This reference handout is based on a live webinar given by Sarah Browne, Customer Marketing Manager at UTZ and Rachael Noon from The Nielsen Company.

The recording of the webinar can be found [here](#).

[Click here](#) to read the full Nielsen Sustainability Imperative study.
Today’s webinar

1. Introduction

2. Consumer expectations – Nielsen research

3. Making doing good the new normal

Questions
Trust. It’s a fairly small, but very meaningful word that should not be taken lightly. What does it mean for your brand? Why should I as a consumer trust your brand? Building trust and creating brand loyalty is something I am sure you aim for on a daily basis.

But you do have to build it, and it is possible to get it wrong.

Take, for example, the Volkswagen Dieselgate scandal last year, which set back public trust immeasurably. If consumers cannot trust such widely declared and rigorously tested claims, we may wonder how, or why they would trust any corporate sustainability commitment. And in the absence of trust, why would anyone reward sustainable behavior?

One article in the wake of that scandal claimed that ‘In terms of sustainability, 2016 would be a year of distraction, fear and disruption.’ That’s not really a great prediction after years of growing awareness and engagement in sustainability.

However, let’s not take it too literally. That was just one case and should not discredit the increasing number of companies that are taking responsibility, by both saying and doing the right thing by their consumers and stakeholders.
And, consumers really do care, as you will hear from Rachael shortly. They are even willing to put their money where their mouth is. The companies that take this on board are the ones that will ultimately reap the benefits of sustainable business operations.

So as we now enter the final quarter of 2016, I would like to paint a more positive picture of sustainability, and suggest instead that it is about trust, commitment and transparency.
It’s no longer a question of getting ahead but not being left behind

Oh no! Was that TODAY?

But that’s not to say it’s business as usual and that the world isn’t changing. You only have to look around you to see the social and environmental landscape is evolving rapidly.

Especially environmental – the onset of climate change and increased floods, droughts and extreme weather patterns make business as usual increasingly difficult for many people, especially in coffee, cocoa and tea producing countries. Farmers have to adapt. We all have to adapt.

The question is, is your business ready? How can you ensure your business is well equipped to manage that change? Sustainable sourcing is a good start. After all you need to secure your future supply to ensure your consumers can continue enjoying their favourite products for years to come.

There is no time to put this on the back burner. The future of business belongs to those able to see and build for the long term, with the best businesses emerging stronger on the other side. In short: it’s no longer a question of getting ahead, but not getting left behind.

So without further ado, I will hand over to Rachel to tell us more...
CONSUMER EXPECTATIONS & HOW TO GROW WITH SUSTAINABILITY

Rachael Noon, The Nielsen Company
rachael.noon@nielsen.com

Click here to read the full Nielsen Sustainability Imperative study
DEFINING SUSTAINABILITY

ENVIRONMENTAL

SOCIAL

GOVERNANCE
INCREASING GLOBAL EMPHASIS & POLITICAL IMPERATIVE

Take a look at the video https://www.youtube.com/watch?v=RpqVmvMCmp0.
WHAT DO WE KNOW?
BRANDS THAT COMMIT TO SUSTAINABILITY HAVE GROWN MORE THAN 4% GLOBALLY IN THE PAST YEAR.*

*Across 1300+ brands in 13 categories in an average of 13 countries.
Source: The Sustainability Imperative, Nielsen Report 2015
THE NUMBER OF CONSUMERS **WILLING TO PAY MORE** FOR BRANDS COMMITTED TO POSITIVE SOCIAL AND ENVIRONMENTAL IMPACT CONTINUES TO RISE—**REACHING 66% IN 2015 (UP 11% FROM 2014)**

Source: The Sustainability Imperative, Nielsen Report 2015
IN EU HALF OF CONSUMERS SAY THEY’RE WILLING TO PAY MORE FOR SUSTAINABLE PRODUCTS & ITS GROWING!

**Percentage of Consumers Willing to Pay More for Sustainable Products**

- **Asia-Pacific**: 76%
- **Latin America**: 71%
- **Middle East/Africa**: 70%
- **Europe**: 51%
- **North America**: 44%

**Growth in Consumers Willing to Pay More for Sustainable Products (YoY Point Change)**

- **Asia-Pacific**: +12 ppts
- **Europe**: +11 ppts
- **Latin America**: +8 ppts
- **Middle East/Africa**: +7 ppts
- **North America**: +2 ppts

Source: The Sustainability Imperative, Nielsen Report 2015
THIS TRANSLATES INTO THE MARKETS

Q1 2015 Percent willing to pay extra for products & services that come from companies who are committed to positive social and environmental impact

Source: The Sustainability Imperative, Nielsen Report 2015
WHERE DOES THE INTEREST LIE?
CONSUMERS UNDER 34 ARE WILLING TO PAY MORE

GROWING: GENERATION Z
72%

MOST LIKELY TO BUY: MILLENNIALS
73%

DON’T FORGET: BABY BOOMERS
51%

Source: The Sustainability Imperative, Nielsen Report 2015
MULTIPLE DRIVERS ARE FUELING INTEREST IN SUSTAINABLE PRODUCTS—ESPECIALLY FOR YOUNGER GENERATIONS

Top Global Purchasing Drivers for Sustainable Products

- Made by a company I trust: 62% Overall, 63% Gen Z, 65% Millennials
- Known for its health and wellness benefits: 59% Overall, 58% Gen Z, 64% Millennials
- Made from fresh, natural and/or organic ingredients: 57% Overall, 56% Gen Z, 61% Millennials
- Made by a company known for being eco-friendly: 45% Overall, 46% Gen Z, 51% Millennials
- Made by a company known for its commitment to social value: 43% Overall, 46% Gen Z, 50% Millennials

Source: The Sustainability Imperative, Nielsen Report 2015
MARKETS VARY ON TRUST HIGHLIGHTING THE NEED TO UNDERSTAND COUNTRY SPECIFICITIES

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<th>Country</th>
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Source: The Sustainability Imperative, Nielsen Report 2015
THE CURRENT STATE OF “SUSTAINABLE” COMMUNICATION
OVER HALF OF BRANDS IN EU USE ON PACK & MARKETING IN SUSTAINABILITY COMMUNICATION

Percentage of Total Sales by Brands Using Each Strategy (by Region)

Source: The Sustainability Imperative, Nielsen Report 2015
CURRENT CATEGORY LANDSCAPE PRIMARILY FOCUS ON MARKETING & CLAIM

Source: The Sustainability Imperative, Nielsen Report 2015
CONSUMERS ARE PACK-SAVVY, SO MESSAGING ON SUSTAINABILITY WILL BECOME INCREASINGLY IMPORTANT

52% of consumers globally report checking the product packaging for sustainability claims before making a purchase.

1 IN 3 Consumers in EU report checking the product packaging for sustainability claims before making a purchase.

Source: The Sustainability Imperative, Nielsen Report 2015
GROWTH AREAS FOR SUSTAINABILITY
42% of global consumers want more new products in the market that are socially responsible and environmentally friendly.

YOUR BUSINESS – AND REPUTATION – DEPEND ON IT
SOCIAL RESPONSIBILITY IS ONE OF THE TOP MOST INFLUENTIAL FACTORS FOR REPUTATION

emotional appeal

social responsibility

High Product Quality
Financial Performance
Workplace Environment
Vision & Leadership

EFFECTIVE SUSTAINABILITY = IMPROVED REPUTATION = POSITIVE BUSINESS OUTCOMES

SEEKING SIMPLICITY: LESS IS MORE

PERCENTAGE WHO STRONGLY OR SOMEWHAT AGREE WITH STATEMENT

Source: The Nielsen Global Health and Ingredient-Sentiment Survey, Q1 2016
67% of global consumers want to work for companies that are giving back to society.

Source: Global Shopper survey - Nielsen Report Q1 - 2015
• Products with sustainability benefits drive sales by 4%: 
**Clearly define your brand’s sustainable benefit**

• Consumers are willing to pay more for sustainable products; price optimization is essential:  
**Establish the optimum price for your brand**

• Millennial and Gen Z are leading the way:  
**Develop a plan to drive awareness and communicate**

• Don’t underestimate the value of on-pack communication to drive decisions at shelf:  
**Ensure clarity on how best to message sustainability on pack & execute**

• Opportunity to meet demand for sustainable products:  
**Determine which creative combination is most compelling to communicate your brand’s sustainability commitment**
3. Making doing good the new normal
Thank you Rachael for these insights. I am sure this gives our listeners plenty to think about.

Before we take any questions, I would like to wrap up by looking a bit more closely at 3 of Rachael’s conclusions and illustrate how working with UTZ can help you achieve your sustainability goals.

The first is to *clearly define your brand’s sustainable benefit*.

This is about connecting UTZ with your brand values to make sustainable sourcing relevant for your consumers. We invite you to explore the overlap between the benefits of UTZ, your own brand values and consumer expectations in a specific market.

This overlap can serve as a basis for relevant sustainability marketing on brand level. We are more than happy to work together with you on this, so don’t hesitate to [contact us](mailto:contactus@utz.com).

Let me show you a couple of examples of how some UTZ partners have incorporated elements of the UTZ program into their sustainability communication...
Australian company Coffee Club ran their ‘Drink responsibly’ campaign to communicate the launch of their sustainably produced coffee. They chose to draw upon environmental responsibility – highlighting water and energy use in coffee processing, as well as avoiding tree and soil erosion. This educational piece was combined with more fun elements such as a video and online competition to bring across the story they felt would best resonate with their consumers.
The second example is Balisto in France. Here you can see they embedded an UTZ farmer video on their website and selected key elements to connect the farmer with their consumers, talking about quality and yield increase as a result of certification. In this example, by letting the cocoa farmer talk for himself, the story is really brought alive.
The second conclusion I would like to highlight is: Ensure clarity on how best to message sustainability.

As Rachael presented, on-pack communication is very effective when it comes to sustainability. As she rightly said, a lot of work is being done to source tea, coffee, and cocoa sustainably, which many of you can vouch for. And consumers are looking for the claims that state the tea leaves, coffee or cocoa beans are sourced sustainably.

We all know that packaging leaves little space for big messages, but it can be done as we can see in the following examples.
Nestlé Chocolates, responsible pleasure. Highlights contribution to improvement of social conditions for farmers and more profitable production. Link to website for more info.

To ensure a better future for cocoa farmers Nestlé sources sustainable cocoa in the quantity required to make KIT KAT. Learn more at www.nestlecocoaplan.com

Message focuses on the Nestlé Cocoa Plan activities: Training on good agricultural practices, where the partnership with UTZ is important, distribution of seedlings, and building of schools.

Inside of pack claim highlighting a plan of concrete actions between Nestlé and cocoa producers including working with small coops and producer groups, distribution of better quality plants and facilitating certification via independent partners such as UTZ.
De Ruijter communicated their sustainability story back of pack. First to explain their choice for sustainable cocoa, the second to further explain the cocoa making process. Including a QR code on pack directing consumers to a short movie about sustainable cocoa opening up a whole new channel for communication.

What is key to point out here is that it’s about integrating sustainability communication into your brand strategy. It doesn’t have to be, and shouldn’t be, an add-on.
The third and final conclusion is to determine which creative combination is most compelling to communicate your sustainability story. And in many ways this links to both the first and second conclusions I have talked about.

As consumer demand increases, what is your chosen channel to communicate your sustainability story? Is your focus digital, with social media at the heart of your campaign, or do you opt for a more traditional channel such as television?

I recall that I read in the Nielsen Sustainability Imperative: TV ads that highlight a brand’s positive social and/or environmental impact were influential in the path to purchase for over one-third of consumers (34%).

Whichever channel or channels you choose, the most important thing is that your message resonates with your target group and reflects your brand values. Let’s have a look at a couple of examples of multi-channel campaigns by UTZ partners.
Woolworths is a leading retailer in South Africa. They launched a multi-channel campaign to communicate their sustainability efforts both externally to their consumers and internally to their staff in an inviting and informative way.

And by all accounts it has been very successful. They reported a 40% increase in sales of Woolworths boxed chocolates since UTZ certified line was introduced in 2012.

Additionally, more than 60% of respondents in a customer survey claimed that sustainable cocoa was important to them when purchasing chocolate, indicating that responsible sourcing can be profitable. Here you can see examples from posters to social media and and advertorial in their instore magazine.
My last example is German coffee roaster Tchibo: a long standing partner of UTZ and also other sustainability labels.

For its multi-channel communication campaign in 2014 they used animated character Mr Coffee Bean (‘Herr Bohne’) to explain why sustainable sourcing matters in a playful and engaging way.

The campaign included an animated film, blog, newsletter and a consumer competition.

Tchibo engaged its own employees in the campaign with a series of Mr Coffee Bean postcards and created special media packs with coffee samples and links to the video. The campaign generated great media coverage and traffic to the online tools.
So to end, I come back to my title slide for this section.

With so much choice out there, the best thing you, as brand owners, can do is to make the right choice the default. At the end of the day consumers are brand loyal not label loyal. You want them to continue buying and enjoying your products, with the added value that they are sourced sustainably, or in other words, ‘good’.

By simply buying your UTZ certified products they are doing the right thing. You maintain their trust and loyalty as they see and trust you are doing the right thing, and the farmers who produce the commodities at the other end of the supply chain also benefit from producing and selling a sustainable product. Which is a win-win for everyone.

So at the end of this webinar in which we have talked about trust and transparency, I’d like to pose a question for you to think about:

**What are you going to do differently to engage your stakeholders and communicate your sustainability story?**
We hope you found this webinar useful and interesting. Please send any feedback to marketing@utz.org.

And don’t forget to tune into our next UTZ webinar which will be in December.

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Download Nielsen report: The Sustainability Imperative