

Host

Hi, Lulu, thank you for making the time to join us on Mrigashira today.

Lulu

Thank you so much for having me charu.

Host

I'm gonna begin by asking you, you know, sustainability and health seem to be conversation drivers for consumers? Are brands in India even ready to rise up to the challenge? sustainability is really being done in bits and pieces, and not really in the true sense of the word, that's my sense. But I would love to hear from you.

Lulu

Charu brands in India, absolutely ready to rise up to the challenge? They are already doing so. And actually, I believe that we will have increasing pressure from all of their stakeholders to do so. I think you'll agree with me that the pandemic has fundamentally shifted consumer behavior. In fact, an IBM study shows that 93% of consumers have changed their views on sustainability after the pandemic, which I think both of us can agree is very understandable. This virus which has come out of literally nowhere and ravaged lives, ruined livelihoods. It has been so negative. But Charu when it comes to sustainability, the silver lining I believe, is that it's really woken us up to the paramount importance of our own health and vitality, but also that of our Mother Earth. So sustainability now is a very definitive transformative force that might completely change existing industries create new ones. If we think about digital transformation and how that was the buzzword in corporate boardrooms, ECG will take center stage in the coming decade. So let's take a few data points for these different stakeholders, some, you know, hard data that shows that businesses will confront all of this more and more so right. Let's start with employees. I don't know if you're familiar with normative, a sustainability consultancy globally. This study shows that environmental concerns amongst employees has increased 52%. Right huge people are taken to the streets to protest that world leaders and businesses should take action on climate change. Let's look at consumers. Cantor's inaugural study on sustainability. And it covers nine markets in Asia showed that 58% of consumers are prepared to spend time and money to support companies that do good. And then there's new, more research in India, which shows that 33% of millennials in India sports spend more than 4000 rupees per month on health and wellness to more stakeholders investors and government charu, if you look at investors bcgs pulse check found that 51% of investors think it's important for healthy companies to pursue their ESG priorities. You if it means lower earnings per share, and the good news is that 60% of listed companies in India already mapped out their activities. And when it comes to the government, the world over we know that the accelerating action in this regard. And I don't know if you know, all your listeners would know that the government is planning a social stock exchange that concept is in the works. And of course, there are ambitious goals like EBS, all electrical vehicles by 2030. So to answer this question, what matters to stakeholders must matter to brands? So you can clearly see that there's a lot more to come. Honestly, sustainability is the both the most intractable challenge, but also the biggest commercial opportunity for brands.

Host

I agree with you there. But you know, one has often seen that. Okay, you talked about 93% of the people changing their views on sustainability. I couldn't agree more. But does that really translate into people buying those products? I'm not so sure at this point in time, also, you talked about accelerating action. Yes, certainly. One sees, you know, the whole clamor to if I may use the word to really achieve the SDG goals, because 2030 is not very far off now. One would really want to see how brands can take it beyond tokenism. I have seen brands like h&m who have just introduced programs where in the name of sustainability where they just asked people to send back their old clothes for recycling. Now, is that really what sustainability is about? How can brands really and integrate sustainability rather than habit as value add?

Lulu

It's a great point that you raise Charu. The need of the hour now is for brands to close the value action gap. Right? What do we mean by that? Yes, consumers are saying that they want to buy more sustainable products and support good companies. But there are barriers. From the consumers perspective, cost is definitely a huge one here in India, there's also comfort, behavior change is not easy, because you're used to doing things the way you're used to. and changing consumer behavior is extremely difficult, as you well know. And convenience has been the USP for so many products over the past couple of decades, decades, plastic packaging, etc. Now, coming to the companies, h&m or whoever else, I think there's a very real desire to close this gap. But I think many companies don't know where to start, right. Sometimes it's tackled at the corporate level, not the brand level, they may be fear of doing wrong, it's exactly this kind of backlash. And within the company, they might be silos also that prevent this progress. But the truth is standing still is more risky. I think the issue is that regulation and compliance make sustainability very, very costly from the company's perspective. And so what we believe is that in order for sustainability, to be seen, as a competitive advantage, that's something that brands should truly embrace at a very deep level, a point of differentiation needs to be found, and therefore we have to turn to brand in order for the sustainable initiatives to really drive ROI. So we look at the journey of sustainability through the lens of a two by two. So imagine a Y axis, where you're plotting sustainability as central to the business strategy, or more peripheral. And think of the x axis where it's more central to brand or more peripheral, right? That top right hand quadrant charu is the holy grain, where the sustainably native brands and businesses like a Tesla, for example, sit. So for brands and businesses choosing your stance on how sustainably native you want it to be, is it core, or is it periphery, is really quite important. You can either transform to be more sustainable, or you can create more sustainably native brands. That's really the opportunity. And we have a process called the good brands process, where we really help our clients assess where they are, decide where to go, help them find their focus ideate to really see how to bring these innovation opportunities to life, and to then implement it. But you're absolutely right. greenwashing or making a promise that's very superficial will easily be called out in this digitally transparent world that we live in. So you have to absolutely back up your promise or what you communicate with what you actually do, there is no scope for anything else. You can't just make tall claims. You have to live with that.

Host

No, of course, I completely agree with you there. And this brings me to my question about, you know, we've talked about how brands need to rise up. But what about us, as

communicators? brand custodians? How can we help brands adopt sustainable practices? You know, that fear of doing wrong? What you talked about? How can we help remove that and, close that gap?

Lulu

fantastic question. And you're right, you know, in this transparent digitally connected world, stakeholders will have no patience or tolerance for greenwashing or just PR, right, as we just said, you have to be sincere. I don't know if you saw David Attenborough, his first message on Instagram. He said that saving the planet is a communications challenge, that we know what needs to be done. We just now need to do it. Right. I believe we have an opportunity to change the narrative for businesses and for consumers, right? How can we as communicators shift from a very doomsday scenario to sustainability as something that's really going to help us and our kids generation really enjoy the future. Right, so sustainability viewed not as compliance But something about innovation, it's not about depriving yourself but about something to really look forward to.

Host

Something to be a part of

Lulu

something or be a part of. Exactly. Exactly. So very inclusive, inviting people into this movement, and not just talk really leading with action. So what can we do, as you say, I think we can show businesses that brands can really lead the change, right? brands are catalysts for action. They are a rallying cry for the entire organization, we can help them redefine their purpose at an organizational level at a brand level look at Unilever, right? T and G. These are great examples of companies who have really defined their corporate purpose as well as individual brand purposes. And you know, it makes a financial difference. Kantar brands, the data shows that brands with weak purpose grew only 70%. But brands with strong purpose grew 175%. So we can actually help them use innovation, to develop products against that purpose. We can help them really embrace and embed, design thinking or new mindset deeply in the culture. This is going to be about cultural transformation as well. And when you communicate and evangelize Charu, we have to be authentic. We have to be transparent. We have to be brutally honest. We have to be realistic. And we can't actually greenwash right, so it's the inside out transformation, which is the need of the hour. I think there's a huge opportunity now charu next embrace brand led sustainability so that we can actually benefit people, planet and profit.

Host

I think the point you raise about the culture change is so Bang on and it reminds me of the saying that, culture eats strategy for breakfast. So we might have the best strategy. But you know, if there's no cultural change, it's not going to happen.

Lulu:

Absolutely-Absolutely

Host

Yeah, thank you so much for talking to us on Mrigashira.

Lulu

Thank you, Charu. It was a pleasure. I really hope this message about sustainability as a huge commercial opportunity for brands hits home and that we'll see more brands taking on some of the intractable challenges in the world, but also seeing the ROI for them.

Host

Absolutely, thanks a lot Lulu for making the time. thank thank you so much.