

Branding for the environment: consumer demand

 By [Pierre Mare](#)

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The era of untrammled consumerism is over, and nowadays issues such as global warming and the environment are at the top of people's list of issues. Companies must consider these concerns in what they produce, and how they produce it.

The previous column looked at the circumstances and knowledge surrounding climate change, as well as the impacts. These impacts, as well as the expectations are well known in certain consumer groupings, and in some instances, particularly in national consumer cultures. For instance in Switzerland, environmentally sound consumption practices are the norm, and even legislated. In other words, not recycling or polluting are crimes.

At present, some consumers have some awareness of the climatic problems associated with irresponsible production and consumption. This awareness has a number of roots, including conservation, for instance preservation of the rain forests and extinctions, environmental disasters such as oil spillages, chemical catastrophes such as Bhopal, as well as ongoing pollution of their own environments.

At the time of writing, the consumer has a growing understanding of the mechanics of climate change. To date this has focused primarily on a sensational repeat of the biblical story of Noah in the form of rising sea levels, however clearer, less sensational strands of reporting on changes to ecosystems and economic mechanisms are becoming evident. And it appears as if the press will begin considering the impact on resources in reporting on conflicts.

Generally speaking, if climate change is regarded in light of the product lifecycle, the consumer can be seen in the early-adopter phase. However as the climate changes, and as the impacts are felt, the average consumer will become far more aware and savvy to the broader benefits of environmentally sound brands. Demand for environmentally sound brands will not only be driven by legislation, but also from the bottom up.

Demand for environmentally sound products has shown to be strong, particularly at upper income levels, however this demand will expand into the lower middle-income levels and ultimately into the lower income levels.

This indicates a number of factors that have to be taken into consideration.

In the first place, brands will have to evolve to reduce their impact on climate change. This will have three components. Brands will have to limit environmental damage in the manufacturing process through use of materials that limit damage to the environment and process that reduce emissions. Consumers will both need and want to understand how to use products in an environmentally sound manner. Thirdly, brands will have to provide mechanisms for disposal of waste after use, either through consumer education, own recycling initiatives or legislated initiatives such as the new recycling laws on IT

equipment in the UK.

Given probable resource scarcity, and upward pressure on the cost of manufacturing either due to processes, the cost of mitigating environmental damage as well as levies and/or fines, a premium on manufacturing seems inevitable. The strategies that seem apparent are to evolve and write off over time or to load the price and allow the consumer to absorb the cost. No doubt, bandings in price will emerge, however the brand which most effectively absorbs the cost will win the consumer's wallet.

That being said, legislation does not just target producers, but also consumers. In Switzerland, for instance, the monitoring system is so advanced that households which do not remove the label from the bottle and separate the glass from the paper are fined.

On this basis, products with low recycling requirements and longer life spans may well justify the premium, and trade on it as a characteristic of the brand.

Although there is some residual controversy based perhaps on pessimism or in some cases optimism, the era of the smokestack economy has ended and the dawn of the carbon economy has arrived. The era of untrammelled consumerism is over, and those capable of the leanest profit margins and the cleanest processes will best survive.

In the next column, I take a look at environmental brand from the governance point of view.

ABOUT PIERRE MARE

Pierre Mare provides brand consultancy, thinking and management services to a small stable of local and South African clients in Namibia. He specialises in ICT, financial brands and telecommunications. He has worked on both sides the fence in a number of advertising agencies. In addition to his current consultancy, he develops and maintains websites, including www.tourbrief.com

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