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How to Avoid Sustainability Marketing Myopia

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What is Sustainability Marketing Myopia?

On a physical level, myopia is nearsightedness, a common vision condition that causes objects farther away to appear blurry while objects close by are crystal clear. Examining this physical condition through an abstract lens, marketing myopia refers to a lack of insight into what a business is doing for its customers (Gallo, 2016). Marketing teams are often afflicted with this vision problem – the result of being product instead of customer-focused. These product-based communications are ineffective because they often fail to see the bigger picture of why consumers buy their products in the first place.

Now, let's take that concept and apply it to corporate sustainability. Sustainability marketing myopia is a newly coined term describing communication that focuses more on the influx of product credentials, certifications, and standards – *legitimacy* – instead of how to translate this language into customer comprehension and drive behavioral change. So, why is this issue of importance to marketers? Current research shows an increase in customer sensitivity towards sustainable products and consumption. A 2019 poll conducted by the Harvard Business Review reveals that 65% of customers are

willing to pay more for sustainability. However, only 26% of these customers are buying the green products they claim to value (White, 2019). One reason for this *value-action gap* is that consumers don't have the information or tools to act on their values and make sustainable decisions (Chauhan, 2020). How can customers reward companies with their business if they don't see how a company's sustainability efforts can provide them value?

The Problem with Communicating Sustainability

The sustainability sphere has seen a rapid evolution in the past five years, stemming from a combination of tangible and compelling evidence that anthropogenic global warming is real, along with a shift towards radical transparency. This transparency is due to an influx of internal and external reporting, new rating agencies with sustainability criteria, the looming SEC disclosure rules, and the proliferation of science-based target (SBT) commitments. Increasingly standardized, measurable *public* goal-setting, while still a bit confusing and imprecise, has made assessing carbon footprint information more *objective* instead of line five on an Earth Day newsletter.

A lack of universal metrics and measurement processes in the sustainability sphere has allowed companies to overstate their progress, even pursuing greenwashing as a rational strategy. Over time, idiosyncratic measurement metrics have generated a broad mistrust of corporate sustainability claims, to the point that these claims may seem inherently manipulative or deceptive to the average customer. Even the word “greenwashing” is slowly becoming a buzzword on par with “eco-friendly” and “green.” Nevertheless, is this skepticism warranted in 2022 and beyond?

Perhaps not. It's now public knowledge which companies have set sustainability targets, against which progress can be measured. Company websites now prominently display efforts towards net-zero, 100% renewable energy, carbon offsetting, and plastic neutrality commitments—sounds legit, right? Sure, though, chances are the average customer still has little idea what these claims mean. Most of this communication moves directly from a company's sustainability team to their Chief Financial Officer (CFO), from their CFO to C-suite management and key investors. Data is aggregated, lined up, and *translated* to major players behind the scenes to prove the company is taking meaningful action. It might seem crystal-clear to shareholders who receive personalized communication from a Chief Sustainability or Financial Officer, but to a customer? Likely not. And if you aren't familiar with the language, looking through a company's sustainability report won't help. However, if as a marketer you'd like your customers to consider sustainability criteria when booking their next vacation, they shouldn't need a

degree in environmental science to decide whether to stay at a Four Seasons or Sandals Resort.

The Need to Engage Customers in Sustainability

While more investor engagement on sustainability criteria is driving meaningful change, customers are an increasingly important stakeholder group to engage for sustainability to go from being a marketing utopia to everyday practice. Narrowing the value-action gap is essential for businesses to enhance the value of their investments in sustainability. If a Sandals resort installs a more efficient HVAC system, double-paned windows or solar panels to achieve greenhouse gas (GHG) reduction goals – how do they justify that capital investment in terms of key business objectives and opportunity cost (higher economic return on other potential investments)? Such internal capital allocation decisions are tricky business, seeking to balance GHG reduction with other business objectives such as customer spending – particularly in the context of the hospitality industry's thin revenue margins.

Conversely, allocating resources towards sustainability requires patient capital and a long-term ROI equation in which customers play a key role. They book vacations, fill beds, eat meals, and ultimately drive revenue. By 2030, the markets for sustainability sector products and services are projected to be worth \$12 trillion a year (Elkington, 2018). Reaching and influencing consumer behavior in this equation is critical to making sustainable and profitable choices for a business.

Communicating Sustainability to the Customer

The key question then becomes: how do we help consumers put their money where their mouth is and make informed, sustainability-based purchasing decisions (if they choose to)? How can we use marketing to translate this language to consumers and take a more proactive role in driving sustainable consumption? Consumers need a way to differentiate the businesses that effectively allocate capital for transforming their operations from those that continue to greenwash. For the most part, these two approaches are indistinct because companies are not focusing on getting the customer the sustainability information they need in digestible language. Ergo, it's up to the marketing and sustainability teams to effectively communicate their performance to consumers in a way they will understand and ultimately act on – trusting that customers will allocate their own capital with a sustainability mindset (Sheth, 2020). Instead of being product-focused, marketing teams need to create a new kind of sustainability literacy among their clientele on how their product or business addresses environmental concerns in a language or methodology consumers will understand.

Marketing has been a thorn in the side of sustainable consumption for decades by vocalizing generic, unsubstantiated messages that often confuse customers and lead them astray – creating skepticism over time as consumers become more educated on what “sustainable” really means. With the increased transparency on sustainability goals and progress, it’s time to make marketing an asset by taking complex topics and informing consumers in an engaging way. Increasing consumer sustainability literacy will narrow the value-action gap on sustainable consumption, and reward the companies that are taking steps to maximize their impact.

For this to happen, sustainability and marketing teams *need* to work side by side to transform a company's lofty sustainability goals into customer value. The information communicated to key stakeholders is written by people, and for people with high-level knowledge of sustainability. The marketing team must translate this language and let the individual come into focus – differentiating its branding by focusing on customer comprehension and behavioral change. Just as economic pressure from key investors must be applied to shape a company’s trajectory, so does communications need to be a driving market force for responsible consumption on the individual level. Individual consumer action, especially from confused customers, isn’t enough of a driving force to allocate customer capital to the “right” business. (Robinson 122). More conscious intervention is needed during the marketing process to enable customer comprehension and close the value-action gap on sustainable choices (Wagner 2011).

Although consumers are becoming more empowered to spend according to their values (Alldredge 2022), sustainability can’t reach its fullest potential until the unending stream of communications is broken down and made digestible for the average consumer. How can companies do this successfully and avoid falling into the trap of sustainability marketing myopia?

Best Practices for Avoiding Sustainability Marketing Myopia

- **Listen First.** As a marketer, **make it your job to understand the environmental issues** your customers care about by using effective customer-based marketing insights. It is imperative to understand how your company fits into that narrative and how best to craft your language from high-level jargon into a consumer-centric message that reaches your target market.
- **Keep consumers in your line of sight.** As a result of your sustainability criteria, you must be able to **articulate the benefit** to each individual booking a room in

your hotel or buying a product from your business, especially if the sustainable choice comes with a higher price tag.

- **Stop throwing around buzzwords.** The more abstract your communication, the less effective it will be for the average consumer. The words, along with the experience, will **lack a universal meaning**. Even for a customer with the best intentions, ambiguous and untrustworthy language enables a natural tendency towards inaction.
- **Identify stakeholders and develop languages** you use to communicate with each group. They should be distinct for each audience but communicate the same message: data-based performance. **Storytelling** is an important tactic to reach customers. However, you must be able to weave in company-wide metrics or this strategy will backfire with time and increased transparency on sustainability criteria.
- **Engage and mobilize employees at every level of the company.** If well informed, employees will act as communication multipliers, creating a trickle-down effect on customer perception. To this end, invest in “**change communication**” personnel. Change communication is the tactical flow of information that spreads awareness and increases internal buy-in throughout every level of an organization, creating alignment and synergy on a companywide sustainability narrative.

A general shift in focus towards customer communication and comprehension is imperative to set a positive feedback loop on sustainability in motion. If customers show up and drive business, internal buy-in will increase, leading to more investment in furthering sustainability achievements. We've all heard the catchy corporate slogan: “Sustainability is Good Business.” It's emboldened by company reports, sustainability commitments, and letters from the CEO. The truth is that it might not be in the short term, but integrating sustainability literacy into the marketing strategy will allow companies to breach this translation gap and empower customers to drive sustainable consumption in the long term.

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