AGENDA

- SITUATION
- OPPORTUNITY
- METHODOLOGY
- BEST PRACTICES FRAMEWORK
- LESSONS LEARNED
- EFFECTIVE SUSTAINABILITY MARKETING BEST PRACTICES
As sustainability issues present growing existential challenges for society and for business, consumer demand will be a key driver for companies to scale investments at the pace necessary to combat climate change and other urgent issues.

Brands have become adept in creating demand for new attributes, however, marketers have yet to consistently engage consumers in sustainability. This NYU Stern Center for Sustainable Business and Edelman partnership will provide best practice insights to assist companies in accelerating consumer demand to drive a pivot toward a more sustainable world.

Contributing to this challenge are these two factors that we aim to address through this initiative:

(01) There is a dearth of data on how best to communicate sustainability, to whom and in which channels. This is particularly acute for mainstream brands.

(02) Brands have many messages to communicate and it is not clear which sustainability messages are effective at driving purchase.
Edelman and the NYU Stern Center for Sustainable Business (CSB) developed a cutting-edge research initiative to **identify which environmental sustainability claims best resonate with consumers**, helping brands refine their positioning by integrating sustainability messaging into their communication.

We partnered with nine iconic consumer brands across multiple industries, and conducted a comprehensive literature review to deliver concrete insights that informed this messaging best practice research and guide.

The goal of this effort is to equip brands with the most effective communication strategies that refine positioning and empower marketers to deliver sustainability as a driver of consumer preference.
A custom online study was conducted among a sample of the US general population in end 2022/early 2023 for the nine iconic brands.

Respondents for each brand were asked to evaluate 30-35 different claims (including a mix of category and environmental sustainability claims) to gauge their overall appeal.

Rather than using a traditional rating scale, we utilized a user-friendly and robust analytical approach called MaxDiff. It essentially forces a top and bottom pick from a short list of claims in each choice set, making the respondent task easier, and providing better discrimination in responses across the claims. Each respondent evaluated multiple choice sets, allowing for claims to be randomized based on an experimental design. The MaxDiff results yielded an appeal score for each claim—in aggregate and among key sub-groups of interest.

The MaxDiff scores for each brand were then loaded into a TURF simulator to identify the optimal combination of claims to maximize overall appeal.
Best Practices Framework

**What**
- Human Health
- Environmental Health
- Animal Health

**How**
- Trustmark
- Attitudinal
- Emotional
- Beneficial
- Personal

**Who**
- Demographic
- Psychographic

**Where**
- Channels
Lessons Learned:

OVERALL
Overall Lessons Learned:

Category Claims Are Paramount

- **Core category claims** – e.g. tastes good, performs well – are paramount and non-negotiable. Consumers look for benefits that are **germane to the category**. Overall, category claims were the **most compelling claims** tested.

Note: The numerical value should be read as X% more appealing than an average claim.

For Brand A at 207, that would be 107% more appealing than the average claim.
Overall Lessons Learned:

Sustainability Claims Are Very Appealing

Sustainability claims however, also yielded a significant benefit, with all nine brands seeing a sustainable claim as either the most appealing (2 of 9 brands) or the topmost appealing (7 of 9 brands) claims, outperforming other category claims exposed.
Across all nine brands, sustainability claims significantly expanded brand reach (+24 - +33ppt) by bringing in new consumers.

Overall Lessons Learned:
Sustainability Expands Brand Reach

Cumulative Appeal

<table>
<thead>
<tr>
<th>Single Best Claim</th>
<th>Best 2-Claim Combination</th>
<th>Best 3-Claim Combination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Category Claim e.g., great tasting</td>
<td>Core Category Claim e.g., great tasting</td>
<td>Core Category Claim e.g., great tasting</td>
</tr>
<tr>
<td>Sustainable Claim e.g., not tested on animal</td>
<td>Sustainable Claim e.g., not tested on animals</td>
<td>Sustainable Claim e.g., no phthalates, phosphates etc.</td>
</tr>
</tbody>
</table>

Note: The numerical value should be read as X% that picked at least one claim in combination as most appealing overall.
Overall Lessons Learned:

Connecting Sustainability To Category

Sustainability claims that ladder to relevant category claims are the most appealing e.g., taste for food, skin moisturization for skincare.

Brand A
- “Formulated with sustainable ingredients that are good for your skin”
- Score: 157

Brand B
- “100% sustainably farmed for great taste”
- Score: 156

Brand C
- “100% sustainably farmed for great quality and delicious taste”
- Score: 149
Lessons Learned:

**BEST RESONATING SUSTAINABILITY CLAIMS**
BEST RESONATING Sustainability Claims

Consumers care most about:

- Themselves and Their Families
- Local Farmers
- Children and Future Generations
- Animal Health
- Sustainable Sourcing
- Local Sourcing
- Human Health
- Saving Money
Best Resonating Sustainability Claims:

Protecting Human Health

Consumers care most about themselves and their families: by buying products that are made **without harmful ingredients** to human health.

- "Formulated without harmful ingredients"
- "Grown without harmful ingredients"
- "Made without chemicals harmful to humans / the environment"
Best Resonating Sustainability Claims:

Saving Money

Saves the consumer money

Consumers care most about themselves and their families: by **saving money** and **producing less waste**.

- “…saving you money on energy bills”
- “…help reduce waste and save money”
- “…lower energy for lower monthly energy bills”

Provides durability and/or a longer life, less waste

- “…longer life & less waste”
- “…extends the life”
- “…provides repair services”
Consumers care most about their local farms and farmers and the long-term health of our food systems.

“Working with local farmers to ensure their soil stays healthy and continues to produce the highest quality ingredients for generations to come”

“Working with local farmers to ensure their farms are climate resilient for the long term health of their farms and our food systems”

“Working with local farmers to use regenerative farming practices to help conserve nature, encourage biodiversity, and improve soil health”

“Working with local farmers on regenerative agricultural practices to ensure that the soil we source from stays healthy and full of nutrients, and in turn, the ingredients stay tasting delicious/full of flavor/full of flavor)”
Best Resonating Sustainability Claims:

Children and Future Generations

Consumers care most about their children and future generations.

“…for future generations”

“…for you and your children”

“…for generations to come”
Best Resonating Sustainability Claims:

Animal Health

Consumers care most about animal health.

- **Brand A**
  - #2 of 34 Claims: “Not tested on animals”
  - Score: 174

- **Brand B**
  - #3 of 28 Claims: “Not tested on animals”
  - Score: 173

- **Brand C**
  - #8 of 34 Claims: “Certified Cruelty Free”
  - Score: 149
**Best Resonating Sustainability Claims:**

**Sustainable Sourcing**

Consumers care most about **sustainable supply chains**, specifically, with the terms “sustainably-sourced” and “sustainably-produced”.

- Brand A: 160
- Brand B: 148
- Brand C: 142
- Brand D: 130
- Brand E: 114
- Brand F: 114
- Brand G: 112
- Brand H: 101

“100% sustainably sourced ingredients / materials”

“Uses only sustainably-sourced ingredients...”
**Best Resonating Sustainability Claims:**

**Local Sourcing**

Consumers care most about **local sourcing of products** and their ingredients.

- "Made with 100% locally produced ingredients"
- "Uses only locally sourced ... from U.S. farmers"
- "locally produced ingredients"
- "Every ingredient is traceable to your local farmer"
- "Made with locally sourced materials"
Lessons Learned:

LOWER RESONATING SUSTAINABILITY CLAIMS
LOWER RESONATING Sustainability Claims

Consumers care less about:

- Scientific causes behind sustainability (they care about effects)
- Traceability
- Certifications
- Packaging
Lower Resonating Sustainability Claims:
Scientific Causes

Consumers care less about the scientific causes behind sustainability.
Lower Resonating Sustainability Claims: Scientific Causes

Consumers care less about the scientific causes behind sustainability unless they are tied to a reason to care.
Lower Resonating Sustainability Claims: Traceability

Consumers care less about traceability.

"Traceable ingredients; transparency as to where the ingredient is coming from"

"Tracing the origin of ingredients from farm to your home"

"Tracing the origin of ingredients from farm to your home"
Lower Resonating Sustainability Claims:
Certification

With a few exceptions, consumers care less about certifications.
Lower Resonating Sustainability Claims:

Packaging

Consumers care less about packaging unless it is made from **100% recycled material**.
Lower Resonating Sustainability Claims:

Packaging

However, when the packaging claim includes a reason the consumer should care, appeal jumps significantly to average or above average, dependent on the claim.

“Microplastic-free packaging for human and ocean health”

“Recycled bottles: saves 2 million tons of ocean-bound plastic annually”
Lessons Learned:

DEMOGRAPHIC TRENDS
**Consumer Profile:**
Demographics/Psychographics

Strong claims performed well across demographic and psychographic cohorts including:

- Generations
- Gender
- Political Affiliations
- Family Size
- HH income
- Education
- Urbanicity

Strong claims performed well across demographic and psychographic cohorts.
Consumer Profile:
Demographics/Psychographics

However, average to lower appealing claims saw strength across certain cohorts as outlined here:

- **Gen Z's**
  - Carbon neutrality, greenhouse gasses, packaging materials, and waste

- **Democrats**
  - Carbon neutrality, greenhouse gasses, packaging materials, waste, and water conservation

- **Men**
  - Certifications for non-CPG categories

However, while some environmental claims struggled to break through e.g., carbon, they were of particular interest to Gen Z and Democrats.
Lessons Learned:

CHANNEL LEARNINGS
Three channels stand out – packaging, TV, and in-store signage – as being most influential, according to consumers:

Note: The numerical value should be read as % claiming it is a top 3 most influential channel in purchase decision.
However, among **Gen Z**, TikTok plays a very influential role, whereas among **Gen X**, TV ads are the most influential.

Note: The numerical value should be read as % claiming it is a top 3 most influential channel in purchase decision.
Channels:
Credibility & Frequency

Claims made on packaging, on product hangtags and through in-store signage have the most credibility.

Note: The numerical value should be read as % claiming it is a top 3 most influential channel in purchase decision.
How to Grow Your Business Through Effective Sustainability Messaging:

BEST PRACTICES
Best Practices:

Role of Sustainability

Prioritize the communication of your brand benefit first and foremost. Leverage the relevant sustainability messaging to strengthen the brand positioning.

Sustainability by itself will not secure a leadership position.

Consumers enter the category to seek core category benefits e.g., food that tastes good, homecare products that effectively work, computers that have good processing power.

Sustainability will, however, broaden reach and appeal, deepen the consumer connection, and should be leveraged as a core reason to believe.

Identify the salient sustainability message that resonates with consumers and supports the brand benefit.
**Best Practices:**

**Strategic Considerations**

Identifying effective sustainability claims can be guided by the following insights:

Link the sustainability claim to the category reason-for-being.

“100% sustainably farmed for a great tasting product”

Focus the claim on the benefit to the consumer and their families.

Consider sustainability claims that ensure the products are safe for human consumption or contact.

“Made without chemicals harmful to human health”

To the extent possible, provide a personal monetary benefit to the claim.

“Longer life,” “less waste,” “lower energy bills”

Articulate the claim with an emotional component, particularly as it relates to the long term health of the planet or their children.

“Good for your children/future generations,” “good for the planet”
Best Practices:

Strategic Considerations

Identifying effective sustainability claims should be guided by the learnings in this report (cont.)

Understand that the term sustainable, as it relates to “sustainable sourcing and production” is clear and compelling, contrary to popular belief. Sustainable sourcing by itself does not need further explanation.

“100% sustainably sourced,” “100% sustainably produced”

Recognize that consumers are concerned about animal welfare and if appropriate, include communication to ensure that no harm is done to animals in the testing of the product.

“No animal testing,” “cruelty-free”
Best Practices:

Strategic Considerations

Identifying effective sustainability claims should be guided by the learnings in this report (cont.)

For food and personal care categories, if possible, tie the claims to farmers and local sourcing.

“Sourced from local farmers”

Recognize that regenerative agriculture claims are compelling when focused on local farmers and their farms.

All articulations were appealing when tied to local farmers.

“Partnering with local farmers to ensure the long-term health of the farm for the future of our food systems”

“Partnering with local farmers to ensure the farms stay climate resilient, nutrient dense...”
**Best Practices:**

**Strategic Considerations**

Identifying effective sustainability claims should be guided by the learnings in this report (cont.)

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**Provide a reason to care.**

When communicating the more scientific aspects of sustainability, go beyond outcomes, and tie them to relevant reasons-to-care.

“Carbon neutral to reduce the impact of climate change” vs. “carbon neutral” by itself

Quantify sustainability claims for greater impact.

“Using 1 million tons of ocean-recovered plastic bottles”

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To build and retain trust, use certifications to guard against greenwashing, but don’t rely on them as the sole point of information.

“100% sustainably sourced and certified by the Rainforest Alliance”*

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Strive to deliver the product by using fully recyclable packaging.

“Made from 100% recycled plastic or cardboard” were the most compelling packaging claims

*Note: This learning is from CSB journal review and discussions with key stakeholders
**Best Practices:**

**Audience and Channel Considerations**

Optimize the impact of the messaging through effective targeting.

- Choose the strongest sustainability claim that garners the broadest reach.
  - Sustainability messages did not vary significantly by generational cohorts. Strong claims performed well across all populations.
  - Gen Z over indexes on environmental claims.

- Focus on the channels that are viewed as most trustworthy and influential.
  - To the extent possible, deliver the sustainability messages in-store and on-pack for universal exposure.
  - Recognize that TikTok wields significant influence among Gen Z.
Acknowledgements

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About NYU Stern x Edelman

The NYU Stern Center for Sustainable Business (CSB) was founded with the vision of a better world through better business. CSB empowers leaders to shape the new sustainable business paradigm, unleashing the transformative potential of business to solve societal challenges at speed and scale. Through practical research, innovation in education, and corporate engagement, CSB works across the business ecosystem to embed sustainability core to strategy, achieving breakthroughs in financial performance while creating positive environmental and social impacts.

Edelman is a global communications firm that partners with businesses and organizations to evolve, promote and protect their brands and reputations. Our 6,000 people in more than 60 offices deliver communications strategies that give clients the confidence to lead and act with certainty, earning the trust of their stakeholders. Honors include PRovoke’s Global Agency of the Year (2022); PRWeek’s Global Agency of the Year (2022); Cannes Lions Grand Prix awards for PR (2016) and the Entertainment Lions for Sport (2021); a Gold Lion in the Sustainable Development Goals category (2022); Cannes Lions Independent Agency of the Year for the Entertainment Track (2021); Cannes Lions Co-Independent Agency of the Year for the Good Track (2022); and Advertising Age’s 2019 A-List. Since Edelman’s founding in 1952, it have remained an independent, family-run business.

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