

Marketing a Better Future

Why marketing must lead the new wave
of corporate sustainable transformation

A dentsu and Kantar Special Report on
Corporate Sustainability

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“Time is running out. Right now, at the current pace, without raising ambitions, without acceleration, this region is not set to achieve any of the sustainable development goals by 2030.”²¹

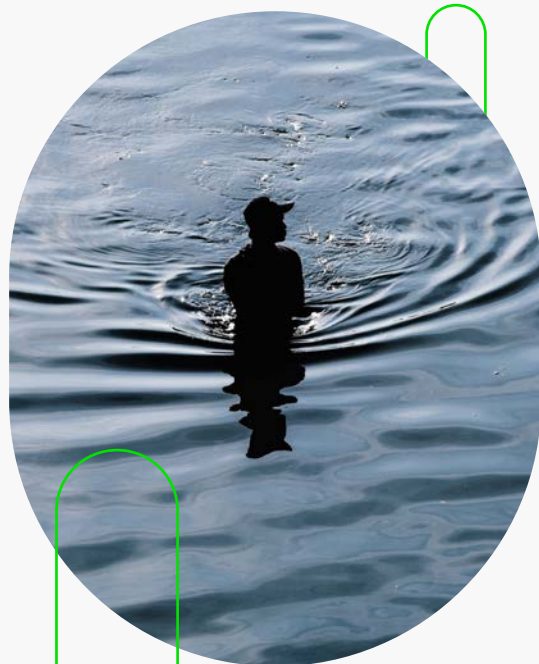
Kaveh Zahedi

Deputy Executive Secretary
United Nations Economic and Social
Commission for Asia and the Pacific



The time is now

There is a clear imperative for brands to move beyond “do less harm”



Asia Pacific is projected to become the world's wealthiest region by 2030. Within the next decade, 55% of upper middle income and above households will call Asia Pacific home, contributing to half of global consumption growth¹. Much of this will be driven by rapid digitalisation, with Southeast Asia's internet economy alone forecast to reach US\$1 trillion by 2030². But, as things stand, the Asian Century is coming at a very huge cost.

Development and modernisation are driving massive leaps in consumption. Our living reality in Asia Pacific is such that our populations are at the frontline, and we disproportionately bear the risks climate change will have on the environment, society, and the economy.

The most recent Intergovernmental Panel on Climate Change (IPCC) report called for the halving of global

emissions by 2030 and for the first time ever, highlighted the need for "demand side-mitigation" strategies³, recognising that wide scale human behaviour change has a major role in reducing carbon emissions. Strategies mentioned include shifting towards sustainable consumption (this includes dietary shifts), longer lived or repairable products, and fundamental lifestyle shifts to how we travel and power our homes.

At the same time, consumers are more vocal in asking for sustainable products and services from businesses. 89% recognise that changing the way they live can positively impact climate change⁴.

Marketers are aligned based on a global study conducted by the World Federation of Advertisers (WFA), 80% of marketers named “Sustainability” as

being the most important topic in five years' time. The majority (76%) are also open to the opportunities to innovate and create competitive advantage that the process of fulfilling a company's sustainability ambitions opens up⁵. As the business' key consumer-facing division, the significance of marketing and marketers as agents of change in business and in society is beyond question.

Against a backdrop of monumental forecasted growth, in a region that houses many of the world's most innovative, disruptive companies, Asia Pacific marketers are at a nexus of need and opportunity.

In Asia Pacific, consumers not only report a willingness to boycott products or services that damage the environment, many are positive about business' role in helping them “green” their consumption behaviour⁶.

89%

“If I learned that the products or services I use are damaging the environment, I would stop using those products or services.”

“Companies can help people have a positive impact on the environment through their business operations and manufacturing processes.”

91%

89%

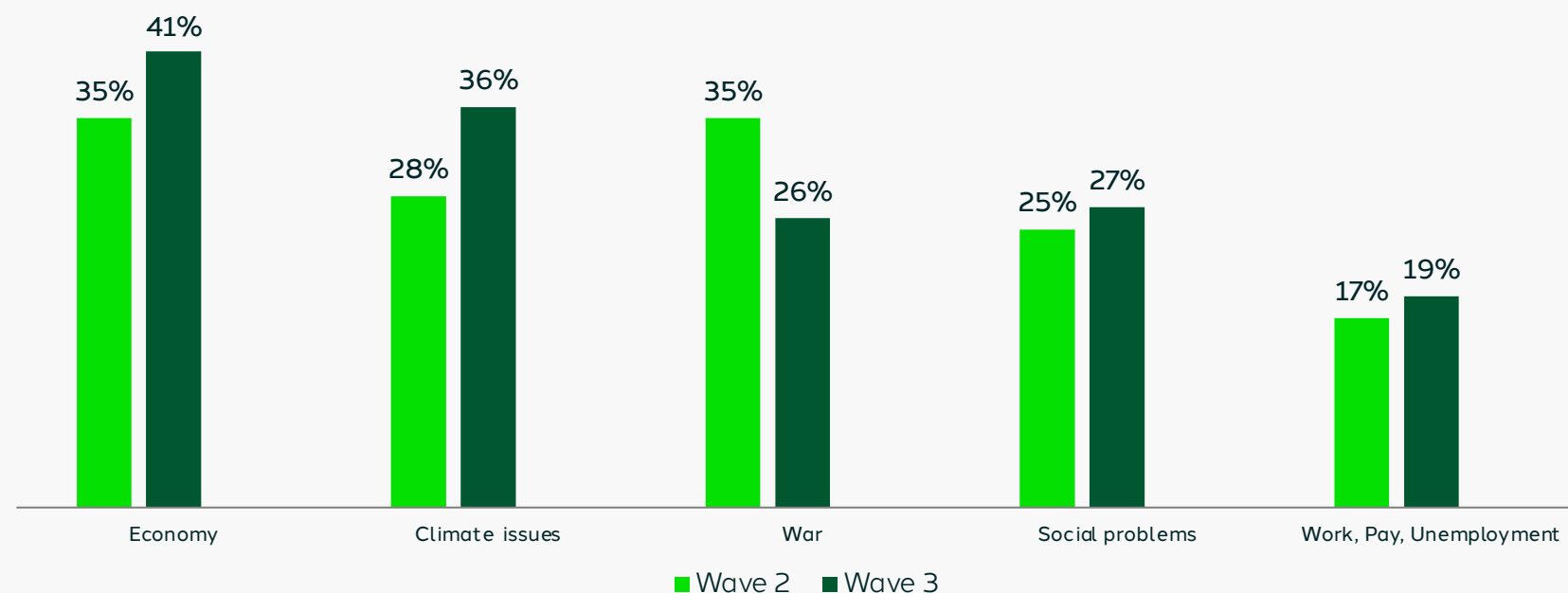
“By changing the way I live, I can positively impact climate change.”

Even amid concerns around inflation, war and instability, consumers still care about climate issues

According to Kantar's latest Global Issues Barometer, climate issues remain a key concern for consumers.

Nearly 60% of consumers globally say that they experience eco-anxiety which is driving increased consciousness and desire for action⁷.

Some of the big issues that consumers think something needs to be done about



Kantar Global Issues Barometer (survey: 19 countries, Wave 2, April 2022, Wave 3, Sep 2022)

But against the tide of consumer preferences and corporate purpose, two jarring disconnects remain

Dentsu and Kantar's collective work in sustainability over the past five years has identified two fundamental paradoxes in sustainable transformation today:

Disconnect 1: The consumer intention-action gap

Kantar's 2022 Sustainability Sector Index reveals that 98% of Asia Pacific consumers are prepared to take action to live a more sustainable lifestyle. Yet, many struggle to practice sustainability in their daily lives with just 17% saying that they are actively changing their behaviour. 58% continue to find it really hard to tell which products are 'good' or 'bad' ethically or for the environment. Despite eagerness for change and a lack of information and transparency, competing considerations and rising costs are preventing consumers in Asia Pacific from choosing sustainable options in their daily lives.



Disconnect 2: The organisational intention-action gap

While marketers overwhelmingly quote 'purpose' as their motivation to make sustainability central to their proposition, our research has uncovered tactical and fundamental barriers that hinder them from taking on meaningful sustainable leadership. Logically, the marketing function's role is as the originator of differentiating innovation rooted in consumer requirements, internally and at the category level. But being under pressure to deliver short-term, sales-centred KPIs, and with many operating in an environment lacking sustainability capabilities and organisational clarity, the function is unable to fully deliver.

The role of marketing to lead sustainable transformation is loud and clear

This report reveals a scaled overview of where brands and marketers across Asia Pacific are currently focusing their sustainability efforts. It also illuminates the key initiatives that marketers must adopt now to set the building blocks for a sustainable future for the planet and empower businesses to unleash the level of innovation and momentum required to advance their sustainability transformations at speed. These are:

1 To centralise the role of marketing in the business' sustainability transformation and allow the function to drive innovation internally and externally

2 To translate sustainability objectives into departmental objectives, with tailored KPIs that link marketing's activities back to broader objectives

3 To focus sharply on behaviour change, addressing the fuels and frictions in promoting sustainable lifestyle shifts

4 To expand the definition of the stakeholder to include the well-being of all people and the planet, and embed purpose across the business' portfolio and all touchpoints

Sustainability is overwhelmingly driving consumer choice, and as the urgency to act intensifies, expanding the role of marketing to become more transformational will become a prerequisite for sustainability innovation in Asia Pacific. This report will help marketers consider how their actions will be at the forefront of shaping and generating growth that serves the 3Ps - people, planet, and prosperity. Growth from good.



Methodology

4

Studies: Kantar Asia Pacific Sustainability Sector Index 2021/2022, Kantar Global Issues Barometer 2022, The Rise of Sustainable Media by Dentsu Media and Microsoft Advertising 2021, dentsu x Kantar Marketing a Better Future Study 2022

40+

Documents and pieces of research reviewed from publicly available data sources and reports

100+

Hours of statistical and cultural analysis to understand sustainability barriers and drivers among consumers and businesses

71+

Marketers surveyed across a mix of industries and seniority levels

10+

Interviews with marketing and sustainability thought leaders across the region

30+

Analyses of brands championing sustainability internally and externally

Markets covered:

Singapore,
Malaysia,
Thailand,
Indonesia,
China,
Taiwan, Hong
Kong, Australia,
New Zealand,
India,
Vietnam,
Philippines

One destination, multiple journeys

Understanding the culturally fragmented sustainability landscape in Asia Pacific



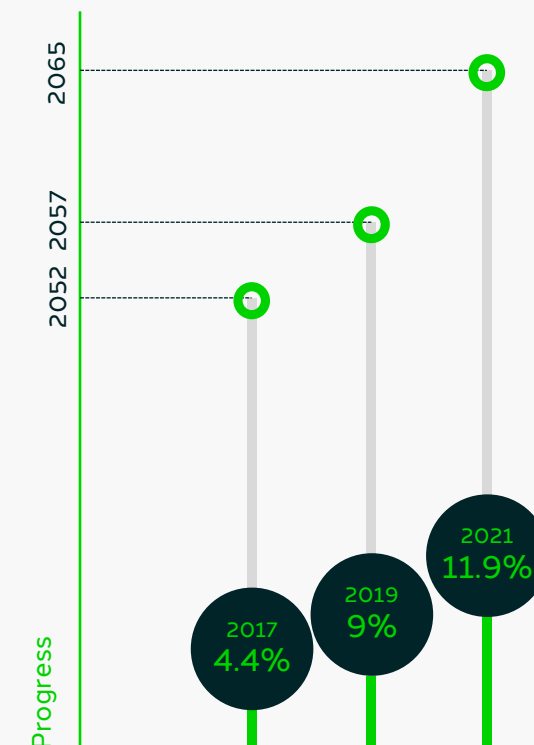
We have aligned our definition of sustainability to the United Nations Sustainable Development Goals (SDG). These 17 goals represent “a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere”. While progress has been made, these are not advancing at the speed or scale required to achieve these goals. This is especially true for Asia Pacific where the region is only expected to achieve the SDGs in 2065 at the current pace, more than 30 years after the original 2030 deadline. This means the next decade will be even more critical as markets in Asia Pacific balance efforts to close the gap while investing in their own growth and development. Climate change is further heightening the call for concrete and urgent efforts to ensure that today’s development does not negatively affect future generations.

Climate change is putting Asia Pacific’s social and economic development at significant risk

Over 57 million people were affected by extreme climate disasters in 2021 alone, while over nine in 10 are currently suffering from the harmful effects of pollution. Considered the “world’s most disaster-prone region,”⁸ Asia Pacific’s extreme temperatures impact productivity and GDP annually of up to US\$4.7 trillion⁹. As the impacts of climate change mount, millions of vulnerable people face disproportionate challenges in terms of extreme events, health effects, food, livelihood and water security, as well as cultural identity.

Climate change is not only an environmental crisis; it is a social crisis – one that is growing in urgency.

Estimated year to achieve the SDGs at the current pace in Asia and the Pacific, 2017-2021²³



The landscape of concerns

Sustainability consciousness is not uniform across markets in our region

In multiple studies, consumers in Asia Pacific have expressed high levels of climate change awareness and concern. However, the appreciation of the urgency of the issue varies.

Broadly, issues that are considered a priority are those that impact people on a personal level and communities.

Sustainability concerns are linked to how much everyday lives are affected

The top two consumer areas of concern being (#1) air pollution and (#2) improper disposal of hazardous waste. This is especially true for those in the 'fragile frontline' and 'pains of progress' markets that have long borne the brunt of the devastating impact of climate change and pollution.

Developed markets care more for broader, trans-national environmental and social issues such as greenhouse gas emissions and worker's rights; while consumers in India, Indonesia, the Philippines, and Vietnam are focused on daily issues such as water pollution and extreme weather events – unsurprising given Southeast Asia's sea levels are rising faster than any other part of the world. In fact, Myanmar, the Philippines, Vietnam, and Thailand were among the 10 countries most affected by climate-related disasters between the years 1999-2018.

Plastic is important but context differs

It matters in the context of tangible influence to people's daily lives. For example, reducing ocean plastics and microplastics pollution resonate more when they are linked to verifiable results such as reduction in water pollution in markets like Indonesia.

While in developed markets like Singapore and Australia, consumers see recycling as a broader issue linked to reducing overall plastic consumption.



Top 10 issues consumers in APAC expect companies to tackle¹⁰



Many common big issues on environment across the markets with different local priorities on social issues

The fragile frontline Developing economies where many are exposed to the harsh realities caused by sustainability issues					Pains of progress More resilience, but rapid economic development creates challenges			Concerned but cushioned Relative wealth enables engaging with issues at more conceptual level, less directly exposed			
Rank	India	Indonesia	Philippines	Vietnam	Malaysia	Thailand	China	Singapore	Japan	Korea	Australia
1	Air pollution	Improper disposal of hazardous waste	Greenhouse gas emissions	Air pollution	Mental health issues	Air pollution	Physical health issues	Greenhouse gas emissions	Improper disposal of hazardous waste	Greenhouse gas emissions	Mental health issues
2	Water pollution	Rights at work and living wage	Poverty	Water pollution	Water pollution	Poverty	Rights at work and living wage	Lack of clean, safe water	Rights at work and living wage	Improper disposal of hazardous waste	Child labour and worker exploitation
3	Greenhouse gas emissions	Air pollution	Improper disposal of hazardous waste	Improper disposal of hazardous waste	Air pollution	Greenhouse gas emissions	Access to jobs with a sufficient living wage	Improper disposal of hazardous waste	Water pollution	Air pollution	Violence against women

While eight in 10 businesses already have a sustainability framework in place, businesses can do more to connect with the issues that matter to consumers

Three in five align with the UN Sustainable Development Goals to guide their strategy (61%) but the issues they focus on are not necessarily the ones consumers prioritise in Asia Pacific which are rooted in issues that impact people directly¹¹.

While climate change is global and feels intangible, the interconnectedness of climate change with social issues means that vulnerable communities in Asia Pacific are already feeling the impact acutely.

As poverty, hunger, pollution and other such tangible effects are felt locally, brands must unambiguously and sincerely demonstrate how their global sustainability initiatives positively influence these local experiences.

Along with climate action and efforts to promote sustainable consumption, brands have a responsibility to deliver a just transition, while keeping in mind how the follow-on effects of their global sustainability initiatives may affect local, vulnerable communities.

Sustainability Issue	Consumer Rank	Business Rank
Air pollution	1	11
Improper disposal of hazardous waste*	2	N/A
Water pollution	3	7
Greenhouse gas emissions	4	1
Rights at work and living wage**	5	2
Access to jobs with a sufficient living wage*	6	N/A
Child labour and worker exploitation***	7	14
Lack of safe water	8	5
Increasing economic inequality*	9	N/A
Ocean plastics and microplastics pollution	10	4

References 12, 13, 14

Asia Pacific sustainability: sincerity and shortfalls

The path from ambition to action is not smooth.

Across Asia Pacific, brands are buzzing at the idea of sustainability being the new frontline. The majority acknowledge the appetite for sustainability leadership across Asia Pacific.

92%

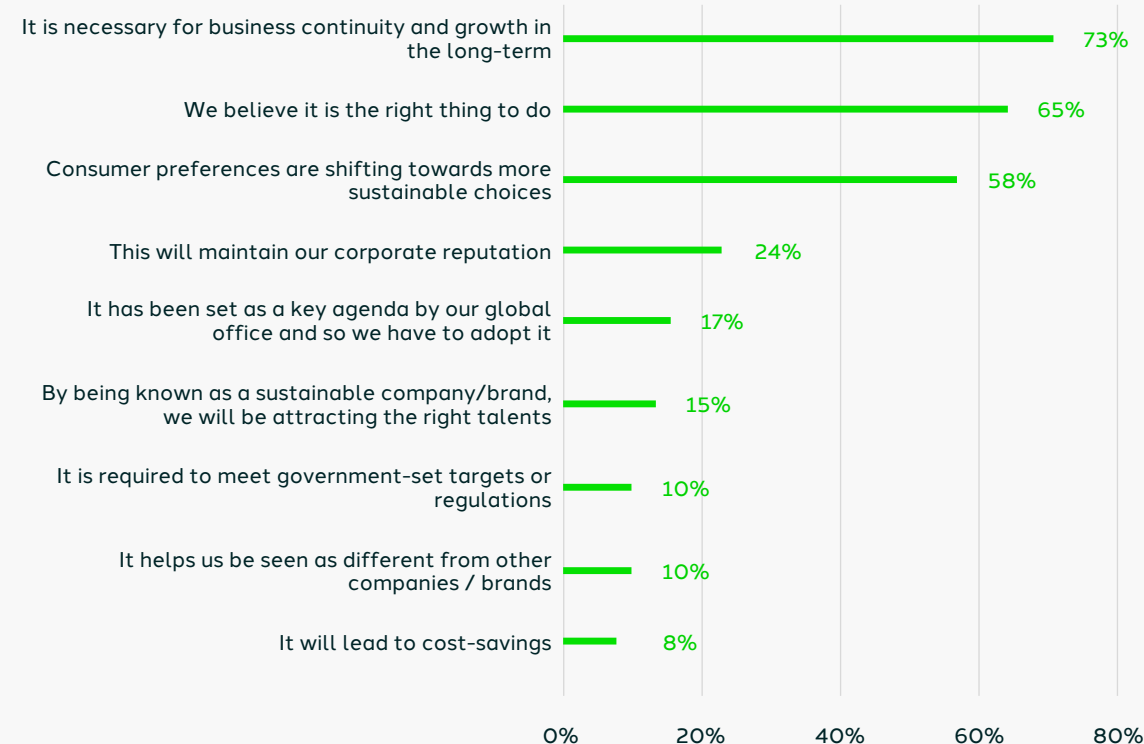
of marketers we interviewed believe sustainability is very or extremely important¹⁶.

Financial performance and value growth remain key drivers. Three-quarters of businesses we spoke to think sustainability is necessary for continuity and value growth in the long-term (73%) and three in five recognise that consumer preference is shifting towards more sustainable choices (58%).

However, beyond financial motives, two-thirds also believe sustainability 'is the right thing to do' (65%) and many are following up with concrete action¹⁵.

Four in five organisations have made use of sustainability frameworks to outline and guide their sustainability strategy – mainly using the UN SDG framework (61%).

APAC marketers on why sustainability is Important

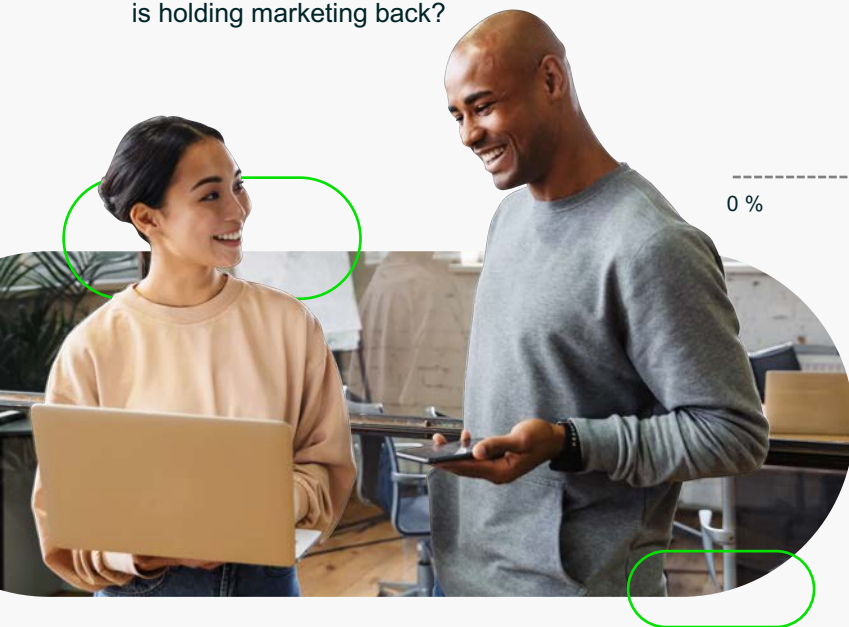
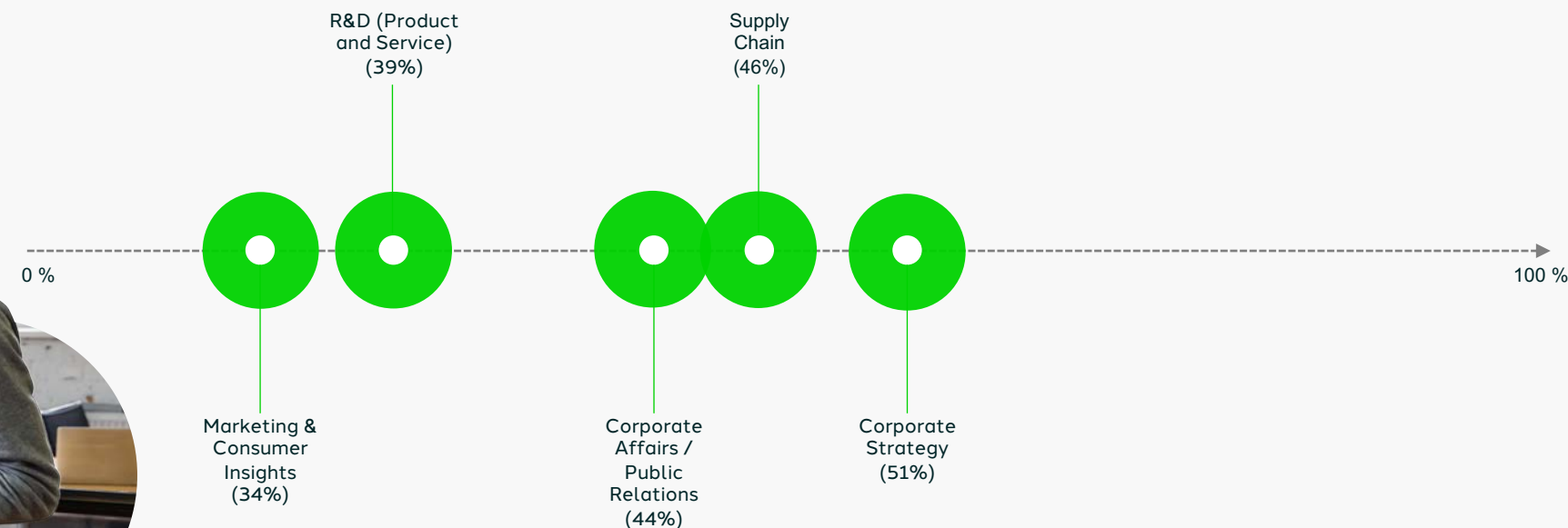


In practice, marketing lags behind other divisions in driving the sustainability agenda in organisations

The marketing function currently falls behind other divisions in driving sustainable business practices. While 51% of people in corporate strategy are already executing against their sustainability plan and measuring progress, only 34% in marketing report being at this stage of progress. So, what is holding marketing back?

Where each of these business arms are at in terms of driving towards sustainability in respondents' organisations

Progress of different business units in executing against the plan and measuring progress



Marketers face challenges in influencing behaviour, communicating value and demonstrating a clear, positive business impact

These challenges stem from internal factors, such as a lack of clarity in the brand's sustainability promise and in terms of quantifiable objectives and metrics. External factors such as uncertainty in how consumers interpret and value their brand's sustainability promise are also a challenge.

Exacerbating these challenges for marketers is the pressure to demonstrate a clear business impact arising from their sustainability efforts.

These challenges are ultimately underpinned by two fundamental paradoxes: the consumer intention-action gap, and the organisational intention-action gap.

The top six challenges cited by marketers in Asia Pacific

56%

consider it a big challenge to get people to do what they say they are going to do

44%

are unsure of the consumer perspectives on their brand's sustainable efforts nor if their customers see value in their sustainability promise

38%

have done a fair bit of work on sustainability but feel challenged by their business on the progress and impact it really has

37%

concerned that their company's initiatives might be seen as inauthentic or greenwashing

32%

are not clear on the right metrics to assess the progress they have made

31%

can't translate what sustainability means for their brand purpose and consumers

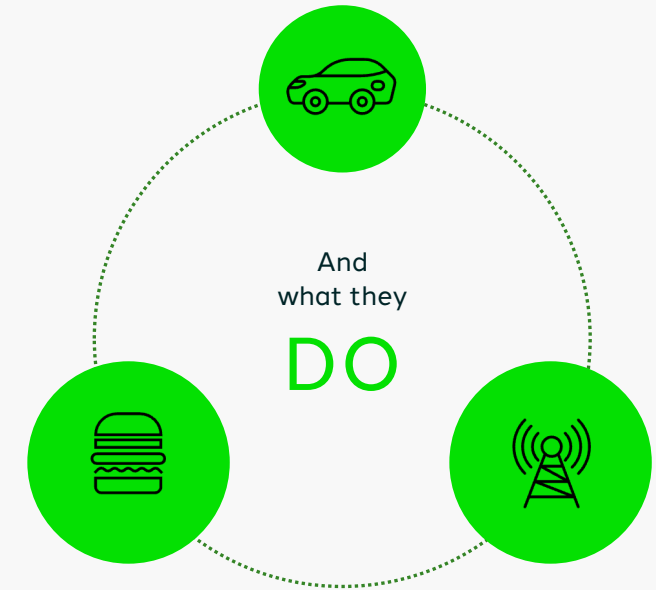
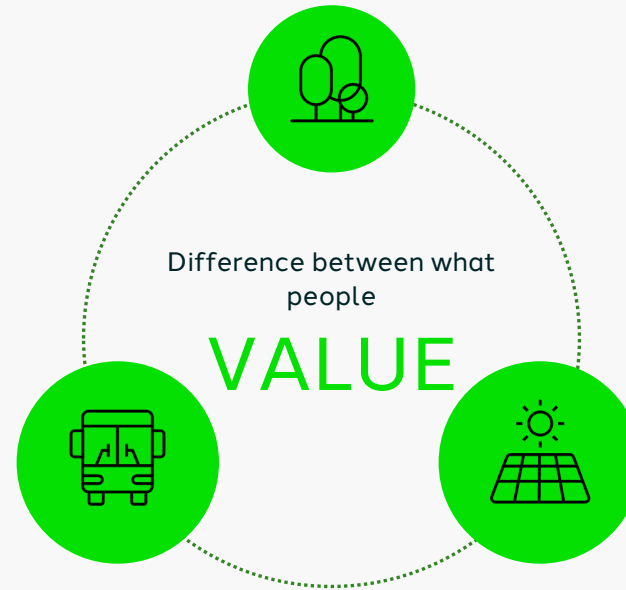
The Dual Disconnects

Marketers are dealing with two key intention-action gap obstacles when it comes to being empowered to create meaningful positive impact and leading as sustainable change agents. One at the consumer level, and one at the organisational level.

What is the Intention-Action Gap?

An intention-action gap (or “value-action gap”) occurs when people act in a way that contradicts or fails to support their values.

The United Nations has defined “closing the Intention-Action Gap” as crucial in overcoming the barriers to sustainable consumption.



Disconnect 1: The Consumer Intention-Action Gap



The most common challenge for marketers (56%) is convincing consumers to put their money where their mouths are. Few people who report positive attitudes toward eco-friendly products and services follow through with their wallets.

Multiple studies have shown that the problem is not one of apathy. However, levels of understanding around consumption's role in climate change and appreciation of the severity of the issue may be inadequate. In dentsu's 2021 Sustainable Media survey, between 14% and 59% of respondents across Japan, Australia, Singapore, India and China agreed with the statement, "there is no climate emergency". A further seven in 10 also feel that sustainability is primarily the responsibility of businesses and governments (68%).

Beyond a lack of quality education about climate change, the major factors driving consumers' apparent inertia are rooted in basic economics: switching costs and the relative influence of multiple factors in the purchase consideration set.

Consumers prefer to stick with brands they know. Over three in five people "can't be bothered" to try the sustainable alternative unless it is easy (62%) or don't want to risk trying something new (62%)²⁴.

With respect to purchase considerations, other "reasons to buy" often trump sustainability. Three in four Asian shoppers think more about saving money than saving the planet. And looking beyond price; it is experience, comfort and convenience that are driving the perception of value.

At the macro level, a pervasive, inescapable culture of consumption supports unsustainable business models and lifestyles. Few businesses are successfully addressing overconsumption at the systemic level or re-orienting their business models to align with sustainability.

Most consumers claim to be willing to switch out the products they use for greener alternatives but when asked about more specific actions, particularly in relation to their favourite brands, the numbers fall dramatically¹⁷.

89%

would change the products or services they use to help combat climate change

would switch brands to a greener alternative of the same product or service

16%

would switch away from the brands they have been loyal to or a favourite brand

40%

Disconnect 2: The Organisational Intention-Action Gap

While companies, marketers and even climate scientists see Marketing as being critical in creating the behaviour shifts needed for a sustainable future, the function is not adequately resourced for, or granted the authority to, play a central role in driving a company's sustainability transformation, let alone to drive the deep, systemic innovation required to make a truly meaningful difference.

There is an acknowledged capabilities gap in marketing. In the WFA's 2021 report on Marketing and Sustainability, "skills, tools and capabilities" was the top need identified by marketers (54%) as key to helping them achieve their sustainability ambitions.

Marketers also feel challenged to show impact in a context where there is uncertainty around how to measure progress.

A third of our survey respondents cited lack of clarity around "the right metrics to measure the progress we have made" as a major challenge, while almost 40% have "done a fair bit of work on sustainability but feel challenged by their business on the impact it really has".

At the same time, 41% of global marketers say innovation is "most needed" for them to meet their sustainability goals.

The picture being painted points to a structural issue. With marketing held to sales KPIs and typically under pressure to achieve growth on a quarterly basis, the function is given neither the space, nor the mandate to explore and drive innovation for sustainability.

Without clear metrics and supportive KPIs, or the resources or jurisdiction to drive innovation, it is no wonder many struggle to deliver differentiating results and the demonstrate the value of a proposition built on sustainability.

Marketers' responses to the question, "which of the below would help your marketing organisation to achieve their sustainability ambitions?" ¹⁸



Senior Marketer, APAC,
Global MNC



“Sustainability focuses on ensuring the business is thriving and growing decades from now. We primarily focus on managing the business’ impact on customers and society and climate change [but] marketing is held to strict and ambitious NPS and financial KPIs – sustainability can positively impact these but it takes time and can be harder to measure.”

“Sustainability is the lens through which we do business. It's core to our purpose and embedded in our values, strategy, and executive reinforcement. It's governed at the highest level. [But] Lack of understanding, skills or capability to execute on company strategy. Short term perspective driven by short term KPIs are constraining innovation.”

Senior Marketer, Global Marketing Communications Network



Closing the consumer intention-action gap

It's time to reframe the role and influence of marketing in your sustainability strategy

Even for the most eco-conscious of shoppers, when it comes to weighing up various reasons to buy, sustainability loses more often than it wins. This tension is, perhaps, most strongly felt when we are confronted with the 'sustainability premium' – where the product alternative that is better for the environment or society comes at a higher price point.

Armed with creativity and enabled by technology, marketers have the power to influence sustainable consumption and act as change agents – driving awareness, educating consumers and greening behaviour.

To do this effectively, they must be laser focused not only on activating the benefits of their sustainable products – the fuels, but on eliminating the frictions that discourage purchase.

And with purchase journeys being anything but linear, marketers need to be vigilant about incentivising the “right choice” at every stage.

Behavioural Science is an especially powerful tool for moving consumer intention into action. These techniques can precisely target barriers that stand in the way of sustainable consumption and gently nudge consumers in the desired direction.

The key to success is applying these techniques with nuanced understanding of the complex set of socio-cultural and infrastructural factors that influence consumers' individual choices and behaviour. And with our current ability to target audiences with precision, collect signals and sequence messaging, we can now test behavioural science-based techniques at scale.



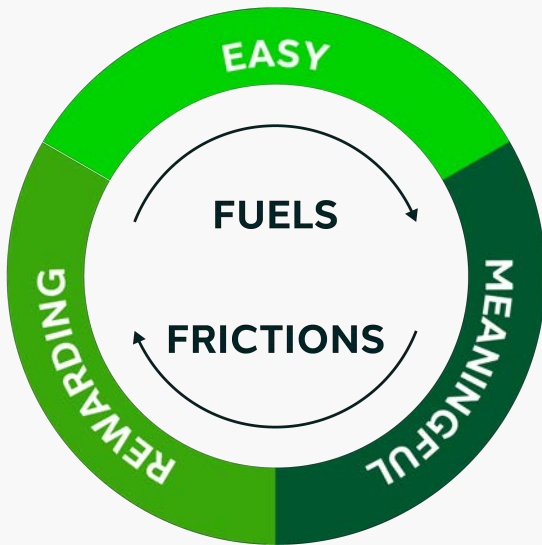
“In a region where markers of progress and success may be in conflict with sustainable purchase choices and behaviours, how can marketers play a role in reframing what is desirable in society through the stories that brands bring, and also disrupt with innovative business models that can help new behaviours form more easily and at scale?”

Trezelene Chan
Head of Sustainable
Transformation Practice,
Kantar APAC

Remove the frictions and activate the fuels across the consumer journey

A pervasive and inescapable culture of consumption is bombarding shoppers

Sustainability often takes a back seat as consumers face an overwhelming number of alternatives and routes to purchase the cheaper, easier option. Their default tends to be what's been tried before or done before. Overcoming the intention-action gap requires marketers to position their brand choice as 'easy', 'meaningful' and 'rewarding' for consumers. Consumers prioritise their needs in decisions they make. Sustainability initiatives by the brand need to address consumers' needs and the planet's simultaneously – put consumers at the heart of innovation, not just the planet.



1 Make it easy

Simplify jargon and reduce effort needed on consumers' part

Highlight the support your brand is offering to make a sustainable action (e.g. recycling). Show consumers how willing your brand is to partner to reduce effort for them.

2 Meaningful

Communicate the benefits to individual & planet

Engineer the sustainability benefit into the category that resonates with your consumers. Deliver superior benefit and align your proposition to consumer's beliefs and values to build positive associations with your brand.

3 Rewarding

Nudges and reinforcements that enable new habits to stick

Brands to deliver nudges that reminds them why it is worth their while to stick at these new behaviours. Consumers need to clearly know what they are contributing to and feel a sense of accomplishment that will motivate them to continue with new habits.

Applying Behavioural Science techniques to end-to-end customer experience design allows us to shape the conditions that will urge consumers towards the positive choice at each step in their decision journey.

MOMENT

Shape the context in which people make better choices

EXPERIENCE

Employ behavioural triggers at the heart of valuable interventions

ACTION

Help people tangibly make better choices

Behaviour tracking methodology

There are multiple behavioural science-based frameworks to choose from.

Dentsu has framed 15 techniques for marketers to work with.



Social Proof



Present Bias



Appeal over Duty



Messenger Effect



Concreteness



Political Affiliation



Consistency



Moral Licensing



Fresh Start



Saliency



Trigger Moments



Foot in the Door



Habit Formation

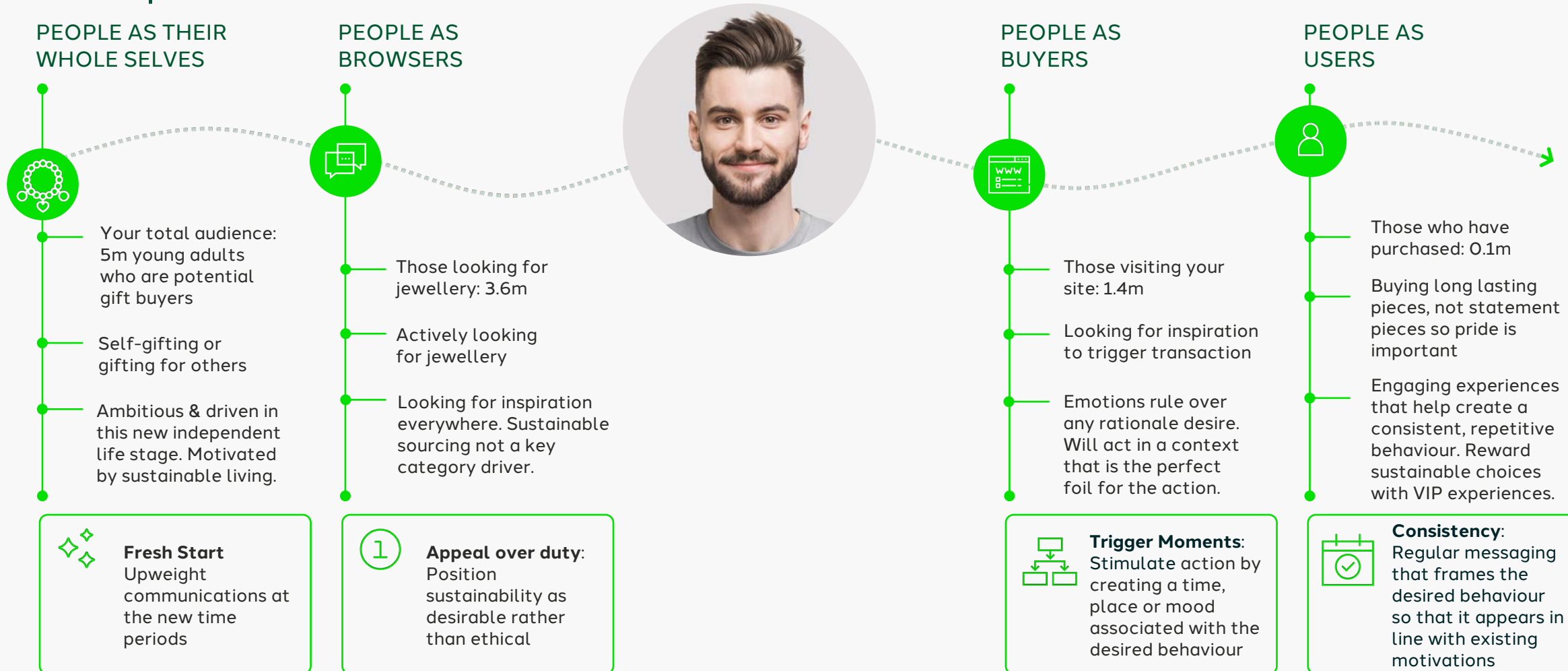


Make it easy



Power of In Groups

Match the technique to the customer's context to influence choice at every touchpoint



The Organisational Intention-Action Gap

Globally, 80% of marketers believe sustainability will be the most important topic in five years' time. 76% see that there are opportunities to innovate and to educate consumers in the process of realising their sustainability ambitions. However, only 37% have sustainability as a component of their role description¹⁹.

Businesses must
centralise the role
of marketing in
their sustainability
transformations
now.



“Marketers are entrusted with translating their company's sustainability promise into profitable growth, being equipped with neither the education nor the tools to create a meaningful narrative, nor the jurisdiction to influence sustainable product or process development within their organisations. Without these, they face a gargantuan challenge in creating value through their sustainable efforts and in proving that sustainability pays off for the business.”

Dominic Powers,
Chief Growth Officer,
dentsu Solutions, APAC

Reimagine the role of marketing with sustainability at its core

A number of the challenges cited by marketers in our APAC survey highlighted the tension between the traditional definition of their role and their ability to successfully drive their companies' sustainability ambitions²⁰.

31%

“We want to do something about it, but there’s a lack of budget to do so.”

“Internal stakeholders resist the move because the P&L and bonus will be challenged.”

25%

38%

“We have done quite a fair amount in the space of sustainability but we’ve been challenged by the business on the progress/impact it has.”

Start with clarity

While a lot is already being measured by organisations in relation to sustainability today, not enough is being measured specific to marketing.

44%

are unsure of the consumer perspectives on their brand's sustainable promise

"We are not clear on the right metrics to assess the progress we have made"

32%

41%

are not sure if their customers see value in their sustainability promise

Tie marketing goals to broader sustainability goals



The most employed framework, the SDGs, are helpful in framing ambitious end goals but earnest effort must be made to translate rightfully lofty organisational-level objectives into division-level objectives, KPIs and metrics.

Arguably, a lot is already being measured by organisations in relation to sustainability today. The critical issue is that not enough is being measured specific to marketing. WFA's 2021 Marketing and Sustainability report found that approximately 20% of marketing organisations globally are not measuring sustainability efforts at all.

Businesses must purposefully implement metrics to properly crystallise the link between marketing's sustainability efforts and business outcomes.

This will allow "test and learn" frameworks to be put in place for more effective decision-making around innovation directions and investment.

Invest in consumer research

Understanding the extent of influence sustainability efforts and messaging have on consumers' purchase decisions is an essential part of any test and learn regime.

Establish an unambiguous finish line

Adopting a verifiable science-based target is vital for both internal clarity and alignment, and to be able to demonstrate sincerity (and avoid accusations of greenwashing).

Benchmark at the industry or category level

Another issue is alignment across companies in the category. The WFA also found that among marketing organisations that were measuring sustainability efforts, measurements were not standardised. This means that organisations are not able to compare or gauge their efforts relative to others. Marketers must coalesce via industry collectives such as Sustainable Brands to establish a clear sense of "what good looks like".

Source: Dentsu x Kantar Marketing a Better Future Study 2022

Marketing must have a mandate to innovate

Marketing can elicit incremental change by relying on communication-based efforts, but to fuel the sort of deep change that could result in a differentiating competitive advantage, let alone generate needle-moving progress for the planet, the function must have a mandate to innovate within the context of the company's sustainability transformation.

Make room for experimentation where marketing drives an outside-in approach to innovation.

Knowing where to focus innovation efforts can be tricky. Mapping your carbon footprint and business areas in need of improvement to prioritise innovation spaces and future-proof your operations is imperative. But designating innovation in the areas that best answer consumers' needs and wants – an outside-in approach – can ensure that any achievements also drive growth.

Crucially, using an outside-in approach will help companies identify new opportunities. This means reframing the market they operate in and considering their right to play in a wider set of categories. In this way, beyond product, marketing can drive business model change, seeding the conditions for long-term business continuity in the context of looming climate disruption.

To do this, marketing must have the space and an adequate time horizon within which to experiment with bringing consumer preference-informed innovations to the market – to try, fail, and iterate in the process of achieving the company's sustainability objectives.



For a truly meaningful impact, marketing must move out from behind corporate walls.



Meaningful progress in sustainability requires an ecosystem level effort where businesses, consumers and civic society, policy makers and regulators, and capital providers, work in concert.

Marketers must reframe their constituents to include ecosystem partners that co-own the sector's value chain and its carbon footprint. By positioning themselves as the focal point between the larger ecosystem, customers and their company, they will be uniquely positioned to drive relevant, resonant, step-change innovation.

Decarbonising media and advertising

There is a significant opportunity for APAC brands prepared to embrace sustainable media advertising.



Eight out of 10 APAC consumers say that in five years' time they only want to be spending money with brands who practice green and sustainable advertising²².

Greening your own backyard is becoming strategically important.

In joint research with Microsoft, dentsu identified that consumers are becoming more aware of the environmental impact of advertising itself. Globally, 61% view experiencing an ad as having a negative impact on the planet. This jumps to 72% in Asia Pacific, where the younger generation is even more aware of the impact.

As a brand, taking leadership on these issues now encompasses action that includes greening the advertising and media supply chain. It's a new frontline for growth, reputation, and loyalty.

To do this, clear, effective, open measurement and communication will be vital across the media supply chain. Marketers must begin collecting credible, verifiable data on the true environmental impact of their media buys and ads and communicate this to their stakeholders and their consumers.

Agencies and brands must work together to confidently demonstrate how sustainable ad campaigns will perform versus traditional campaigns.

The mission of brands, platforms and agencies who are invested and passionate about making critical change should be to get society engaged and thinking about sustainability all the time.

This means the relationship between brands and consumers must evolve and be broader than simply image and product.

Businesses should use the power of advertising in bold, powerful and positive ways.

Anna Lungley,
Chief Sustainability Officer,
International Markets, dentsu

Already, there are encouraging examples of where marketers and the industry have applied their creativity to address the climate emergency head on and as part of wider campaigns, for example:

Pivoting digital spend to low/no carbon providers and shortening the journey from data centre to audience.

Ensuring traditional OOH displays are produced on recycled paper or using carbon-eating paint for murals.

Incorporating elements of search spend in platforms offering carbon off-setting.

Measuring the real carbon impact of digital media content throughout the lifecycle of a campaign (through calculators such as dentsu's Media Carbon Calculator.)

Combining innovative technologies such as live local data, augmented reality, and facial recognition to educate audiences about their environment through engaging and immersive experiences.



The onus is on us

The world continues to lag behind climate goals – greater action and collaboration is needed from everyone across the entire value chain.

In November 2022, COP27 ended in Sharm El-Sheikh, Egypt, with an historic agreement on a 'loss & damage' fund for developing countries most impacted by climate change. However, the deal failed to include tougher commitments to limit global warming to 1.5 degrees centigrade.

What should now be clear to us all is that if we are to have any chance of hitting our climate change targets, we must act as individuals, businesses and society, together. Systemic change is needed beyond what governments can regulate or negotiate on their own.

The time is now for marketers to embed purpose across portfolios and at all touchpoints.

No longer can brands and businesses drive unsustainable consumption on a planet with limited resources.

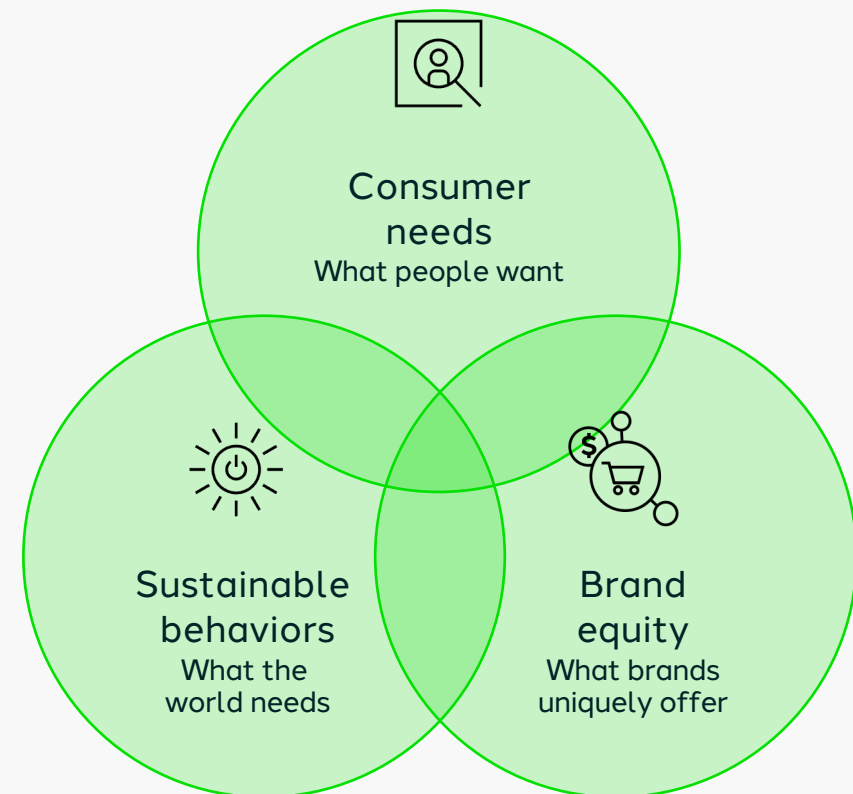
We must insist on a new way to build brands, taking into account the well-being of people and planet alongside consumer needs and desires. Embedding purpose across portfolios and at all touchpoints powers commercial growth too.


Every business needs to think innovatively on how to evolve their models, reinventing products and services for circularity.

Growth and Good should no longer be two separate agenda items in the board room. They must be seen as one, and necessary for companies to be resilient, and to thrive for the long term.

The onus is on us to ensure the “Asian century” is also a “sustainable century”.

We must find a new way to build brands



A woman with her eyes closed is hugging a tree trunk. She is wearing a red and white striped shirt with a colorful graphic. The background is a blurred forest.

“Our greatest
ability as humans
is not to change
the world; but to
change ourselves.”

Mahatma Gandhi

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KANTAR

Kantar is the world's leading data, insights and consulting company. We help clients understand people and inspire growth. Kantar is an evidence-based agency providing insights and actionable recommendations to clients, worldwide. We have a complete, unique and rounded understanding of people around the world: how they think, feel and act, globally and locally in over 90 markets. We don't just help clients understand what's happened, we tell them why and how they can shape the future.

Our Sustainable Transformation Practice works at the intersection of consumers, brands and environmental & social sustainability. We work with over 400 brands as a catalyst for action across multiple sectors and across the world. Our approach to sustainable brand-building stretches from strategic framing through innovation and comms activation to measurement programmes.



dentsu

Dentsu is the network designed for what's next, helping clients predict and plan for disruptive future opportunities and create new paths to growth in the sustainable economy. Taking a people-centered approach to business transformation, we use insights to connect brand, content, commerce and experience, underpinned by modern creativity. As part of Dentsu Group Inc. (Tokyo: 4324; ISIN: JP3551520004), we are headquartered in Tokyo, Japan and our 65,000-strong employee-base of dedicated professionals work across four regions (Japan, Americas, EMEA and APAC). Dentsu combines Japanese innovation with a diverse, global perspective to drive client growth and to shape society.

As a global leader in media and digital communications, we understand the power we have to influence the way that people think, feel and act. We are not simply spectators. We have an opportunity, a responsibility and the privilege, to guide our people, clients and society through this disruption. We can fuse data, technology and creativity in a way that helps create lasting good and a brighter, more sustainable future for everyone. This purpose sits at the heart of our business strategy and culture.



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