



Article from : Brandcurve

Date : December 8, 2008 Monday

Is 2009 time to go green?

With the end of the year looming, everyone's joining in on speculations of the trends and players to watch for 2009. One of the big issues which has been floating around is whether implementing **Corporate Social Responsibility (CSR)** policies and 'going green' will give companies better performance in uncertain economic times. The newly-released [Nielsen Consumer Insight predictions for 2009](#) are that consumers will be less willing to spend on 'green' products. Idris at the Marketing & Strategy Innovation blog has also [argued that profits are going to take precedence over CSR](#). So why do I still think you should be looking at being green in 2009?

First, let's be clear: I do believe, personally, that everyone should be making the effort to be a bit more environmentally friendly and take up corporate citizenship. However, this discussion will be based purely on business. The key reasons are: In some cases there will be a cost saving CSR policies can improve productivity as well as consumer perceptions Brands incorporating it into their business model as a differentiation factor are already seeing the benefits Companies that are slow to adopt CSR in a recession will be behind the game when the economy picks up Cost savings Getting environmentally friendly and reducing wastage is a great way to save costs. Cutting inefficient use of paper, water and power means you spend less on these resources. Packaging is another big waster, with Amazon now introducing products which come in ready-to-mail boxes. While going carbon neutral might not be within everyone's budget, certification schemes are cropping up to ensure that those making the effort get recognition. And making transportation more efficient means less cost for you and less emissions. Productivity and consumer perceptions With so many directories of 'green' companies cropping up (like [Greener Assets](#)) and Socially Responsible Investment (SRI) funds showing consumers/investors which companies are taking up more sustainable practices, it's worth a slight operational shift. Governments are also continuing to push the environmental cause through the recession - Obama has promised not to let it take a back seat. CSR has suffered from the misconception that it only involves companies giving away money, such as 'every x% of the purchase price today will go to a charity'. It's no surprise then that people are asking why they should pay a premium for these products - they could just donate on their own. The reality is that there's much more to CSR. Companies which fund programs affecting their target markets as well as actively getting their employees involved have seen perceptions rise - DHL offered free shipping of emergency supplies in Asia during natural disasters, and is now a preferred

courier in many of the developing markets. Other aspects of CSR include transparency with shareholders (which is appreciated even more during tough economic times), occupational health and safety (helping to maximise productivity) and following sustainable business practices (better in the long run). Brands already benefiting The Body Shop is an obvious example of a brand which is doing well by incorporating prosocial values into its business model. However, other brands have found benefit from it -Marks & Spencer's with its Fair Trade goods, airlines with carbon credit schemes and L'Oreal with its Women in Science program. Brands can also suffer from not paying attention to CSR - the boycotting of Nike (NYSE:NKE) when it was discovered there were children working in its supply chain still comes up years later. First mover advantage In a recession we tend to focus on the short-term and making sure we get out of it alive. However, it's also important to think about what effect your decision now will have on your company's position when the economy picks up. If you haven't already started looking at corporate citizenship, do so now. Otherwise, when consumers start looking at issues like the environment again you'll already be behind! The lesson is: adopting CSR and being environmentally sustainable can be beneficial through a recession as long as you're smart about it.