

# **SUSTAINABILITY AND THE SAY-DO GAP**

**UNDERSTANDING THE  
CONSUMER MINDSET**



# SPEAKERS TODAY



**NATALIE LACEY**  
GLOBAL AFFAIRS  
WASHINGTON DC



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# SUSTAINABILITY: LONG TERM RISK MITIGATION



## Meeting the needs of stakeholders

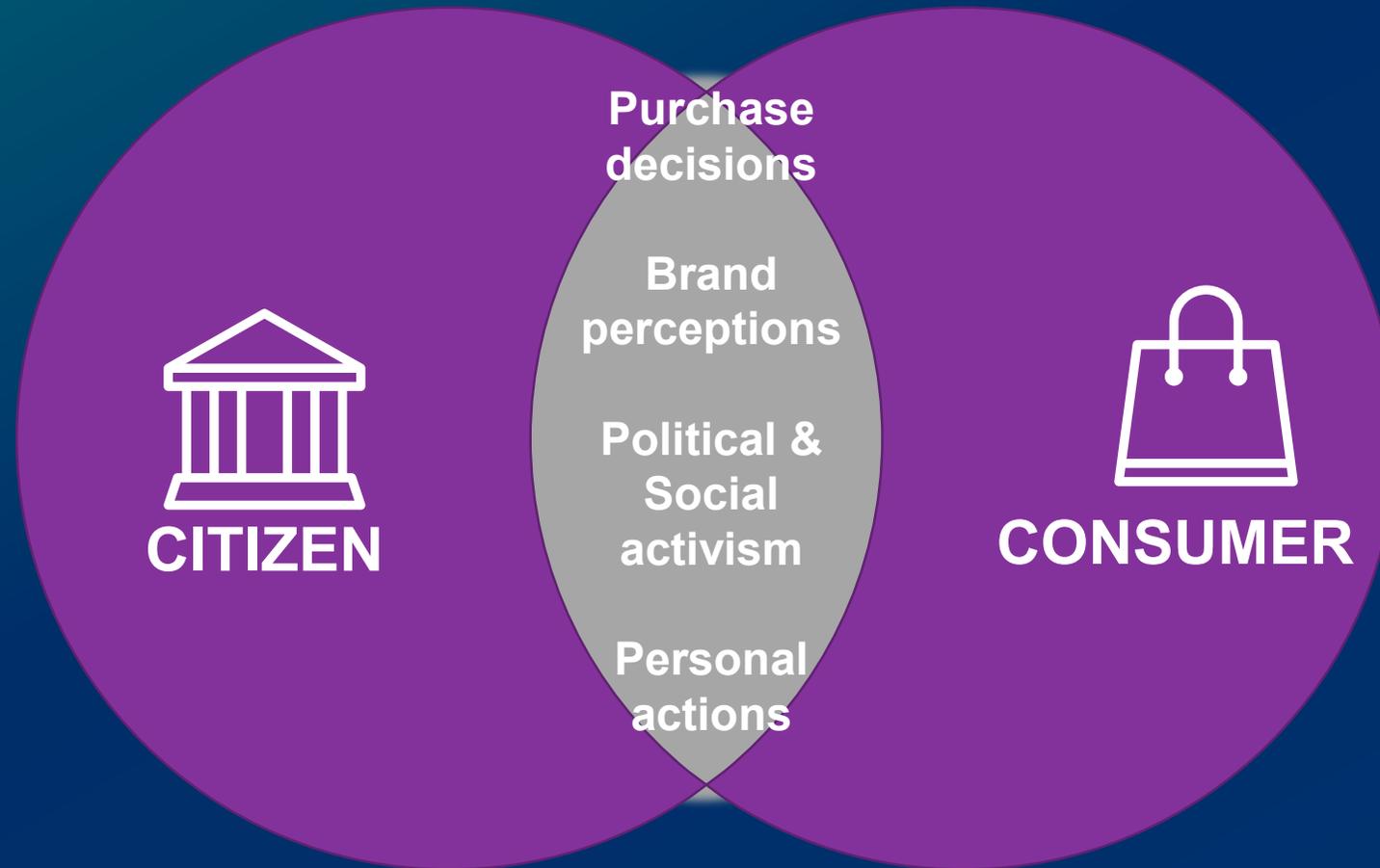
Ever-higher standards demanded by employees, investors, standards, and regulators



## Ensuring long-term production capacity

Protecting resources in the face of climate change, depletion of raw materials, pollution

# CONVERGENCE OF THE CITIZEN AND THE CONSUMER IN PURCHASE DECISIONS AND REPUTATION



# WE KNOW HOW TO INTERPRET SENTIMENT THROUGH A SUSTAINABILITY LENS



### IPSOS SUSTAINABILITY POV'S AND WHITE PAPERS

IPSOS SUSTAINABILITY POV'S AND WHITE PAPERS

IPSOS VIEWS: The third moment. Why sustainable packaging is the key to real impact.

Making Business Sustainable: An Evidence-Based Approach to Getting Real Impact.

THINKING OUTSIDE THE BOX, BAG AND WRAPPER: Why now is the moment for sustainable packaging in Japan.

A THROWAWAY WORLD: The Challenge of Plastic Packaging and Waste.

IPSOS BRIEFING JAPAN

GAME CHANGERS

### IPSOS SUSTAINABILITY STRATEGIC PARTNERSHIPS

IPSOS SUSTAINABILITY STRATEGIC PARTNERSHIPS

WORLD ECONOMIC FORUM

SOCIAL PROGRESS IMPERATIVE

Innovation FORUM

### IPSOS GLOBAL SUSTAINABILITY-SPECIFIC CLIENT CASE STUDIES

IPSOS GLOBAL SUSTAINABILITY-SPECIFIC CLIENT CASE STUDIES

How sustainability drives reputation

Strengthening supply chain in Brazil's rainforest

PET market assessment

Understanding society's and community's needs

Understanding the empowering impacts of water interventions

Community needs assessment and impact evaluation

# “Protects What’s Good” Global Brand Strategy

Tetra Pak, Multi-country

## BUSINESS ISSUE

Tetra Pak needed to move away from the perception of being a technical B2B company and develop a more appealing brand promise, fit for the future. It is indeed of critical importance to Tetra Pak that the end consumer perceives a greater value when purchasing a product from a brand packaged by Tetra Pak – possibly even wanting to pay more for it. Sustainability was felt to be a potential driver of brand preference. Tetra Pak needed to find a way to express how they are protecting not only the product itself but also the People and the Future through social and environmental responsibility.

## IPSOS SOLUTION

Ipsos tested the meaning of the brand promise among consumers and was able to confirm its relevance. Since the implementation of this promise, Ipsos has continuously measured the strength of Tetra Pak’s brand and promise among consumers as well as product brand owners.

## IMPACT

Research data shows that Tetra Pak is now the most well known packaging company in the world among consumers and brand owners. Tetra Pak has positive connotations and is perceived as an environmentally conscious company with high quality and functional/convenient packaging.



**Build & align brand promise**

# Impact Of Cocoa Sustainability Investments

Mondelez, Multi-country

## BUSINESS ISSUE

Cocoa Life is Mondelez International's global cocoa sustainability program which aims to tackle the complex challenges that cocoa farmers face including climate change, gender inequality, poverty and child labour. By 2025, all Mondelez International's chocolate brands will source their cocoa through Cocoa Life, so it is essential that the impact of the program be measured, verified, and reported on by an independent organisation.

## IPSOS SOLUTION

Ipsos evaluates Cocoa Life based on the program's global Key Performance Indicators (KPIs). Impact assessments are based on a longitudinal panel study that is statistically representative of Cocoa Life participants. The panel includes community leaders, community members, cocoa farmers, co-ops, and other Cocoa Life program stakeholders. Ipsos produces a yearly report for each country of origin: Ghana, Cote d'Ivoire, Indonesia, Dominican Republic, India and Brazil.

## IMPACT

Mondelez International released Cocoa Life's 2018 Annual Report which, thanks to Ipsos data, could show positive results from the first six years of the program's implementation: e.g. Cocoa Life farm yields are typically above national averages (+15% in Ghana vs. non-Cocoa Life farms); Savings and loans groups are increasing community members' savings buffers (+24% in Ghana). Currently, Mondelez International sources 43% of its cocoa needs for its chocolate brands through Cocoa Life. The company intends to include Toblerone and Lacta Milka, Côte d'Or and Cadbury Dairy Milk chocolate brands in the program by 2025.



**Mondelez**  
International



**Assess risks & opportunities**

# VIEWS PRE-PANDEMIC

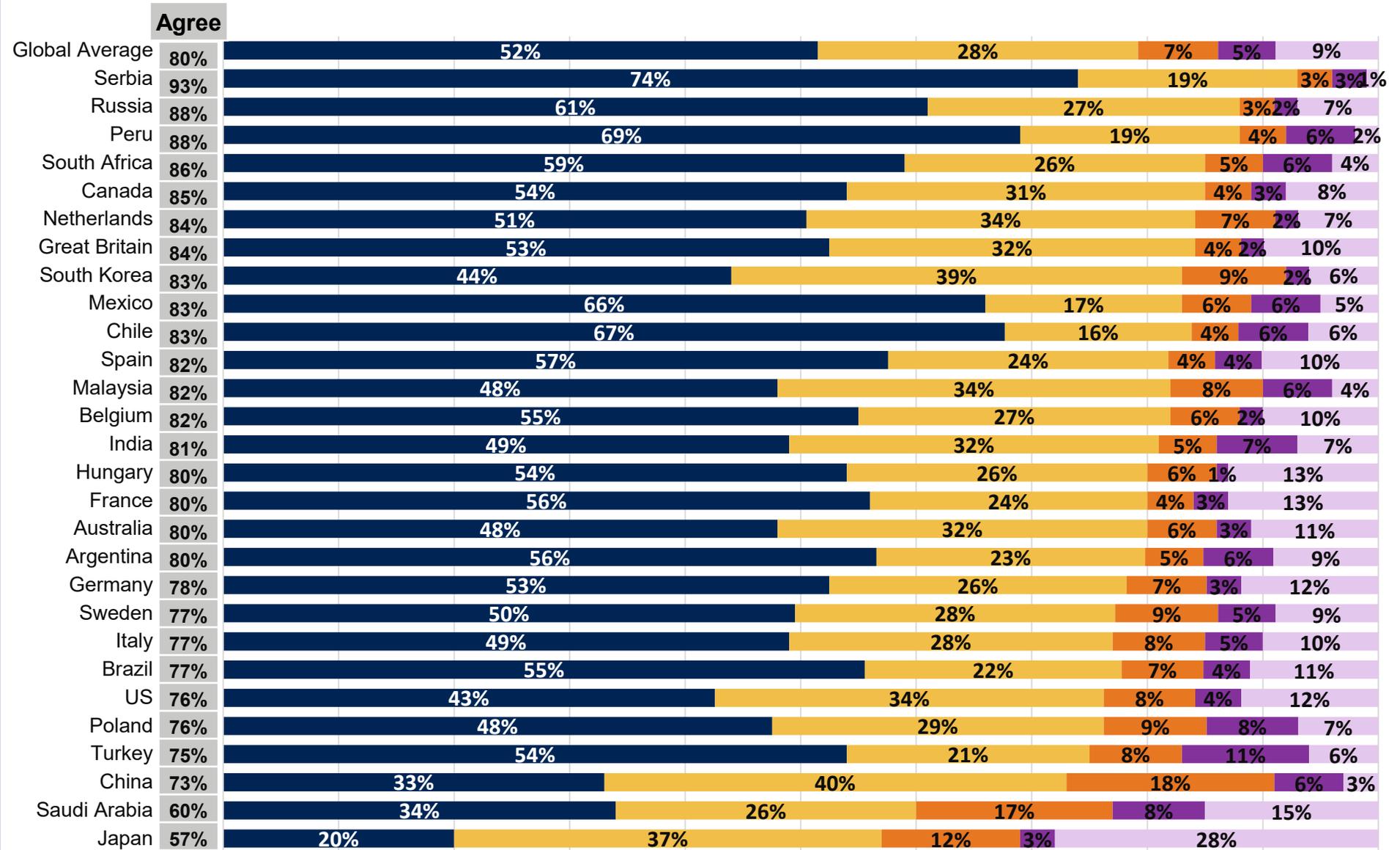


# SUPPORT FOR MANUFACTURERS' RESPONSIBILITY

**Q. Do you agree or disagree with the following statement?**

**Manufacturers should be obliged to help with the recycling and reuse of packaging that they produce**

Support for manufacturers' responsibility in helping with the recycling and reuse of packaging which they produce is particularly strong in countries like Serbia (93%), Russia (88%), Peru (88%), and South Africa (86%) where our survey also records particularly low level of satisfaction with the quality of the local recycling service for household waste.



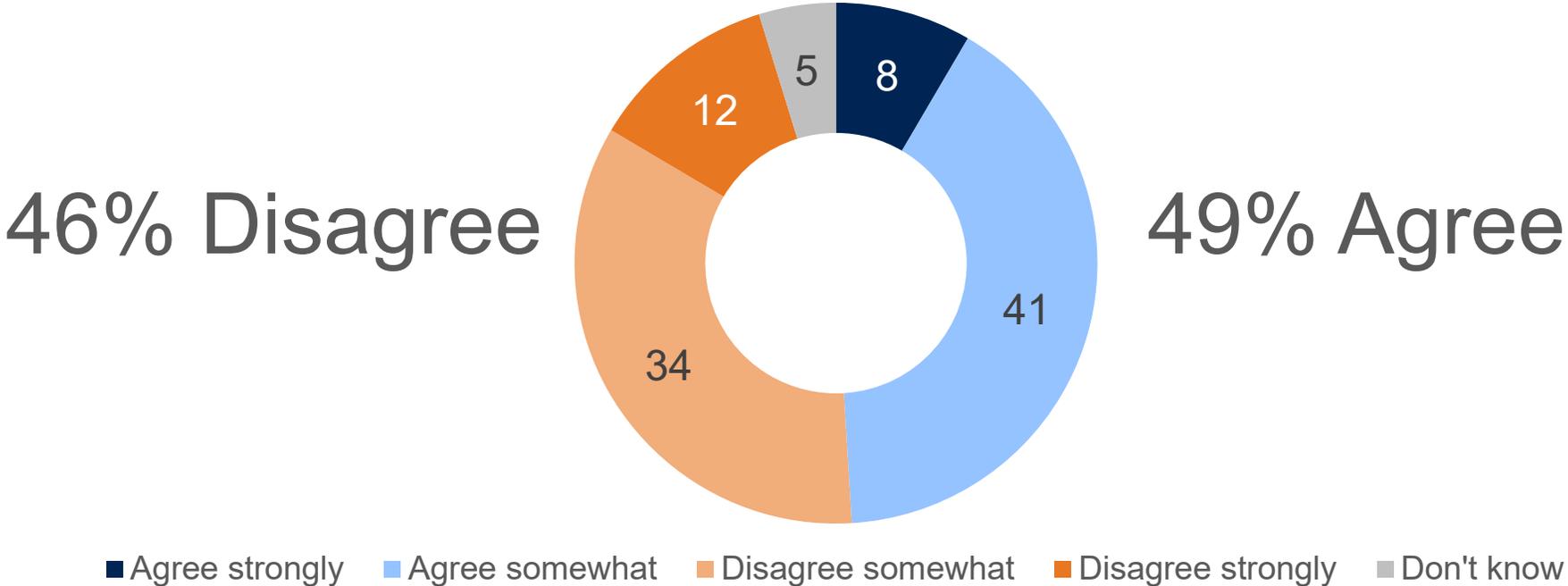
Strongly agree Tend to agree Tend to disagree Strongly disagree Don't Know

Base: 19515 online adults under the age of 75 across 28 countries. Fieldwork dates: July 26<sup>th</sup> – Aug. 9<sup>th</sup> 2019

# CITIZENS ARE SPLIT ON WHETHER OR NOT LIVING SUSTAINABLY IS PRACTICAL

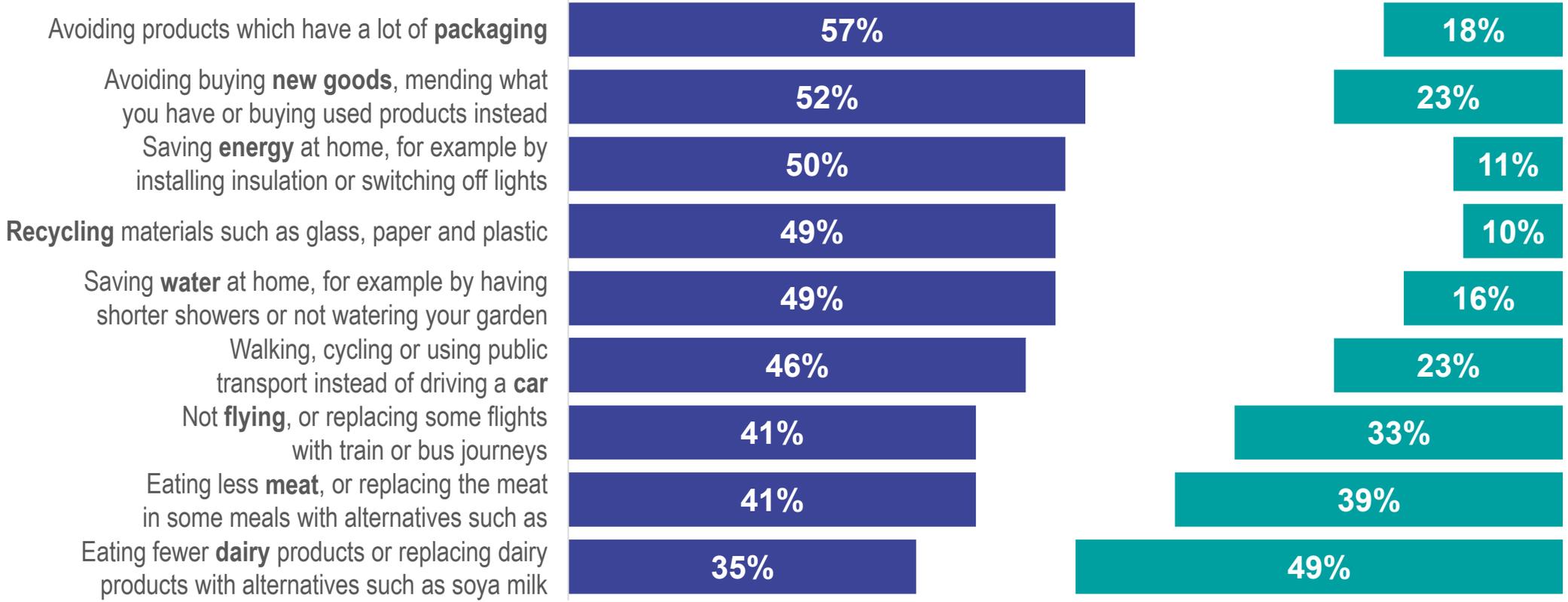
Q. Please rate whether you agree (strongly or somewhat) or disagree (strongly or somewhat) with the following statements concerning sustainability and how you think about it.

**“In theory, I want to live more sustainably but it is simply not practical.”**



# WILLINGNESS TO TAKE ACTION ON CLIMATE CHANGE - GLOBAL DATA

Q. Thinking about things you might do in order to limit your own contribution to climate change, how likely or unlikely would you be to make the following changes within the next year?



■ Certain to/very likely/fairly likely ■ Fairly unlikely/very unlikely/certain not to

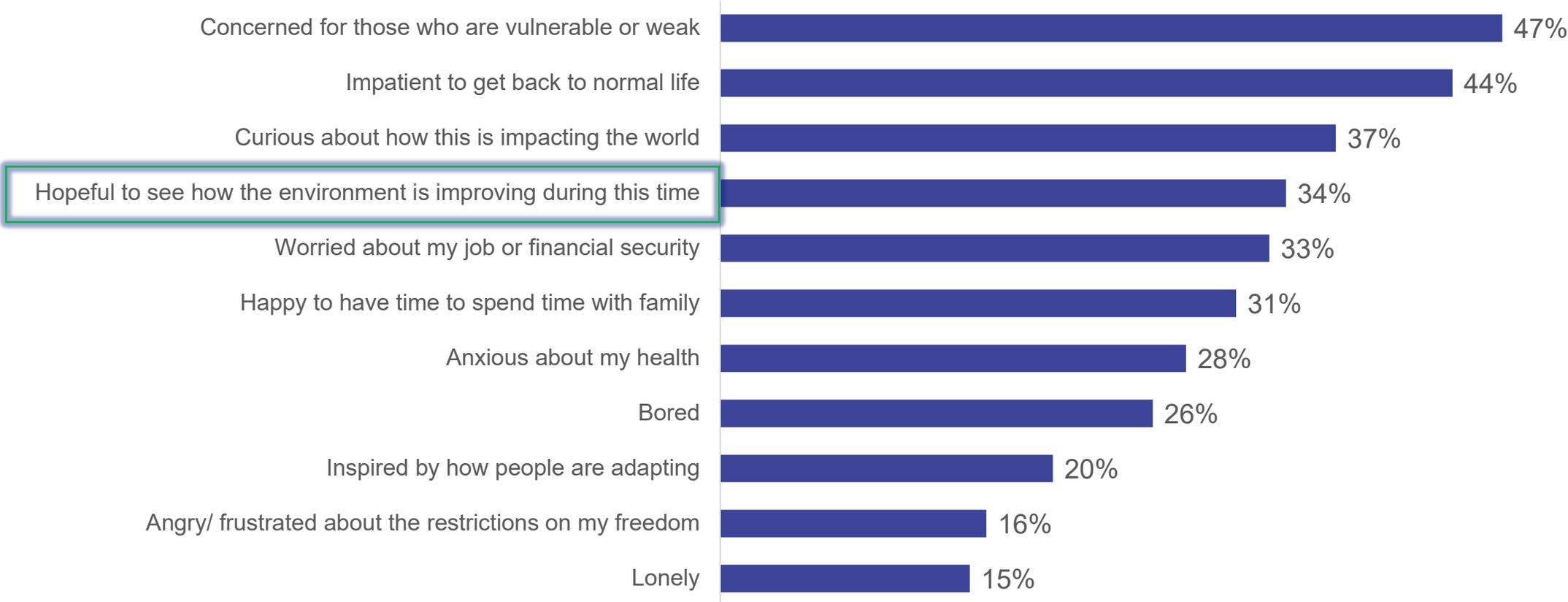


**And now  
where are  
we?**



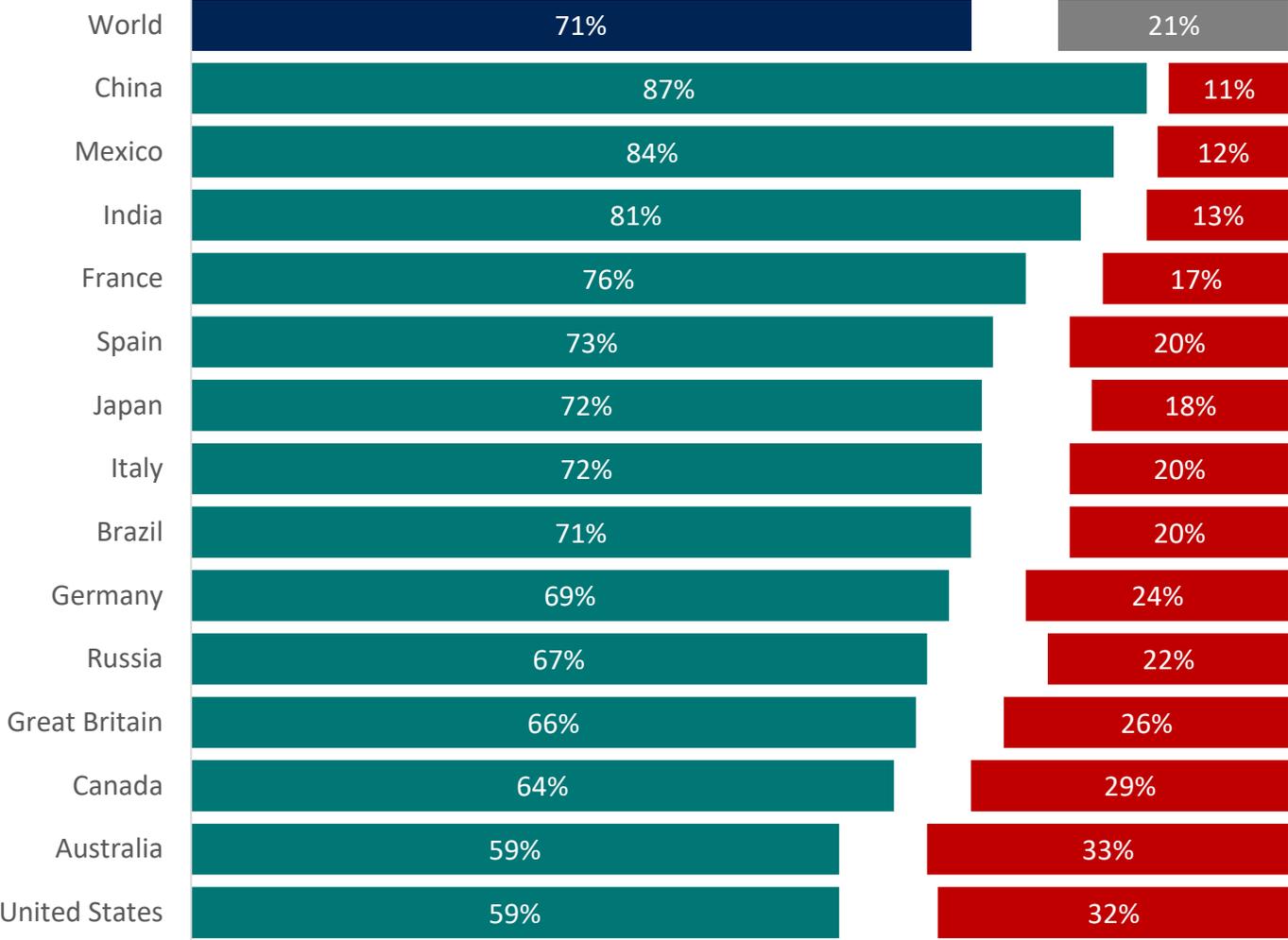
# ONE IN FOUR INDICATING THAT THEY FEEL HOPEFUL TO SEE THE ENVIRONMENT IMPROVING DURING THIS TIME

Q. Which best describes how you are feeling today?



# SERIOUSNESS OF CLIMATE CHANGE IN COMPARISON TO COVID-19

*Q. To what extent do you agree or disagree with the following:  
In the long term, climate change is as serious a crisis as Covid-19 is*



Base: 28,029 online adults aged 16-74: Fieldwork dates: Thursday 16 to Sunday 19 April.

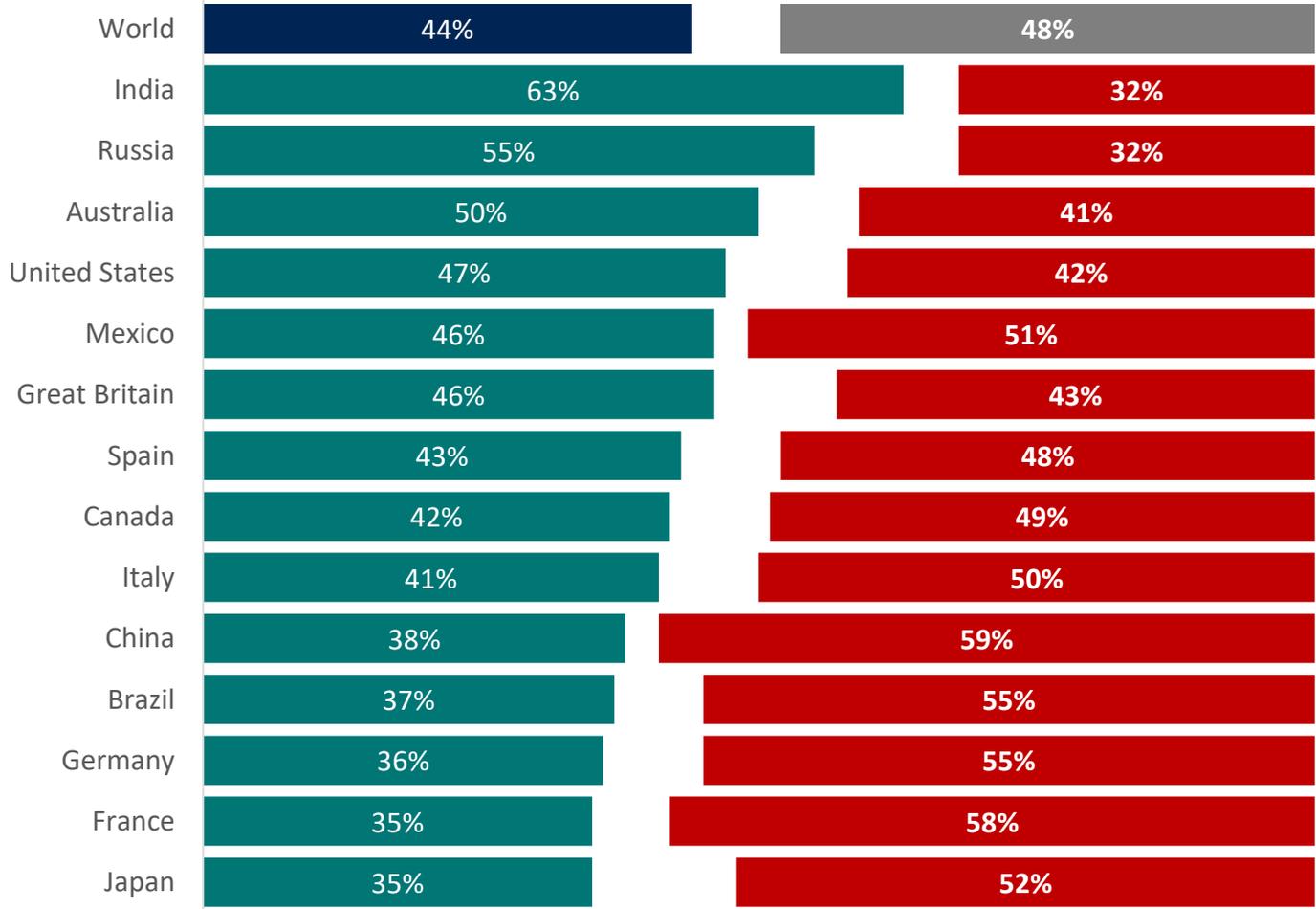
■ Strongly agree/tend to agree      ■ Tend to disagree/strongly disagree



# FOCUS ON ECONOMIC RECOVERY FROM COVID-19 FIRST AND FOREMOST?

*Q. To what extent do you agree or disagree with the following:*

*Government should focus on helping the economy to recover first and foremost, even if that means taking some actions that are bad for the environment*



■ Strongly agree/tend to agree      ■ Tend to disagree/strongly disagree

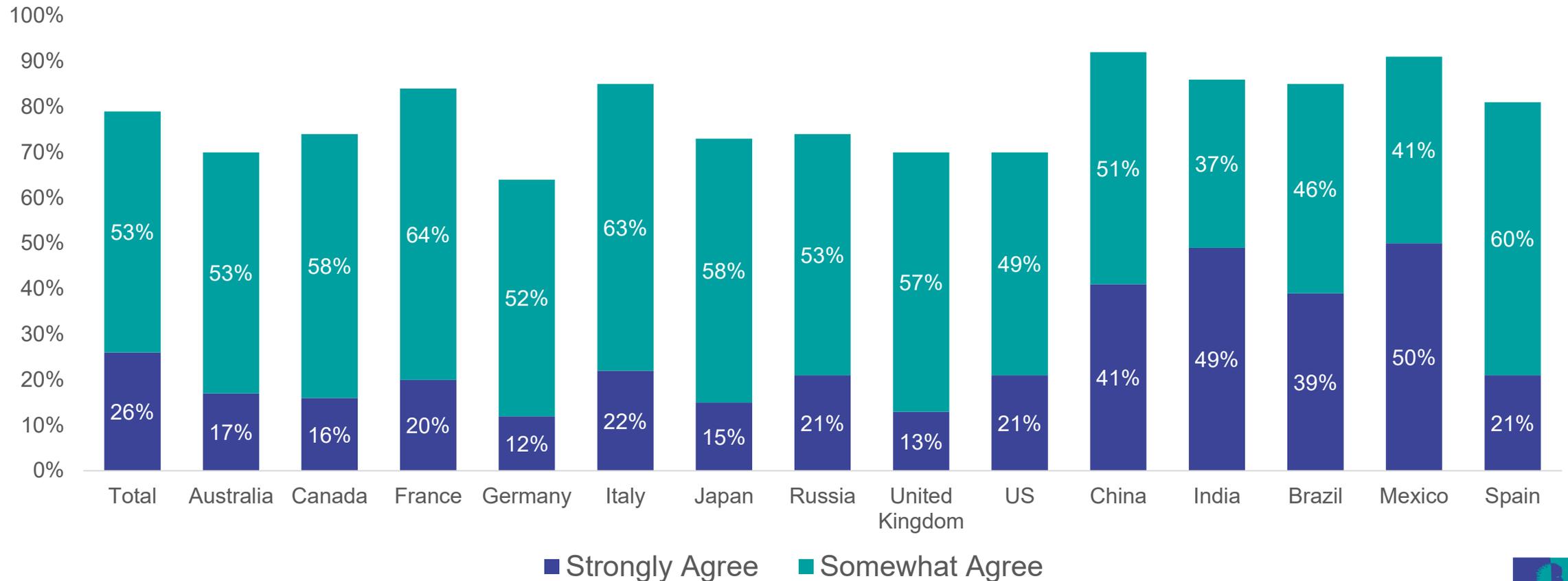
Base: 28,029 online adults aged 16-74: Fieldwork dates: Thursday 16 to Sunday 19 April.



# PEOPLE WANT TO BELIEVE THEY WILL ACT DIFFERENTLY

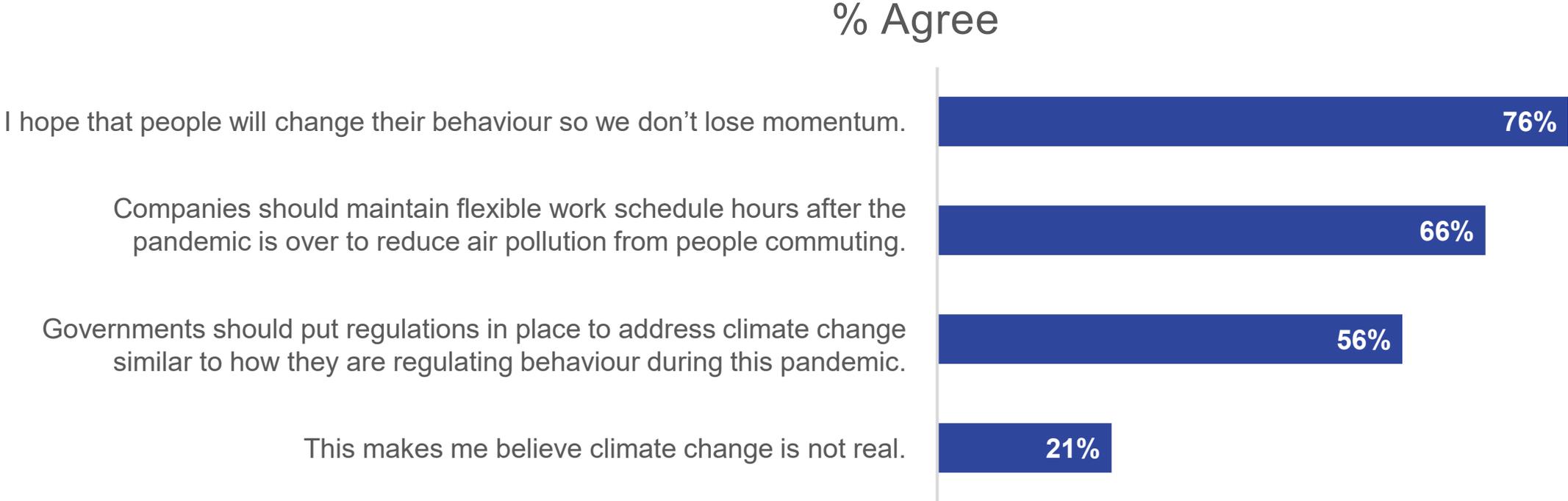
Q. To what extent do you agree or disagree with each of the following regarding the long-term impact of the virus:

“I will seek out products that are healthier and better for the environment”



# A HOPEFUL PUBLIC

**Q. There have been recent news stories about noticeable drop in air pollution, cleaner waters and other climate changes while there are restrictions on travel and activity. Given this, To what extent do you agree or disagree with each of the following...**



# IN SOCIAL CONVERSATION, POLLUTION AND RECYCLING COME UP LINKED TO DEALING WITH THE VIRUS

In conversation related to COVID-19 this past month, we see more mentions of Air Pollution and Recycling than about Food Delivery and Takeout.

## Air Pollution

Air pollution is a discussed concern, given higher death risk to Coronavirus patients. There is conversation about improvement of air quality in various parts of the world, including in some of America's biggest cities. Improving environmental health is seen as the bittersweet upside to COVID-19.

"Wow... Earth is recovering - Air pollution is slowing down - Water pollution is clearing up - Natural wildlife returning home Coronavirus is Earth's vaccine We're the virus"

"Nature is taking a breath when the rest of us are holding ours." @marinakoren reports on the strange ways the natural world is already feeling the effects of the pandemic."

## Recycling

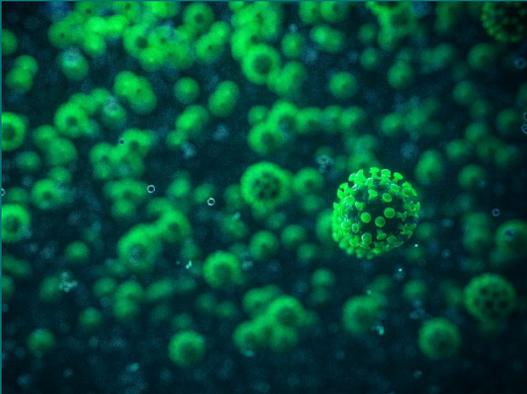
Recycling and reusable items are being discussed in the context of safety. People are sharing ways to make reusable face masks, safely store food bought from the store, and how to clean reusable bags. Medical professionals have been forced to recycle protective gear as a result of supply shortages which comes up as well.

"The only thing needed to make this face mask is fabric! It has a unique pocket that you can choose to add, and because it is made from fabric, it is washable and reusable."

"Are reusable bags risky? Many people use reusable bags as a responsible choice. We do this in my family as well. It's a best practice (even before the times of pandemic) to wash your reusable bags on a regular basis."

# SUMMARY: PUBLIC SUPPORT A GREEN RECOVERY

**Seven in ten consider climate change as serious a crisis as Covid-19, and a similar proportion feel their government will be failing them if it doesn't act on climate change now. Two thirds globally support a green economic recovery from the crisis.**



**71% globally agree that in the long term, climate change is as serious a crisis as Covid-19.**



**68% globally say their government will be failing them if it doesn't act now to combat climate change.**



**65% of the public globally support a 'green' economic recovery from the Covid-19 crisis.**



**57% globally say they would be put off voting for a political party whose policies don't deal seriously with climate change.**

# TESTING THE SAY-DO GAP

# DEVELOPMENT SPACE INCREASINGLY NUANCED

## Extent of Innovation

### Repositioning



### Product development (format maintained)



### Product Iteration (more significant change)



### Transformation



## Ease of adoption

# A WIN-WIN FOR BRANDS, RETAILERS AND CONSUMERS

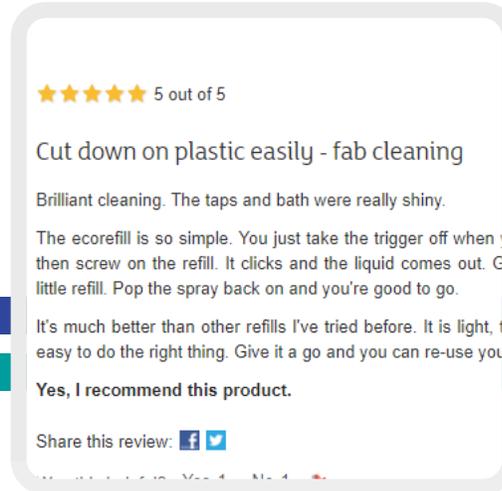
Bring news with pack and product innovation

Understandable, communicated through the label

Seamlessly connect to digital content to drive engagement

Invite consumers to share and advocate on social platforms

Provides a tangible demonstration of corporate leadership



# BUT THE BASICS STILL MATTER

Risk of low visibility



In what is an already complex environment



[Example Simstore Shelf] – online 2D

# SIMSTORE

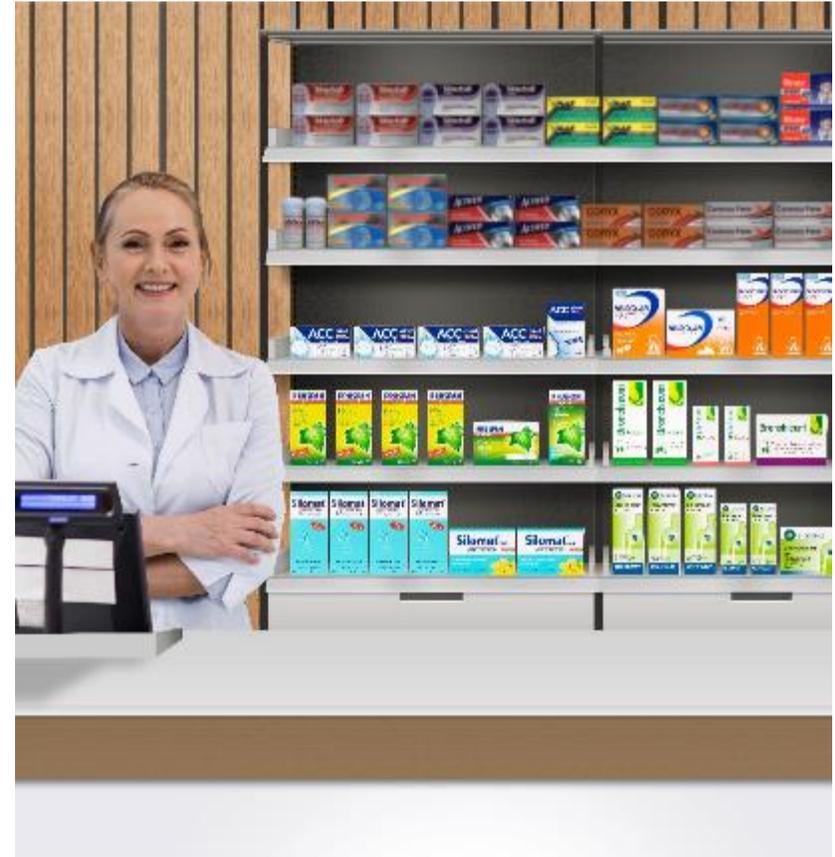


- Behavioral framework
- Multi-channel
- Multiple solutions on same platform
- Modular e.g. forecasting as option
- Deep shopper and pack expertise

SIMSTORE



REAL STORE



1000's of shelves have been built with Simstore across multiple categories addressing packaging design, innovation testing, decision trees, tactical shopper.

## Two objectives:

1. Assess the impact of environmental claims on demand and expectations
2. Understand basic price elasticity for the environmental claims version



# BACKGROUND, OBJECTIVES & METHODOLOGY

Measure the **impact of sustainability messaging on pack** in a competitive context



CELL 1

Control cell

No new brand

CELL 2

No claims

\$4.25

CELL 3

Sustainable claims

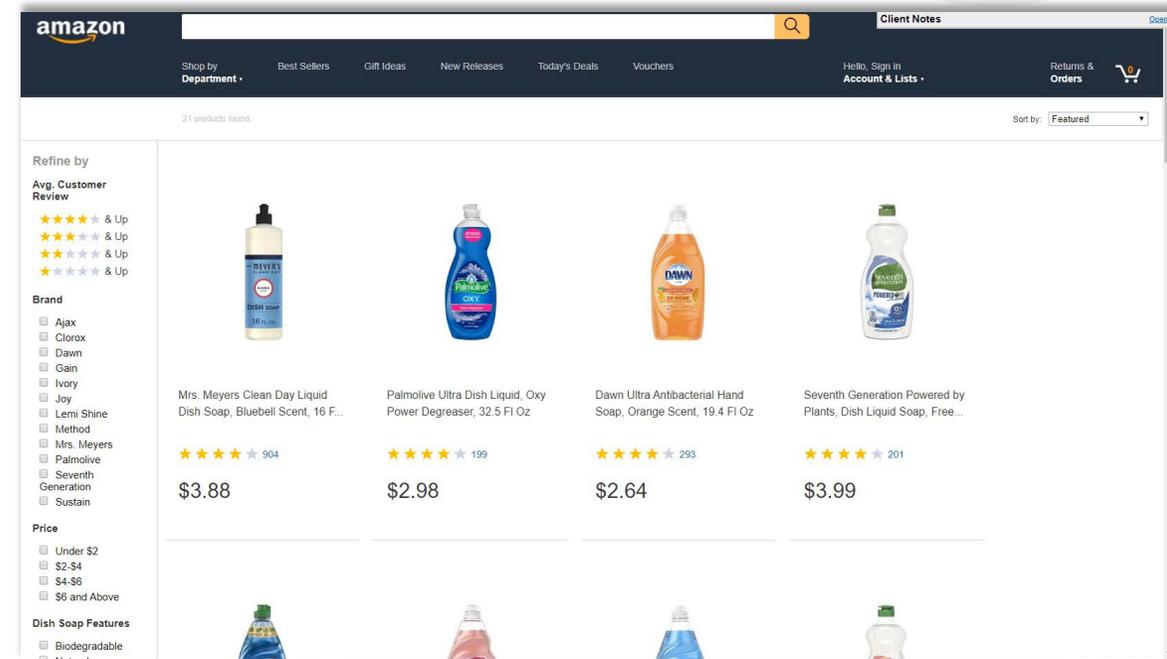
\$4.25

CELL 4

\$4.75

CELL 5

\$5.25

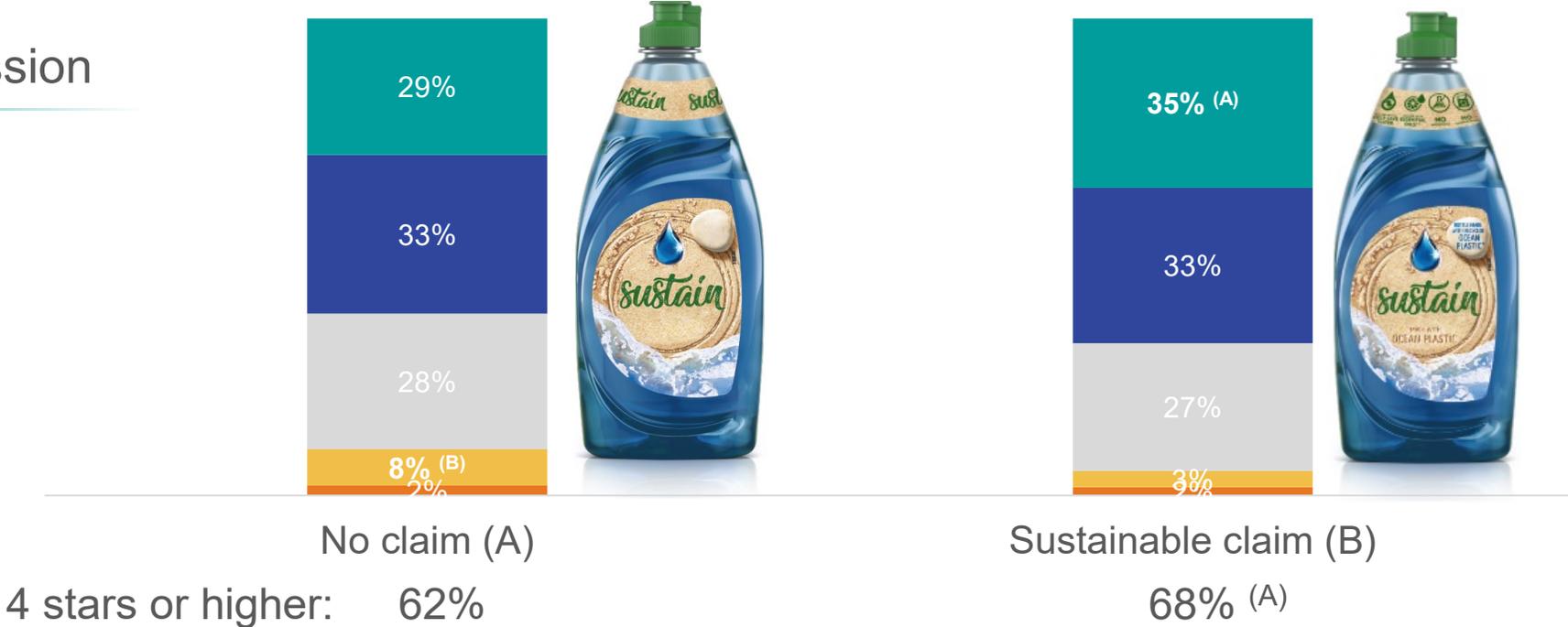


# MORE APPRECIATED: CONSUMERS MORE LIKELY TO GIVE THE SUSTAINABLE CLAIM VERSION FIVE STARS

Q: Please indicate what is your overall impression of this product

## Overall impression

- ★ 5 stars
- ★ 4 stars
- ★ 3 stars
- ★ 2 stars
- ★ 1 star



Base: No claim (n=394), Sustainable claim (n=1242)

# MORE SPECIFIC LIKES: SUSTAINABILITY CLAIMS ADD VALUE TO THE QUALITY OF ASSOCIATIONS DELIVERED

Q: What is it that you like with the product? – Those with a positive overall impression

% mentioning sustainability claims e.g. “Environmentally friendly”, “Ocean plastic”, “Recycling” etc.



Base: No claim (n=237), Sustainable claim (n=863)

# NO COMPROMISE: SUSTAINABILITY CLAIMS DO NOT LIMIT EXPECTATIONS ON CORE PRODUCT FUNCTIONALITY

Q: Please indicate to what extent you agree with the following statements about this product

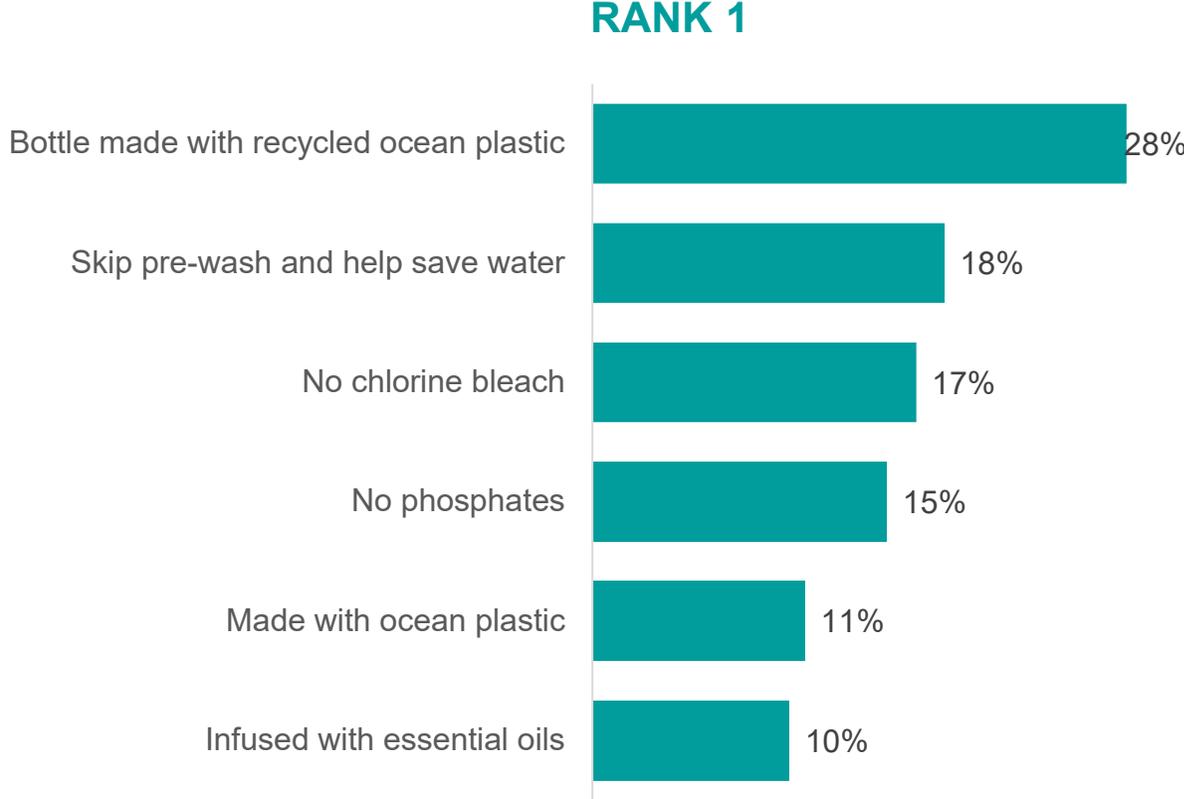
% who answered 4 or 5 on a 5pt. scale

	No claim (A)	Sustainable claim (B)	B-A
Effective on grease	54%	61% (A)	+7%
Long-lasting performance	49%	59% (A)	+10%
No chlorine bleach	55%	66% (A)	+11%
It is better for the environment than other products	60%	76% (A)	+16%
Skip pre-wash & help save water	45%	55% (A)	+10%
Concentrated liquid in smaller package	46%	53% (A)	+7%
No phosphates	48%	62% (A)	+14%
Plant based ingredients/free from harmful chemicals	52%	62% (A)	+10%
Packaging made of recycled sea plastic	51%	75% (A)	+24%
Packaged with less plastic	38%	60% (A)	+22%

Base: No claim (n=394), Sustainable claim (n=1242), Benchmark (n=393)

# “RECYCLED OCEAN PLASTIC” MOST COMPELLING CLAIM

Q: Which of the following marks would you prefer to see on the dish soap product that you usually buy? – Ranking question



Base: All that saw sustainable mark on pack (n=1242)



# BEHAVIOR CHANGE: INITIAL TRIAL INCREASES WITH SUSTAINABILITY CLAIMS, AT PARITY PRICING.

Q: Please choose the products you want to purchase.



Base: No claim (n=394), Sustainable claim - \$4.25 (n=430), Sustainable claim - \$4.75 (n=394), Sustainable claim - \$5.25 (n=418)

# OBJECTIVES: PROVE OUT BENEFITS AND IMPACT ON DEMAND OF AN OPTIMISED SUSTAINABILITY EXECUTION



- **Sustain dish soap** performs better when supported by sustainable claims: **penetration, purchase intent** and **liking**
- **Price** plays an important role and sustainability claims **lose their impact** at higher price points
- Sustainable claims communicated on the pack drive the liking to a larger extent than other aspects
- **Bottle made with recycled ocean plastic** is the most preferred claim to see on a dish soap

# WHAT'S NEXT?

# LEARNING FROM CHINA

Apart from health conscious, the epidemic has also promoted changes in social values  
People now pay more attention to family oriented and a **peaceful life**

**64%** Say COVID-19 has affected their social values  
N=1312



## Impact of the epidemic on Chinese social values

N=1498



# YOU ACT BETTER WHEN YOU ARE SURE

True Understanding of Society, Markets and People supported on the ground in 90 countries.

Behavioral insights and relevant tech deliver best in class online simulation of any purchase environment supported by full capability earlier in development as well as late stage in-person testing.



Identify key design assets



Support early stage development



Efficiently screen in competitive context



Validate in a realistic context online



Deliver immersion with VR, AR, 360



Evaluate in-person for high risk situations

# WHERE DID THE DATA COME FROM?



## Global Polling

Weekly polling in 15 countries on COVID-19

Global Advisor core services

Omnibus services

Ipsos Global Reputation Monitor



## Online Community

Weekly qualitative tracking of consumer behaviors and emotions based on **syndicated** community feedback w/ options for **custom questions** and **fully customized brand studies**. Provides **rich verbatim** and a glimpse into the **dynamic, human experience** in the time of CV-19.



## Social Intelligence Analytics

**Custom daily or weekly reports** using social conversation data about CV-19 in context of specific brand and category OR **syndicated SIA CV-19 social tracking** (w/ option for brand-specific custom insights).

**RISE** – Reputation Intelligence for Strategic Evaluation – platform for the integration of non-survey and survey data

# ADDRESSING THE SUSTAINABILITY BUSINESS ISSUES

Ipsos' total understanding of people, market, society

**People** act as citizens and as consumers but a behaviour gap with opinions often varying from actions

**Markets** require a focus on consumer demand, a sustainable supply chain and responsible practices

**Society** and external forces are at play including regulation, social media, political engagement



**THANK  
YOU**

**GAME CHANGERS**

