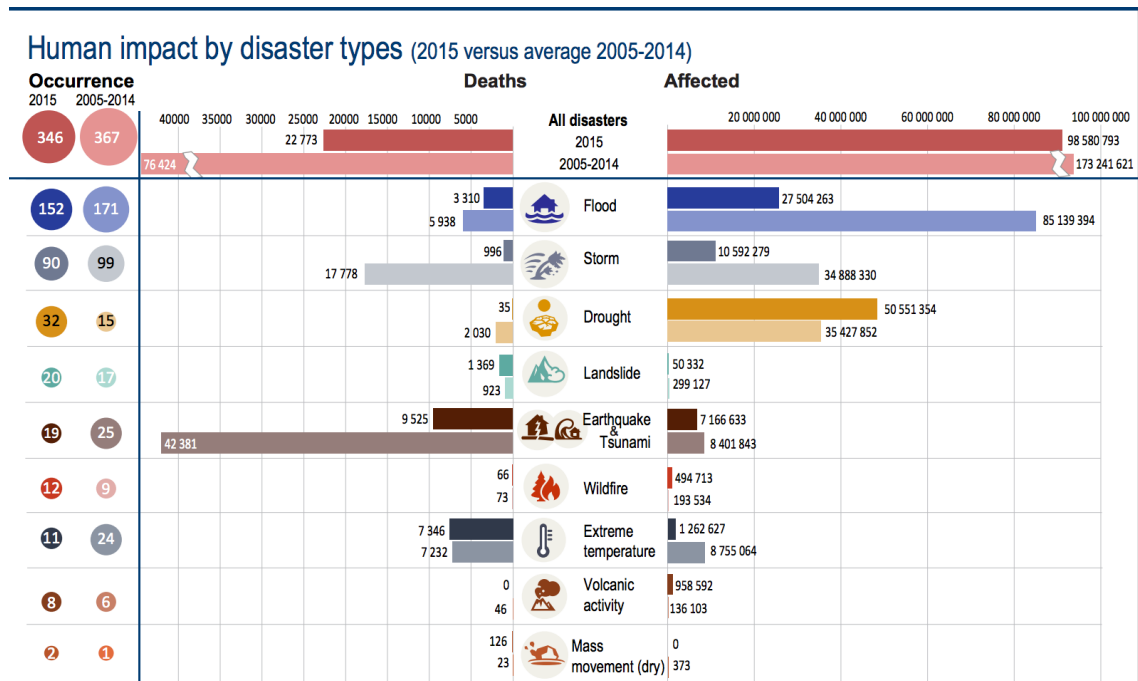


Northon, K. (2016, January 20). NASA, NOAA Analyses Reveal Record-Shattering Global Warm Temperatures in 2015. Retrieved March 27, 2016, from <http://www.nasa.gov/press-release/nasa-noaa-analyses-reveal-record-shattering-global-warm-temperatures-in-2015>

¹ Northon, K. (2016, January 20). NASA, NOAA Analyses Reveal Record-Shattering Global Warm Temperatures in 2015. Retrieved March 27, 2016, from <http://www.nasa.gov/press-release/nasa-noaa-analyses-reveal-record-shattering-global-warm-temperatures-in-2015>

² WWF Global. How Many Species are We Losing? (n.d.). Retrieved March 27, 2016, from http://wwf.panda.org/about_our_earth/biodiversity/biodiversity/

The financial impact natural disasters have on insurance and federal relief is significant, but what puts things into perspective is the number of people who are affected every year. Looking at the 2015 Disasters in Numbers Report, put out by the United Nations Office for Disaster Risk Reduction, we can conclude that 2015 was one of the worst years on record. Our rate of disaster occurrence is increasing at a staggering rate. The number of incidents combined between 2005-2014 (nine years), is nearly the same as all incidents we saw in 2015 alone.



UNISDR, USAID. (25th January 2016). 2015 Disasters in Numbers. Retrieved March 27, 2016, from http://www.unisdr.org/files/47804_2015disastertrendsinfographic.pdf

What can we conclude from this information? We are learning that our consumerist behavior is greatly increasing our consumption of oil and other natural resources. According to Canadian author Naomi Klein, the main contributor to environmental erosion is capitalism. In her latest book "*This Changes Everything*", Klein talks about the unwillingness of governments to limit CO2 emissions, blatant denial of global warming by heads of state, and companies' unwillingness to reform their operations to be more

sustainable, leaving readers wondering how we let things get so out of hand and how to go about fixing them.³

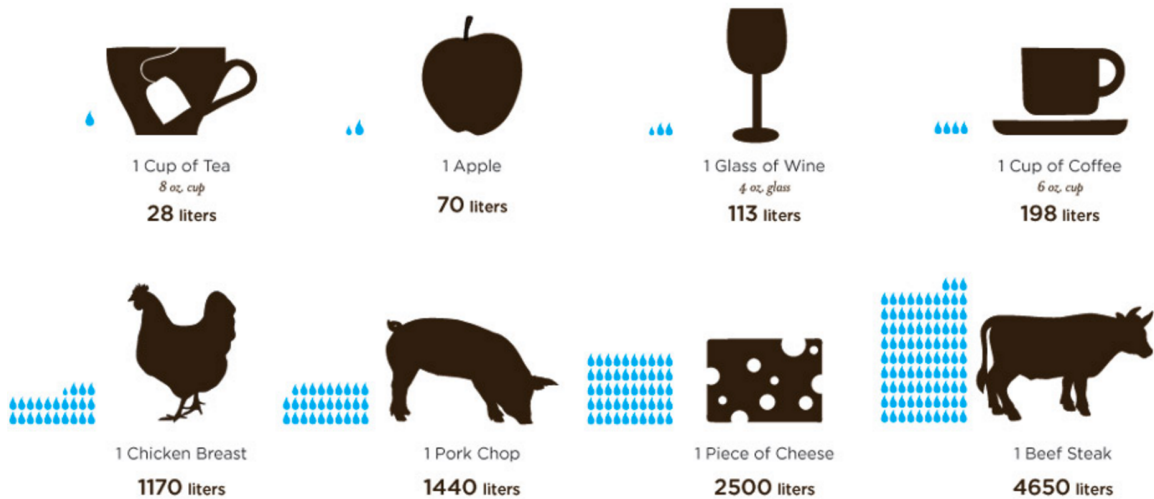
Klein is not alone. The world economic forum at Davos took a survey from 750 economists around the world and found that the climate crisis is now the number one risk to the world's economy.⁴ With rising sea levels and more extreme weather incidents we are seeing more destruction, bringing with it increased insurance payouts, and more unstable work and living environments. Klein makes a crucial point when she says "Climate change demands that we consume less, but being consumers is all we know". This statement is essential for businesses to consider - that is, if they are paying attention. Traditional operations and business models will need to change in the interest of sustainability, and very soon.

While in the early years many companies used the "sell as much as we can" theory, this soon became exhausted and moved on to building long-term relationships with clients. However, today, marketers have to change their strategies once again. This means incorporating new communications strategies that are aimed to better understand who their consumers are, what they want, and how to innovate according to these (ecological) needs. The end result should reflect the objective in operations and a coherent business plan that reduces waste from production as well as general excessive production.

With the information above we can conclude that change is afoot. But why does Klein say that irresponsible consumerism is the cause? By simply looking at the life cycle of products, we can better understand where excess consumption occurs. The life cycle of products also includes all water, petroleum, energy, and other natural resources used by the good, from production to transportation. Here we will address some of the largest threats:

³ Klein, N. (2014). *This changes everything: Capitalism vs. the climate*. New York, NY: Simon & Schuster.

⁴ The Case for Optimism on Climate Change. Perf. Al Gore. TED, 2016.



The Poster, First Edition. (2007). Retrieved from <http://virtualwater.eu/>

Virtual Water: There is more that meets the eye when it comes to water consumption. Virtual water counts all water that is used to actually produce a good, from watering the soil that grows the food to washing of fabrics that make the clothing. Those unfamiliar with the process are likely to find the amount of water used in traditional production of goods absolutely staggering. (see figure 3)

Food: Americans are eating more meat than ever before and the amount of water it takes to raise livestock is, in fact, extremely wasteful. It takes 4650 liters of water to produce a single beef steak, not to mention the fuel used to harvest and transport their feed.

Fortunately, over the past few years we have started to see a decline in beef consumption in the U.S. and a rise in poultry, which requires fewer natural resources. In the past few years the issue of the meat industry's environmental impact has become as important an issue as human health. The most recent edition of the USDA's Dietary Guidelines advises Americans to eat less meat, in part due to environmental sustainability concerns.⁵

⁵ Haspel, T. (2015, October 27). The decline of the (red) meat industry — in one chart. Retrieved from <http://fortune.com/2015/10/27/red-meat-consumption-decline/>

If we look at other food goods such as coffee, we see an even bleaker outcome. 198 liters of water go into producing a single cup of the beverage. However, the problem also lies in the increased rate of consumption. The International Coffee Organization predicts a 25% growth rate in the next five years.⁶

A second concern regarding food are the inorganic materials used to produce viable food crops (both for human and animal consumption). The GMOs, pesticides, and antibiotics used prolifically are all legal in the United States and, until recently, deemed perfectly acceptable. However, consumers today are growing more aware of the products used in conventional farming and their direct impact on their health and the health of the planet.

Plastic: Plastic is arguably one of the greatest evils ever introduced to our planet. While widely believed to be an invention that has made life more convenient, its environmental impact has been catastrophic, and global efforts at recycling have been woefully insufficient. In fact, according to postconsumers.com, as much as 90% of bottles are not recycled; and the time it takes bottles to decompose is roughly 450 years.⁷

Plastic is a very widely used product. Made from either natural gas or petrol, it is used in nearly every industry; plastic has become a cornerstone for storage, transportation of goods, automobiles, clothing, medical devices, ... the list goes on. There is not a day that goes by that we are not exposed, in some way, to plastic goods. Every year 1.5 million barrels of oil are used to make plastic bottles, says O'Connor of postconsumers.com, and even more oil is used in fuel for transportation.

According to Gourmelon of vitalsigns.worldwatch.org, from 1950 to 2012, the growth of plastic production averaged 8.7 percent per year, booming from 1.7 million tons to nearly 300 million tons today. Worldwide production continued to grow between the 1970s and

⁶ N. B. (2015, February 16). Coffee Consumption Expected to Jump. Retrieved from <http://www.wsj.com/articles/coffee-consumption-expected-to-jump-1424119985?mod=e2tw>

⁷ O'Connor, K. (2011, October 31). How Long Does It Take a Plastic Bottle to Biodegrade? Retrieved from <http://www.postconsumers.com/education/how-long-does-it-take-a-plastic-bottle-to-biodegrade/>

2012 as plastics gradually replaced materials like glass, metal and paper. By 2009, the World Watch Institute says that plastic packaging accounted for 30 percent of packaging sales.⁸

Obviously we were not given unlimited resources that enable us to continue to increase our production year after year, which means that new business models must be adopted. Models should include sustainable products, more environmentally conscious operations, improved communication methods, and new marketing strategies that promote newly incorporated values and efforts made by the company.

Have Some Faith!

Fortunately, today, there are signs that the the general public is becoming increasingly aware of the current state of the environment, and there is growing understanding that environmental damage is caused by consumerism, lack of innovation, and businesses not fully understanding the negative impact of their products and services. The demographic that is having the greatest influence on corporate responsibility and change are the Millennials; a 2015 survey conducted by Morgan Stanley found that Millennials are twice as likely to both invest in companies or funds that target specific social/environmental outcomes as well as divest because of objectionable corporate activity.⁹

Fortunately, many businesses and governments are starting to heed the demands of Millennials by incorporating sustainable business models which include Corporate Social Responsibility (CSR), increased community involvement and environmental efforts, as well as restructuring of production practices and supply change. Many companies such as Ford, Microsoft, Unilever, and Colgate (to name a handful) have taken the first steps to show that value is no longer created solely through gross revenues, but also through:

⁸ Gourmelon, Gaëlle. "Global Plastic Production Rises, Recycling Lags." [Http://vitalsigns.worldwatch.org/vs-trend/global-plastic-production-rises-recycling-lags](http://vitalsigns.worldwatch.org/vs-trend/global-plastic-production-rises-recycling-lags). Worldwatch Institute, 27 Jan. 2015. Web.

⁹ Morgan Stanley Smith Barney LLC. (2015). Sustainability in the Eye of the Investor. Retrieved from <http://www.morganstanley.com/ms-articles/sustainability-in-the-eye-of-the-investor/>

- **Environmental awareness;**

Tesla: CEO Elon Musk made the technology for electric cars available to the world for FREE, in his attempt to raise awareness of today's carbon crisis.

- **Innovation;**

Microsoft: Janicki Omniprocessor - the machine sponsored by the Bill & Melinda Gates foundation which turns human waste into clean drinking water.

- **Community Involvement;**

Patagonia: Patagonia's Environmental Internship Program was created to give its employees the opportunity to work and learn through nonprofit organizations. Patagonia pays its employees a full month's salary along with benefits during this period.

Classic business models are on their way out, because the laws of nature are non-negotiable, earth's resources are finite, and consumers are demanding that more companies take responsibility. Green marketing and the need for ethical and ecological companies are now firmly established, according to Dahlstrom.¹⁰ Companies are finding that sales of goods and services is not effected (and very often improved) when they incorporate the importance of durable, long lasting goods and environmental responsibility into their marketing and communications strategies.

If a company is to incorporate non-traditional business actions they will find themselves in a positive whirlwind, which is what this paper will explore. We are finding that environmentally responsible business models can actually be *the key* to corporate success and longevity, explains Nidumolu et. al. of the Harvard Business Review.¹¹

¹⁰ Dahlstrom, R. (2010). Green marketing management. Mason, OH: South-Western.

¹¹ Nidumolu, R., Prahalad, C., & Rangaswami, M. (2009, September 01). Why Sustainability Is Now the Key Driver of Innovation. Retrieved April 12, 2016, from <https://hbr.org/2009/09/why-sustainability-is-now-the-key-driver-of-innovation>

Problematic

In this paper I have set out to explain how the incorporation of environmental values can contribute to long term value creation specifically through effective communications strategies. This problematic is based on companies that;

- have recently transformed their product, service, or production to be more sustainable,
- want to incorporate Corporate Social Responsibility type practices,
- what to increase their reach through a communications strategy targeted at Millennials.

This paper will explain why the communication of ecological practices is important for companies especially in relation to the growing Millennial demographic. The first section will address the question of: *what is a corporate identity*, as well as how to find inconsistencies, and how to rebuild a new identity with the incorporation of ecological values and practices. Next I will address the question of *who is the target demographic for these ecological companies*, and how companies can communicate with them through cross channel media, and integrating psychological strategies for increasing sales. I will conclude the paper by explaining how a company can create value using ecological values and sustainable practices, the growth in this industry, and finally with economic proof to support the decision to go green.

IDENTITY CRISIS

What is a Corporate Identity?

Before getting into how to create an ecological corporate identity, it is important to understand what a corporate identity is and the terminology associated with it. I looked to Baumer's definitions, as I found these to be very clear: ¹²

Corporate identity: *What are we?* This is a company's values, how it acts, its structure, strategy, ethos, etc. When presented consistently, it can communicate a positive image, resulting in value and trust. However, when presented poorly, it can be disastrous.

Corporate Image: *How does the public view us?* The immediate perception by the public.

Organizational Identity: Who are we? Which includes the myriad of cultures which are represented by its employees, their professional identities, and relationships through organizations it is associated with.

Corporate Identity is the face and personality of a company; from its product, to its actions, to what it believes in and communicates. In the early days of marketing and advertising the primary characteristics of identity were created using logos and graphics which aligned with their product and/or service. Today, however, identity has moved past logos and graphics. Comprising its actions, charities, values, etc., companies are becoming a lifestyle with which a consumer can identify.

Getting to Know Yourself

We know what makes an Identity by definition, so now we can take a closer look at the components within. To better understand the components that make up a corporations

¹² Balmer, J. M. (2001). Corporate identity, corporate branding and corporate marketing Seeing through the fog. *European Journal of Marketing*, 35(3), 4th ser., 248-291. Retrieved from http://www.mcbsp.com/research_registers

identity I looked to Balmer and Soenen and, subsequently, Balmer and Greyser, of the California Mgmt. Review, who developed a conceptual model termed the “ACID test”. The test is very clearly written and helps to break down the identity into separate parts which in turn points out inconsistencies which are necessary to identify before rebuilding. This model outlines six types of identity: **Actual** (what we really are), **Communicated** (what we say we are), **Conceived** (what we are seen to be), **Covenanted** (what the brand stands for), **Ideal** (what we ought to be), and **Desired** (what we wish to be).¹³

The ACID test was initially created for companies and consulting firms who wished to strengthen an identity so, by extension, I found it an equally effective model for companies who wish to find ways to incorporate environmental and sustainable practices into their identity.

Once a company has established what it believes to be a complete and coherent identity, they can then double check their work through an interfacing process that uses gap analysis. This process is ultimately a comparison between all the variables (ACID) resulting in a detailed analysis designed to find incoherences. For example, if the Ideal identity of a company is that it promotes the health and wellbeing of its consumers, its Actual identity cannot involve producing a product that contains pesticides or harmful chemicals. It is a mutually exclusive system. (see figure 4 & 5)

The interfacing process takes each of the four identities and compares it with another, which is why this model is considered very in-depth and nearly foolproof. This phase should be conducted before rebranding takes place in order to compare the company’s original positioning and capabilities with the new identity it wishes to adapt and portray. Remaining consistent is equally as important, and it is possible to guard the original spirit of the company while incorporating a new business model and communications strategy.

¹³ Goldman, M., Chipp, K., Abratt, R., & Kleyn, N. (n.d.). Building a Strong Corporate Ethical Identity. California Management Review, 54(3), spring 2012, 61-76. Retrieved from ebsohost.com.

Capabilities & Identity

Coherence with capabilities is of utmost importance when establishing an identity, which includes three elements: value proposition, a capabilities system that allows you to create that value, and the set of products and/or services that leverages those capabilities and delivers against your value proposition, according to PricewaterhouseCoopers Elements of a Strong Corporate Identity.¹⁴ Creating an identity using a long-term, capabilities-driven approach is extremely effective because ultimately it allows a company to stick to what they do best. Companies with strong identities have a few things in common:

- They know themselves: strengths, weaknesses, values, and goals are all accounted for and play an integral role in the identity. (ACID Test)
- They take a capabilities-driven approach: knowing what you're good at drives value creation because there is cohesion between capability and strategy. Rather than trying to be too diversified, focus on what makes the company unique.
- They are consistent: The identity and values of Apple, BMW, Volkswagen, and LVMH are rather stable and unchanging because they stick to what they are good at and have an unchanging corporate image.

Typically, companies with a well-defined identity and who also deliver what is promised to their customers are those who endure. What makes a well-defined identity, however, is not so clear for some. But what it finally comes down to is focusing on what is done well internally, or a capabilities-driven approach. This strategy, created by PricewaterhouseCoopers, is broken down into three categories: Way to Play, Capabilities System, and Product and Service Fit.

¹⁴Leinwand, P. (2014, December 9). The 3 Elements of a Strong Corporate Identity. Retrieved from http://www.strategyand.pwc.com/global/home/what-we-think/cds_home/the_concept

Way to Play

"Millennials How does your company create value for its customers?"

Way to Play is essentially based upon the concept of identity creation. A strong, coherent identity should be based upon what a company is exceptionally good at; what they are known for. This will also be what sets them apart from their competitors, whether that is innovation, value, experiences, etc. A strong identity will be well defined, yet flexible for growth and narrow enough to focus strategy and decision making, explains PricewaterhouseCoopers.¹⁵

To better understand this concept, we can look at Patagonia, the American classic outdoor goods brand. Patagonia sells durable outdoor goods, but what's more is their positioning: "Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis." They are incorporating Cause marketing into their Way to Play because they know that the environment means everything for their target market. So in response they offer a repair service for "tired" goods, along with products made from recycled and sustainable materials. They also encourage others to consume less and consume smart, which means buying goods that are



made to last. Their consumers know that when they buy their products, they are supporting a sustainable lifestyle.

Capabilities System

"Who is your target, what do they want, and how do you deliver?"

This system, according to PWC, should be made up of three to six distinctive capabilities; the key strengths that sets a company apart from its rivals. Each capability is ensured through the right combination of processes, tools, knowledge, skills, and organization, all focused on meeting the desired result. In keeping with our first example, Patagonia's capabilities include appealing to the "dirt bags", also known as the tried and true outdoors

¹⁵ Leinwand, P. (2014, December 9). The 3 Elements of a Strong Corporate Identity. Retrieved from http://www.strategyand.pwc.com/global/home/what-we-think/cds_home/the_concept

men; known for their minimal waste and low-impact production, they have built a reputation as pioneers in the world of organic cottons.

These are the consumers that support your company and they are the ones that will remain loyal, provided the product itself remains loyal. The company should guard its reputation for producing quality products that also differentiate itself from competitors.

Product and Service Fit

"How does a company grow based on capabilities and identity?"

The products and services make up most of what the customer actually sees. A strong product and service fit will sell items that are coherent with their values and identity. For example, Patagonia will never sell items which are poorly made or produced in a way that causes excessive harm to the environment.

Product and Service Fit is also seen as the lifestyle that the consumer is adhering to and buying into. Today's consumers feel as though they are a part of the company, because of open communication between consumers and producers. It is important to take into consideration the needs of the community during growth and product evolution.

What Makes a Strong Ecological Identity?

Now that we have a better understanding of identity fundamentals we can ask the question, what makes a strong ecological identity? There are several ways a company is able to prove their worth to the eco-loving community: Corporate Social Responsibility (CSR), community involvement through outreach programs, internal programs within the company, and transparency with consumers.

There is no formula for which activities a company should incorporate into their business model. Instead they should find what best supports their positioning within the market and ideally sets them apart from their competitors. However consumers are expecting change. A study of 30,000 consumers conducted by Accenture in 2014 found that the millennial consumer, who is coming of age economically and empowered by new

technologies (social media etc.), is driving new expectations of business - including transparency, well-being, health, and general livelihood. In response, marketers in every sector should use sustainability as a driving force. “Efforts to engage, inform and persuade consumers on the merits of companies embracing sustainability can tap into visions of the future, and will depend on companies’ ability to fulfill the expectations of twenty-first century people”, explain Johnson and Lacy in the UN Global Compact-Accenture Study on Sustainability.¹⁶

Corporate Social Responsibility

It is not typically the brands who make the altruistic choice of becoming green for the sake of it. The reason behind this transformation is typically influenced by the bottom line. More and more Americans are becoming aware of the current environmental crisis, whether through direct or indirect experiences, and in response they are demanding that the products they have always trusted start incorporating environmentally responsible practices.

With mounting pressure being brought on by a number of different issues (climate change, sustainability, financial crisis etc.), companies are starting to incorporate Corporate Social Responsibility (CSR) into their business model. CSR is also considered to be of increasing importance, and becoming an aspect of corporate identity management and communication, explains Goldman et. al. in the California Management Review¹⁷

CSR is a non-mandatory business initiative that promotes more than just environmental responsibility. It also includes community involvement, philanthropy, and ethical practices. However, the overall goal of CSR is to provide the tools necessary to transform

¹⁶ Johnson, S., & Lacy, P. (2014, June). The UN Global Compact-Accenture Study on Sustainability In collaboration with Havas Media RE:PURPOSE (Rep.). Retrieved from <https://www.accenture.com/us-en/insight-un-global-compact-consumer-study-marketing-mattering>

¹⁷ Goldman, M., Chipp, K., Abratt, R., & Kleyn, N. (n.d.). Building a Strong Corporate Ethical Identity. California Management Review, 54(3), spring 2012, 61-76. Retrieved from ebsohost.com.

a company into one that is sustainable, responsible and ultimately more innovative. Once these practices have been integrated they then receive a CSR score, which, for many customers is very important.

If a company decides to implement a CSR plan they should consider an outside consultant, as an objective eye will be considered more legitimate for identifying areas for change and improvement. Consulting firms are able to help in any stage of environmental incorporation and in any department. from supply chain mapping, data gathering and analysis, writing reports, training, and even branding and graphics.

One example of how a company can incorporate environmental support into their branding can be seen with the Ben & Jerry's ad which is raising awareness for global warming on their website. They were also a major supporter of COP21 in Paris in 2015 with their ad "If It's Melted, It's Ruined!" (see figure 6) They also encouraged their customers to sign a petition on their website which goes to support 100% clean energy by 2050.

Despite many critics of CSR, companies can use this to show their support for open communication with their consumers and taking into account to their needs. It also promotes innovation, because they are searching for alternatives to conventional energies through the development of new technology, for example. They are differentiating themselves from other brands by taking the initiative to change their business model so as to incorporate more sustainable practices as well as their commitment to R&D towards new products. Finally, they are demonstrating their initiative for long-term change, because the decisions they make today affect the future health of the planet.

Corporate Community Involvement

Corporate community involvement allows for a company to demonstrate their acknowledgment of, as well as their concern for, the community that supports them. The traditional role of consumers was to buy what was offered and trust that companies made the right decisions in creating the best product. But today consumers are expecting an

active role in the development of a company's products and services. After all, they are the reason for a companies' growth and longevity.

The relationship between the company and its consumers is very co-dependent, one cannot survive without the other. And because of this, companies must show their appreciation in order to strengthen trust. Community involvement also gives companies a chance to communicate to its consumers what its values are and what it is passionate about. For example, Boeing has tied their campaign for community involvement to the "element" in which they work: the air. Each year Boeing has committed to educating thousands of students about the importance of environmental protection and preservation. Better environmental performance is not just good for the planet, it's good for our business and for our communities worldwide, explains Boeing in their Corporate Citizenship Report.¹⁸ Boeing has partnered with public schools in Washington to teach students about the importance of energy efficiency and renewable energy. There are on average more than 650 students who have participated each year.

"This is a great opportunity to show the students how daily household items—computers, lights and heaters—use energy," said Keith Warner, senior manager of Boeing Environment and Utilities Services.

Building a link between the company and the community, especially with young students, generates a specific bond and awareness. Students learn to equate brands to the social activities they're involved in - in this case, the importance of energy conservation and the well-being of the planet.

Employee Programs

Looking back to the Acid test and the Gap Analysis, we learned that coherence between the (A)ctual identity and the (I)deal identity is extremely important. What this means is that the company's values and employee behavior reflects the company as a whole. One

¹⁸ The Boeing Company 2014 Corporate Citizenship Report. (2014). Retrieved from http://www.boeing.com/resources/boeingdotcom/principles/community-engagement/pdf/reports/Boeing_2014_CitizenshipReport.pdf#page=15

way to strengthen this is through employee programs, which can inspire, teach, as well as create an enduring sense of pride for the company. Employee programs are a way to engage employees beyond the normal work capacity. It is creating a space outside of work for education, experiences and inspiration. The theme for these programs can be based around the identity or specific values of the company.

One of the best examples of company-sponsored employee programs is through Patagonia. They have been able to transmit their values to their employees through environmental internship programs, bike-to-work weeks, and national park conservation programs; all of which are focused around their main value, making a connection between humans and nature.

The Patagonia bike-to-work week, which takes place each June, encourages sustainable commuting. During this week in 2015 employees rode a total of 15,036 miles by bike! What's more is that Patagonia donated \$1 for every mile rode towards a local bike advocacy group.

In 1993 the company created the Patagonia Employee Internship Program, which was based around the idea that rather than giving money, the company would donate muscle and time to its favorite charities. Employees are allowed up to two months away from their regular roles at work to volunteer for the environmental group of their choice while continuing to earn their paycheck and benefits. This year, 34 individuals, 12 stores and one department took advantage of this program, putting in almost 10,000 volunteer hours for 43 organizations, explains Patagonia in their Environmental and Social Responsibility Report.¹⁹ The goal for Patagonia is simple, providing this experience for employees gives them inspiration as well as a new commitment to environmental values.

¹⁹ Patagonia. Environmental and Social Responsibility. (2015). Retrieved from <http://www.patagonia.com/us/patagonia.go?assetid=80524>

Transparency

As highlighted in the Accenture study, 21st century consumers have raised their expectations, especially when it comes to transparency. Whether it is food, clothing, or transportation, they expect the products they buy to be safe to consume, wear and transport. Also it is nearly impossible to hide dirty secrets such as GMO use, pesticides, extreme CO2 emissions and the like, thanks to consumer advocacy groups and social media. Maintaining transparency in a business is necessary today for many reasons:

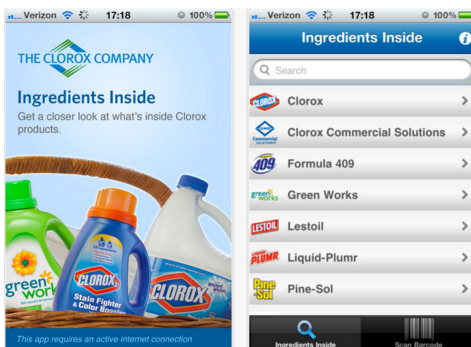
- **Room to grow:** No company is perfect; however, consumers are more likely to put their trust and fidelity into companies that lay all their cards on the table. This includes transparency about deficiencies and efforts they are making towards improvements.
- **Responsibility:** Consumers are looking for a company that holds the same values as them. Being transparent gives companies an opportunity to show its consumers how it is putting its ecological values into practice.
- **Innovation:** Traditional production and supply chain has a large environmental impact. With today's consumers demanding that environmental impact be limited, companies are responding by reforming their operations and product design. This requires R&D to find innovative ways to meet demands.

In an interview with Jared Folkmann, Group Strategy Director at Critical Mass (a digital design agency in Chicago), he explained to me how his client, Clorox, learned that transparency is one of the most important practices a company can integrate into their business strategy. Clorox is a leading American company that produces household cleaning supplies. While traditionally their products were not considered environmentally friendly, they have learned that their consumers are demanding to know what is in their products and that harmful chemicals be removed.

*“We have found that increased transparency (amongst community involvement, and decreased environmental impact) has improved the company’s reputation. It is also one of the top attributes stakeholders consider to assess this value,” explains Folkmann.*²⁰

Learning that stakeholders were impressed with this level of transparency, Clorox decided that this was a good opportunity to continue this effort by creating a more broad communication strategy to be used with the public. According to Folkmann, this strategy included a campaign to show consumers their efforts in environmental sustainability, community involvement, and general contributions. Since this new initiative the public response has been very good, sales have increased, and consumer fidelity is very strong.

Looking at Clorox’s 2014 annual report we can see this transparency in action. In fiscal year 2014, Clorox delivered \$122 million in cost savings thanks to reducing waste in our work, products, and supply chain. We also continued to make good progress in reducing our operational footprint, including a 12 percent reduction in greenhouse gases and a 34 percent reduction in the waste we send to landfill per case of product sold since 2011 states Clorox in their Integrated Annual Report. Additionally, they introduced a Supplier Environmental Footprint Scorecard to help drive sustainability improvements across their supply chain for the years ahead. »²¹



Clorox Launches Mobile App That Reveals Ingredients in its Products. (n.d.). Retrieved from <http://ecopreneurist.com/2012/01/26/clorox-launches-mobile-app-that-reveals-ingredients-in-its-products/>

In addition to their transparency in operations, they have also developed an app for consumers to quickly search the ingredients used in their favorite household products. Catharine de Lacy, VP of Global Stewardship says that “Since 2008, we have already improved the sustainability profile of nearly 50% of our products through formula and packaging changes. We are doing

²⁰ Folkmann, Jared. Clorox Interview [E-mail interview]. (2016, April 20).

²¹ Clorox. 2014 Integrated Annual Report Our Financial Environmental, Social and Governance Performance (Rep.).(2014). Retrieved from https://annualreport.thecloroxcompany.com/_pdf/Clorox_2014_Annual_Report.pdf

this because consumers are interested in using more sustainable products, and they want to know what's in the products they use in and around their homes.”²²

Eco-Identity All Stars

Here, I have chosen three companies that I believe to be great examples of how an ordinary company can incorporate ecological values through the application of the strategies listed above. We will see that the way they have chosen to demonstrate their concern for the environment is sincere, clearly defined, and unique.

Subaru

When we think of sustainable cars, Prius, Smart or Tesla might typically come to mind. But Subaru is doing more than simply making eco friendly hybrids, they have taken this value to a whole new level. They are the only car manufacturer in America who has zero waste going into landfills. All used materials are recycled and re-used in the next generation of cars. Since 1989 Subaru has been winning award after award for their initiatives that include more than just recycling of parts but also of paint.

They have made great efforts to clean up and support wildlife with the creation of the International Mountain Biking Initiative, which encourages sustainable mountain trail creation. They were also the first automotive assembly plant in the U.S. to become ISO14001 Certified for their efforts to effectively manage their impact on the environment. The Subaru plant in Indiana is the first and only U.S. car plant who has received the National Wildlife Federation's Backyard Wildlife Habitat status. Situation on 800 acres, the



Gagné, L. (2008, September 2). Subaru of Indiana Automotive : The green assembly plant. Retrieved from http://www.moto123.com/imprimer_article.spy?artid=100709

²² Ritchie, H. (2014, October 8). Clorox Increasing Product Transparency with Mobile App, Ingredient Calculator. Retrieved from http://www.sustainablebrands.com/news_and_views/chemistry_materials/hannah_ritchie/clorox_increasing_product_transparency_mobile_app_

protected land surrounding the plant is home to a variety of wildlife including deer, turtles, hawks, eagles, ducks etc. The list of achievements and efforts goes on and on, but what is important to note is that through each of these efforts Subaru has not reinvented their product, their capabilities-driven and consistent, however they have improved production, supply chain as well as increased involvement in charities, in-house recycling and waste reduction efforts, according to Subaru's CSR Environment Report. ²³

Seventh Generation

Seventh Generation is an American company that makes environmentally friendly household cleaning supplies. It was originally created with the positioning of selling cleaning products with consumers' health in mind. However over the years, this company has taken transparency and environmental responsibility to a whole new level.

Their degree of transparency towards eco-friendly practices is exemplary in a world of corporate complacency their 2014 corporate consciousness report was carefully worded to demonstrate their efforts to improve their products along with production. For example, the report mentioned that some of their plastics currently contain petroleum-based preservative MIT (methylisothiazolinone), which some may see as unavoidable. However, Seventh Generation has tasked its R&D team with the project of creating a new, organic material that eliminates the MIT preservative. They also spoke about changes in the supply chain and they relocated 4 of their off-shore facilities, bringing them back to the U.S. ²⁴

New Belgium Brewing

This Virginia based beer company became CSR-certified in 2013, with a score of 143/200 and has continued to set an example for other companies in the food industry. Looking at their 2016 sustainability report we can see that Belgium Brewing has

²³ Subaru CSR Environment Report. (n.d.). Retrieved from <http://www.subaru.com/csr/environment.html>

²⁴ Seventh Generation Corporate Consciousness 2014 Update. (2015). Retrieved from http://www.seventhgeneration.com/sites/default/files/2015_seventh_generation_corporate-consciousness-report.pdf

produced some impressive stats: 90% of waste was recycled and 1% composted, leaving only 9% for the landfill. They added 365 solar panels to the roof of their packaging plant (where they already have 831 installed). They have also optimized their water supply chain reducing consumption from 4.31 to 3.96 barrels of water per barrel of beer.²⁵

STRATEGY + CREATIVITY = ADVERTISING

Strategy: Who Are the Ecological Consumers?

So who is this eco-consumer making all of these demands for companies to become responsible, show their progress through transparency, and innovate with new organic plastics, add solar panels to their brewing plants, etc.? I introduce you to the New Social Impact Consumer.

The American ecological consumers of today are looking for companies who work towards addressing environmental concerns and fighting for social causes. To better understand who precisely is demanding these changes, we will look at the demographics of the New Social Impact Consumer, what their expectations are, and how we can communicate with them.

This consumer group is comprised of Millennials (non-specific to gender). In a recent survey done by Label Network, we learn that 89 percent of Millennials are concerned about the state of the environment and want more products to be eco-friendly and sustainable in the years to come. This is why brands are working on being relevant and are aligning their values with this demographic.²⁶

But what demographics create the Millennial group is even more interesting (see figure 7). Since 2000, ninety-two percent of the U.S. population growth is attributed to

²⁵ 2015 New Belgium Sustainability Report. (2016). Retrieved from https://www.newbelgium.com/files/sustainability/New_Belgium_Sustainability_Brochure.pdf?pdf=sustainabilityreport

²⁶ Label Network. (2014). Annual Sustainability and the State of Youth Culture Study 2014 (3rd ed., Rep.).

minorities, specifically African Americans and Hispanics, and their combined buying power is estimated to be \$2.3 trillion, according to a Nielsen consumer report.²⁷ When we combine minority and non-minority Millennials we find the new mainstream consumer. We can see in Cone Communication's Social Impact Study, that this is the first generation of Americans, numbering more than 80 million, who have grown up in the digital era alongside cause marketing.²⁸ Accenture describes this group of individuals as "Young Optimists", because they are the most engaged group as far as suitability efforts. Two-thirds actively buy sustainable brands, with nearly one in four always considering the social and environmental ethics of brands when making purchasing decisions.²⁹

The Natural Marketing Institute found that Millennials are also willing to pay more for eco-friendly products, buy as many as they can (over conventional), and have even changed their personal consumption behaviors in order to minimize their effect on global warming. Also they will be more likely to adhere to one specific brand if they have proven to support the same ecological values.

Millennials

The Millennial generation is made up of young adults born between 1977 and 2000 who hold a great force in consumerism, with spending power at \$600 billion, according to Doherty's article *On the Rise*.³⁰ Today's Millennials are in their 20s and 30s, they are working, some are raising kids, some own their own homes and cars. It is projected by

²⁷ Nielsen, "State of the African American Consumer" (<http://www.nielsen.com/us/en/reports/2011/state-of-the-african-american-consumer.html>), "State of the Hispanic Consumer: The Hispanic Market Imperative" (<http://www.nielsen.com/us/en/reports/2012/state-of-the-hispanic-consumer-the-hispanic-market-imperative.html>)

²⁸ Clark, J., & Soulas, D. (2013). 2013 Cone Communications Social Impact Study The Next Cause Evolution (Rep.). Retrieved http://www.conecomm.com/stuff/contentmgr/files/0/e3d2eec1e15e858867a5c2b1a22c4cfb/files/2013_cone_comm_social_impact_study.pdf

²⁹ Johnson, S., & Lacy, P. (2014, June). The UN Global Compact-Accenture Study on Sustainability In collaboration with Havas Media RE:PURPOSE (Rep.). Retrieved from <https://www.accenture.com/us-en/insight-un-global-compact-consumer-study-marketing-mattering>

³⁰ Doherty, J. (2013, April 29). On the Rise. Retrieved from <http://www.barrons.com/articles/SB50001424052748703889404578440972842742076>

the U.S. Census Bureau that by 2020 their spending in the United States will grow to \$1.4 trillion annually and represent more than half of the population.

Generations as Percent of the U.S. Population 2020F

Cohort	Dates of Birth	Age in 2020	Population (000s)*	% of Population in 2020*
Matures	Prior to 1946	75 +	23 173	6,9 %
Baby Boom	1946 to 1964	56 to 74	75 560	22,6 %
Generation X	1965 to 1980	40 to 55	60 836	18,2 %
Millenials/Gen Y	1981 to 2001	19 to 39	89 792	26,9 %
Gen Z / iGen	Post 2001	< 19	84 537	25,3 %

Source: CRMTrends.com, U.S. Census Bureau - 2012

* Measures are approximate given Census Bureau age group breaks e.g. Census age 40 - 54 vs our 40 - 55 above

They have grown up in a period unlike any other generation, which includes the financial crisis, terrorism, lack of environmental initiative and responsibility from its government, exacerbated by environmental deterioration and natural disasters. In response to these events, this generation is holding the government and large corporations accountable for their actions and they are voicing their concerns through the use of social media.

Millennials have high expectations for companies to follow CSR and to make the world a better place, according to Keeter and Taylor.³¹ Cone Communication tells us that when companies exhibit support for environmental issues, Millennials respond with increased trust (91%) and loyalty (89%). They are also more likely to research a company's operations and commitment to the environment. More than a third (36% vs. 29% gen. pop.) have researched a company's business practices in the past year, and two-thirds report using social media to address or engage with companies about social and environmental issues (64% vs. 51% gen. pop.)³²

³¹ Keeter, S., & Taylor, P. (2010, February). Millennials, A portrait of Generation Next (Rep.). Retrieved <http://www.pewsocialtrends.org/files/2010/10/millennials-confident-connected-open-to-change.pdf>

³² Clark, J., & Soulas, D. (2013). 2013 Cone Communications Social Impact Study The Next Cause Evolution (Rep.). Retrieved http://www.conecomm.com/stuff/contentmgr/files/0/e3d2eeca1e15e858867a5c2b1a22c4cfb/files/2013_cone_comm_social_impact_study.pdf

African American Millennials

Of the roughly 42 million African Americans in the United States nearly half are younger than 30, according to the U.S. Census Bureau.³³ This is a very important number to consider because marketers have never seen such a large, young African American population who also is a strong force in the economy. We know that their interests and values are changing, they are demanding more, they have more access to social media, and they are more educated than previous generations.

Apart from the general generational events of Millennials, the African American community has had its own experiences, those of which are very different from the mainstream. For example their faith in the government has deteriorated severely over the past few years. With the murders of innocent black men, like Trayvon Martin and Eric Garner, and the lack of justice being sought out have increased an already existing tension between this community and the government. Flint, Michigan is another very unfortunate case of the government not caring for this poor, mostly African American-populated community, when they let unsanitary water run through the pipes of this town. Because of this community's experiences, Yahoo! Advertising explains in "Marketing to African Americans", that we see a community with a strong internal support for their community along with an external desire for equality.³⁴

In numbers, African American consumers have a tendency to buy from companies who practice CSR because they are easier to trust and place their loyalty. Cone Communications study tells us that 42% of these consumers say they are "very likely" to switch brands to one associated with a good cause, vs. 37% of the general population, and 85% when recommending a product. This is equally as important when they decide where to work, 74% of African Americans consider CSR when looking for employment.

³³ U.S. Census Bureau (<http://www.census.gov/prod/cen2010/briefs/c2010br-06.pdf>)

³⁴ Yahoo! Advertising, "Marketing to African Americans"
(<http://advertising.yahoo.com/article/marketing-to-african-americans-20120809.html>)

When it comes to impact, 33% (vs 25% gen. pop.), believe they can make a positive impact through their purchase decisions.

However, to reach this population, a company must prove to be authentic, which means responding to the community's demands and needs with tangible drivers. The goal here is to show commitment through community involvement and responsible practices.

Hispanic Millennials

The size of the Hispanic community in the U.S. comprises 50 plus million consumers, according to Cone Communications, and “if this population were to be its own country it would be the second largest Hispanic country in the world and the 14th largest economy” says Carlos F. Orta, President and CEO of the Hispanic Association on Corporate Responsibility.³⁵ Even more, about one-third, or 17.9 million, of the nation's Hispanic population is younger than 18, and about a quarter, or 14.6 million, of all Hispanics are Millennials (ages 18 to 33 in 2014), according to a Pew Research Center analysis of U.S. Census Bureau data. Altogether, nearly six-in-ten Hispanics are Millennials or younger.³⁶

Hispanics are becoming one of the strongest groups in support of environmental reform and sustainability in America. This is partly due to the large number of Hispanic immigrants who are forced to live in neighborhoods that are polluted and, in a sense, forgotten about when it comes to government-backed cleaning and environmental regulations. They have water that is dirtier than average, living conditions that are sub-par partly due to air pollution (living next to major roads), and are exposed to chemicals used in farming (an industry that employs a large number of hispanic immigrants). So it makes sense that this community is demanding equally as clean air and water, and working conditions that don't put them in direct contact with hazardous chemicals.

³⁵ Clark, J., & Soulas, D. (2013). 2013 Cone Communications Social Impact Study The Next Cause Evolution (Rep.). Retrieved http://www.conecomm.com/stuff/contentmgr/files/0/e3d2eec1e15e858867a5c2b1a22c4cfb/files/2013_cone_comm_social_impact_study.pdf

³⁶ Brown, A., & Stepler, R. (2016, April 19). Statistical Portrait of Hispanics in the United States (Rep.). Retrieved <http://www.pewhispanic.org/2016/04/19/statistical-portrait-of-hispanics-in-the-united-states-key-charts/>

In numbers, Hispanic consumers also show a high engagement with companies who support social and environmental issues. Of all other populations, they are the most likely to purchase products and services associated with causes, says Cone Communications (94% vs. 89% gen. pop.), but also go beyond buying the product and donate to their cause (70% vs. 65%), and volunteer (47% vs. 42%). Similar to the African American community they also strongly consider a company's CSR involvement when deciding where to work (80% vs. 71% gen. pop.) and which products to recommend (87% vs. 82%). And finally more than one-third (36%) of Hispanics believe they themselves can impact issues through their purchasing decisions – compared to just one-quarter (25%) of the general population, explains Cone Communications Social Impact Study.³⁷

Nearly two-thirds of Hispanics (62%) report using social media to engage with companies about social and environmental issues (vs. 51% national average), we can assume this is due in part to the majority of the population being younger than 33 year old, a group that is statistically well connected to the internet, according to eMarketer.³⁸

Carlos Orta goes on to explain that “Hispanics are trusting of brands – but only with those we feel we really know. We cherish relationships, and it's important to understand companies on a personal level. We want to know what they believe in, and how they're involved in the community.”

Creativity: How do We Communicate?

According to the U.S. Census Bureau, Millennials and Generation Z will make up over 50% of the population by 2020.³⁹ This is the demographic that also makes up the New

³⁷ Clark, J., & Soulas, D. (2013). 2013 Cone Communications Social Impact Study The Next Cause Evolution (Rep.). Retrieved http://www.conecomm.com/stuff/contentmgr/files/0/e3d2ecec1e15e858867a5c2b1a22c4cfb/files/2013_cone_comm_social_impact_study.pdf

³⁸ eMarketer, “Among Hispanics, Who's Leading Digital Adoption Trends?” (<http://www.emarketer.com/Article/Among-Hispanics-Whos-Leading-Digital-Adoption-Trends/1009755>)

³⁹ U.S. Census Bureau. 2012 National Population Projections: Summary Tables. (n.d.). Retrieved from <http://www.census.gov/population/projections/data/national/2012/summarytables.html>

Social Impact Consumer, as described in the previous section. With over 50% of the population demanding transparency and responsibility, this is important to consider during the creation of a communication strategy.

The Millennials along with Generation X are the most technologically-savvy groups of individuals. They are more likely to have a cell phone, text, use social media, and shop online. However being connected isn't simply being in touch with friends and online shopping. It is also a platform used to share ideas, opinions, photos, and experiences. The online platform is a very powerful place for brands to make themselves known. This is how they are able to penetrate the market, through relating and connecting with the Millennials; this is their home turf. In fact 50% of younger Millennials and 49% of orders Millennials say they trust retailer websites, along with social media and digital advertising, explains Boston Consulting Group.⁴⁰

Millennials are not afraid to give their opinions to other consumers either. They also expect a reciprocal relationship with their favorite brands, both online and offline. Companies are trying to find ways to create positive brand experiences for this group in hopes that positive responses will spread, and quickly. Finally, they avoid negative experiences because going viral can have a severely detrimental impact on a company.

Interacting with Millennials

Traditional communication strategies worked like a funnel, with a company at the top distributing their information to the masses. Consumers typically didn't feel their opinions were heard or even taken seriously. However, today, Millennials are demanding change, thus the need for a reciprocal form of communication. Their opinions matter, and this is their way of taking part-ownership of the brand.

⁴⁰ Koslow, L., Barton, C., & Beauchamp, C. (2014, January). The Reciprocity Principle, How Millennials are changing the Face of Marketing Forever (Rep.). Retrieved https://www.bcgperspectives.com/Images/BCG_The_Reciprocity_Principle_Jan_2014_tcm80-152751.pdf

The most effective communication strategy, according to Boston Consulting Group, will integrate these five key elements: Reach, Relevance, Reputation, Relation, and Referral. These elements, when combined with CSR, community involvement through outreach programs, internal programs within the company and transparency with consumers, will transform any company into one that is strong and enduring.

Reach

To reach Millennials, a company must go to where the audience is, which is online. While customers do visit stores in the physical sense, they have a higher tendency than other generations to shop online. Millennials do trust traditional marketing, such as public



relations and endorsements, but investing more in digital media, cause marketing, and advocacy is a sure way for a brand to strengthen reach. Statistics show that the most-connected age group for Facebook users is between 18 and 24 years, averaging 649 friends on the social media website, according to the Infinite Dial Study, which gives marketers an

obvious platform for extending from first to second and even third hand reach through user mentions, recommendations, and general sharing.⁴¹ Facebook's director of product management for News Feed published a statistic in 2014 that said the total number of Pages liked by the typical Facebook user grew more than 50% last year, indicating an increase in user engagement with ads and posts. Websites like Social Mention allow for easy access to company's reach statistics to better understand user sentiments, frequency of sharing, and reach among other options.⁴² (see figure 8)

Having a broad reach that includes digital media is key because statistically, Millennials are more avid internet users than any other generation. In fact, 37% of younger Millennials feel that they are "missing something" if they are not connected to Twitter or

⁴¹ The Infinite Dial 2014. (2014, March). Retrieved March 29, 2016, from <http://www.edisonresearch.com/wp-content/uploads/2014/03/The-Infinite-Dial-2014-from-Edison-Research-and-Triton-Digital.pdf>

⁴² Boland, B. (2014, June 5). Organic Reach on Facebook: Your Questions Answered. Retrieved from <https://www.facebook.com/business/news/Organic-Reach-on-Facebook>

Facebook at least one time throughout the day, explains Boston Consulting Group. Being connected on the go has become standard for this group; 67% use their smartphone to connect to the internet, and 46% say they access search engines such as Google while they are shopping, which is when they check for reviews, compare prices, and look for coupons. This group has access to brand information everywhere they go, and they are using it.⁴³

Relevance

Today's Millennials are in various stages of their lives. So what is ecologically important for an 18 year old is different than that of a 30 year old. One may be looking for a company that supports the national parks near their home while the other is looking for the most eco-friendly diaper for their baby. It is important for companies not to focus solely on one customer, because the age range in this demographic is broad. The best option is to communicate the entire range of products targeting several age groups. (see figure 9)

Many marketing studies suggest that companies should also try to incorporate signature characteristics of Millennials into their branding and advertising for higher response rates. In a recent study done by Boston Consulting Group, they asked Millennials to use words that described themselves, and the most common were: tech-savvy, young, modern, risk-taking, rebellious, hip, funny and smart.

Group activities are another trait of Millennials. They are more likely to go out to eat together and take group vacations. Ways to incorporate this into ads and marketing would be visuals that show groups, offering discounts for groups, and even creating new activities that are specifically group-oriented.

⁴³ Koslow, L., Barton, C., & Beauchamp, C. (2014, January). The Reciprocity Principle, How Millennials are changing the Face of Marketing Forever (Rep.). Retrieved https://www.bcgperspectives.com/Images/BCG_The_Reciprocity_Principle_Jan_2014_tcm80-152751.pdf

Reputation

Due in part to the amount of interaction Millennials have with brands, they are more personally and emotionally invested in them. This means that they expect brands to be consistent with image, ecological efforts, and continued transparency. According to Accenture, consumers form perceptions based not only on the messages companies promote, but also on the way they define and articulate their purpose, and act upon it in the most transparent way possible.⁴⁴ Today's Millennials have placed their values in locally grown, naturally made products, wellness, and community. This is important especially considering that 50% say that their brand “says something about who they are, their values, and where they fit in”, explains Boston Consulting Group. In order to win over this generation, companies must create and communicate their high-quality products in a way that reflects the values they find in their consumers.

Today's consumer is looking less and less to ads and “expert” advice as a trusted resource and more and more to their friends, family and even strangers. This means that reciprocal, transparent communication is relevant to a company's growth. According to Boston Consulting Group, 50% of younger, and 49% of older Millennials say that they trust a company website - this is due in part to the fact that most websites today have sharing platforms offering the chance to share their experiences and product reviews. A company's willingness to allow consumers to freely express their interest (or lack thereof), is a form of transparency and allows for the opportunity to build a stronger reputation in the eyes of the public.⁴⁵ Sarah Simmons, senior reputation consultant at Nielsen says “Corporate America take note: the majority of U.S. consumers are seeking information about your practices, and in some cases, rejecting companies they interact

⁴⁴ Accenture Consulting. (n.d.). The consumer study: From marketing to mattering. Retrieved from <https://www.accenture.com/us-en/insight-un-global-compact-consumer-study-marketing-mattering>

⁴⁵ Koslow, L., Barton, C., & Beauchamp, C. (2014, January). The Reciprocity Principle, How Millennials are changing the Face of Marketing Forever (Rep.). Retrieved https://www.bcgperspectives.com/Images/BCG_The_Reciprocity_Principle_Jan_2014_tcm80-152751.pdf

with because of what they learn. Putting muscle behind messages that support your reputational equity with the public has never been more important.”⁴⁶

Relation

Social media, when used as a platform for communication with consumers, should be monitored daily. It is important to respond quickly and in a personal manner because they want quick feedback! In fact one of the most important things for Millennials is to have timely responses to their questions, which, for them is within 24 hours.

When looking at the brand itself, they are also searching for certain characteristics. Millennials want to have open communication available at all times and to be able to interact. They want to be engaged with its community and in its decisions. They also want a brand that supports causes; 45% of Millennials said that environmental responsibility and innovation was more important to them now than it was two years ago, explains Boston Consulting Group.

Referral

Millennials are known for referring products and services to others, whether through word of mouth or via online social platforms. This generation also influences their family, friends, and peers when it comes to choosing a brand to be loyal to. It's calculated that one Millennial is likely to touch four people in the process of recommending a product – that's a lot! This is done mostly through social media: 52% of Millennials report that they will post likes on their favorite brand's social media such as Facebook and Twitter. And 28 percent of Millennials say they would be less apt to buy a product that friends openly disapprove of, says Boston Consulting Group.⁴⁷ One great way to encourage referrals is through referral programs, offering incentives to consumers. We often see this on online

⁴⁶ Harris Poll. (2016, February 18). The Harris Poll Releases Annual Reputation Rankings For The 100 Most Visible Companies In The U.S. Retrieved from <http://www.prnewswire.com/news-releases/the-harris-poll-releases-annual-reputation-rankings-for-the-100-most-visible-companies-in-the-us-300222052.html>

⁴⁷ Koslow, L., Barton, C., & Beauchamp, C. (2014, January). The Reciprocity Principle, How Millennials are changing the Face of Marketing Forever (Rep.). Retrieved https://www.bcgperspectives.com/Images/BCG_The_Reciprocity_Principle_Jan_2014_tcm80-152751.pdf

shopping pages "refer a friend and get \$15 off your next purchase!" In fact More than 50% of respondents are likely to give a referral if offered a direct incentive, social recognition or access to an exclusive loyalty program, explains Software Advice.⁴⁸ (see figure 11)

Communication Channels

Coming to the conclusion that Millennials prefer social media and reciprocal communication, we can tie these into a communication strategy. For a strategy to be comprehensive and personalized to this generation, it should put reciprocity at the forefront. It should also position the company to target consumer segments, which means having a comprehensive view of consumers across age groups and in terms of their lifetime value as customers, explains Boston Consulting Group.⁴⁹

Breaking Down the Barriers

To create a well structured marketing and communications team, BCG suggests bringing together different marketing and communication departments; breaking down the barriers between digital marketing, public relations, analytics, and pricing so as to promote open internal communication allowing for open exchange of ideas and innovation. Secondly, they must ensure that the proper organizational capabilities that are needed to succeed in a reciprocal ecosystem are in place. Lastly, a company should move from focusing on traditional media towards innovative and interactive online media (and marketing tools) that are capable of measuring long and short term ROI through data mining, text analysis, and forecasting through advanced behavioral targeting found in a SaaS business analytics software.

⁴⁸ Ivey, J. (2014, July 17). Survey: How to Get the Most Out of Brand Advocates. Retrieved from <http://b2b-marketing-mentor.softwareadvice.com/brand-advocate-engagement-survey-0714/>

⁴⁹Koslow, L., Barton, C., & Beauchamp, C. (2014, January). The Reciprocity Principle, How Millennials are changing the Face of Marketing Forever (Rep.). Retrieved https://www.bcgperspectives.com/Images/BCG_The_Reciprocity_Principle_Jan_2014_tcm80-152751.pdf

Targeting Millennials is a multi faceted strategy that will demand internal communication between all departments. A specific Millennial marketing plan that outlines in detail each department will be necessary so as to ensure that it is comprehensive and coherent. Companies should adopt an annual Millennial marketing plan that is based on an integrated, holistic approach that brings together planning, media mix, campaigns, and tactics into a single view to achieve the company's overarching objectives for this segment, explains BCG.⁵⁰

Rather than focusing on traditional advertising and communications such as radio, television, and newspapers, a company must make the transition into incorporating online social media marketing and innovative websites. Because Millennials are the most connected generation yet, they will search for brand presence across the board. And they also expect that the information be coherent, which means a strong team of community managers who share the same vision and visual identity.

Measuring and tracking a community is important for knowing which platform customers prefers, also which platforms serve for specific purposes. For example, Twitter is great for sharing photos and short messages, whereas Facebook is best for community creation, community interaction, event pages, and product reviews. Snapchat, Instagram, and Periscope offer a more visual outlet introducing customers the corporate community, showing off new products and how to use them, also for visually promoting positive customer reviews. Medium, on the other hand, is perfect for communicating long messages, articles, and for the user who wants well-organized and detailed information (this could include essays on corporate community involvement and support for causes).

⁵⁰Koslow, L., Barton, C., & Beauchamp, C. (2014, January). The Reciprocity Principle, How Millennials are changing the Face of Marketing Forever (Rep.). Retrieved https://www.bcgperspectives.com/Images/BCG_The_Reciprocity_Principle_Jan_2014_tcm80-152751.pdf

The psychology of it All

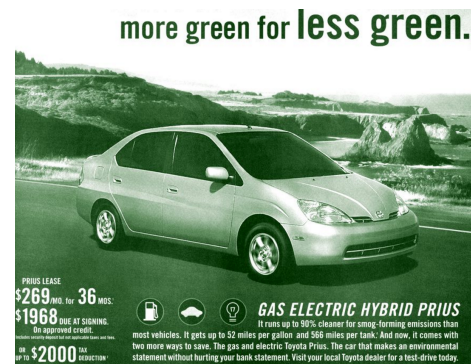
The goal for a successful communications campaign is to make sustainability irresistible, so when creating an ad a company must take several factors into consideration; consumer motivation, validation, and promotion. Green advertising is defined as:

any ad that meets one or more of the following criteria: (1) explicitly or implicitly addresses the relationship between a product/service and the biophysical environment, (2) promotes a green lifestyle with our without highlighting a product/service, and (3) presents a corporate image of environmental responsibility ,

as explained by Banerjee, Gulas, and Iyer, in *Shades of Green*.⁵¹ There are also two main forms of advertising appeals for environmentally-friendly products and policies: those that provide consumer benefits (e.g. cost savings) and those that provide societal benefits (e.g. lower emissions).⁵² Consumers who participate in environmentally-friendly behavior are typically motivated by one or both of these appeals.

For example, the Toyota Prius ad: “more green for less green.” This ad succeeds in addressing both consumer motivations; the customer feels both validated through the purchase of the vehicle for its price and for openly promoting their participation in environmentally sustainable practices.

However, marketers commonly employ communications strategies that emphasize one benefit over another, this is partly due to a study called “*Green to Be Seen: Status, Reputation and Conspicuous Conservation*”, by Griskevicius et. al, which explains that



Caponigro, C. (2015, November 23). What Influences My Choices? Retrieved from <http://insidethemindofcorrine.blogspot.fr/2015/11/what-influences-my-choices.html>

⁵¹ Banerjee, S., Gulas, C.S., & Iyer, E. (1995). Shades of Green: A multidimensional analysis of environmental advertising. *Journal of Advertising*, 24(2) 21-31.

⁵² Green, T., & Peloza, J. (2014). Finding the Right Shade of Green. *Journal of Advertising*, 43(2), 128-141.

individuals have different motivations depending on the context they are in.⁵³ For example, consumers who openly promote being environmentally friendly will choose a product in accordance with this belief in a public setting, but when in a private setting they will typically choose the cost-efficient option. Here we see an example of Starbucks applying this principle: in large print they emphasize their commitment to decreasing waste, telling customers, “now you can play a part”. Only at the end do we see in very small print, that consumers will receive 10 cents off every time they use their reusable mug.



Starbucks new reusable plastic coffee cup: Greenwashing or green marketing? (2013, June 6). Retrieved from <http://lavieengreen.com/2013/06/06/starbucks-new-reusable-plastic-coffee-cup-greenwashing-or-green-marketing-2>

As previously stated, researchers believe that environmentally-friendly consumption is motivated by one of two benefits (social benefits or consumer benefits). The researchers who believe social benefits are the main motivator argue that “socially responsible consumption is socially-oriented, not self-centered”, explains Webb and Harris, which is the case when communities are created in support of a cause, for the betterment of the whole.⁵⁴

There is, however, another school of thought, which purports that this behavior is motivated by the benefits for oneself. Researchers argue that environmentally-friendly products, such as detergent refills which save consumers money, succeed with relative ease even if their environmental benefits are marginal, continues Griskevicius.

Regardless of the two studies, research has found that consumer behavior is somewhat contingent upon their settings, public or otherwise. And they are likely to change their behaviors based upon this setting in order to place themselves in a positive light. This due

⁵³ Griskevicius, V. (n.d.). Going Green to Be Seen: Status, Reputation, and Conspicuous Conservation. *Journal of Personality and Social Psychology*, 93(3), 392-404.

⁵⁴ Webb, D., Mohr, L., & Harris, K. (2008). A Re-Examination of Socially Responsible Consumption and Its Measurement. *Journal of Business Research*, 61, 91-98.

in part to social norms. Today norms are evolving and very quickly, and Millennials specifically are demanding social and environmental responsibility.



Poo Pourri LinkedIn Page: [https://www.linkedin.com/company/poo-](https://www.linkedin.com/company/poo-pourri)

Therefore the ideal strategy is to create a product that is made as sustainably as possible, from a company who promotes CSR practices, and also gives the consumer a sense of validation in their role of purchasing a green product. So not only do companies need to communicate their active role in supporting the environment, they also need to create the opportunity for consumers to feel as though they are purchasing in line with their values. For example the product Poo Pourri, a spray used in the toilet before urinating which eliminates all odors, allowing people to “skip the flush”. This product is used to reduce the amount of water people use when going to the bathroom, saving money on water while also helping the environment in an original way. And if possible, offering the product at a competitive price allows for a further reach to consumers who want to support environmental responsibility but have limited means to do so.

TYING IT ALL TOGETHER

How do We Create Value?

Value creation is the ultimate goal for marketers and there are many ways to do it, but it ultimately comes down to the incorporation of renewable practices, environmental values, and communication with consumers. When a company identifies itself as eco-friendly, respectful of the environment and practices CSR it is adding value from A to Z all the way to the final sale (the standard measure of value). Looking at a standard venture capital model the raw value is taken into account at the final sale - however, one can argue that value creation can also be manifested in the actual values of the company,

which represent a sort of long-term potential value. Going forward we will look at how we create value as well as how that can be measured.

Worth Your Weight in Gold

As previously stated the standard venture capital measurement of value is found at the end, when sales equal raw value. But today the idea of value has actually changed, which is why the model itself has changed. Companies are not simply looking at the bottom line as the only measurement of success, while that certainly is very important for longevity, they are finding new ways of incorporating and creating value.

The modern day model uses Sustainable Value Creation (SVC). SVC is found in companies that have moved beyond creating value in a traditional sense. They have targeted social and environmental needs and developed their products and services to meet this need, thus simultaneously helping the community while also creating value and profitability.

According to Accenture, there are 5 key elements for a company to consider when they adopt a new SVC business model: Recognizing Opportunities; Recalibrate Your Radar; Research, Develop, Repeat; Rewire the Organization; and Reinforce the Value.⁵⁵

The 5 R's of Sustainable Value Creation

Recognizing opportunities is key to any company's survival, but recognizing the opportunities that make a company different can be the difference between being an idea and THE idea. To find an opportunity, one must look at root issues and problems facing society. For example, there is an increasingly growing concern for the effects of plastic materials on the health of human beings. We are finding that plastic does not only negatively impact the environment, but it can also have damaging side effects on human health through the chemicals used in production. The issue of plastics side effects then

⁵⁵ Berthon, B., & Moore, C. (2011). Business at its Best: Driving Sustainable Value Creation (Rep.). Retrieved http://cecpc.co/pdfs/resources/Business_at_its_best.pdf

becomes an opportunity for innovation that will directly address this problem. This solution in turn becomes a way to reduce the cost of health related illnesses, insurance costs, and general consumer wellbeing.

For example, we looked at the company Seventh Generation, they recognized that U.S. consumers are consuming a lot of plastic, especially in food packaging, water bottles, etc. They know that habits are difficult to break, and Americans will probably not reduce their dependency on plastic any time soon. In response the company decided to change the plastic itself to be more environmentally friendly, so they created the first organic plastic-like material. Because in the end it's easier to change plastic than to change consumer behavior.

Recalibrating the company's radar comes after an opportunity for change has been identified. "What Accenture suggests is that a company have a greater understanding of the issue that is associated with the opportunity so to know how their growth path relates to the communities need." This is a great change for the company to get to know its clients and to open up a line of communication that lets them express their needs. Afterwards a company can compare these needs with their core competencies, which is where they find their opportunities. In this case Seventh Generation recognized that their consumers were generally those with environmental concerns, meaning they recycle, eat organic, and pay attention to the products they buy. However, Seventh Generation remains an American company, but if they become the first to develop a plastic-like material that has a reduced environmental impact, they could market this globally, furthering their reach.

To meet the needs of consumers, companies must experiment. The effort put into **R&D** for a new product, service, or in changing supply chain, is necessary and should not discourage companies from taking the step forward. Dedicating more money and time to R&D will likely be necessary, but the payoff can make it worth it. For example, when the public comes to learn of such positive innovation, they may be more willing to consider

switching to said brand. This product can also serve as a new standard in which other companies will model their product and or service off of.

Innovative ideas will become imperative for a company's survival, especially considering the growing demands for environmental responsibility coming from the Millennials and Generation Y, which will make up more than 50% of the American population by 2020. As said by the Chairman and CEO of Holsman International "A company does not want people telling the community what they need, but rather someone with very big ears who can hear what the community needs" says Henrietta Holsman Fore, Chairman and CEO, Holsman International.⁵⁶

Rewiring the organization is particularly important for companies that were not built upon environmental values. The goal is to have a product that is equally environmental in its purpose as it is in supply chain, and build by a company who reflects this value in their day-to-day activity. To reinforce sustainable value creation, the company will likely have to create new programs, forms of measurement and evaluation, and incentives to every step of the process. These steps will help to target and extract value in new ways. As PepsiCo's Chairman and CEO Indra Nooyi noted during her remarks as a panelist at the 2011 Board of Boards CEO Conference, "There's not enough money that we can give away to be viewed as a responsible company in 200 countries. And we can't do it sustainably. So the only way it can work is to weave responsibility into the core business of the company."

Finally the last step is to **Reinforce their value**, and in order to accomplish this it is essential to instill environmental values in the heart of the company, which is its employees. If these individuals must connect with the product and or service that they are creating, the result is a group of individuals who collaborate, feel that they are part of a community, are valued for their work, and validated for their efforts. And in the end there is less turnover, more work output, inspiration which fuels creativity, and a greater force

⁵⁶ Berthon, B., & Moore, C. (2011). Business at its Best: Driving Sustainable Value Creation (Rep.). Retrieved http://cecpc.co/pdfs/resources/Business_at_its_best.pdf

that is willing to go out and spread their ideas and products. A great example of this is found in Patagonia's work exchange program, which is used to give their employees the opportunity to volunteer for an environmental organization of their choice. The goal is to have well educated employees who are, equally, passionate.

While all of this may seem fairly evident, its important to take into the idea that many schools teach business leaders that the consumer doesn't actually know what they want. However today we're finding that the opposite is true, and in listening to the needs of consumers, and recognizing this as an opportunity to innovate, we are finding a whole new way of creating value. The future of business, in fact, relies upon creating waves of growth through performance, innovative products and services, and improved market positioning. However, today there is increased scrutiny about environmental and social impact along with a demand for transparency in all facets of a company's operations. This demand has changed the external environment and commands that this change be reflected from within.

Today, business plans are a veritable convergence of strategy and social concerns, resulting in an entirely new realm of opportunities for profit and value. In fact, "leading CEOs are proactively engaging with critical societal issues not merely from a charitable perspective, but as part of core strategy and an opportunity to grow the business."⁵⁷ These new business strategies look to social and environmental changes as a scalable opportunity which also gives them the competitive advantage of innovation through addressing the needs of the community.

Does it Really Pay Off?

Money Talks

The beautiful thing about incorporating environmental values into a company's business plan is that it is entirely scalable and the resulting value is measurable. Being scalable

⁵⁷ Berthon, B., & Moore, C. (2011). Business at its Best: Driving Sustainable Value Creation (Rep.). Retrieved http://cecp.co/pdfs/resources/Business_at_its_best.pdf

means having ideas that can grow and be replicated in other parts of the company, thus resulting in long term growth and yielding value.

Finally, this growth should be measurable in a quantifiable capacity, which can tell the company whether or not their efforts are producing a substantial enough return on investment (making it justifiable or not). Henrietta Holsman Fore, Chairman of the Board and CEO of Holsman International, notes, “There needs to be a profit margin at each step of designing a Sustainable Value Creation strategy because at its heart it’s an economic and business-driven decision.”

In a recent study called Power Forward, conducted by Ceres, David Gardiner & Associates, Calvert Investments and the World Wildlife Fund (WWF) we can look at the economic benefits a company can reap by incorporating renewable energies into their operations. This study was conducted looking at Fortune 500 companies. On the Fortune 500 list, 215 (43%) have set targets in one of three categories: (1) greenhouse gas (GHG) reduction commitments, (2) energy efficiency, and (3) renewable energy, with leaders including Caterpillar, Dow Chemical, General Electric, General Motors, Procter & Gamble, Sprint, and Walmart have set targets across all three categories, explains Power Forward. In the Fortune 100 list, 53 companies have reported participation in the reduction of emissions through the use of renewable energies. “This participation produced a savings of \$1.1 billion annually and in 2012 alone, these companies decreased their annual emissions by approximately 58.3 million metric tons of CO₂ equivalent – comparable to retiring about 15 coal plants, explains Ceres’ Research Report”⁵⁸ The most successful companies include UPS (saved \$200 million), Cisco Systems (saved \$151 million), PepsiCo (saved \$120 million), United Continental (saved \$104 million), and General Motors (saved \$73 million).

⁵⁸ Ceres. Power Forward 2.0 How American Companies Are Setting Clean Energy Targets and Capturing Greater Business Value (Rep.). (2014). Retrieved <http://www.ceres.org/resources/reports/power-forward-2.0-how-american-companies-are-setting-clean-energy-targets-and-capturing-greater-business-value/view>

Aside from finding creative ways to save energy, another component of saving money is reducing waste. In *Return on Sustainability*, recently published by Kevin Wilhelm, chair of the Greater Seattle Chamber of Commerce Sustainability Committee and CEO of Sustainable Business Consulting, he gives a plethora of examples showing how small changes can make a big difference. For example Ben & Jerry's original disposal method of "slop" from their ice cream production was sent through traditional sanitation, however they later learned they could sell their waste (from dairy production) to pig farmers, reducing their cost in disposal pick up and actually creating a profit through the sales of waste.⁵⁹

With more and more companies getting into the game, statistics are showing that using "green" marketing to differentiate companies is still beneficial. Datamonitor conducted a study in 2009, post-financial crisis, and found that green-marketing beat all odds and actually increased ad sales and product launches. Seventh Generation sales were up 50% in 2009, Brita water filters (the more eco-friendly alternative to bottled water) had a 22.2% increase in sales, general green cleaning products saw a growth rate of 108%, and sales of organic and natural food increased 10.9%.⁶⁰

The Growing Green Economy

The great thing about incorporating sustainable practices into a business is that it does not only apply to medium and large businesses. In fact, we are seeing unprecedented growth in the small business category as well. According to the Intuit 2020 Report, sustainability will become a "Competitive requirement for small business within the next ten years, moving from social novelty to business necessity" (big green Oppp). Also incorporating sustainability into a business plan is becoming more and more profitable in almost all market sectors.

⁵⁹ Wilhelm, K. (2013). *Return on sustainability: How business can increase profitability and address climate change in a uncertain economy*. Upper Saddle River, NJ: FT Press.

⁶⁰ Neff, J. (2009, April 20). Green-Marketing Revolution Defies Economic Downturn. Retrieved from <http://adage.com/article/news/green-marketing-revolution-defies-recession/136091/>

According to the U.S Organic Industry Survey Overview, the 2011 organic food revenues reached \$29 billion and over a 10-year period, the organic food segment grew by 238%, while the overall food market grew by 33%.⁶¹ The Organic non-food market saw revenues reaching \$2.2 billion - this includes clothing, personal care, household products, etc. Over a nine year period this segment experienced a growth of 400% while the equivalent non-food market grew by 33%, according to the Survey Overview.

The growth in Hybrid Vehicles is also astonishing: in 2011 there were 269,000 hybrid vehicles sold, with a growth in sales of 646%, while the overall sales of standard vehicles dropped by 15%.⁶² This growth is unprecedented and considering the duration of growth into today it is safe to say that going green is no longer a fad, but a lifestyle choice that is here to stay. And fortunately there are more programs being put into place to help make the transition to sustainability easier and more financial appealing, such as tax credits, utility programs, and grants or incentives from the government.

Mind Blowing Advertising Returns

Throughout this paper I have mentioned Patagonia several times, because this company



has done just about everything right when it comes to incorporating and communicating their commitment to the environment. The anomaly that created a wave of sustainability efforts in the advertising industry started with Patagonia's Black Friday ad in 2001. They took out a heartfelt ad in the New York Times telling its consumers

Nudd, T. (2011, November 28). Ad of the Day: Patagonia The brand declares war on consumerism gone berserk, and admits its own environmental failings. Retrieved from <http://www.adweek.com/news/advertising-branding/ad-day-patagonia-136745>

⁶¹ 2012 U.S. Organic Industry Survey Overview (3rd ed., Rep.). (n.d.). Organic Trade Association.

⁶² Green America, Ecoventures International, & Association for Enterprise Opportunity. (2013). The Big Green Opportunity for Small Business in the U.S. (pp. 1-40, Rep.).

“Don’t buy this jacket”. It then explained the jacket’s environmental footprint, even though it was made of 60% recycled polyester. Finally it encouraged readers to send used Patagonia goods back as part of their Common Threads Initiative, which recycles used clothing. The ad concludes : “There is much to be done and plenty for us all to do. Don't buy what you don't need. Think twice before you buy anything. And join us in the fifth R, to Reimagine a world where we take only what nature can replace.”⁶³ Wearing a product with a Patagonia logo has become a badge of honor; consumers have the opportunity to publicly show their support for the environmentally responsible company. 1 year after the ad was featured Patagonia sales increased almost one-third; in short, the pitch helped crank out \$158 million worth of new apparel, explains Bloomberg.⁶⁴ In 2015 the company continued its efforts in “reimagining” its business model by opening its first second-hand store located in Portland, Oregon. They have projected sales in 2016 to gross about six hundred million dollars, reports The New Yorker.⁶⁵

Another unexpected publicity stunt-turned-advertisement was seen at Tesla. In June 2014 Elon Musk, the CEO of Tesla, wrote an open letter to the world letting them know that his patents are publicly available and he would not bring forth lawsuits to anyone who chooses to use them. He continued by saying that it is impossible for them to build electric cars fast enough to address the current carbon crisis and believes that if other companies can continue to make zero emission cars the world would benefit greatly. Musk believes that sharing their patent will strengthen their position in the market.⁶⁶ And

⁶³ Nudd, T. (2011, November 28). Ad of the Day: Patagonia The brand declares war on consumerism gone berserk, and admits its own environmental failings. Retrieved from <http://www.adweek.com/news/advertising-branding/ad-day-patagonia-136745>

⁶⁴ Stock, K. (2013, August 28). Patagonia's 'Buy Less' Plea Spurs More Buying. Retrieved from <http://www.bloomberg.com/news/articles/2013-08-28/patagonias-buy-less-plea-spurs-more-buying>

⁶⁵ Mackinnon, J. (2015, May 21). Patagonia’s Anti-Growth Strategy. Retrieved from <http://www.newyorker.com/business/currency/patagonias-anti-growth-strategy>

⁶⁶ Musk, E. (2014, June 12). All Our Patent Are Belong To You. Retrieved from <https://www.teslamotors.com/blog/all-our-patent-are-belong-you>

while this was a first in the engineering industry, many people held their breath to see what would happen. In fact, Musk was right.

During the last quarter of 2015, Tesla managed to deliver more Model S vehicles than ever before. The company quietly issued a press release announcing that it delivered 17,400 Model S sedans to customers over the past three months, setting an all-time quarterly record in the process, explains BGR. What's more is that this number represents a 75% increase compared to the same quarter a year-ago, and blowing away its previous delivery record by 50%.⁶⁷ In all, Tesla delivered over 50,500 cars in 2015, compared with 33,150 in 2014. Yoni Heisler of BGR states that 2016 is projected to be equally as fruitful, with its new Model X already backlogged.

CONCLUSION

Wise Words

The conclusion of this paper could easily be summed up in one sentence, a quote from the late Steve Jobs, who has also served as a benchmark in the world of marketing, product development, and advertising: *“Innovation distinguishes between a leader and a follower.”* While the point of this paper is to explain how to promote ecological practices within a company, the reality is that it only takes creativity and innovation. Creativity within a company is invaluable and fosters insurmountable growth while at the same time meeting and even surpassing the needs of the consumer. What I love about this topic is that not only has business come to a point where change must be ushered in, in order to survive in the market place, this change is also contributing to the survival of the world.

For the first time in history, business leaders and influencer are not only listening to their consumers, they are encouraging an open dialog to learn their needs, their values, where

⁶⁷ Heisler, Y. (2016, January 3). Tesla sold more than 50,000 Model S sedans in 2015, a new annual record. Retrieved from <http://bgr.com/2016/01/03/tesla-model-s-sales-2015/>

they see the company going in the next 5 to 10 years. And in return, the companies are finding sources of inspiration, solving problems, incorporating new values, and finding opportunities to make the world a better place. In a sense companies today are taking on more human characteristics; sensitivity, compassion, understanding, willingness to help and contribute to the betterment of society as a whole. So with the incorporation of values, we see value creation. In the words of Novartis AG's CEO Joe Jimenez, "Changes in the external environment and a generational shift are creating a greater awareness amongst businesses and a greater need to act to address societal problems."⁶⁸

Throughout this paper we have seen the path a company must go down in order to meet the criteria for creating an ecological identity and incorporating sustainability into their business plan. Thus being used in their communications strategy to help promote their new values and practices in order to have a greater reach, specifically to the Millennial generation.

In section one, we asked the question: *what makes a strong identity, and what makes a strong ecological identity?* The answer taught us how important strong identity and capabilities are and how much weight they carry when trying to recreate. The most crucial aspect being coherence between the company's actual identity, communicated identity, ideal identity, and desired identity (ACID Test). Within this coherence also lies the companies capabilities, positioning, and products or services which are essentially its driving force. We also learned what makes an identity ecological: through the incorporation of Corporate Social Responsibility (CSR), community involvement through outreach programs, internal programs within the company, and transparency with consumers.

In section two I posed the questions: *who are the ecological consumers and how do we communicate with them?* We learned that there is one demographic that is more sensitive to ecological causes: the Millennials. This particular generation has also created new

⁶⁸ Berthon, B., & Moore, C. (2011). Business at its Best: Driving Sustainable Value Creation (Rep.). Retrieved http://cecp.co/pdfs/resources/Business_at_its_best.pdf

rules when it comes to marketing and communications through the use of the internet. This becomes an equally as important opportunity for companies to rebuild, because the traditional means of communication and marketing have evolved to include social media, online marketing, community creation, and reciprocal relationships between companies and consumers. Finally we looked at the psychological tactics used in advertising with the inclusion of social benefits and personal benefits and in what setting people are likely to choose one benefit over the other.

To finish the paper off we addressed two questions: *How does a company create value through ecological practices and is it really worth it?* Creating value is typically the driving force behind their decision to go green, which is why it's imperative to indicate all the possible opportunities (both through action and advertising). Specifically Accenture's 5 key elements for a company to consider when adopting a sustainable value creation (SVC) business model; Recognizing Opportunities; Recalibrating Your Radar; Research, Develop, Repeat; Rewire the Organization; and Reinforce the Value. Looking at the last section we learn that in fact companies really can reduce spending through incorporating sustainable practices, and increase value through strategic communication and advertising.

Throughout this research I have found that for a company to truly succeed in their efforts to achieve a greater reach through ecological practices and communications, they must go above and beyond. Creativity and innovation are at the forefront of those companies that are truly reaping the benefits of this new wave of business. The last two examples I gave, Patagonia and Tesla, are in my opinion the textbook definition of successful ecological practices and green advertising. And any company who is looking to have further reach, particularly to the Millennial generation should follow in their footsteps.

Looking forward I believe that sustainable practices and green marketing and communications will become essential for a company's survival. Taking into account the largest demographic, Millennials and Generation Y combined, and their general concern for environmental and social accountability, there is no escaping their demands. Also

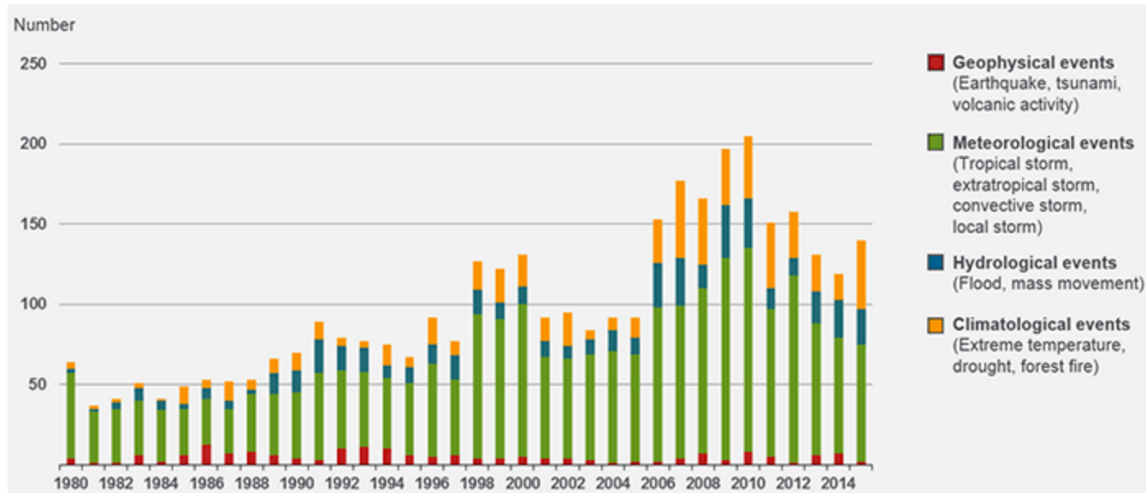
once this generation comes more of age they will be the ones taking over the business world and implementing further change, in fact we are already seeing this with young entrepreneurs today.

The research for this project was not necessarily easy as I was restricted in my search capabilities due to the university's limited database. Also studying in a French University made it impossible to conduct a large scale survey that includes solely young Americans. However I did find that many of the large American consulting firms have started to conduct studies and research on this subject (BCG, EY, PWC). If I was given another year to continue my research I would have liked to have done a comparative study between American and French CSR, sustainable practices, and green marketing and communications. Also taking into consideration Frances consumption of Plastic, new energy laws, etc. I would have also liked to incorporate the governments efforts combined with corporate efforts in a more comparative study. While this remains somewhat out of the scope of marketing (government efforts) these reforms still govern what a company can and cannot do as well as contribute to the formulation of public opinions.

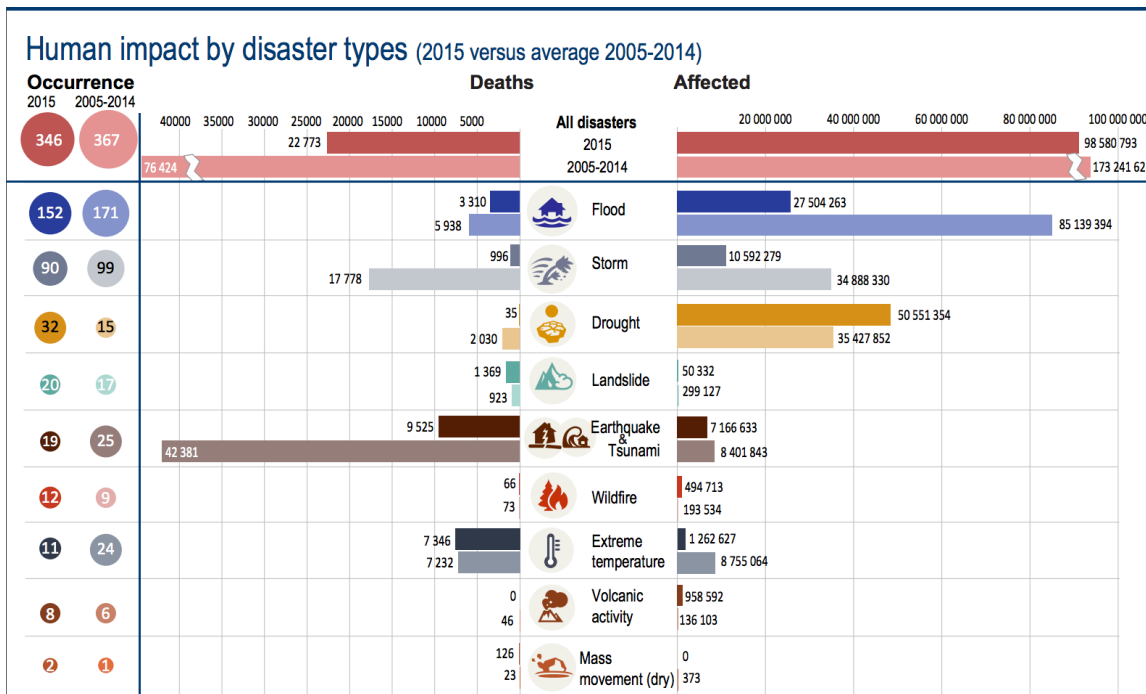
I am extremely grateful for the opportunity to research and write about this subject as I am very passionate about the environment as well as business. Unfortunately business has never really been synonymous with sustainability until today. The convergence of these two worlds has created an even greater force in business and has pushed innovators to find new and positive solutions for outdated goods and services. Before starting my research I had little faith in American companies sustainability choices, nor their desire to truly meet the needs of it's consumers. But as I come to conclude this paper I have a restored faith in my community, and above all in my generation. I am proud to call myself a Millennial who participates in the push towards a greener world and sustainable business, because there is no reason these two cannot exist together.

Appendix

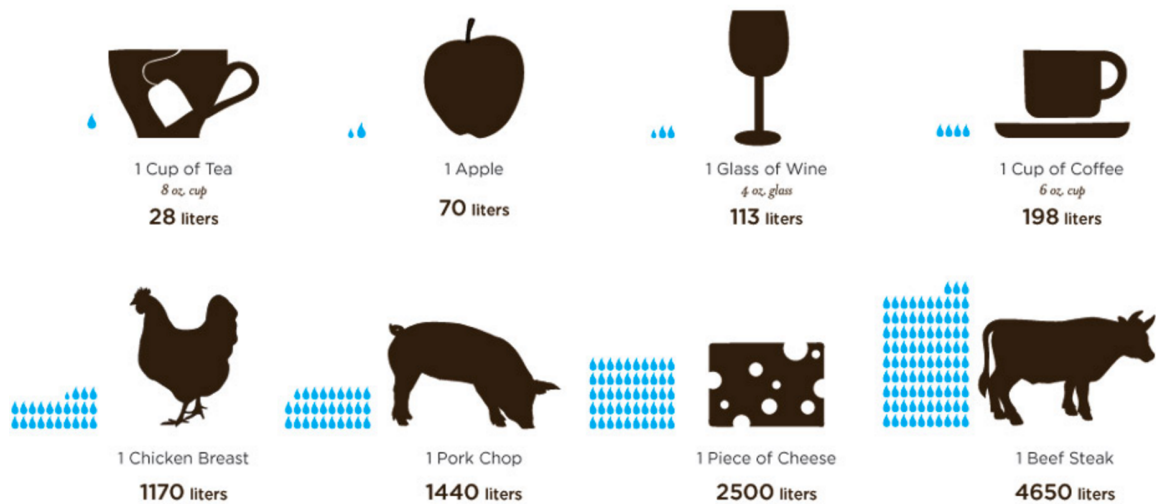
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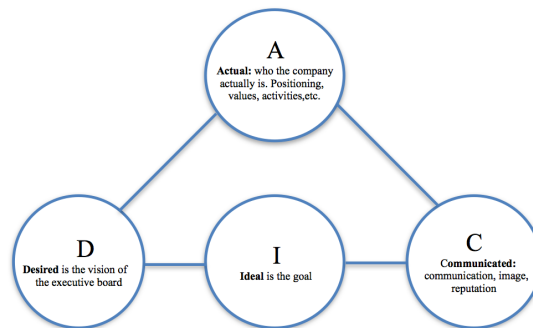
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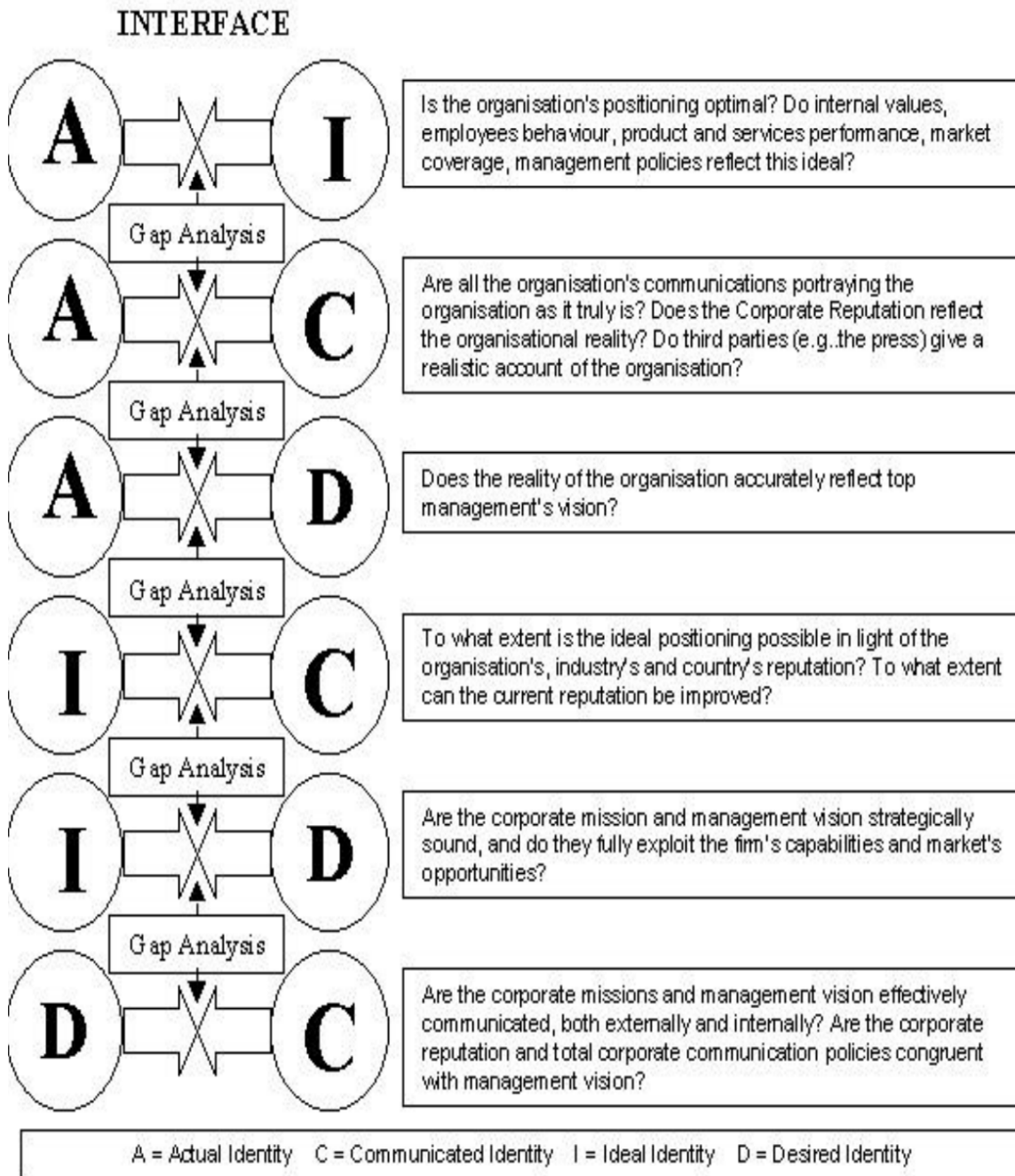
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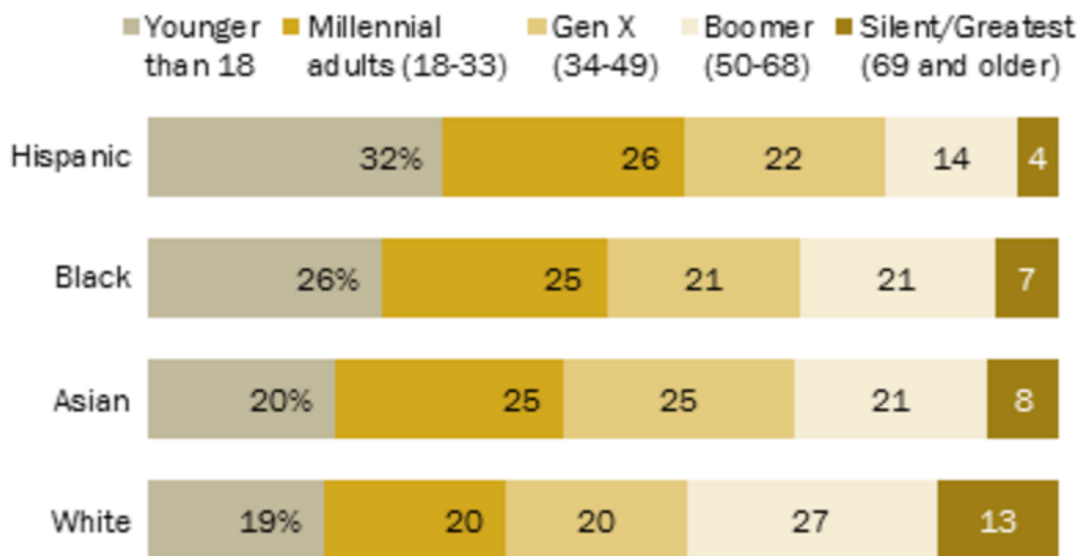


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Nearly six-in-ten Hispanics are Millennials or younger



8. Social Mention search for Tesla (<http://www.socialmention.com/search?l=all&q=tesla&btnG=Search>)



9. Ad for Seventh Generation promoting products for the home and the entire family. Grove Collaborative. (n.d.). Seventh Generation. Retrieved from <https://www.grove.co/catalog/?brand=seventh-generation>



10. A good example of how a company can create communication channels between them and their customers allowing for quick feedback. <https://www.facebook.com/PATAGONIA/>



Andy Cagle How's your Bangladesh manufacturer going Patagonia, will you ship the USA grown hemp all,the way over there? Well done, seriously awesome way to internalize more profits. Lol, what do u pay those guys to make your 400\$usd down coats. Capitalism and free trade rule!!

Like · Reply ·  11 · May 27 at 8:53pm

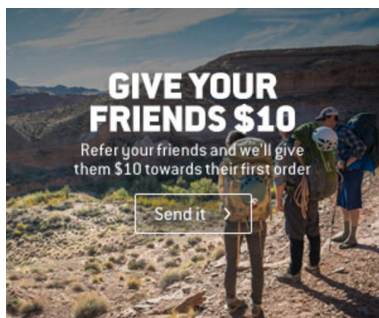
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Patagonia ✓ Patagonia sources our high-quality hemp fabric from China, where we have a long-standing partnership with a mill that specializes in hemp and hemp blended fabrics with recycled polyester, recycled nylon, and organic cotton. We're interested in expanding the use of hemp in our lines, but rather than buying our hemp from China, we'd like to see the domestic hemp industry grow and flourish – both for the sake of the U.S. economy and for the sake of the outdoor industry.

Like · Reply ·  70 · May 27 at 9:24pm

11. Refer a friend program at Backcountry sporting goods (http://content.backcountry.com/promo_upload/bcs/2015/32885/GA.jpg)



Interview

Folkmann, Jared. Clorox Interview [E-mail interview]. (2016, April 20).

Q: Is there an augmentation in the number of companies who want rebranding towards something more eco?

A: Rebranding no, but incorporating ecological consciousness into their existing identity yes. See: Coke/levis/etc.

Q : What are their motivations?

A: Their motivations for becoming more ecologically conscious? Rarely altruism – usually money. The consumer is moving in a direction – so it makes sense.

Q: What types of strategies do you use? (sleeper effect, long term strategy, etc.) (for mkt., communication, ads)

A: Depends on the problem. E.g. Clorox has a very different problem to Levis. For example we have found that increased transparency (amongst community involvement, and decreased environmental impact) has improved the company's reputation. It is also one of the top attributes stakeholders consider to assess this value. We also took this same model and applied it to the public.

Q: What types of companies are looking to change? Age of exec/board?

A: From my experience it doesn't have much to do with age of the company – but whether it's hitting their bottom line. Have there been startups in the space that steal share with new messaging etc. Consumer attitude changes, they change their shopping behavior which in turn hits the bottom line – then companies make the change....which hopefully comes in time to save sales.

Other sources of Inspiration

- Prius; super bowl (1&2 bank heist and getaway car)
 - <https://www.youtube.com/watch?v=MYeM-8hO3hM>
- Tesla (not a dream)
 - <https://www.youtube.com/watch?v=sZ0ypbd8EbM>
- Colgate (save water 2016 super bowl commercial)
 - <https://www.youtube.com/watch?v=GGTPoEGL7tA>
- Unilever (rainforest commercial)
 - <https://www.youtube.com/watch?v=7q6SLgcSOlc>
- Dasani (plant based plastic bottle)
 - <https://www.youtube.com/watch?v=YnUNredxY1g>
- Ford (eco-friendly silent vehicle tech)
 - <https://www.youtube.com/watch?v=EdkIVANhQj8>
- Levi (waste less)
 - <http://www.bloomberg.com/bw/articles/2012-10-18/levis-goes-green-with-waste-less-jeans>
 - <https://www.youtube.com/watch?v=Q6rih0bapWQ>
 - <http://www.adweek.com/news/advertising-branding/green-new-black-levi-s-nike-among-marketers-pushing-sustainability-153318>
- REI (black Friday shut down)
 - <https://www.youtube.com/watch?v=FOVaEawGNMM>

- Ben and Jerry's (climate movement)
 - <https://www.youtube.com/watch?v=80NLPNHpm0k>
- Apple (better starts here)
 - <https://www.youtube.com/watch?v=o5WYvFOMtAA>
- PooPourri
 - <http://www.adweek.com/news/advertising-branding/ad-day-poo-pourris-latest-crass-character-randy-granny-who-loves-pee-165536>
 - <http://www.beautylish.com/a/vxjza/poo-pourri-founder-interview->
- Kit Kat; making videos to show its consumers their progress abroad in sustainability as well as community involvement (in this case, tied together)
 - <http://www.adweek.com/adfreak/didier-drogba-and-youtuber-fun-louis-star-kitkats-global-ads-about-sustainability-169589>

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