

Green Branding for Brewers

Is sustainability the new black?



A pourer at Zyr Vodka's booth at the 2008 South Beach Wine & Food Fest

Just what is “sustainability?”

In 2007, Eastman Chemical company canvassed a group of businesses, journalists, consultants, and others as to how they defined sustainability.

The number one response was to endorse the definition put forth by the UN’s World Commission on Environment and Development:

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

A quick quiz: What company are these people talking about?

“Its three major sustainability goals: to operate solely on renewable energy, create zero waste, and sell products that conserve resources. By 2012, will require suppliers to source 95% of their production from factories receiving one of its two highest rankings in environmental and social audits.”

-- Newsweek's Top 500 Green Rankings 2009

“[It's] doing as much as any company in America to change its practices to be more forward-thinking and more consistent with a less wasteful economy...”

- treehugger.org

Walmart

Save money. Live better.



“We are not green.” The impetus is to save money, not please environmentalists. “It really is about how you take cost out, which is waste.”

-- Wal-Mart Chairman Lee Scott,
quoted on treehugger.org

Which leads to our first conclusion

Sustainability is increasingly seen not as an obligation but in terms of its personal benefits – among companies, and among consumers

➔ In the near future it may well become crucial to embrace sustainability as a **brand value** (not just a company message).

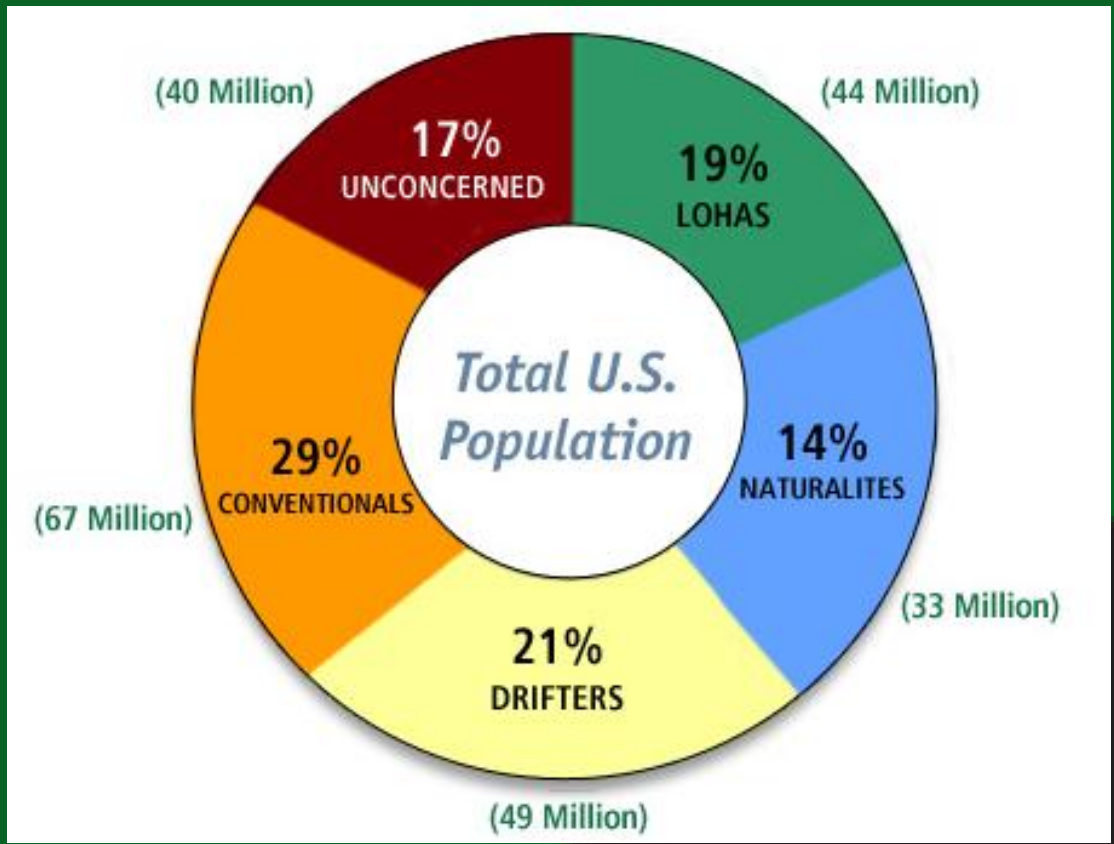
Still more benefits to taking a proactive stance on sustainability

- 96% of employees would like to work at a “successful company that also aspires to be good.”
 - 64% agreed strongly, 32% agreed somewhat
- 92% “would be more inclined to trust a good employer” and “would feel better about themselves” by working for a socially responsible corporation.
- 68% believed it would hurt their careers if their resume indicated they had worked for a “bad” organization.

Can we quantify the interest level?

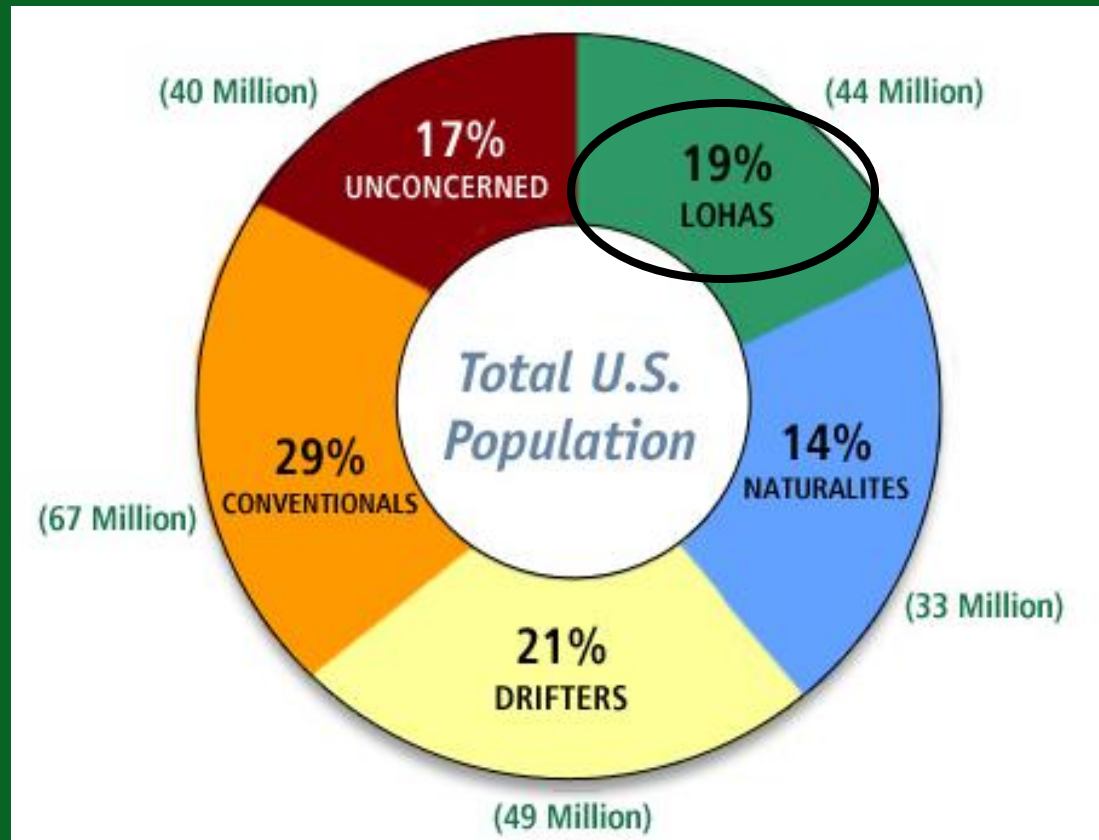
How does the general public feel about sustainability?

The Lifestyles of Health and Sustainability segmentation:



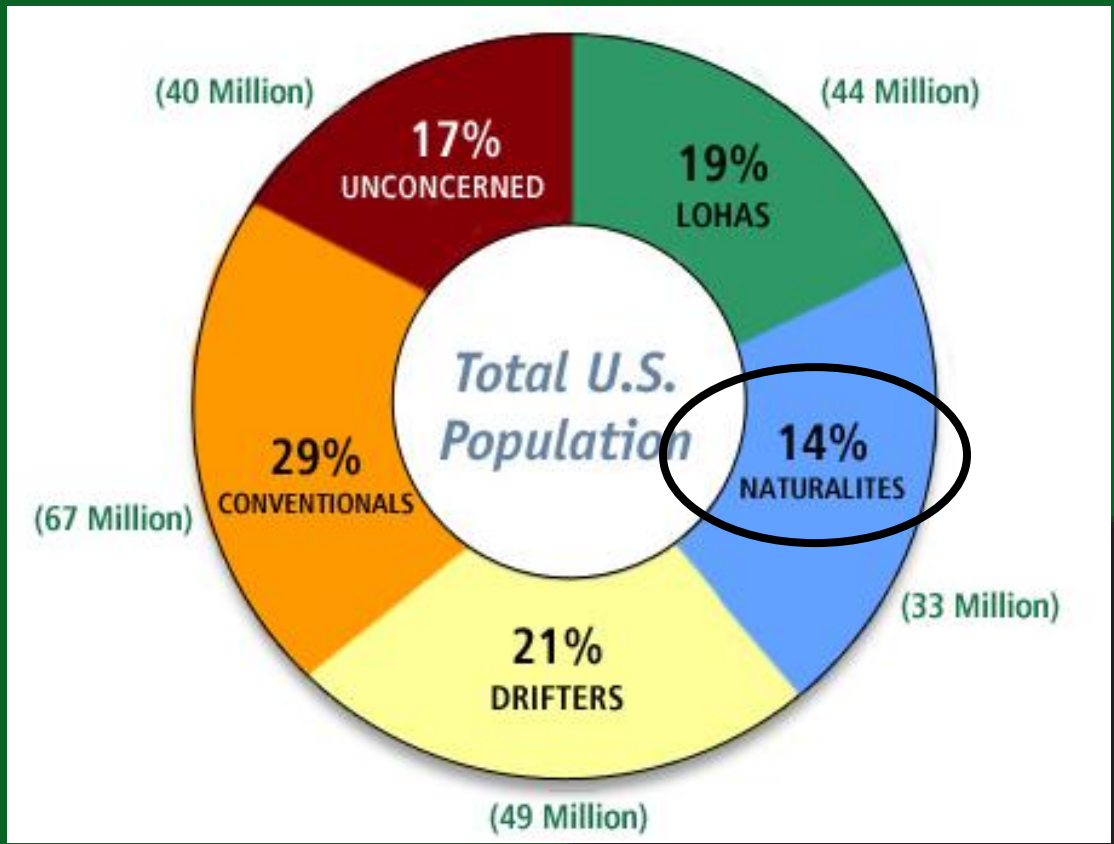
The LOHAS segment

Dedicated to personal and planetary health. Not only do they make environmentally friendly purchases, they also take action – they buy green products, support advocacy programs, and are active stewards of the environment.



Naturalites

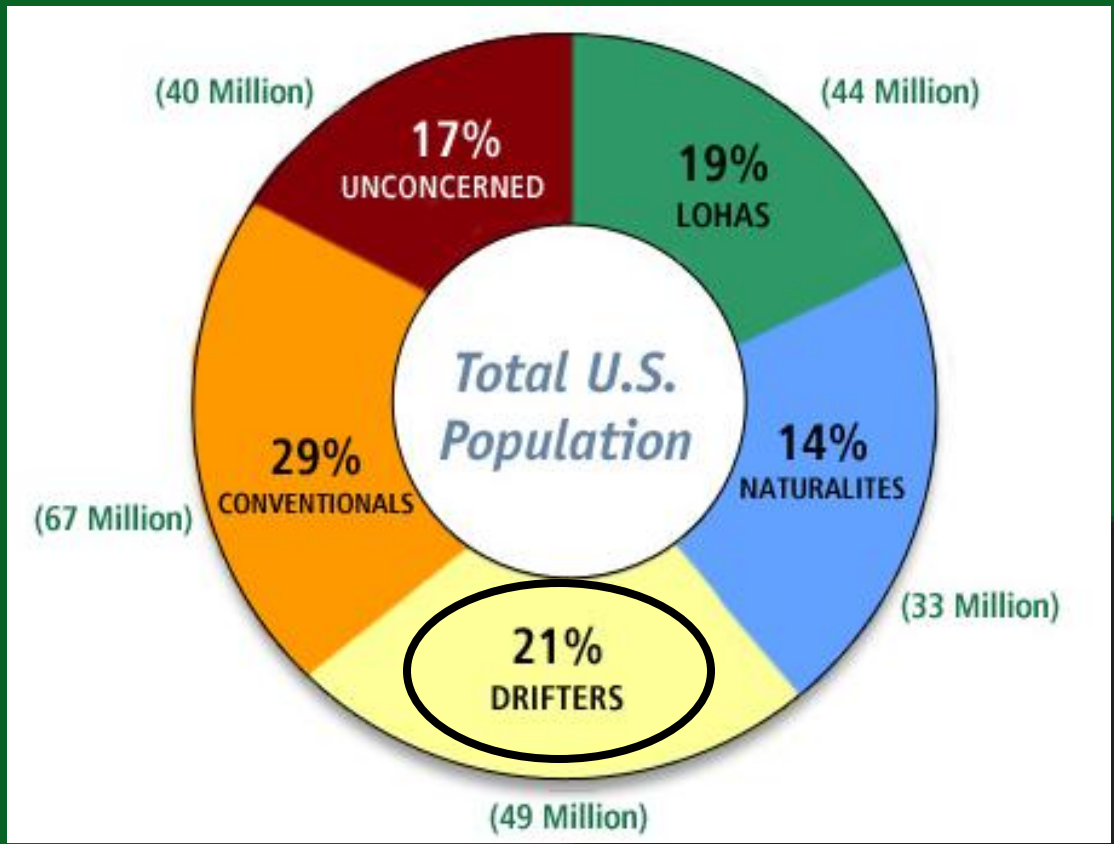
Focused on natural/organic consumer packaged goods with a strong health focus when it comes to food and beverages. They are not politically committed to the environmental movement nor are they driven to eco-friendly durable goods.



Source: Natural Marketing Institute's 2010 Consumer Segmentation http://www.nmisolutions.com/lohasd_segment.html

Drifters

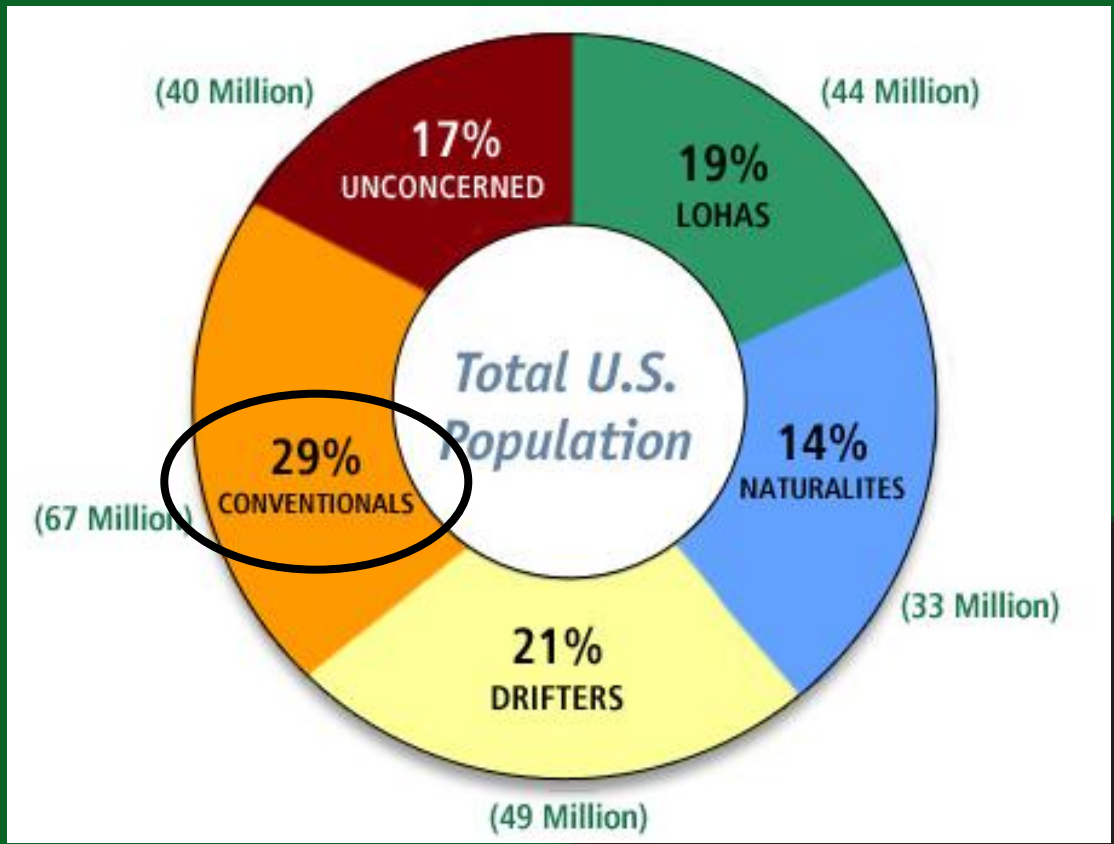
This segment has good intentions, but when it comes to behavior, other factors influence their decision more than the environment. Somewhat price sensitive (and trendy), they're full of reasons why they don't make environmentally friendly choices.



Source: Natural Marketing Institute's 2010 Consumer Segmentation http://www.nmisolutions.com/lohasd_segment.html

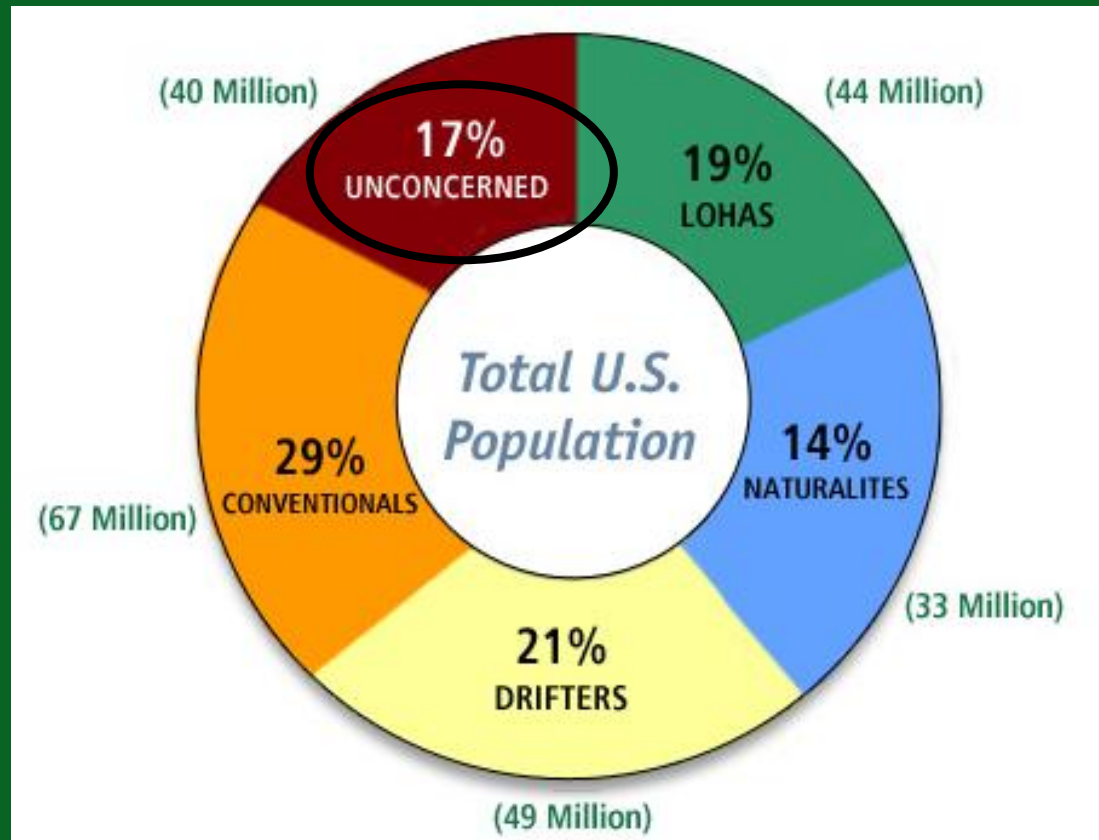
Conventionals

This very practical segment doesn't have green *attitudes* but does have some "municipal" environmental behaviors such as recycling, energy conservation, and other more mainstream behaviors.



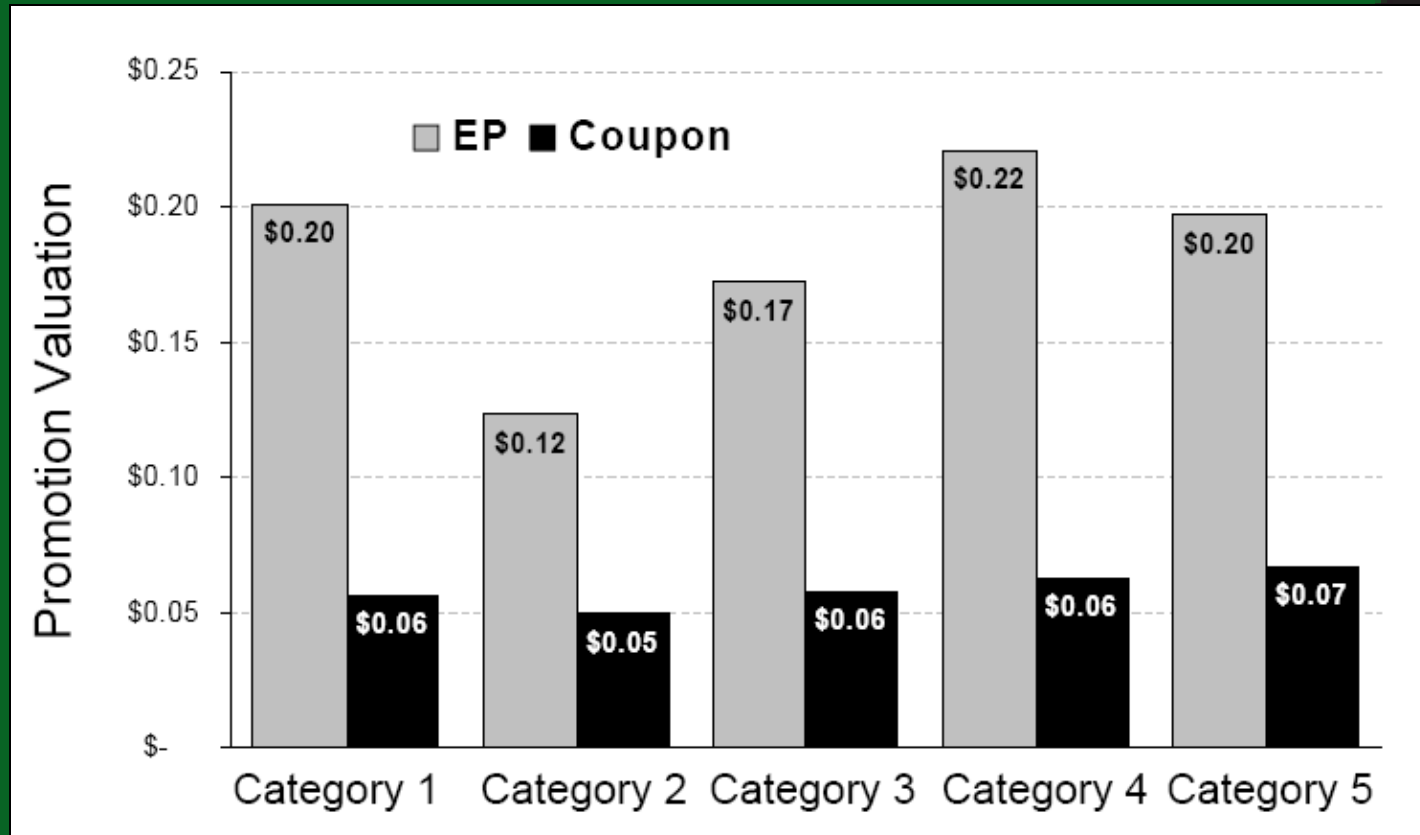
Unconcerned

The environment and society are *not* priorities to this segment. They show no environmentally responsible behavior.



Consumers value “ten cents worth of sustainability” three times as much as a ten-cent coupon

Price cut equivalence of offering a 10-cent “Embedded Premium” or a 10-cent coupon



Beer drinkers place greater value on a personal reputation for being environmentally conscious than do people in general

	All Adults	All Adult Beer Drinkers
Important to the way others see you: Environmentally conscious	51	57
Likely to look for personal fulfillment by: Working to improve the environment	22	25
Amount of influence on your purchases: Environmentally friendly packaging	33	31
Important to you: environmentally friendly	80	82
Important AND willing to pay more	29	32

How are we doing reputation-wise?

“Beer companies” are rated in the middle of the pack on social responsibility; grocery stores/supermarkets top the list

	<u>Excellent/ Very Good</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
Grocery stores or supermarkets	30	46	20	4
Makers of personal care products/toiletries	25	41	28	6
Agriculture and farming companies	25	46	22	7
Food and non-alcoholic beverage companies	21	45	24	10
Discount stores	19	45	29	7
Automobile companies	17	35	33	15
Beer, wine, and spirits companies	16	37	31	16
Airline companies	15	35	32	18
Financial service companies	14	39	29	18
Clothing manufacturers	13	38	36	13
Gas and electric utilities	12	31	31	26
Tobacco companies	10	17	22	51
Oil and gas companies	9	15	31	45
Chemical companies	8	25	34	33



North America's Big Three brewers are actually rated fairly positively by climate change watchdog organizations



Anheuser-Busch InBev



Striding

59



Molson Coors Brewing



Striding

57



SAB Miller



Starting

44

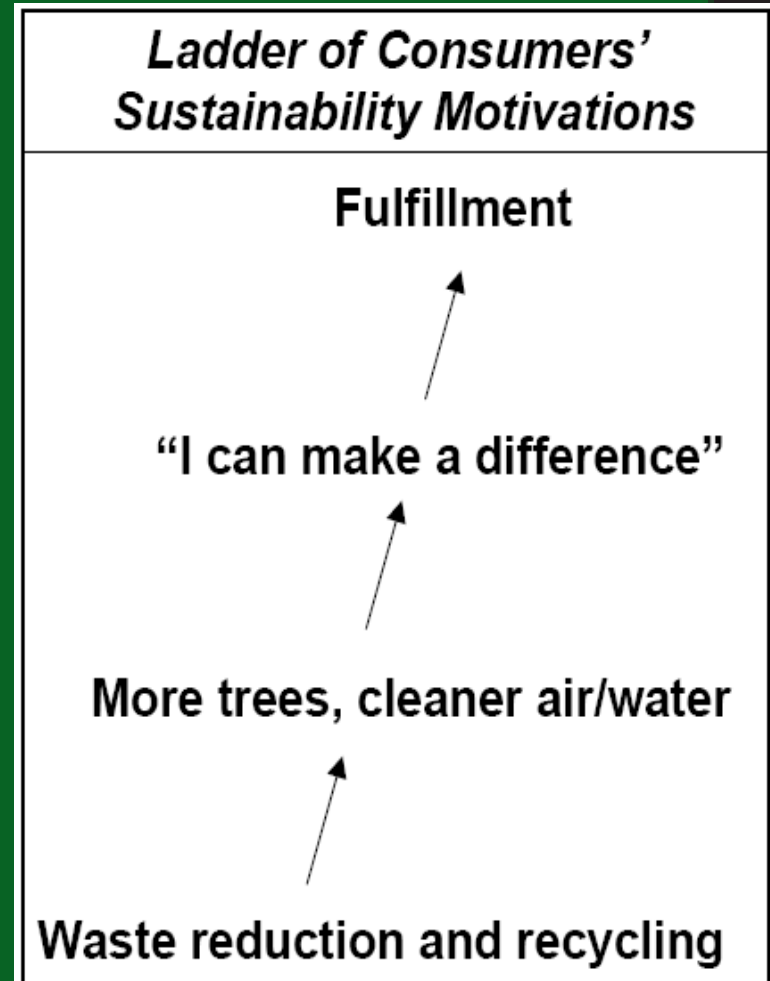
STRIDING - The best Climate Counts choice. These companies still have work to do, but they're beginning to hit their stride.

STARTING - A better choice for the climate-conscious consumer. This company is at an early stage in addressing climate change. Make sure they know you're watching their progress carefully.

What do people want from companies?

Green motivations have been segmented into five consumer “benefit ladders,” with one eclipsing all others in relevance

“Don’t just tell me how your company is doing... give me some options for how to act.”



People are being held back by a lack of time or money, but also by the lack of a “sustainability coach”

	All Adults	Beer Drinkers
Helping preserve/protect the environment:		
I have attained this goal	13	11
I'm making progress	53	55
I'm not making progress	13	13
This is not one of my goals	22	21
Among “making progress” or “not making progress”:		
Being held back by:		
A lack of skill	20	18
A need for someone to show me how	26	25
Not being sure of how to get started	33	35
A lack of money	33	32
Competing responsibilities	33	31



The future

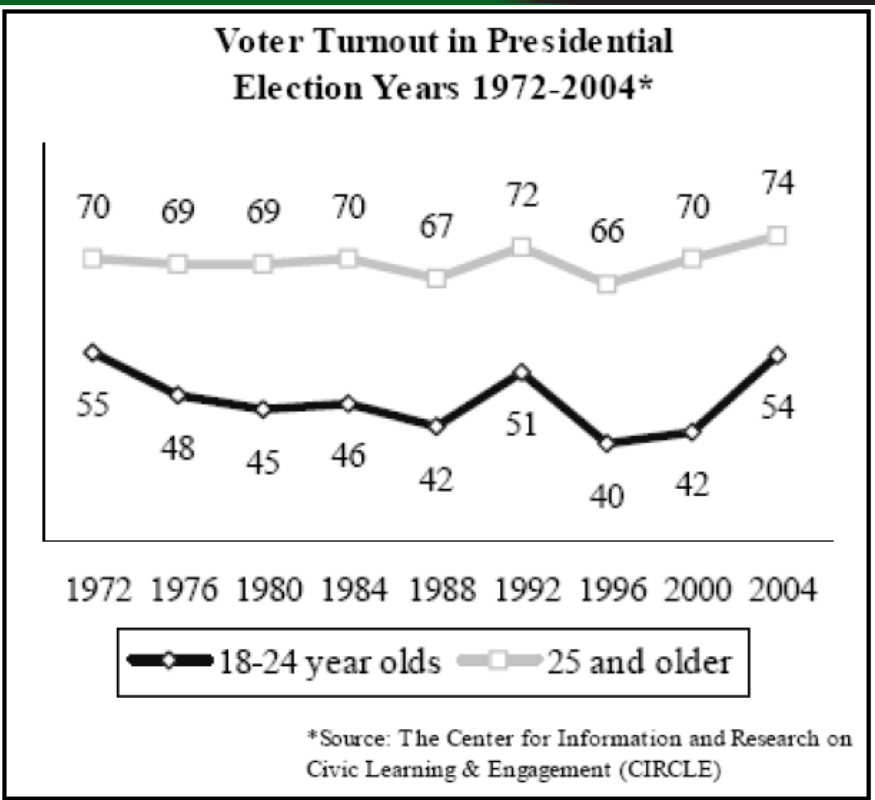
Members of the Millennial Generation often feel a strong sense of civic/community responsibility

- 61% feel personally responsible for making a difference in the world
- 20% of Millennials claim to volunteer at least once a week

- *The 2006 Millennial Cause Study, Cone, Inc.*

	Adult Gen Xers 1988	Adult Millennials 2003
<i>Follow what's going on in government/public affairs...</i>		
Most of the time	26	33
Some of the time	41	37
Only now and then	20	20
Hardly at all	11	10
<i>I'm interested in keeping up with national affairs</i>		
Completely agree	24	36
Somewhat agree	55	44
Somewhat disagree	14	13
Completely disagree	4	5

Source: Pew Research Center



Millennials are more likely to seek fulfillment through environmentalism than adults in general

	All Adults	Millennials
Important to the way others see you: Environmentally conscious	51	53
Likely to look for personal fulfillment by: Working to improve the environment	22	32
Amount of influence on your purchases: Environmentally friendly packaging	33	31
Important to you: environmentally friendly	80	79
Important AND willing to pay more	29	33

Millennial beer drinkers may be the most engaged of all

	All Adult Beer Drinkers	Millennial Beer Drinkers
Important to the way others see you: Environmentally conscious	57	68
Likely to look for personal fulfillment by: Working to improve the environment	25	40
Amount of influence on your purchases: Environmentally friendly packaging	31	34
Important to you: environmentally friendly Important AND willing to pay more	82 32	80 34

Communicating “Green” through Brand Personality

A few words on Maslow, archetypes, trends, and brands

Stability ←————→ Growth

Maslowian Motivation:	Stability & Control (Security)	Belonging & Enjoyment (Connecting)	Risk & Mastery (Esteem)	Independence & Fulfillment (Self-actualization)
Relevant Archetypes:	Creator Caregiver Ruler	Jester Regular Guy Lover	Hero Magician Rebel	Innocent Explorer Sage

←————→ Mainstream brands live here

Craft brands lives here ← - - - - - →

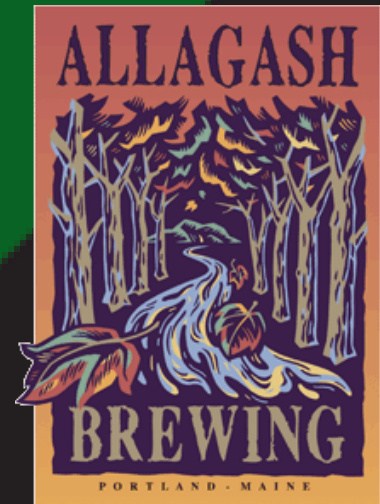
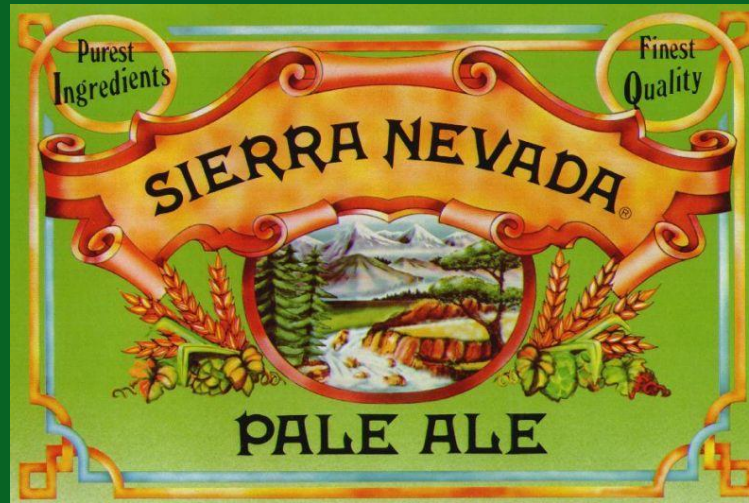
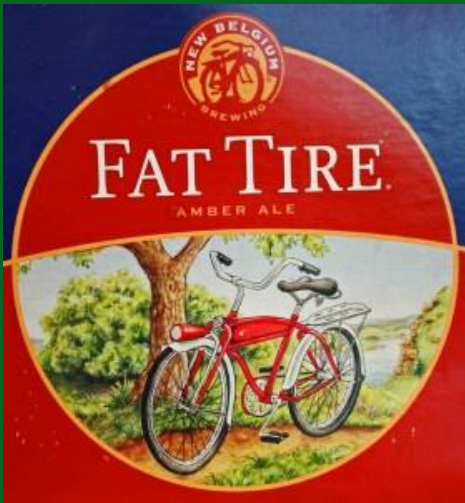
U.S. culture is trending this way —————→



Source: *The Hero and the Outlaw*. Margaret Mark and Carol Pearson

Some approaches to evoking/expressing the *Innocent*

- A sense of purity and renewal; being uncorrupted
- A sense of embarking on a new beginning
- A return to the soil; even a “Shangri La” or “lost paradise”
- A faith in positive outcomes that seems naïve to outsiders
- A rejection of materialism



Mark and Pearson specifically mention craft beer as an example of the Innocent:

“Such brands promise...that life can be simple, uncomplicated, and good... Regional [i.e., craft] beers have succeeded in conveying this spirit...consumers picture a small brewery, full of local color, and they believe the characteristics of the locale are somehow delivered in the experience of drinking the beer.”

The archetypal craft brewer's own story may well provide material that can be used to evoke the Innocent

“Innocent consumers...are willing to sacrifice belonging to the larger society to connect with more enduring values than those they see as informing that society...”

Examples of Innocents, in most extreme form, [include] people who ‘drop out’ of a high-pressure, achievement-driven culture to experience the joy of the simple life.”

This narrative actually resonates with a Millennial-led trend: defining “Authenticity” as following an “Inner Passion”

“[for Millennials] respect from peers comes from having and pursuing an internal passion... They’re judged on the interests and hobbies they pursue and are even more harshly judged on whether they pursue any at all...”

- *How the Y's Are Different*, Outlaw Consulting

	1999	2008
Relate to integrity over success	60%	75%

75% say it is extremely/very important that others see them as “passionate about the things you care about”

- The Futures Company

Summary

- Three in ten consumers say they're willing to pay more for environmentally friendly products. Beer drinkers are even more engaged, especially Millennials.
- Your message should be crafted with one or more of the LOHAS segments in mind
- The real power behind any branded sustainability initiative may lie in empowering consumers to be more environmentally responsible themselves.
- Partnering with retailers may offer an opportunity to leverage some strong credibility they currently have with consumers.
- Brand personality offers a great way to non-verbally communicate a commitment to sustainability.

Thank you!

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