



Aligning Sustainability with your Sales Goals

Executive Summary

With consumers demanding sustainable products and practices, the pressure on brands and the retail industry to be more environmentally responsible has never been greater. Sustainability is ranked by 66% of consumers as one of the top five drivers behind a purchase decision, up from 50% in 2021, according to Simon Kucher's 2022 Global Sustainability Study¹.

While the sector can sometimes be accused of more talk than action, demonstrating and sticking to an environmental commitment can be the difference that sways consumers from one brand to another or to make a purchase. It's important that brands find mechanisms that help them to combine sustainability and fulfil their commercial goals in a way that benefits all. Opia provides some inspiration on how this goal can be achieved.

Introduction

Why action on sustainability is expected?

Today's consumer is seeking more from their brand interactions. Isolated transactions have been replaced with an expectation for authentic relationships that go below the surface level. These are built up through multiple touchpoints, with brands showing commitment to wider values, such as sustainability and its role in environmental, social and economic issues.

Brands can uphold these values through their messaging, but words alone are not enough anymore. Consumers are forming loyalties with companies that are transparent and genuine, backing their viewpoints up with action.

We take a closer look at why sustainability is particularly important for businesses right now and we explain how sales promotions can be designed to substantiate a commitment to the environment. With our expertise in the creation and delivery of innovative, strategic promotions, we give examples of sustainability-focused promotions and case studies that illustrate how this approach has helped our clients achieve their commercial goals.

Background

Attention on sustainability increases, driving action from brands

Environmental concerns have become particularly pressing over the last few years, evidenced through a new generation of voices and climate protests, which have led world leaders to declare a climate emergency. The pressure is not all from consumers, governments have introduced regulations around packaging, recycling and disposal.

These heightened concerns around sustainability have led to an impact on businesses. Consumers, investors and employees are all seeking out brands that align with these values. Generation Z, particularly, are making more shopping decisions based on sustainable retail practices with the added effect of Covid-19 influencing them to spend and waste less².

Big name brands, such as Nike, Unilever and IKEA have led the way in reducing waste and minimising their footprint³. To keep up with this trend and remain market relevant, other companies are following. But it's not all about commerce, to make a real impact companies must redefine their relationship with the consumer and gain their buy-in to their sustainability agenda and strive to make a meaningful difference.



Demonstrating commitment with sustainability-focused promotions

Good intentions are not enough. Brands that talk green need to be green: an authentic approach wins loyalty and trust.

The Boston Consulting Group (BCG) refers to a concept known as Total Societal Impact (TSI)⁴. Suggesting that brands can leverage business operations to create positive economic, social and environmental impact in a way that is profitable, it is a concept that has inclusive benefit. Partnering with leaders in business and society to tackle their most important challenges, the BCG encourages decisive action, stating, "Surface-level sustainability and corporate social responsibility efforts that do not transform the business model miss the opportunity to capture the true value of what we call total societal impact."

Many leading blue-chip companies and device manufacturers have signed up to ambitious plans to address climate change, such as Apple, Google, Microsoft and Samsung, which have promised to be carbon neutral or even negative by 2030. These goals are shared by many other brands, large and small, with UK, US and European governments all pledging to support and incentivise companies through a net-zero transition.

Across all these organisations, reporting against climate goals will be a key measure of performance. Environment, sustainability and governance (ESG) reports will cover areas such as reducing carbon through operations, supply chains and products. One of the focus areas for sales and product marketing teams is to consider how environmentally-focused promotions can provide an effective way of taking action on sustainability while helping to achieve a competitive advantage for the long-term. Promotions of this kind send a powerful message to your target audience, encouraging them to align with your brand and motivating purchase. For example, incentivising customers to trade-in their old devices plays an important role in recycling, responsible waste disposal (Waste Electrical and Electronic Equipment recycling (WEEE)) and even the circular economy. Similarly, brands can help to achieve major projects, such as large-scale reforestation through tree-planting initiatives, delivering an all-round benefit – a reward for customers, increased sales for the brand and a brighter future for the environment.

Sales promotions can be used to support a company's wider climate goals. For example:

- Helping clients promote more sustainable and energy-efficient products (recent "EcoDesign" plan)
- Increase responsible re-use, recycling and disposal of electronic devices
- Design campaigns that will support the "right to repair" principles
- Ensuring promotions follow new rules around consumer protection with no misleading claims on environmental benefits
- Promotions where the impact of transport and packaging on the environment is minimised or offset

Top ways to include sustainability into your next promotion

Opia is a global leader in delivering unique and market disruptive promotions that offer long-lasting value for our clients and their customers. Working closely with FTSE 100, blue-chip and SMEs in the UK and internationally, we have distributed over £500 million of rewards via our sales promotions and have a proven track record in using data-driven insight to build sustainability into a promotional campaign.

Many companies within the electronics industry are working hard towards sustainable manufacturing, but reducing the carbon footprint is a daunting task and won't be solved overnight. Environmental awareness is a major contributor in buying behaviour, so adopting a more carbon neutral approach across product manufacturing and business processes will not only demonstrate commitment to sustainability to your customers but is also likely to become more of a necessity as emissions regulations get increasingly stricter.

To inspire you, here are some compelling ways to include sustainability into your sales promotions:

1. Go carbon-neutral with the production of your electronic devices

As part of wider green initiatives, brands and retailers can use a Gift with Purchase promotion that promises to offset the carbon costs from manufacturing and distribution, such as promising to plant trees for every device purchased. While this isn't the same as being carbon zero, verified and certified programmes, such as reforestation, are accepted ways of balancing the environmental cost of manufacture and show commitment to reducing carbon emissions.

As illustrated through Opia's work with Lenovo on its consumer electronic devices, a commitment to reforestation can also become part of a Trade-In promotion to drive sales. When consumers trade-in an old laptop or tablet at the time of purchasing a new Lenovo device, Lenovo would work with a third-party company to plant a tree for each device sale. These incentives really help encourage sales and go further by getting your customers invested into the company's sustainability goals. At the time of writing, 2,200 trees have been planted, which is the equivalent to offsetting 366 tonnes of emissions.

2. Use recycling for an eco-friendly message

According to research from Deloitte into how consumers are embracing sustainability⁵, 46% of consumers want more clarity on how to dispose of or recycle old products. By implementing relevant promotions, brands can help consumers to make the appropriate decisions to ethically recycle and reuse old devices at the end of a product's lifecycle. These promotions can be incredibly attractive additional elements of a Cashback promotion to add a point of difference to your campaigns.

If your Trade-In promotions offer to responsibly recycle returned used devices, alongside a cashback reward, it becomes an attractive incentive for your end customers on multiple fronts. Not only is value offered via the cashback reward but any environmental purchase barriers that are involved with upgrading their product are removed, supporting a boost in sales and a strengthened customer relationship. Opia works with a network of partners specialised in re-use, recycling and responsible disposal to maximise the value of returned devices and ensure high degrees of circularity.

3. Go paper-and plastic-free in campaigns

The US alone prints 329 billion promotions coupons each year for money-off and discounts and a further 1.6 billion plastic gift cards. But attitudes are shifting and consumers now want paperless discounts and e-rewards that they can access on their smartphones.

With climate change a headline, now is the time to move away from the environmental and financial costs of printed coupons and showcase that your brand has gone digital by embracing e-rewards and apps.

4. Support the circular economy

Electronics and electronic equipment are one of the fastest-growing waste streams in the EU, and valuable raw materials are lost as a result.

Rather than scrapping old or unwanted goods, the circular economy aims to refurbish them and return them to the market. Old phones, laptops, furniture or even entire hospital theatres have been brought back into use this way. Estimates suggest global carbon emissions could be cut 39% and pressure on materials and resources by 28% by switching to a circular economy.

Adding to trade-in promotions to recycle devices, these campaigns can focus on collecting old devices and returning them to market. Taking this action demonstrates a strong commitment to tackling climate issues while also offering an alternative that can yield up to \$4.5 trillion in economic benefits by 2030⁶.

Case Study

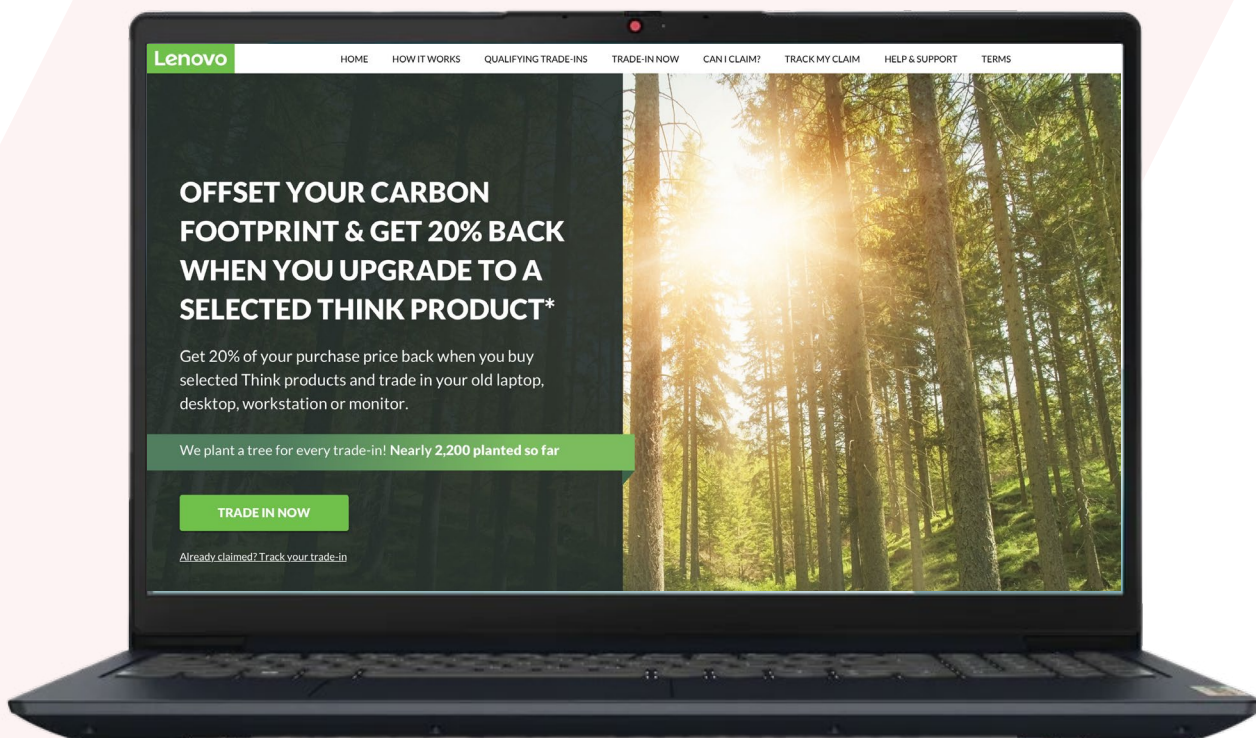
Lenovo SMB Trade-In

Partnering with Lenovo, we created a compelling promotion that highlighted their commitment to sustainability in celebration of Earth Day.

Using our trade-in mechanic, this promotion offered small and medium businesses a 20% cashback on the purchase price of selected Think products when trading in their used device. The financial incentive was a central element in driving sales. However, the added value of an environmental message gave this campaign a competitive edge.

Promising to plant a tree for every device traded, resulted in thousands of trees being planted. Additionally, for every used device that Lenovo responsibly refurbished or recycled, they also pledged to offset the equivalent to at least one tonne of CO2 emissions through reforestation programmes in the Amazon.

Within the first couple of weeks of the campaign, Lenovo had already planted more than 1,245 trees in the UK, enabling businesses to support the wider global goals of reducing deforestation and climate change while achieving their own commercial goals.



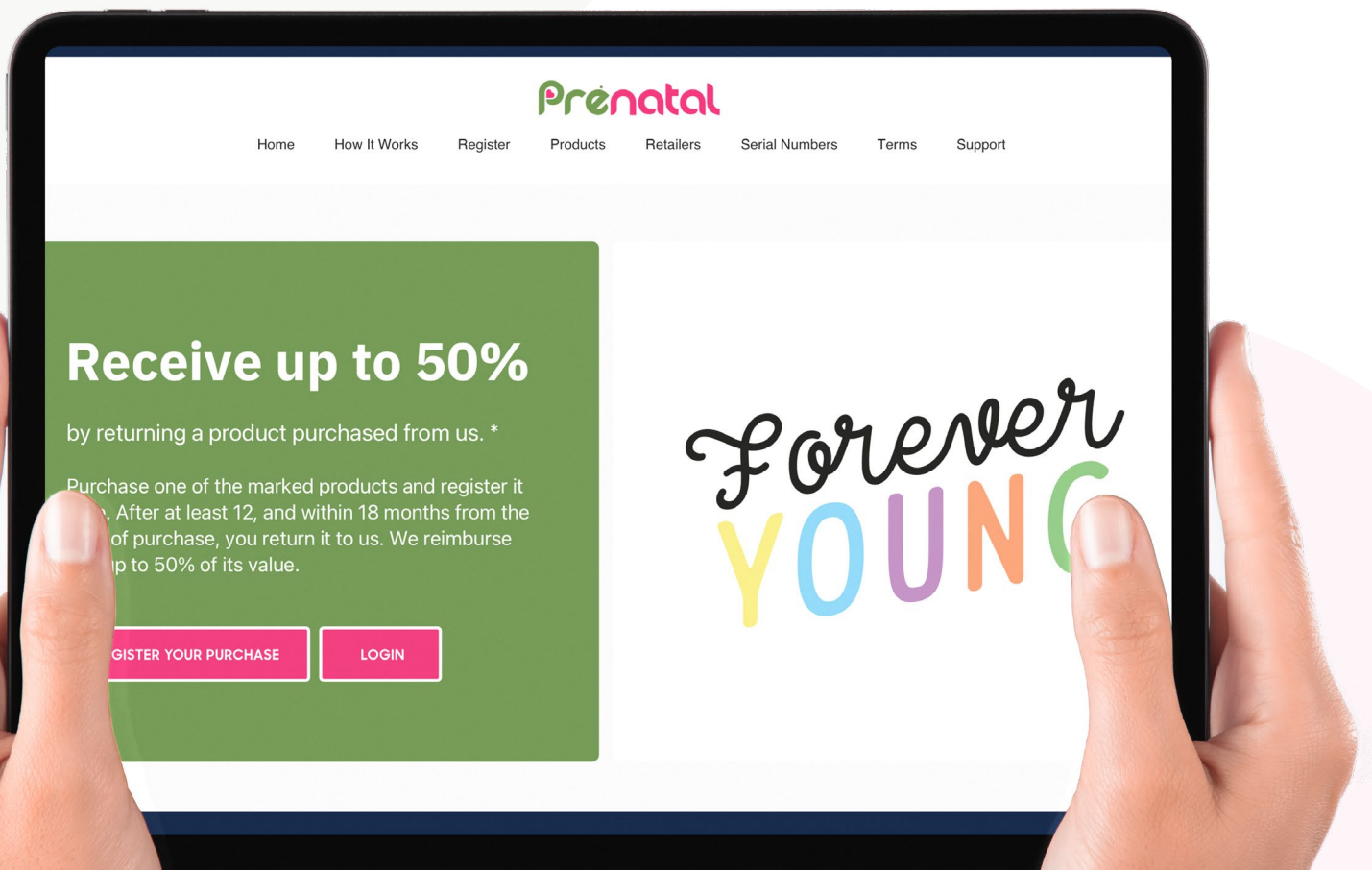
Case Study

Prénatal: Forever Young

Identifying the issue of used children's products being regularly discarded while still in good condition, Prénatal sought to offer a sustainable solution for their target audience, which also enabled their brand to gain market share from a fast-growing second-hand market.

Opia used their future value mechanic to design a promotion that overcame consumers' purchase barriers of cost and environmental concerns. Named 'Forever Young', the sales promotion offered customers who purchased a children's item (the modular system, stroller, car seat or crib), a 30-50% residual value in the form of a Prénatal gift card when the product was returned within a 12-18-month window. All returned products were then sent to Opia's recycling team, who managed the second life process of these used assets.

Prénatal's promotion was successfully recognised as a first-of-its-kind promotion by high-profile press in the industry, leaving a compelling message for their audience and strengthening their brand.



The Future

Sustainability and commercial goals working in harmony

Sustainability is a primary concern for many consumers right now and a pre-requisite for many others. Brands targeting markets like Millennials, Generation X and Z must pay particular attention. It is, therefore, vital that brands align their sales and marketing with environmental values to increase their market share.

Greenwashing has had its day and brands must take action to back up their environmental positions if they are going to gain trust and strengthen consumer loyalty. Promotions are a powerful way to demonstrate this commitment through real action and offer inclusive benefit to the consumer, the environment and the brand. Taking an innovative approach, sustainability can work in harmony with your commercial goals, protecting the future of your business and the planet.

Contact our team at Opia to find out how we can create a sustainability-focused promotion for your unique requirements.



About Opia

Throughout our extensive experience of partnering with global brands to deliver smart solutions for their sales promotions, Opia has handled over 5 million claims across 41 countries and in 24 languages. Our creative, market disruptive, digital promotions sites have been viewed by over 27 million visitors, motivating high levels of customer action and increasing product sales.

Our ethos is one of mutual value, innovation and partnership. Opia has changed the landscape of sales promotions by putting our clients and their customers at the centre of everything we do. Our ingenious, customised promotions can eliminate the need for costly discounting, improving profitability and offer a smart alternative to our clients.

We are strategic promotional partners, and we're there every step of the way.

Contact us for more information on how we can help you navigate these challenges with promotions campaigns.

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2. <https://www.forbes.com/sites/gregpetro/2021/04/30/gen-z-is-emerging-as-the-sustainabilitygeneration/?sh=1342fb728699>
3. <https://www.imd.org/research-knowledge/articles/why-all-businesses-should-embrace-sustainability/>
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