



2009: A Pivotal Year and the Dawn of the Age of Sustainability

Ogilvy **earth**

BACKGROUND

As 2008 drew to a close, with the election of U.S. President Barack Obama and the dramatic onset of one of the worst global financial crises in history, it became clear that 2009 would be no ordinary year. We needed to understand how these critical events were impacting the global sustainability movement. Would a new champion of sustainability in the White House propel the movement forward? Or would the need to address the “acute” problem of the financial crisis apply a counterweight, pushing the “chronic” climate crisis down the global agenda?

Recently, OgilvyEarth volunteered to develop a communications strategy and campaign for the United Nations Climate Change Conference, COP15, to be held in Copenhagen in December of this year.

To inform our thinking, we conducted an Eco-Audit with 50 of the world’s thought leaders on sustainability – representatives from major corporations, governments, financial institutions, academia and NGOs in the US, India, China, Brazil and the UK. We spoke with such eminent figures as Dr. Rajendra Pachauri, Chairman of the IPCC; Dr. George Lakoff, Professor of Cognitive Linguistics at U.C. Berkeley; Bill Becker of the Presidential Climate Action Project; Linda Fisher, the Chief Sustainability Officer at DuPont; Philip Stamp,

Sustainable Consumption Manager, DEFRA; Michael Meyer, Chief Speechwriter for the UN Secretary General; Ricardo Voltolini, Director of Idéia Sustentável, Brazil; and Peggy Liu, Chairperson, Joint US-China Cooperation on Clean Energy (JUCCCE). We also conducted qualitative research with consumers and an OgilvyEarthscope Audit to determine the “state of green.”

What we learned was striking: 2009 is giving rise to a new world order with the concept of sustainability at its very core. This pivotal moment creates a rare window of opportunity for cultural leadership.

This whitepaper outlines our findings and thoughts on the opportunities for brands that wish to lead in the new Age of Sustainability.

1) A Moment of Possibility

President Obama’s election and inauguration are universally viewed as a transformational force in global sustainability policy and practice. His election is cited as by far the greatest factor in deciding the outcome of COP15, and Obama environmental policy-watch has become the sport du jour of the global sustainability community. Thus far, the signs are largely promising, and the community remains hopeful the new U.S. President will deliver on his aggressive campaign commitments, despite the continuing economic crisis.

But if the advent of Obama was expected to further the sustainability agenda, more surprising is the discovery that the financial crisis is also paving the way for its progress.

The Americans can always be trusted to do the right thing, once all other possibilities have been exhausted.

Winston Churchill

At a broad level, by revealing that the system we have is fundamentally broken, the crisis is creating a climate of unusual receptivity to new ideas. More specifically, the deepening crisis is bringing thought-leaders and consumers alike to the realization that the financial model we’ve been working with is unsustainable.

This crisis is the direct consequence of the unsustainable economic model we have chosen and the run for sustainability is an answer for that.

Ricardo Voltolini, Idéia Sustentável

Though they use that word in its conventional sense, it creates a frame of reference within which the previously unwieldy “sustainability” concept suddenly fits. The phrase “sustainable economy,” for example, is taking on a powerful double entendre with relevance to a much broader target: you don’t need to care about polar bears to understand the importance of a sustainable economy.

Note the language that resonates is “sustainable” not “green” economy. Consumers were quick to point out in focus groups that “green is a different idea – about the environment, not people. We are interested in the sustainable economy, not the green economy.”

2) Fueling the New Age

And change is certainly afoot. Another surprising finding of our research: in spite of the bleak headlines and worsening crisis, there is a palpable undercurrent of excitement. What consumers intuitively sense, thought-leaders describe as fact: the financial crisis, the “Obama effect” and COP15 have converged to create a “perfect storm” in which a new world order is rapidly emerging to replace the old one.

They describe a moment ripe with potential – a rare “bright line” in history presented not in terms of incremental change but as revolution, the advent of the next great chapter of the human story: **“a new world order,” “a structural rebasing of our economy,” “the next industrial revolution.”**

The future is being worked out now, in real time. We are creating a new world order brick by brick.

Prof George Lakoff

By helping people understand what’s in it for them (i.e., the promise of sustained prosperity), the financial crisis is achieving what years of green and environmental campaigns have struggled to – that is, to help people internalize the concept of sustainability, to understand why they should care and to open them up to the possibility of change.

This idea of the sustainable economy which even two months ago seemed quite “out there” now suddenly feels much more embedded.

Tony Manwaring, Tomorrow’s Company

It is critical that we highlight economic opportunities from the new industrial revolution – for that is what it is.

Sir Martin Sorrell, WPP

2009 is the year of the reframe – reframing sustainability as a business opportunity.

Peggy Liu, JUCCE

Though the specifics of the future are still being debated, it is clear the current age has abruptly ended and the candidate rapidly supplanting it is the Age of Sustainability.

CONSIDER THE EVIDENCE:

a) Sustainability is driving new wealth creation

A paradigm shift to a low-carbon economy by 2050 has the potential to drive forward the next chapter of technological innovation...and shareholder value creation.
CEO Climate Policy Recommendations To G8 Leaders
 July 2008

- The renewable energy sector of China has a value of nearly US\$17 billion – UNEP
- The global carbon market value is currently estimated at \$79.7 billion and could expand to \$3 trillion by 2020 – New Energy Finance [For reference, global markets for oil are currently worth \$3 trillion]
- The market for sustainable energy products is likely to be worth at least \$500 billion per year by 2050, and perhaps much more – The Stern Review

- Investment in new environmental technologies rose from \$10 billion to \$66 billion from 1998 to 2007 – The Climate Group
- The renewable energy sector in China already employs close to one million workers – UNEP
- In the US, the renewable energy sector now employs more people than the coal industry – Sierra Club

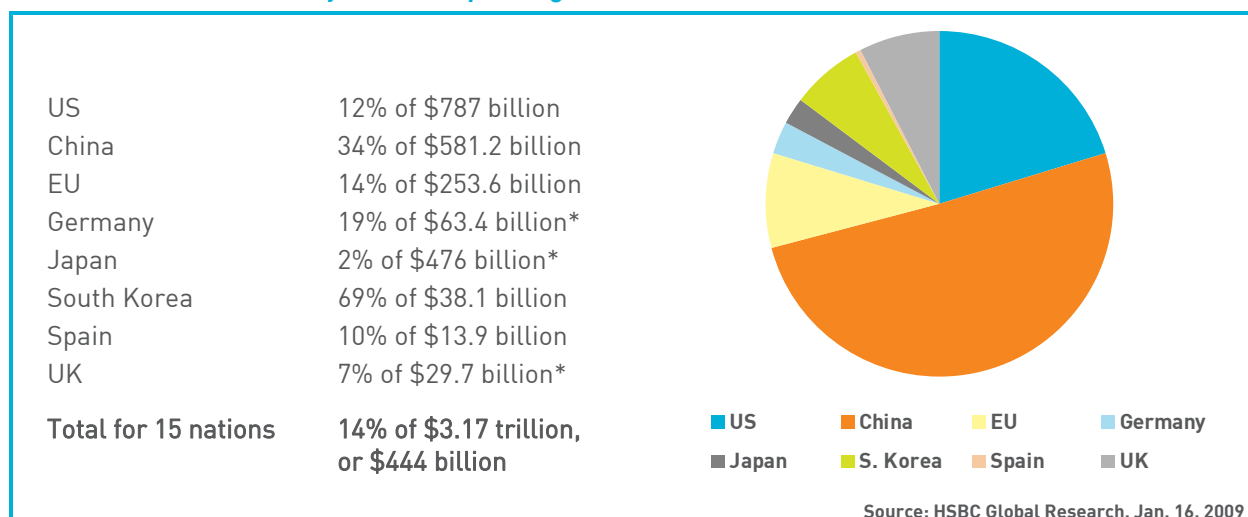
Action on climate change will create significant business opportunities, as new markets are created in low-carbon energy technologies and other low-carbon goods and services. These markets could grow to be worth hundreds of billions of dollars each year, and employment in these sectors will expand accordingly.

The Stern Review

b) Financial stimulus packages are incentivizing and accelerating the growth of the sustainable economy globally

- Globally, sustainability stimulus amounts to \$444 billion – Presidential Climate Action Project
- Factoring in multiplier effects, close to \$890 billion will be spent on green components in the top stimulus packages over the next two years – HSBC

Sustainability-Related Spending as a Percent of Total Global Fiscal Stimulus



c) Sustainability has gone mainstream

- The understanding that sustainability allows people, corporations and the world to do more with less has become self-evident. “Off the grid” no longer suggests anti-social, anti-establishment tendencies but a smarter way to live one’s life in which access to resources is stable, affordable and secure. Hybrid cars are hi-tech cars: the Tesla beats the Tahoe any day. Edison invented the light bulb in 1879 and, after 130 years as the global standard, it has been eclipsed by the compact fluorescent and faces extinction in California in just a few years. Solar energy, wind energy, electric cars, efficient household appliances, and local food are all growth industries. GE has shown strongest growth in its “ecomagination” product portfolio. Organic food continues to gain share and threatens

the century-old industrialized food system. The cues are obvious – the only questions that remain are: how fast and who leads?

79% of consumers globally said they would rather buy from companies doing their best to reduce their impact on the environment. 89% globally are likely to buy more green goods in the next 12 months.

Ipsos/HAVAS media

82% of Americans say they’re still buying green products despite changes in the economy

Enviromedia

d) Sustainability is becoming a legislated reality

- Leadership becomes compliance once the government gets involved. And no one gets credit for compliance. When nearly 30 years ago, DuPont voluntarily eliminated the production of ozone-depleting CFCs, it heralded a new era of sustainability leadership and responsibility for the company. If it had waited, in the name of short-term profits, it might have been saddled with negative press and class-action lawsuits that could have toppled the company. At the end of this year, the United Nations Climate Change Conference (COP15) will serve as something of a global election for the Age of Sustainability. A “yes” vote there will begin a series of international negotiations that will impact legislation in nearly every country on earth. The Age of Sustainability will become a matter of law. And U.S. cap-and-trade regulation is also hotly anticipated, as is a bilateral US/China agreement on carbon emissions or technology-sharing. A burgeoning carbon market already exists in Europe. Clearly, these developments will dramatically change the price signal around carbon and effectively turn the marketplace on its head. The window for “first-mover advantage” is getting smaller.

In short, we are witnessing a dramatic reorientation of the global economy around the principles of sustainability. And this is not the “green” of yore: how to balance growth and quality with the impact on the environment. They are now one and the same. It is not altruism. It is the convergence of an undeniable economic opportunity, government stimulation, and emerging consumer demand – driven by the acknowledgment that radical change is necessary and inevitable. And, as with any major paradigm shift, there will be those who enjoy the great benefits of leadership and those who are left behind.

Doing the same thing and trying harder is not the solution. It is a restructuring of whole industries. Some will disappear and it will be bloody.

Keith Clarke, CEO, W.S. Atkins plc, and Chairman of the Construction Industry Council

No wonder, then, that the new language of sustainability is one of optimism and opportunity. Sustainability is no longer the problem to be solved – it is the solution, not just to the climate crisis but also to the global financial crisis. Sustainability now may be framed as driving shared prosperity.

The emerging language is of opportunity. This is new ground for us NGOs who are used to dealing in apocalyptic terms.

Martin Hiller, WWF

Sustainability is no longer a limit to what you can do economically, it is now an approach – how you approach policy, how you approach education.

Ken Peattie, BRASS

What must we do to insulate the global financial system from recurring shocks and cyclical bubbles so that people of all nations can enjoy the promise of development and live in economic security? The answer is to find common solutions to the grave challenges facing us. And when it comes to two of the most serious – the financial crisis and climate change – that answer is the green economy.

Ban Ki-moon, UN Secretary General

IN SUMMARY

How we understand and frame sustainability is changing radically. Forget the well-worn tropes of charity for the planet, apocalyptic threat or moral obligation. In the Age of Sustainability, sustainability is an economic issue, opportunity and imperative. Sustainability drives shared prosperity.

Indeed, the time is now. We are in the throes of the pivotal moment of the 21st Century – ripe with both opportunity and the potential to write the next chapter. Those who act now will define the future.

Now is a time for extraordinary leadership.
Dr. Rajendra Pachauri, IPCC

The choice we face is not between saving our environment and saving our economy. The choice we face is between prosperity and decline.

President Barack Obama

IMPLICATIONS FOR BRANDS

The Age of Sustainability offers brands the opportunity to go far beyond a green marketing campaign. A cultural shift this significant demands that major brands fundamentally reassess their point of view. Ogilvy uses a powerful construct, The Big Ideal™, to connect a brand's best self to an emerging cultural context or insight – to tackle exactly this kind of challenge. As a new world order emerges, with sustainability at its very core, there is huge opportunity for brand reinvigoration and reinvention.

1) Own the Conversation

The cultural landscape is rapidly shifting and brand messages must do the same to remain current. The dawning of a new era means the future is still malleable and those who define it first will also own it. Now is the time to plan an initiative rooted in the new understanding and language of sustainability. The opportunity for those who engage now is enormous. IBM's Smart Planet campaign is an example of a definitive leadership statement inspired by the new world order.

2) Leaders Wanted

Consumers sense that deep, systemic change is upon us and, while hopeful, they are ill at ease. They are hungry for trusted Sherpas to help them comprehend and navigate this new era, to make it seem less unfamiliar and daunting. And yet, they feel betrayed by many brands. Just at the time of greatest need, consumers feel that corporations are failing them: cutting jobs, retreating on R&D, turning inwards. There is huge opportunity – and expectation – for brands to rise to the occasion. Embracing sustainability and behaving (and communicating) openly and optimistically is an opportunity to rebuild shattered trust and confidence. The global interest Obama's election elicited is testament to this truth.

3) Appeal to Self-Interest

Forget polar bears. The brands that win will connect the dots between their vision of a sustainable future and their audiences' core interests – make the link to the kitchen table issues, the longing for renewed prosperity of their nations, communities, businesses and families. We all filter everything through the lens of the economy now. Take advantage of the role sustainability plays in putting money back into the wallets of people everywhere and the promise of renewed prosperity it brings. Wal-Mart is an example of a marketer enjoying significant success by reorienting its business around sustainability and leveraging the ecology/economy connection to align sustainability with its core "value" proposition. The recent Shanghai Auto Show saw foreign and domestic car manufacturers battling for leadership on benefit for pocketbook and planet.

4) Anchored Inspiration

While talk of a new reality is widespread, there is a need for visionaries who can both paint a compelling picture of the sustainable future and build a bridge to it from the reality of today. We call this "Anchored Inspiration." What does a sustainable world look, smell, feel and taste like? How do I find it? How will I benefit? Brands must show a path towards sustainability that is tangible, accessible and real. DuPont is helping rebuild tornado-torn Greensburg, Kansas, as a sustainable community today, enabling consumers to experience the vision firsthand through a documentary aired on Planet Green. The brand saw a 390 percent increase in awareness of their sustainability credentials. The world saw that the Age of Sustainability is here and now.

5) The Time Is Now

The United Nations Climate Change Conference in Copenhagen provides the ideal communications platform for those who wish to identify themselves as the leaders of this new era. We believe the second half of 2009 will see gathering momentum and public engagement on these issues. Copenhagen will be positioned not just as a climate change summit, but also as a moment in time, a referendum on our collective future. This is the timeframe within which these new ideas will be cemented and the thought-leaders of the new era will be minted. OgilvyEarth is developing a global, open-source, consumer-focused campaign for the UN, which will invite thought leaders to openly engage with the billions of global citizens who have already chosen the Age of Sustainability over the "same old ways."



A revolution is coming – a revolution which will be peaceful if we are wise enough, compassionate if we care enough, successful if we are fortunate enough. But a revolution is coming whether we will it or not. We can affect its character; we cannot alter its inevitability.

Robert Kennedy

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