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Dear Reader,

Whenever I participate in conversations among friends about sustainability, there are two common reactions: concern about what 'unsustainability' may mean for the planet and agreement that sustainability is a good cause. But when it comes to translate these two reactions into actions, many people find their sincere intentions towards sustainability come into conflict with the feeling that they have earned the right to spend their income as they want. They are confronted by the dilemma of honoring the cause of the sustainability movement while being reluctant to deprive themselves of the comforts and habits afforded them by the money they have honestly earned. Some rationalize that if they reduce their expenditure on these habits they might even cause unemployment among industries that provide the goods and services that support their life style.

This month, we feature two blog posts of Caren Holzman, London Director of the organization SustainAbility. Food for thought.

Enjoy the reading,

Isabel Rimanoczy
Editor

Quote of the Month

*"Our most important learnings come not simply when we see the world anew,
but specifically when we see ourselves — and our role in creating the world —
anew."*

Ursula Versteegen



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From Mass Consumerism to Mass Change: Hope for Sustainable Consumption

By [Caren Holzman](#), London Director, SustainAbility^[1]



A global culture of consumerism has firmly taken hold — the average British woman buys half her body weight in clothing every year; a typical American purchases more stuff every day than an average American weighs; more than 30 million tons of food was dumped in landfills in the US in 2009; and the largest shopping centre in Europe has just opened as the gateway to the London 2012 Olympics. Yet as resources become more constrained, economies stall and businesses begin to think more innovatively about different ways of delivering value to the customer, there are some signals of hope for a reversal in the way that consumers value and use products and services.

Trend #1 — Companies driving behaviour change of consumers.

Recognizing that only 7% of their environmental footprint is in the production of their health and beauty products and 93% is in the way the consumers use them in terms of water and energy, Alliance Boots has developed 10-minute e-learning sessions for staff that will leverage the employees' relationship with customers to influence the way customers use products.

The Challenge: How can companies use their core assets and connections with consumers to drive behaviour change?

Trend #2 — Selling less and repairing and recycling more. *"The greenest product is the one that already exists."* — eBay

The Common Threads Initiative launched by eBay and Patagonia asks customers to not buy something if they don't need it. If they do need it, they ask customers that they buy what will last a long time — and to repair what breaks, reuse or resell whatever they don't wear any more. In return, Patagonia has committed to make products that last and help repair quickly anything that breaks. Patagonia and eBay have set up an online marketplace for Patagonia gear.

The Challenge: Are companies ready to create brand value in the secondary markets?

Trend #3 — Collaborative consumption: "What's mine is yours."

Car sharing, space sharing, storage sharing, clothes swapping, textbook renting — you name it, we can share it! Start-ups are popping up all over the world with these ideas, and mainstream companies are taking notice. For example, BMW recently launched its On Demand BMW care hire service in Munich, and Amazon allows Kindle users to loan books to friends and family.

The Challenge: Can companies make collaborative consumption scalable and profitable?

Trend #4 — It's the economy, Stupid.

Polls during the recession in 2010 found that nearly half of Americans said they were spending less time buying nonessentials, and more than half were spending less money in stores and online. As America teeters on the edge of a double-dip recession and consumer confidence remains low, Americans are spending less time buying goods and services and more time cooking or taking part in organizational, civic and religious activities according to some studies, and they are driving fewer miles and choosing (and loving) the staycation. Is the great land of consumerism making a change for the better?

The Challenge: Can companies afford to lose sales in non-essential products and instead create profit from experiential and/or service oriented business models?

To consume or not to consume, what to consume, how to consume — it is time for businesses to take heed of these trends and look through new lenses. The key question is what will be the new profit or shared prosperity models for those companies that choose to follow these trends.

A Business Plan for Seven Billion

On October 31st the UN proclaimed that Earth's seven-billionth inhabitant had arrived. Over eight million babies have been born since I wrote my previous blog on consumption. The figures are staggering. However, we know that the threat to the planet has less to do with the absolute number than with what, how and how much we consume. The challenge of how we meet the nutrition, health, shelter, apparel, energy, and entertainment needs of the next billion without further eroding the planet's finite resources is surely among the most significant of our time.

I highlighted four trends:

1. Companies are increasingly driving behaviour change of consumers
2. Some companies are looking to sell less and repair and recycle more
3. Collaborative consumption is a new model of consumption that could be scaleable
4. The economy is not only changing consumption but also attitudes and habits

I discussed these initial findings with [Gregory Unruh](#), author of *Earth Inc.* and with our [Engaging Stakeholders](#) network in a webinar earlier this fall, and together we discussed what else is needed. Here is what we agreed:

- **Guide your consumer.** As [our recent survey with GlobeScan](#) indicated, a large majority feel that businesses have a duty to offer sustainable product lines *instead of*, rather than *in addition to*, unsustainable ones. We looked at leading efforts to choice edit OUT unsustainable products such as [B&Q](#), who have phased out selling patio heaters in the UK, and efforts to choice edit IN sustainably such as 100% Fairtrade or Rainforest Alliance certified brand switches. We also discussed choice influencing — and a world where

corporate advertising budgets were dedicated to driving sustainable consumption. *What products, services and ideas should you promote and sell?*

- **Influence beyond the transaction.** Eighty-seven percent of respondents in our survey believe that businesses should educate consumers on benefits of more responsible consumption and, as Greg is quick to point out, 90% of environmental impact is in the consumer use phase. Levi's is taking this issue head-on with its **Care Tag**, which advises the owner to wash less, wash in cold water, line dry and donate the jeans to **Goodwill**. *What is your company doing above and beyond the transaction?*
- **Look beyond your own business and think scale.** Greg pointed out that **APS**, an energy company based in Arizona, needed to get closer to consumers to better understand how to deal with energy consumption. They needed to connect with companies such as builders and appliance makers to change energy usage and consumer behaviour. He also pointed to new innovations that become platforms for wider change. The plant-based bottle that **Coca-Cola** designed is now being used by **Heinz**. *Who are your potential partners and collaborators and do you have a model to take your idea to scale?*
- **Continue to defy the pressure of Wall Street and measure true costs.** Our survey revealed experts are divided on whether there is an inherent conflict between economic growth and sustainable consumption. However, some of our Engaging Stakeholders network members believe as long as short-term profits and other Wall Street-driven drivers of success persist, companies will be challenged to address business model shifts linked to sustainable consumption. **Unilever** is a standout, as the company has stopped providing earnings guidance and quarterly profit updates to investors as it sets about implementation of its **Sustainable Living Plan**. We also give kudos to **Puma** for its groundbreaking **environmental P&L to measure true costs**. *What measures are you willing to take?*

Let's get on with the above steps — addressing what we already know can make a difference. And let's not get bogged down with the question of whether consumption in itself is or can be sustainable — in fact, I prefer the terms "creative" or "innovative" consumption, which diffuse this unhelpful debate and instead encourages us to consider how to sustainably and profitably meet the needs of our planet and our people — seven billion of them and counting.



^[1] SustainAbility (www.sustainability.com/history) is an organization founded in 1987 by John Elkington and Julia Hailes.



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