Sustainability: The new dimension of brand trust

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This is now an opportunity for companies to redefine how they frame their obligations to future generations to ensure they are doing their utmost to decarbonise their business processes and implement more sustainable models.

- Whilst not every brand has a game-changing environmental solution to shout about, every business should now be in transition.
- Accelerating consumer adoption of the most sustainable practices is key for digital brand strategists, and should become a benchmark for all brands in the future.
- As organisations finally accelerate their race to sustainability, and consumers' understanding of what makes something sustainable follows, new brands will emerge.

Why it matters

Defining any brand's commitment to sustainability requires proof of a commitment to go beyond reducing harm to the environment, to creating positive environmental, economic and social value.

Takeaways

- Whilst achieving sustainability goals is essential, the transition will be full of ambiguities and requires careful navigation. Brand marketers therefore need to apply all four Cs of problem solving to this challenge: communication, collaboration, critical thinking and creativity.
- In the climate emergency, imperfect solutions have a role to play and can make an important difference in the race to net zero. Imperfection can be okay, but should never be positioned as perfect.
- Intelligently conceived branding therefore plays a vital role in helping business communicate why they deserve to exist in the new economy and, importantly, how they can help guide their customers to adopt greener products and services.

Successful brands are shaped by trust. Their ability to deliver compelling brand promises differentiates them

from competitors and provides customer confidence. Trust is the very foundation of branding, but when it is lost, the result can be catastrophic.

Over decades of creating brands to differentiate everything from luxury travel destinations to global financial corporations, our focus has always been on defining compelling brand promises that our clients can actually deliver, supported by brand identities that encapsulate the distinctive propositions, all aimed at building trust with customers.

As branding has evolved and adapted to changing consumer behaviours and market trends, we have now entered an era where its role in shaping consumer preferences has taken on a new responsibility: helping to create a more sustainable economic system.

New accountability on sustainability

As we transition to an increasingly more circular economy, the driving forces will be a combination of innovation, consumer demand for change and government legislation, and those brands that make genuine efforts to become more sustainable will tap into a new dimension of consumer trust. Consumers are already voting with their feet. The Edelmann Trust Barometer reported 83% of millennials believe that it's important to buy brands that support their own values.

The European Commission's recent proposed 'Directive on Green Claims' will require organisations to substantiate and verify their environmental claims and labelling. It is a timely intervention aimed not just at protecting consumers from greenwashing, but attempting to clarify organisations' unique sustainability credentials.

The new rules, which address the need for reliable and verifiable consumer information, come hot on the heels of a recent study by the Commission finding that more than half of green claims by companies in the EU were vague or misleading, and 40% were completely unsubstantiated.

This is now an opportunity for companies to redefine how they frame their obligations to future generations to ensure they are doing their utmost to decarbonise their business processes and implement more sustainable models.

Whilst not every brand has a game-changing environmental solution to shout about, every business should now be in transition, and we need to be able to differentiate between those brands that are serious about sustainability and the opportunists making a fast buck on the back of over-claims.

As we are in a climate emergency, immediate action is required, but perfection should not become the enemy of good. Whilst achieving sustainability goals is essential, the transition will be full of ambiguities and requires careful navigation. Brand marketers therefore need to apply all four Cs of problem solving to this challenge: communication, collaboration, critical thinking and creativity.

So, what are the key drivers brands should focus on to earn customer trust during this transition?

Brands can accelerate consumer adoption of greener products

Defining any brand's commitment to sustainability requires proof of a commitment to go beyond reducing harm to the environment, to creating positive environmental, economic and social value. These three dimensions of sustainability are what brands in the next economy will be judged on.

Take transport, which faces a massive decarbonisation challenge. Mobility brands need to be able to demonstrate they are climate safe, regenerative and socially just throughout their entire product lifecycle, something that Hitachi Rail sees as their mission in their bid to achieve NetZero across its value chain by 2050.

Helping cities and transport operators shift citizens away from cars and towards lower carbon transportation, by making public transport more seamless and convenient for passengers, is the first pillar of Hitachi Rail's decarbonisation strategy, alongside reducing emissions throughout its own value chain (including factories, supply chain and its products and services), and the decarbonisation of rail through batteries and electrification.

Accelerating consumer adoption of the most sustainable practices is key for digital brand strategists, and should become a benchmark for all brands in the future. Defining a new brand strategy and naming architecture for Hitachi Rail's suite of digital mobility services was a perfect platform to demonstrate this.

Lumada Intelligent Mobility Management brings together Hitachi's holistic vision for smarter mobility across three key areas: smart ticketing, mobility management and electrified mobility solutions, all managed through a real-time mobility platform – designed to help transport authorities, transport operators and passengers shift to more seamless and sustainable transportation.

A brand promise inspired by Hitachi Rail's 360º vision of benefitting society through the achievement of its net zero goals led to '360' becoming the brand concept around which a series of alphanumeric brand names were created, including 360 Pass for smart ticketing and 360 Motion for the management dashboard.

Historically Hitachi Rail's target audience had been B2B transport operators and municipalities, but new passenger apps created a direct B2C connection with the travelling public, and the brand naming and identity had to be designed to connect with consumers, too.

The solution was a scalable architecture that continues to build over time.

Telling the sustainability story well

In the climate emergency, imperfect solutions have a role to play and can make an important difference in the race to net zero. Imperfect can be okay, but should never be positioned as 'I'm perfect'.

As organisations finally accelerate their race to sustainability, and consumers' understanding of what makes something sustainable follows, new brands will emerge. Instead of over-claiming specific 'green' advantages, they should be honest and simply show they are on the journey, making it easy for consumers and businesses to choose to switch to those products and services with the lightest carbon footprint. Consumers will understand brands are on a journey, and will accept imperfections as long as there is a commitment to a process of continuous improvement.

For now, the focus has to be on enabling consumers to quickly tell the green from the greenwash, so every brand needs to tell their own sustainability story well. Those that are most convincing will be the brands that stand the test of time.

Intelligently conceived branding therefore plays a vital role in helping business communicate why they deserve to exist in the new economy and, importantly, how they can help guide their customers to adopt greener products and services.

The evolution of energy

When the UK's leading supplier of heating fuels to 'off-grid' homes, Certas Energy, initiated its energy transition strategy it decided a new brand was required to achieve its objective of becoming a greener, more sustainable energy company, supplying homes and small businesses with air source heat pumps, EV charging, batteries and solar panels.

Identifying a unique positioning for the new brand, as the experts in the electrification of home energy, involved bringing the brand to life with a meaningful name, brand promise and identity that clearly communicated their new purpose. This is expressed in the new name and proposition: Evolo 'the evolution of energy', helping off-grid homeowners transition from oil and gas heating to cleaner energy, lower carbon energy.

Every aspect of our lives, from energy to waste management can speed the journey to net zero and a less polluted planet. Energy recovery is a case in point where waste that would otherwise go into landfill is converted into baseload energy for the National Grid.

More than energy from waste

After Covanta Corporation, the US sustainable waste management company, was acquired by EQT Infrastructure (the Swedish ERG private equity investor), the European operation was split from the US business and needed a new brand name, brand promise and identity for its pureplay Energy from Waste (EfW) business.

Fusing 'Energy' and 'Recycle', we created the name Encyclis, with a 'more than energy from waste' brand promise. This recognises not only the electricity generated, but also the by-products of the waste treatment process, including recovery of aggregates and metals from bottom ash for onward use, as well as heat for district heating networks.

Acknowledging the process is not yet perfectly circular, the brand identity features an imperfect circle device. Yet with energy recovery facilities becoming ever more efficient and carbon capture becoming a key part of the government's decarbonisation strategy, it's clear that creating energy from waste that would otherwise go to landfill has an increasingly positive part to play in our transition to a more circular future that no longer depends on fossil fuels.

Defining brands through the lens of climate emergency

The Commission's Directive on Green Claims could swing the pendulum from brands feverishly marketing their green claims – often regardless of whether these were authentic or not - to brands recoiling from a greenwashing backlash and opting to downplay their sustainability efforts.

Both scenarios are counter-productive and potentially damaging when time is running out.

According to a recent report by the Intergovernmental Panel on Climate Change (IPCC) we will never have this opportunity again, one where we know that the situation is so conclusively calamitous, yet the majority of climate solutions to avoid the worst consequences of climate change already exist. In this context, there is no excuse for inaction.

Every brand now needs to rethink and retell its story through the lens of the climate emergency. Whether the organisation is on-track, behind the curve or not yet started, brands need to define a clear and honest brand narrative on how they intend to achieve their sustainability goals, and what evidence they will share along the way.

Hollow green claims now remind us of failed politicians who thought they could rule by belief, soundbites and slogans, and, as long as they were repeated enough, we would all believe them.

Belief, of course, requires no evidence. Fact, on the other hand, requires independent verification. Everything in between is simply opinion. We now know that the European Commission is looking for evidence, so brands better be sure of the facts behind their green claims.

While we all strive for perfect solutions, more brands taking positive actions is what will really matter, and while the Directive on Green Claims recognises that false propositions could have serious consequences, let's accept that few brands are perfect, but most can be good.

In this context, brand strategists' and designers' roles are to encourage consumer adoption of more sustainable products and services, based on facts that can be trusted. This is not just about clear and complete information, it's also about differentiation and counterpoint, making sustainable brands more attractive propositions than unsustainable ones. Branding, after all, has always been about promoting preference with the promise of consistent quality building trust.

What's different today, is that sustainability is the new dimension of brand trust.

About the author

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