

# Value      Gap

The business value  
of changing consumer  
behaviors

# Sustainable lifestyles will be big business

This survey reveals companies' huge expectations that consumer behavior change towards sustainable lifestyles will drive significant growth over the next few years.

The number of companies working on inspiring, enabling and persuading consumers into sustainable behaviors will double by 2018. They expect consumer interest in sustainable lifestyles will explode into a market dominating force.

A world where business prospers by helping consumers live more sustainably is an elegant solution to addressing social, environmental and economic needs. Our survey reveals markets are on the cusp of a big change.

Yet, our respondents recognize some serious barriers to realizing this potential:

- Companies are struggling to build the compelling business cases needed to compete with other short term pressures
- Hard evidence of business value is sparse
- Where companies have a business case, it's focused on risk rather than growth
- There's a lack of clarity on what the concept of sustainable lifestyles means to business

## It's time to change the value of changing consumer behaviors

### THE SUSTAINABLE LIFESTYLES FRONTIER GROUP

Jointly launched in April 2013 by BSR and Futerra, the Sustainable Lifestyles Frontier Group is taking the lead on accelerating this movement, learning from participating businesses on how to enable sustainable lifestyles across industries and around the globe.

### METHODOLOGY

In early 2013, BSR and Futerra surveyed 54 of the world's leading brands active in every major global market covering sectors from FMCG and retail to financial services and entertainment.

Many thanks to the BSR corporate members and Futerra clients who took part.

### WORKING GROUP MEMBERS



### DISCLAIMER

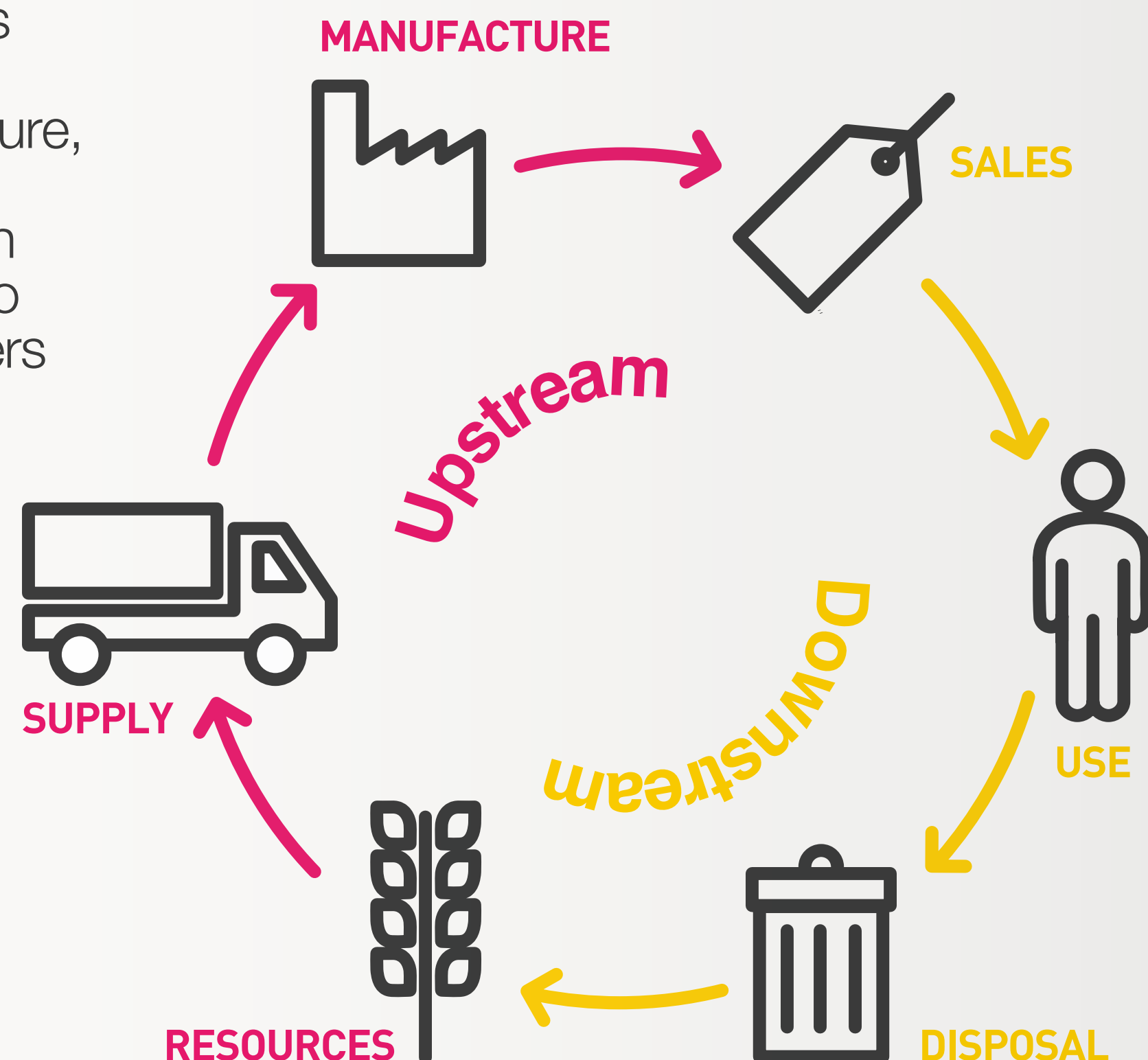
The results presented within this report were prepared by BSR and Futerra and do not necessarily reflect the opinions of the individual participating companies.

# Where's the focus?

This survey concentrates on the business case for encouraging consumer behavior change towards more sustainable lifestyles – the downstream part of the value chain.

Often the behaviors a company wants to change relate directly to a brand's own product or service (e.g. recycling of product packaging) or creating wider social benefits (e.g. living a healthy lifestyle).

To create value here, business offers new and adapted products, infrastructure, communications campaigns and even financial incentives to affect how consumers think and act on sustainability.



# Which behaviors does business want to change?

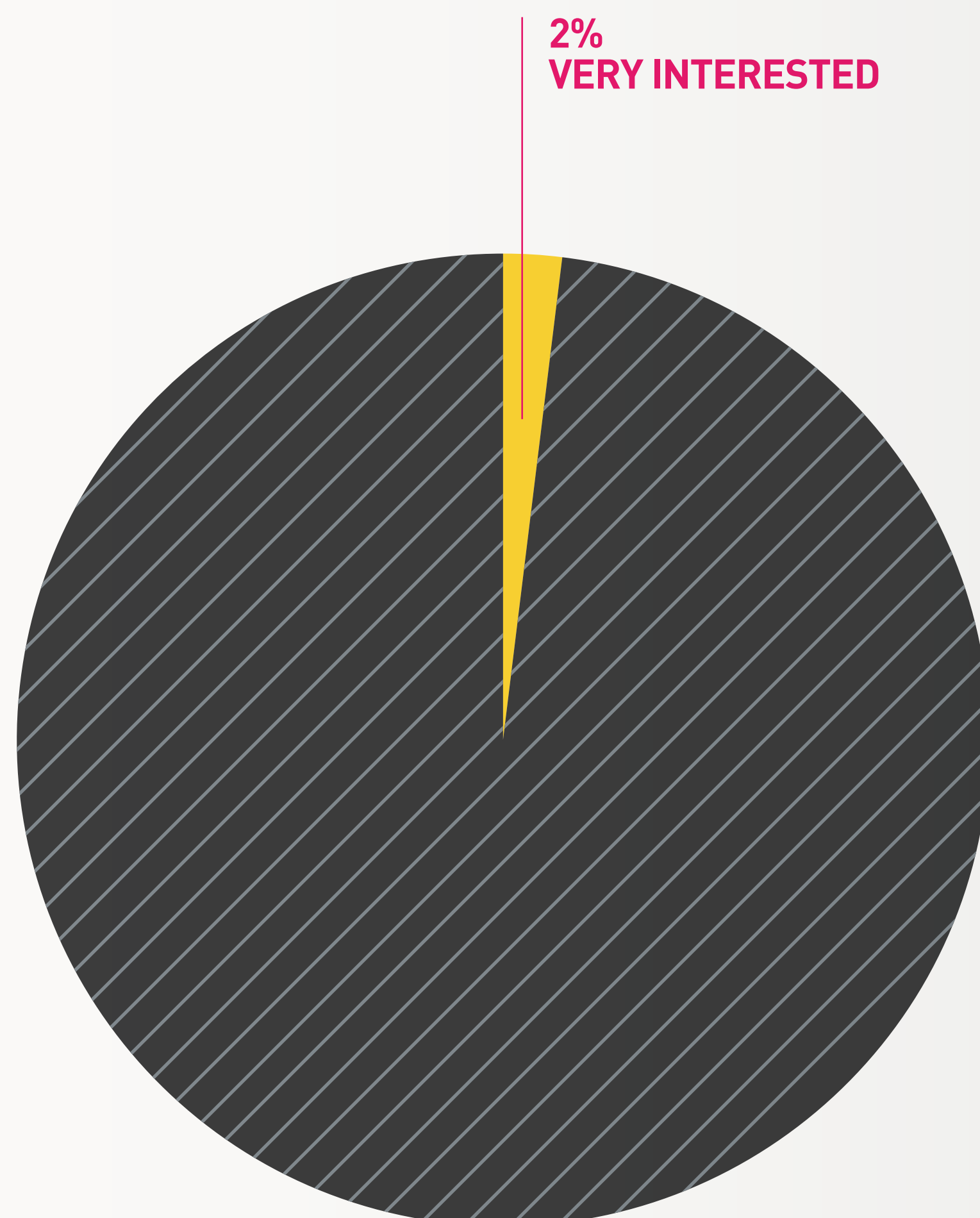
These are the consumer behaviors most often cited by our survey respondents as most important to their brand:

- Recycling**
- Community engagement**
- Buying sustainable products**
- Healthy living**
- Waste reduction**
- Water saving
- Healthy eating
- Responsible drinking
- Healthy products
- Traceability
- Product take back
- Low carbon travel
- Getting outdoors
- Hygiene
- Extending product life
- Purchasing local products
- Health literacy
- Active living
- Better use of resources
- Reselling products
- Using re-use containers
- Cold water laundry
- Community investment
- Water access
- Purchasing products that protect human life
- Energy efficiency

# Are consumers interested?

## TODAY

Only 2% of consumers today are very interested in sustainable lifestyles.



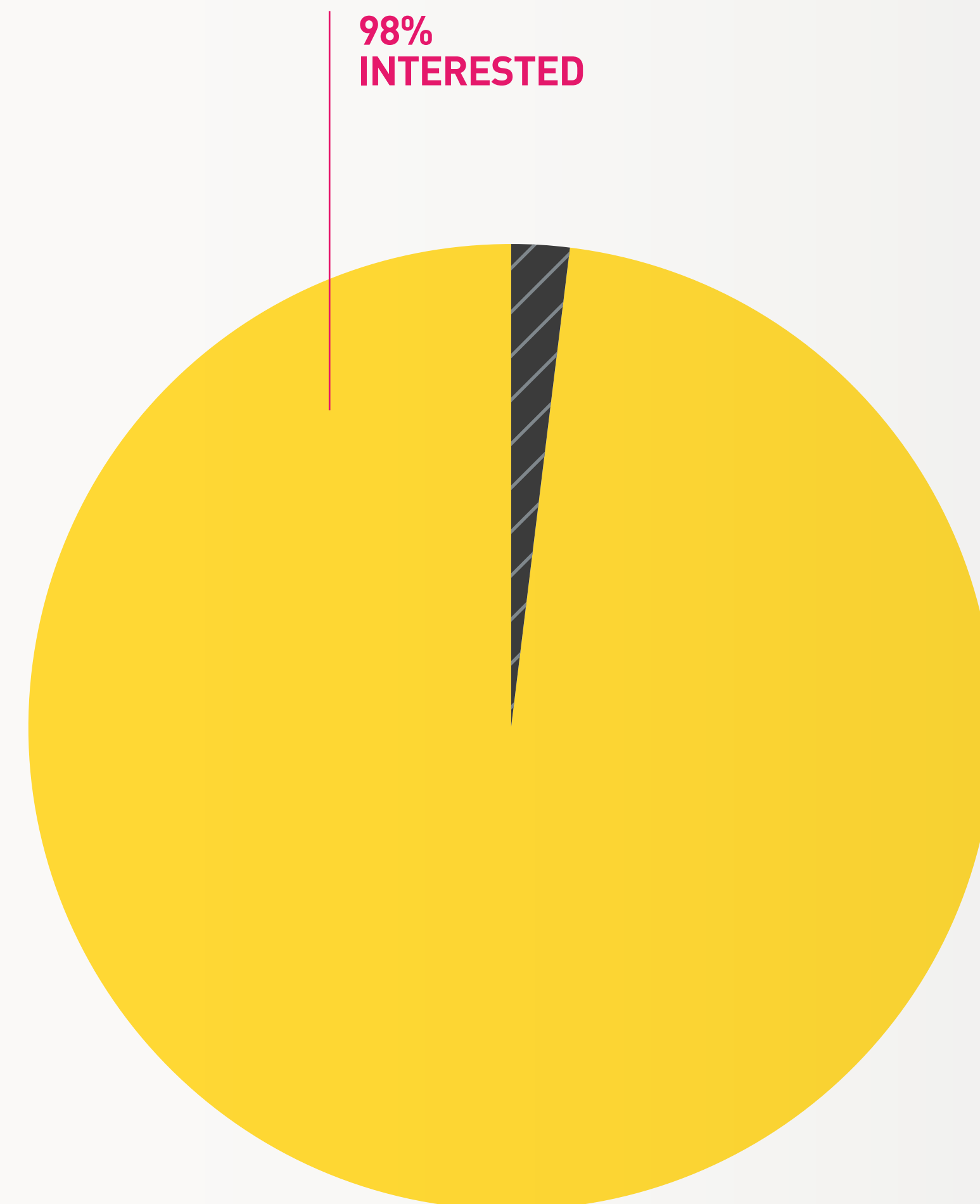
According to our survey respondents, consumer interest in sustainable lifestyles will become a market dominating force by 2018.

Our business respondents acknowledge that while 88% of consumers are 'slightly interested' today, they expect the overwhelming majority of consumers will be interested within five years.

## Sustainable lifestyles will be transformative for business

## IN 5 YEARS

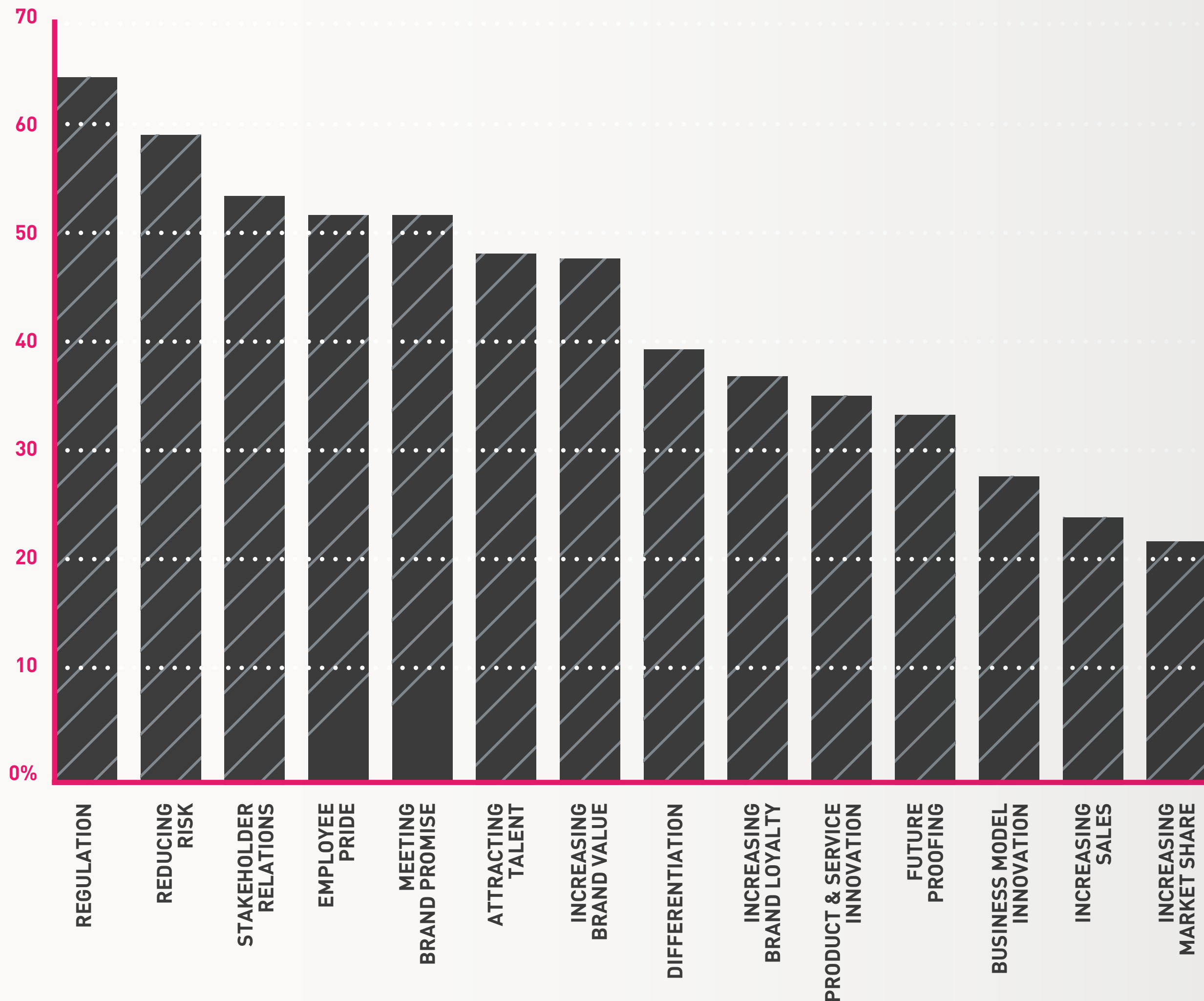
98% of future consumers will be interested in sustainable lifestyles.



# Where's the value?

## TODAY

Current efforts to change consumer behavior are driven by risk and reputation.



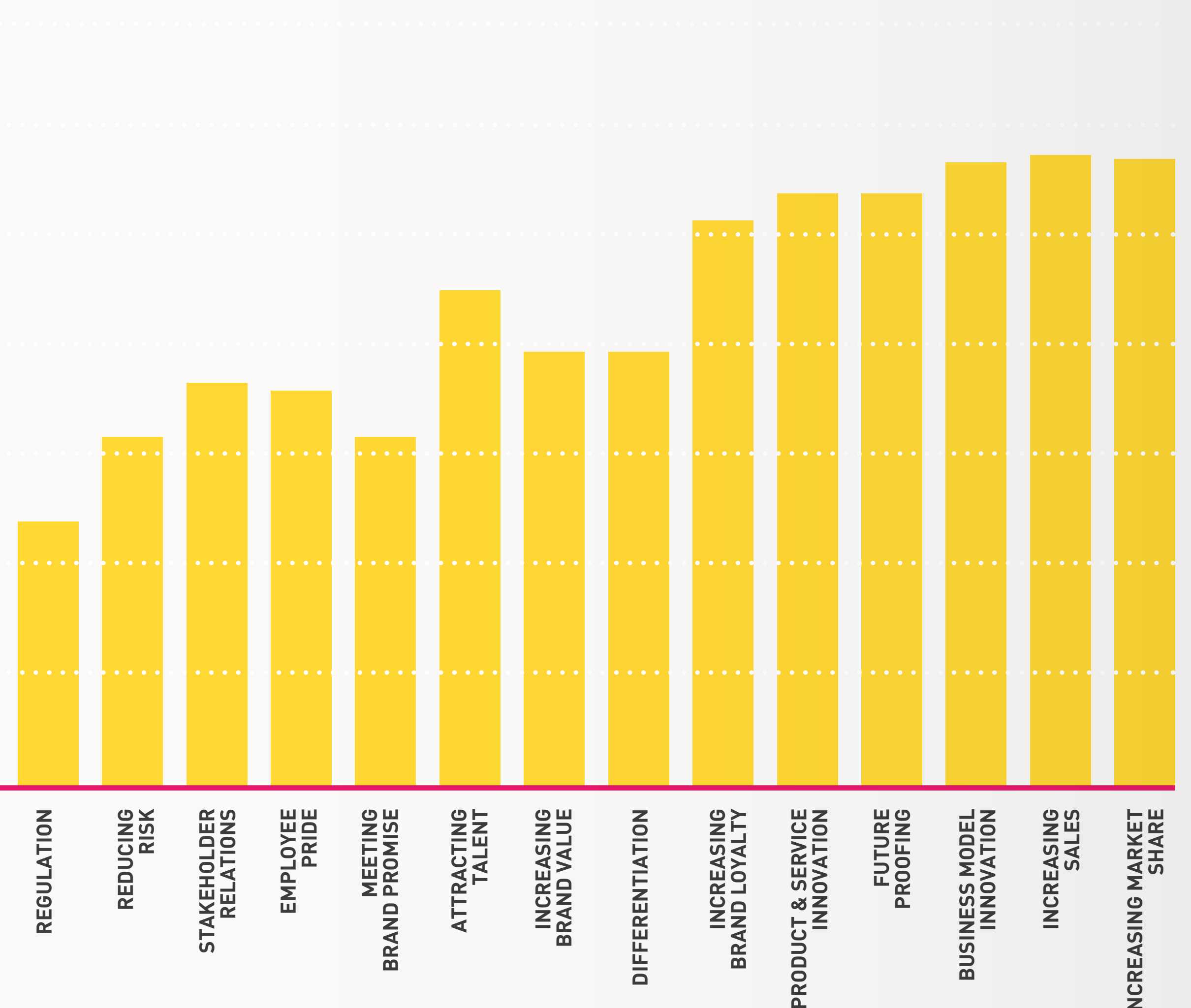
The business value of sustainable lifestyles is about to change.

More than 50 large companies believe the risk-based business case for sustainable behavior change will be replaced by innovation and market share drivers within five years.

## Crossing the gap is the challenge for business

## IN 5 YEARS

Sustainable lifestyles will drive growth by 2018.



# Are companies interested?

The number of companies changing consumer behaviors will double by 2018

## TODAY

Nearly 40% of companies surveyed are already trying to encourage more sustainable lifestyles.

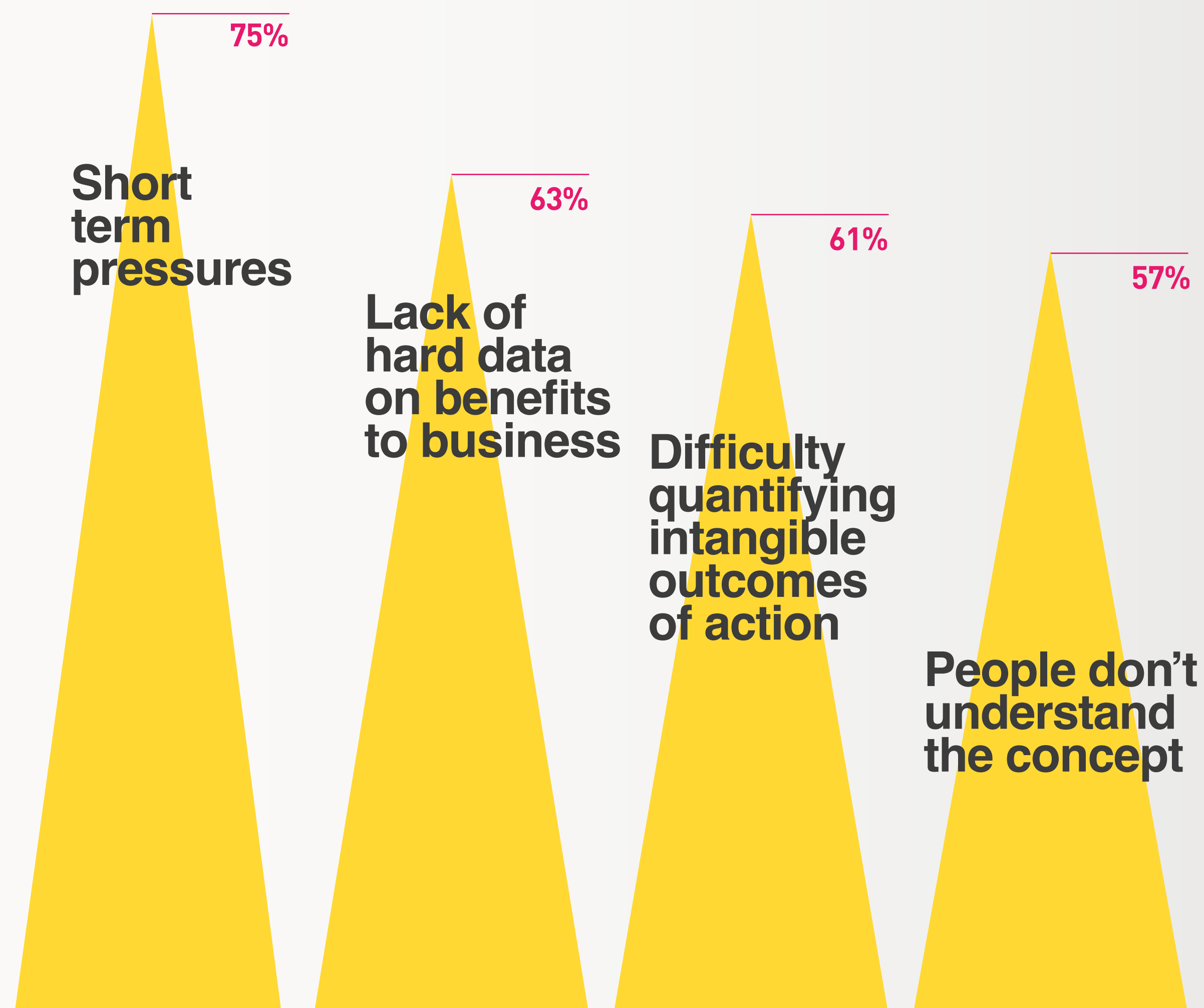
## IN 5 YEARS

An additional 40% of businesses surveyed are planning new action on sustainable lifestyles in the next 5 years.



# What actions are needed?

## TOP 4 BARRIERS



Our survey respondents identified the four biggest barriers and the top three initiatives that would help unlock the growth potential from sustainable lifestyles.

With so much current activity focused on marketing or adaptation of existing offers, this finding sets the bar for the transformative value of consumer behavior change.

## Overcoming the barriers could unlock transformative value

## TOP 3 INITIATIVES

1. **Creating new products and services**
2. **Making sustainable lifestyles core to brand**
3. **Changing business models**

# Who's leading?

These companies are the most cited by our survey respondents for excellence in sustainable lifestyles.

The combination of established businesses and new innovators hints at the changing landscape of competition.

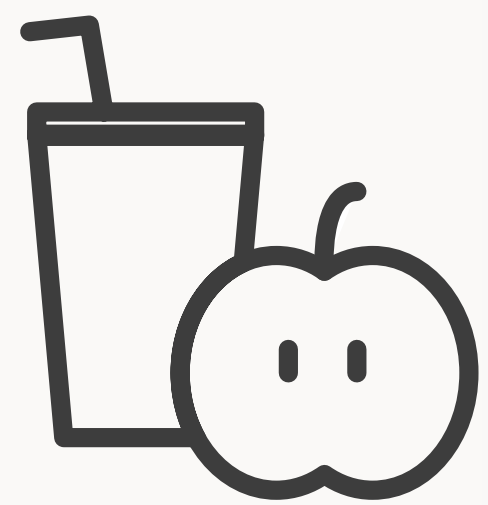
## Both incumbents and innovators are leading the way





# Who's doing the most?

## TODAY: DONE THE MOST



Food and beverage

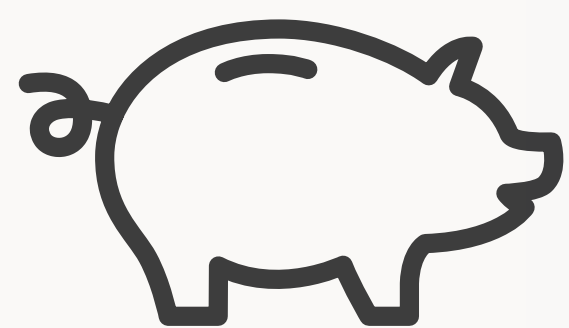


Automotive

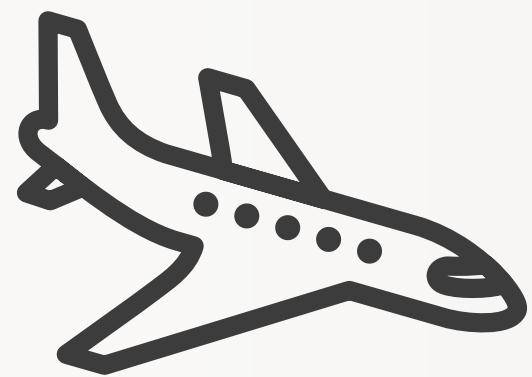


Energy

## TODAY: DONE THE LEAST



Financial services



Aviation

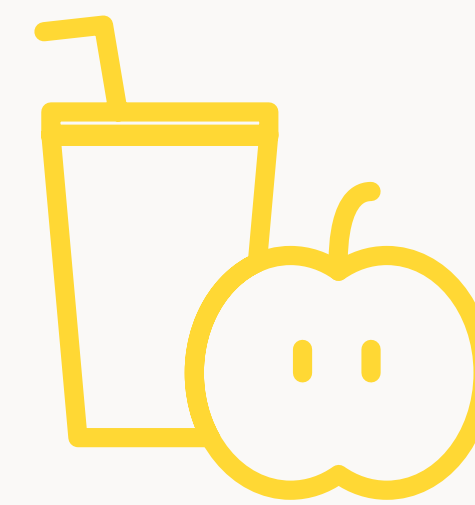


Telecomms

Consumer lifestyles are served by many different sectors. The shift towards sustainable lifestyles presents opportunities for all. However, the size of these opportunities and levels of activity in each sector differ. Our survey respondents had clear views on the potential and progress, or lack thereof, for each sector in taking advantage of the sustainable lifestyles opportunity.

## Expectations within business of its own action are growing

## TOMORROW: MOST POTENTIAL



Food and beverage

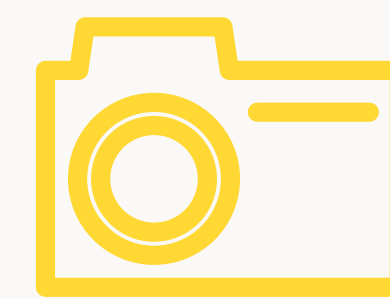


Transport and logistics



Energy

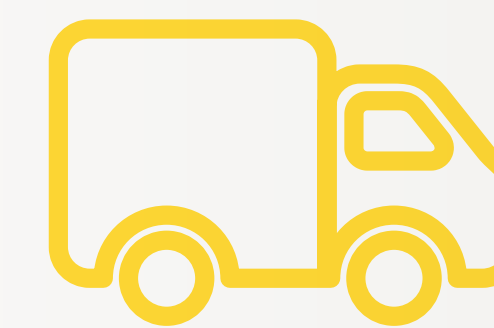
## TOMORROW: WORST AT MEETING BUSINESS EXPECTATION



Consumer electronics



Aviation



Transport and logistics

# What next?

This survey is one part of the **Sustainable Lifestyles Frontier Group** program. During 2013, we have held workshops in Europe, North America and Asia to build a clear picture of the business case for sustainable behavior change.

In Fall 2013, we will launch a **Business Case Builder** including definitions, business case guidance and case studies.

- For more information, please contact Elisa Niemtow at BSR, [eniertow@bsr.org](mailto:eniertow@bsr.org)
- Register for the [Business Case Builder](#)



## ABOUT FUTERRA

Futerra work with people who want to create sizzling, positive change through their brands, businesses and communications.

Together with our clients we make sustainable development so desirable it becomes normal.

[www.futerra.co.uk](http://www.futerra.co.uk)



## ABOUT BSR

At BSR, our mission is clear: We work with business to create a just and sustainable world.

BSR works with our global network of more than 250 member companies to fulfill this mission. From our offices in Asia, Europe, and North and South America, BSR develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration.

BSR facilitates and coordinates this group.

[www.bsr.org](http://www.bsr.org)