



Integrity: The New Brand Currency That Can't Be Bought or Spun™
www.integritybrand.com

Summary

This paper will revolutionize the way you think about marketing and the potential of brands. It argues that brands can take up the mantle of leadership in social responsibility and integrity. In doing so, they establish a sense of community leadership and increase their own financial profit. Integrity will be the new barometer for successful brands and those that don't have it will suffer in public perception, market share and revenue.

Integrity Brands™ are those brands that live social responsibility through a commitment to ecological sustainability in their behavior from manufacturing to management. They have a responsibility to inspire mainstream corporations and consumers through communication, education and competition. Until mainstream brands see Integrity Brands chipping into their market share, they will take no notice. As Integrity Brands grow through awareness, mainstream corporations will be forced to pursue integrity, if only to remain competitive. Ultimately the world cannot afford to wait for Integrity Brands that stay in a corner of contentment and are happy preaching to the converted.

As public knowledge about corporate and brand behavior increases, so does consumer demand for Integrity Brands™. Current barometers of corporate and personal success seem outdated. Mainstream USA is learning that every act of consumption or corporate decision impacts the deteriorating quality of the earth, its ecosystems and our communities. The result is a public search for and deference to brands that support social responsibility, specifically: sustainability. Brands that 'live' integrity will have a competitive advantage.

I hope you enjoy and embrace the challenges and questions this paper offers. I hope you are inspired by the solutions it presents.

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"We cannot solve the problems we have with the same thinking that created them"
– Albert Einstein

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Social Responsibility with Substance and Style™

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Introduction

Sadly, many of the world's largest brands have the least integrity. The means by which this happens are endless, from pharmaceutical companies endorsing and rewarding doctors for prescriptions filled to public corporations tinkering with balance sheets. Some corporations act as environmental polluters and sweat shop supporters. In addition it's as if their power is becoming absolute. There is a growing need for change. Mounting anti-corporate and anti-advertising sentiment validates this. But exactly what kind of change do we create and how? What with past formulas for personal and professional success losing their edge, our values as individuals and professionals along with our inherent reason for being have shifted. 9/11 has impacted us on both levels. People are still losing their jobs and we swing back and forth towards recession while continuously questioning lifestyle and personal security. We're in the hangover phase of a long-time consumer binge that is only just beginning to be tempered. Right now, it seems we're almost rudderless. What will guide and measure the change we need if past barometers of success fail us?

The answer is within reach of a small, yet growing group of corporations and organizations whose core reason for being revolves around social responsibility and ecological sustainability. These are *Integrity Brands™*, those brands that live social responsibility through a commitment to ecological sustainability in all behavior from manufacturing to management. At the moment they are generally not trying to compete with mainstream brands. They remain content existing within the niche community of sustainability. However, to create change in mainstream consumer and corporate culture, Integrity Brands have a *responsibility* to be competitive with mainstream brands. Only when mainstream corporations see them as meaningful competition will they truly evolve towards having integrity rather than reacting to the growing consumer demand for corporate integrity with slick but often hollow advertising campaigns such as British Petroleum's green focused ads. In the *New York Times Magazine*, Darcy Frey questioned BP on its evolved paradoxical positioning as the oil company that goes "beyond petroleum" while deriving well over 90 percent of its revenues from fossil fuels.¹ I want to believe BP's 'green' push and I like the ads. But I wonder if it's disingenuous. With 90 percent of revenues coming from non-renewable resources, it certainly *sounds* like it.

This paper explores the problems surrounding these issues and offer solutions.

1. The growing trend of social responsibility and integrity
2. The catch-22 of corporate social responsibility
3. The responsibility of Integrity Brands to inspire the mainstream
4. Substance *and* style replace substance *or* style
5. Understanding Conscientious Innovators
6. Changing the nature of the relationship between brands, their communication and the public

¹Darcy Frey's "How Green is BP?" in *The New York Times Magazine* December 8th, 2002
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The Growing Trend of Social Responsibility and Integrity as Values to Live By

Increasingly, consumers across the globe look to more balanced values based on integrity and social responsibility as criteria when making personal, life and brand choices. Literary best seller lists are always an indication of how and what populations are thinking about. If you look at *The New York Times* best seller list, it has been consistently topped by books indicating this movement towards self-discovery and growth on both personal and professional levels from *Who Moved My Cheese* to *Chicken Soup for the (Anything and Everything)*. This ambition, coupled with disappointments in past traditional symbols of leadership and success from Wall Street to the Church, leaves people crying out for social responsibility and integrity to fill the void of leadership. Ultimately, we see people demanding integrity not only in products they buy, but also in behavior of the corporations that own them. The trend of social responsibility is growing into a demand.

We can clearly see how the trend of social responsibility and demand for integrity manifests itself across all aspects of our lives. On a personal level there is a declining trust in corporations and brands that don't live up to our new demands. And there is also a growing dislike of the invasiveness, ubiquity and disrespect of marketing and advertising. Specifically, with consumers, it's a growing disconnect between sexy marketing messages and corporate behavior (Nike, WorldCom, Citibank and others). There's also a growing anger towards corporate brands in general to which no brand is immune, guilty or not. Bang & Olufsen, quite a responsible and respectable brand had a store that was trashed during an economic summit in Gothenberg. As reported in *The Guardian*²:

"The events at Gothenberg should have every corporate executive pondering...if Bang & Olufsen can be a target, so can any consumer brand. No brand is safe".

Above acting on the demand for social responsibility, people are also talking out about it. The phrase, 'social responsibility' has firmly entered the lexicon. The *Financial Times* has a special section on corporate social responsibility. In the UK, people are pushing for the Minister for CSR³, currently a part-time position, to be full time. 80% of Canadians say the government should set socially responsible standards and 75% say government should boycott firms that don't comply.⁴ Even the US government is getting in on the action, giving tax cuts for energy efficient vehicles. And President Bush's recent State of the Union address pledged to fund the research and development of fuel cells for lower emission hybrid cars.

However the more social responsibility gets talked about and corporations try to communicate their commitment to it, the more the distrustful consumer wants to know about what *really* goes on inside corporations. They are no longer content with press

² Madeleine Bunting in *The Guardian*, October 2001

³ CSR=Corporate Social Responsibility

⁴ From the Canadian Democracy and Corporate Accountability Commission 2001 conducted by Vector Research

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releases, financial ratings, and endorsements or advertising. Aided by technology this growing interest in internal corporate behavior consumer knowledge is growing. Consider the popularity of www.fuckedcompany.com among 20 and 30 some-things. It began as an insignificant bulletin board at the beginning of the dot-com meltdown posting details from confidential internal memos that 'out-ed' internal corporate behavior. It became the place to learn about what was happening behind the closed doors of companies. Today, consumers' corporate curiosity has driven Fucked Company into a brand and business of its own with t-shirts, a premium subscription access only section and even personal ads. While the growing anti-corporate sentiment feelings are directed towards 'mega' brands from Coca Cola to Nike⁵, their behavior affects our attitudes towards and scrutiny of corporations and brands in general. This results in actions such as analyzing internal memos at Fucked Company. Brands will not be able to hide behind savvy image and marketing spin if inherently their corporate behavior (that we can now find out about) doesn't add up. One cannot purchase or create integrity.

Consumers' demand for social responsibility and integrity in purchase or brand decisions also impacts the labor market. It goes beyond what laundry detergent we buy or which supermarket we patronize. Corporations' ability to recruit the best talent is being impacted by how their behavior does or does not live up to our evolved values. The ambition of 'I want to work for a Fortune 500 company' has evolved to 'I want to work for a company that has the same values as I do'. *The New York Times* featured ex-dot comers now working for "what they see as the global good"⁶. At Davos 2003, Bill Gates sat on a panel themed "Science for the Global Good". In the advertising industry, once seen as the ultimate career for graduates seeking creativity in business, there is a struggle to recruit young talent. And when people are recruiting talent, there's a new criterion. Gerald R. Roche, the senior chairman of Heidrick & Struggles, a top executive search company says, "*The number one criteria in every CEO search we do today is integrity*"⁷

Overall, brewing anti-corporate sentiment is affecting all levels of our lives and a number of industries as we increasingly merge our work, our values and our diminishing trust in corporate cultures. The consequences are severe. Not only do we not want to buy brands lacking in integrity, we don't want to work for them either. As Niall Fitzgerald, Chairman of Unilever says, "*The consequences of lost (consumer) trust, either in the commercial or the political arena are both clear and serious*"⁸. But are corporations truly taking note of this collision of our diminishing trust and our evolving values? And if so, are they changing their behavior and acting on it in a way that will regain our trust? Is having a corporate social responsibility department or producing an ad campaign that 'talks' deeper values enough?

⁵ A March 2004 update on Nike: To be fair, since losing its credibility in the marketplace (for following labor practices that most American companies manufacturing offshore followed and still do) Nike has put great effort into authentic CSR activities. See <http://www.sustainabilitypartners.com/html/ourclientsnikereport.html>

⁶ *The New York Times*, March 16, 2003

⁷ *The New York Times*, June 24th, 2002

⁸ *The Guardian*, May 21st, 2001

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The Catch-22 of Corporate Social Responsibility

A. From the corporations that produce consumer goods and services...

More and more companies are projecting an image that chimes with our need to live by deeper values. Today we see a host of corporations whose advertising and communications strategies reflecting 'what's really important in life'. Deeper values are all the rage in brand communications. Citibank's "Live Richly" campaign espouses that money is not the most important thing. Bank of America's new brand positioning is "Higher Standards". Across brands, the wireless category talks about the importance of 'connecting' such as in AT&T's M-life launch. Brands are beginning to realize that their business is indeed impacted by a growing consumer desire for living by deeper values as well as ethical and socially responsible corporate behavior. But while that realization is reflected in brand communication, it's not generally reflected in a brand's corporate behavior. So we have brand communications that talks the ('green' and 'socially responsible') talk but doesn't necessarily walk the walk.

This will lead to a catch-22 situation. As 'organic', 'socially responsible' and 'sustainable' evolve into burnt-out corporate buzz words, consumers will realize that corporations are again taking them along on a ride, manipulating their values to create a position that has one key objective: profit on the balance sheet. Combined with consumers' already intense distrust of big business and marketing, cynicism is growing and these 'buzz words' could lose their value. The big brands with the big voices, either don't have integrity or aren't inspiring. The smaller Integrity Brands without a big voice aren't working to strengthen it. So if we have big brands with lots of money telling us they're socially responsible, what will be the impact of those millions of marketing and advertising dollars?

At the end of the day, corporate strategies that deliver to a single, financially driven bottom line to the exclusion of integrity negatively impact brand image. Consumers see past the spin and know today's corporate realities. Rapacious corporate behavior such as the once unquestioned lavish excess of CEO's and senior executives, layoffs, global mergers and acquisitions, insider trading, all negatively impact how we perceive brands from Merrill Lynch to Martha Stewart. At the same time, while brand image is being affected by corporate behavior, corporate strategies are struggling to both keep up with and figure out how to implement the crucial new trends: social responsibility and integrity. GE sponsors NPR's⁹ W-NYC station, while being forced to confront its dumping of millions of pounds of PCBs in the Hudson River. M&M/Mars has developed "Seeds of Change"¹⁰ and the Smith Corporation produces an 'organic fertilizer' while at the same time establishing a partnership with GM foods proponent bio-tech brand Monsanto. And the industry that often defines how brands talk to the world, the marketing and communications industry, is also figuring out how to keep up. Ketchum PR, owned by Omnicom, which sells us Mobil Oil and McDonald's, has started a

⁹ National Public Radio (US).

¹⁰ Seeds of Change is an organic packaged goods line.

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CSR division. DDB Worldwide, also part of Omnicom, is a member of BSR¹¹. These corporations tinker with the outside, without truly changing the core. While there's a clear opportunity for change, businesses are missing the mark, making awkward attempts to capitalize on the rising trend of social responsibility.

So we see two dynamics simultaneously occurring. Brands are more intricately and strategically designed and difficult to resist while the savvy 'super' consumer is now getting tired and looking for meaning beyond material things. As a result, we see corporations jumping on the social responsibility band wagon. Among tired 'super consumers', the search for brand attribute is morphing into a search for brand integrity and authenticity. This hunt for deeper values affects society and culture from art and design to career and corporate mandates. The success of London-based Good Business, a socially driven marketing company formed by two ex-advertising agency executives, shows the move towards using talent for good over using talent for profit; or rather, that they can exist hand in hand. Founder of New Leaf Paper, Jeff Mendelsohn, cannot believe the resumes that arrive in his mailbox from traditionally trained and well paid successful MBA marketing executives. While consumerism and corporate gain have almost become sport, more entertaining than ever, the actual consumers are losing their interest in the game. Fatigued consumers have a declining trust and growing dislike of corporations and brands, not even separating the two. If corporations and brands continue to tinker, without altering their core, consumer faith will continue to decline and their aversion will continue to grow.

B. ...To the marketing communications corporations that design their messages

The marketing communications industry that is meant to drive consumer interest in brands and corporation is also floundering. Layoffs are rampant. Spending and consequent revenues are down. The consumers, who the industry wants to woo, are turning a blind eye. *"We still have huge numbers of people flat-out ignoring advertising. Most of them are young, which is not a real positive sign for an industry that lives and dies by how well it persuades that group to consume."*, reports Adweek.¹² Sir Martin Sorrell, chairman of WPP, the world's largest marketing and advertising group, has also voiced caution as many industry pundits predict an immediate upturn. At Davos this year, Sorrell said *"There is never a better time to make necessary change happen and to develop the right strategy."* WPP has been altering its business mix to focus more on research and direct mail as opposed to its traditional ad agency business.¹³ But by altering the product it focuses on (say from advertising to direct mail) is the industry truly changing at its core? It is change at the core of corporations, both those that manufacture products and those that represent them through a marketing product that will drive an upturn across industries. So what kind of change must the marketing communications industry make? It must change whom and what it stands for.

¹¹ Business' For Social Responsibility.

¹² Adweek; June 24th 2002.

¹³ The Guardian; Monday January 27th, 2003.

C. Changing what marketing communications stands for

Today, for the most part, mainstream marketing and communications do not represent any positive social meaning to consumers. In addition, people don't like its ubiquity, invasiveness and often disrespectful nature.¹⁴ *"I hate advertising. Can't they just give us a day off?"* says Tammy, 31 year old boutique owner. Marketing communications just doesn't stand for anything *meaningful* or representative of our evolving inner values and search for social responsibility. It stands for selling more stuff. While the initial focus of any (for-profit) brand's marketing communications effort ranges from increasing or changing image to increasing sales, ultimately they are peripheral means to the end objective of a strong balance sheet, today's leading measure of corporate success. It's a balance sheet with a single, financially driven bottom line. Furthermore the companies that execute solutions to deliver on these goals share this direction.

While any brand with a budget can buy advertising ideas, promotional ideas or 'cool packaging' their¹⁵ marketing communications spend, regardless of category, represents *only three things*: target awareness, budget capabilities and perhaps some strategic/creative thinking. It doesn't matter who develops the marketing communications, be it a big corporate agency or a small creative boutique. There is still a disconnect with consumers. With a look of both cynicism and defeat a young hipster interviewed on the streets of New York City says, *"Soon Jesus will be wearing a pair of Calvin's, saying 'whaz up' while sipping a Starbucks Mochachino."* Overall, through its mass cultural invasion, today marketing communications is an integrity-lacking annoyance. It's just the same as the mega brands.

At the end of the day, while creativity and strategic thinking is held as important, the brand marketing/communications system and its values stay the same. Marketers use their understanding of trends; consumer insight and creative communication to *sell*, not to inspire change in the brand marketing/communication system. The bottom line is sales and the balance sheet for both the agencies and the clients they work with. And marketing savvy consumers know this. As this knowledge grows, the more communication between marketers and consumer becomes a one-way street. The louder the industry talks, the less the consumer listens. It's an industry following an outdated paradigm of success:

"Advertising still doesn't have a reliable road map for the future. It hasn't cracked the code of how to reinvent itself." Adweek June 24th 2002

The industry needs to evolve at its core and change what it stands for. Only then can it build a new and more relevant paradigm of success.

¹⁴ Such as: telemarketers calling at dinner time or Coca Cola invading the US education system.

¹⁵ Mainstream for-profit brands.

Essentially, marketing and advertising is a meaningless annoyance to consumer culture today both because of its single, financially driven objective and because of the way it has invaded consumer culture. The caveat is that genuine, breakthrough creativity can be rewarded when it rings true, i.e., Goodby's *Got Milk?* campaign. However, winning creative awards *does not* make a brand more meaningful in terms of evolving consumer and cultural values. Neither does being named 'Marketer of the Year' by *Brandweek*. There are two things to consider when thinking about moving towards a new standard of success which will ultimately have more meaning and therefore more relevance to our evolving values. Firstly, the brand communications category is under-delivering on integrity and inspiration. Secondly, there is an opportunity to use the influence that brands have in our culture to inspire core change towards sustainability, hand-in-hand with profitability. Together, these create really interesting territory, ripe for new ideas. They will ultimately help build a new paradigm of success¹⁶.

The Responsibility of Integrity Brands to Inspire the Mainstream

Today Integrity Brands are shirking their responsibility to inspire the mainstream¹⁷ population that so desperately needs to be inspired. For the most part, Integrity Brands preach to the choir, directing their marketing communications efforts to those already aligned in actions and beliefs, such as Seventh Generation¹⁸ advertising in *Utne*¹⁹ to the exclusion of mainstream publications or Integrity Brands participating in only sustainability community events. It feels cliché and expected, not creative or well designed when their brand identity and design elements go for 'looking green' over 'looking smart and interesting'. They often don't talk to the increasing design savvy population buying Philippe Starke at Target and their tone is often neither culturally relevant nor inspiring to mainstream modern consumers. NYC based marketing consultant and former *Vogue* writer Amely Greeven says it in a nutshell:

*"Mainstream consumers simply aren't turned on by an industry associated with smiling suns, glittering purple panel roofscapes and purist hippy-dippy lifestyles. Like it or not the face of 'green' needs a makeover. It needs a marketing strategy that's edgy and of the moment rather than lost in a 70's sensibility"*²⁰

These companies are often small, with minimal budgets. It's one of the reasons we're not very aware of them. However budget size is not a reason to be 'ignorable'. Indeed, with focus, the right strategy, and creative thinking, small budgets can work very hard to great success (The Blair Witch Project).

To inspire the mainstream, Integrity Brands must act in a more enlightened, more modern and culturally relevant fashion. Strategic, creative and culturally relevant

¹⁶ I won't be arguing a new economic model here. Read Paul Hawken's natural capitalism. My point is what brands and brand marketers can do to create change.

¹⁷ By this I mean, mainstream corporation *and* consumer.

¹⁸ A household cleaning brand.

¹⁹ Or other 'green' focused publications.

²⁰ www.ecomall.com



marketing communications is a tool to achieve this. While organic inspiration and tapping into the sustainability community has historically driven Integrity Brands, it just isn't enough anymore. More of us need to know about them now! For consumers to demand Integrity Brands, they need to be aware of them. How can people make a better purchase decision if they don't know one exists?

Despite the positive changes in attitude and purchase behavior, consumers' awareness of the positive choices they can make needs to grow. They often *just don't know* of the better purchase decisions they could make. This is where Integrity Brands' responsibility to make themselves better known is relevant. As more people make more environmentally positive choices, we'll move towards a healthy, more sustainable lifestyle and planet. If everyone drove the hybrid, Toyota Prius, we would double the gas mileage and lower emissions. If more people used recycled paper over non-recycled, we would save our quickly declining natural resources, save landfill space, save money and create jobs.²¹ In order to make these better decisions, mainstream consumers need to know they exist. In the UK, 45% of the population "tends to agree" that they don't have enough information on companies' social or environmental behavior to make a purchase decision²². *Environmental Health News* makes the point that "*despite market growth (of ethical products and attitudes), what is known as the "30:3 syndrome" tells us that, while almost a third of consumers express concerns about company policies, ethical products rarely exceed 3 per cent of the market share.*²³" Today there's not just an opportunity, but also a responsibility for Integrity Brands to talk outside their niche.

By making themselves better known, Integrity Brands will enable consumers to fulfill their growing social responsibility and environmental concerns through the things they buy, from energy consumption and paper to washing detergent and transportation. As mainstream consumer awareness of Integrity Brands grows, I believe we'll see a cycle of change (See fig. A). Integrity is becoming the new brand currency that *cannot* be bought or spun. Those that live by it will benefit from the cycle of Integrity Brands. Those that do not live by integrity will suffer. Martha Stewart's Omnimedia took a hit. Investigators from the US Congress started investigating Martha for the sale of her stock when she sold about 3,000 shares just before the ImClone stock price plummeted and from June 7th 2002 to June 12th, 2003, Martha Stewart saw the price of her company's stock decline 21 percent. The challenge for corporations will be how to incorporate it into their core structure and definition of success. When consumers do get on this path of Integrity Brands, it will allow them to make purchase decisions that fulfill the more meaningful, deeper rooted values they are looking to live by. It's quite clear that the time for Integrity Brands to take up the mantle of leadership has arrived. (See Figure A)

²¹ Using recycled paper conserves energy and water and keeps air pollution out of the sky. According to the EPA, paper and paperboard represent 38.1% by weight of the municipal solid waste stream. When the materials that you recycle go into new products, they don't go into landfills or incinerators, so scarce landfill space is conserved.

Recycling and remanufacturing produce substantially more jobs than landfilling or incinerating -- usually at a lower cost to local government and residential and business ratepayers. All directly from Green Press Initiative.

²² MORI report on Ethical Consumerism.

²³ *Environmental Health News*; Thursday November 28th, 2002.

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Only when mainstream brands see Integrity Brands as competition worth taking notice of will they change as a means to stay competitive. And Integrity Brands will only register as rivals when they chip into the market share of mainstreams. Large influential mainstream brands will not be inspired to change the way they function and behave until they see social responsibility and integrity as the way to have competitive advantage and be profitable. It will begin to be a competitive advantage (if not a necessity) when growing numbers of consumers demand it. They are beginning to as their purchase decisions indicate. In Canada, 72 percent say business should pursue social responsibilities, not just profits²⁴. In the UK, sales of ethical goods are booming in a downturn economy. From 1999 to 2001 purchase of- fair trade products grew by 36% and organic food products grew by 33%.²⁵ The growth of ethical bank accounts in the UK and socially responsible investing in the US shows an eye towards long term vision over short term gain. Japan has the Green Purchasing Network. Romano Prodi, president of the European Commission, has set a goal for the EU to obtain 22 percent of its electricity and 12 percent of all energy from renewable resources by 2010. And as general concerns, 70% of Chinese and 73% of South Koreans rated pollution and the environmental problems as the greatest or second greatest threat to the world.²⁶ More and more people are living the words of Ghandi to “*be the change you want to see in the world*”. However they are not always aware of the options they have to fulfill and live out their beliefs. People have to be aware of Integrity Brands before they can demand them. While mainstream populations may not yet be living these words, their desire to do so is the opportunity for Integrity Brands. They can show them the way and address this latent consumer yearning.

From Substance or Style... to Substance and Style

Substance *and* style vs. substance *or* style is an attitude that will be a key solution in quickening the mainstream pace towards social responsibility. It is an important tool for Integrity Brands to begin to inspire the mainstream. Substance *and* style is overtaking substance *or* style. The two are no longer polarized. Across style defining and style driven industries such as fashion, beauty and design there's an eye towards sustainable and natural over fabricated and fleeting (or at least a nod to both). It's social responsibility with substance *and* style. *Real Simple* magazine has grown in popularity. *Organic Style* has had a facelift and *I.D.* (International Design) produced a Socially Conscious Design issue in February 2001. What is clear is that today, style and substance are no longer at opposite ends of the spectrum.

While the antipodal attitude between substance *and* style has changed, historically the 'green' consumer and the 'style' driven consumer have existed on opposite ends of the spectrum. Today there is a growing demand for substance without forsaking style, inspiring a market where both qualities are gaining momentum in the mainstream. One doesn't have to look like a 'tree-hugger' to care about the

²⁴ Public Opinion Poll Conducted for the Canadian Democracy and Corporate Accountability Commission 2001.

²⁵ Ethical Purchasing Index published by the Co-Operative Bank, UK.

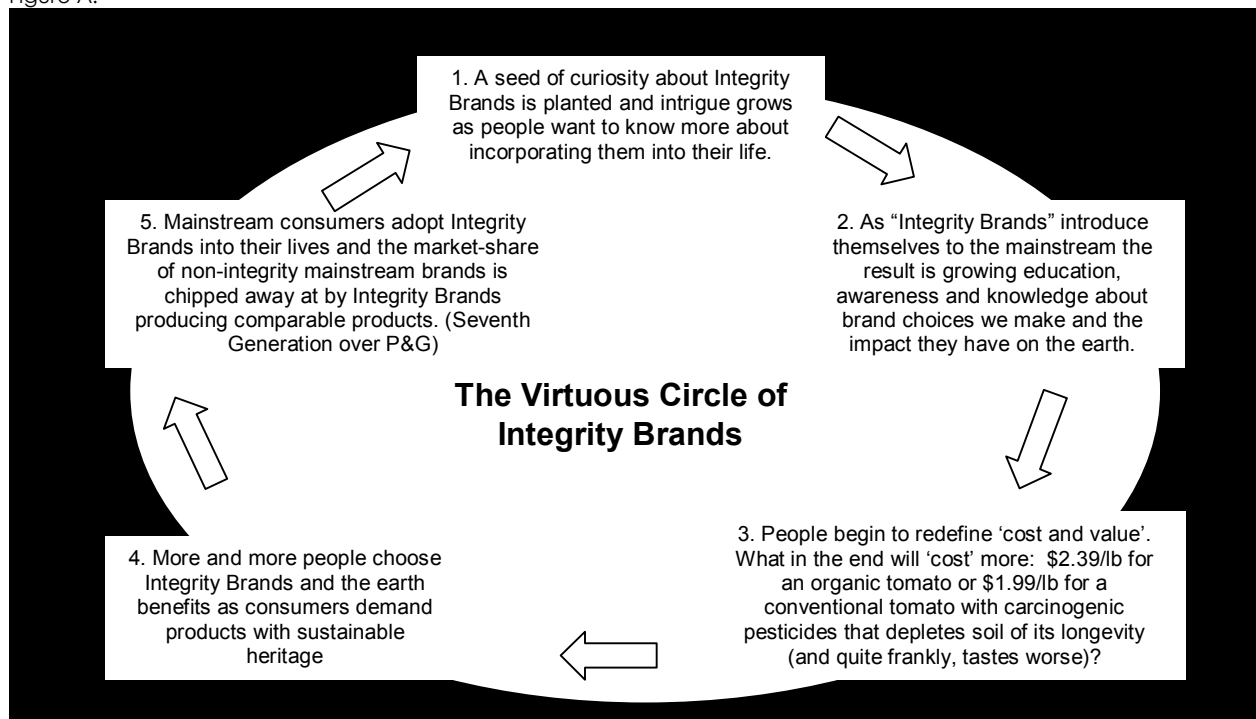
²⁶ The Pew Global Attitudes Project 2002.

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environment and other aspects of social responsibility. Barney's New York sells organic cotton linens and high design clothing. There is a rising international interest in sustainable architecture and Whole Foods has successfully opened an NYC store to hipsters in Chelsea and is planning two more Manhattan stores as many NYC businesses struggle. UK fashion designer Katherine Hamnett is committed to using organic fabrics. Photographer Corrine Day is spearheading a "Fashion Against the War" movement²⁷ that plans to take out ads in *ID* and *British Vogue*. And Nike, once pinpointed as the poster child for questionable offshore labor practices is pioneering the use of organic cotton in a global brand. In fact, Nike is now the world's largest user of organic cotton. Substance and style have unequivocally mixed together.

Style leaders and creative innovators are leading a new mindset that cares deeply about the change going on in the world, from corporate corruption to environmental damage. They're taking social responsibility and making it *hip* not a moment too soon. However they have not yet found a way to express and act upon their concerns in a way that reflects 'them'. Camping out in a tree is not them. Protesting in Washington DC is not necessarily them. Who exactly are these people and why are they important to understand?

Figure A.



²⁷ Hintmag; January 28th, 2003.

The Importance of Conscientious Innovators

Let's call these style leaders with socially responsible concerns the 'Conscientious Innovators'. A segment of the population at the forefront of creative communities, they are an important group of people because of how they create and influence culture. They are the trendsetters and the creative consumer group that many corporations pay 'cool hunters' a lot of money to help them understand. They are artists, musicians and entrepreneurs. They are international innovators and creatives. They are big city and small town as technology enables them to pursue their work from wherever they live. Ultimately they are intelligent influencers from artists to business people. And more and more, they are judging brand and corporations based on social responsibility. What links them is their desire for creativity and innovation and their concerns about social responsibility. Says Dutch art director Barbara, "*Corporations are just like people, responsible for all their actions and inactions and that influences the environment; socially and naturally. Corporations are responsible for what they are able to do within their capacity to help make the world a comfortable place to live in for all humans, animals and the earth.*" Another way to understand them more fully is to look at their relationships: brand relationships, corporate relationships, cultural relationships and community relationships. ²⁸

A. Conscientious Innovators Demand a Lot from Brands

These people ask a lot of brands, in fact, they *demand* a lot from them, before they'll embrace them. They demand integrity and they have a strong radar for authenticity or the lack thereof. An anecdote from a focus group testing creative ideas in the *Cultural Creatives* sums it up well:

"I'm sorry, but these ads about saving the turtles and moose are just laughable. Throughout the century oil companies have been hindering cleaner technology"

In addition, they are highly marketing savvy, incredibly marketing cynical and are quick to spot gimmicks and gaps in authenticity. Their allegiance comes at a price that an advertising or marketing campaign, no matter how cool, cannot buy. At a recent concert for a quickly rising indie band, I spotted a twenty-something wearing a belt that spelled out "ADS LIE". Shana, a 29 year old artist in Minneapolis says it in a nutshell, "*Levi's supporting artists is just a marketing gimmick*".

While Conscientious Innovators are smart and demanding - and as a result, highly selective - they will spend money on those brands that reflect their values. "*I support companies with whom I share certain beliefs and practices and I will pay more for their*

²⁸ Having read the *Cultural Creatives* by Sherry Ruth Anderson and Paul Ray, there are a lot of similarities between the Conscientious Innovator and the Cultural Creative. The Conscientious Innovator is a smaller subset of the Cultural Creative. They are more influential in creative subcultures, and differentiated by the fact that they know they are part of a tribe.



products" says Stefan Gerard, a 31 year old Los Angeles based entrepreneur and co-founder of GenArt. Brands as a reflection of self is hardly a new thing, but what are changed are the criteria for brand selection. It's gone from being part of a voice or a band (à la Pepsi Generation) to knowing oneself, knowing what one believes in and searching out the brand values that fit one's pre-determined criteria. It's gone from *aspirational* to *inspirational*. Brands that Conscientious Innovators choose to become involved with must not only reflect their values based on social responsibility with substance and style, but must also inspire them.

For this group, combined with the rising movement of social responsibility, brand affiliation now says something beyond cost or image. Whether a fair judgment or not, the press about Nike's use of sweatshops has resulted in people not wearing Nike to make a statement. Again, whether fair or not, the majority of conscientious innovators I spoke with, believe wearing Nike supports the use of child labor and sweatshops. "*I never buy Nike*", says Darren, a 31 year old NYC based painter. "*I only buy New Balance*". (Historically New Balance shoes were manufactured in the US and didn't use child labor, though this is rumored to have changed). With brand choices, cutting edge innovators are making social commentary.

B. Conscientious Innovators Look Behind the Corporate Door

Their attitude about brands has led them to consider and look behind the shiny corporate door. Slick marketing techniques and messages are no longer impressive. Says another young Conscientious Innovator: "*A corporation would alter its image to seem more socially responsible, but it's not real*". Beyond having a strong opinion on corporate activity and marketing techniques, Conscientious Innovators want to know more. They are not satisfied to rely on what they are told. Conversations with Conscientious Innovators showed that the majority of people spoken to did not feel they had enough information on corporations' social or environmental behavior and they want more. A young senior marketing exec says: "*I think awareness of a company's record is key. Social responsibility is a very important thing, but if people are not aware of the company's behavior, purchasing choices will never get changed.*" Others are concerned that corporations are getting away with too much irresponsible behavior and want guidelines. Vancouver based film and television post production manager Julie says, "*I am growing concerned that we have such a lack of regulatory bodies creating reference points for the public to know what is ethically minded and what is not*". It is this concern that is driving Conscientious Innovators' cynicism about brands and corporations, as well as their deference to products reflecting concerns about social responsibility.

C. Conscientious Innovators Create Community and Culture

They are creating community and culture in a variety of ways, both through early adoption and also through fusing of different lifestyles. They are the drivers behind a

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growing market where social responsibility and style have merged and are gaining momentum in the mainstream.

- Eco-tourism is on the rise (The Today Show had a weeklong segment on Eco-tourism in fall 2002 and the response was enormous)
- Alternative healthcare is on the rise (Most US health insurance companies now list alternative/homeopathic practitioners in their networks)
- Alternative beauty, body and skin care is on the rise (Dr. Hauschka's homeopathic skin care is profiled as a celebrity favorite in *InStyle* and *Allure* magazines. A *New York Times* writer recently did a tour of Bikram yoga studios across the US)
- Hip restaurants sell their chicken as free range and steak as organic

Their support of an ecological lifestyle has supported growth of 'principled purchasing'. They have truly affected market dynamics and growth as 55% of American households now claim to use organic produce²⁹ and as far back as 1999, instructional yoga tapes outsold the Lion King video.

D. Conscientious Innovators Feel an Anxious Urgency for Change

Conscientious Innovators feel an anxious sense of urgency that revolves around the belief that things need to change without being sure how to execute that sense of urgency in a way that is "them", therefore authentic. *"I think we all get a sense that something is wrong but people don't know how to articulate it. It is like there's this urgency in reaction to complacency"*, says one young New York artist and writer. Because there are many shades of grey in phrases like 'social responsibility' there is confusion about where to begin. It goes back to needing a new barometer that can be trusted because it comes from shared values. For this to happen, the people building brands and running corporations, need to ask some questions:

- How can we change our work to put integrity back into brands?
- How can we make brands stand for something relevant, sustainable and inspiring?
- What can be a sustainable point of difference for the marketing/communications products if people hate marketing?
- How can we take sustainable purchase behavior out of the niche and into the mainstream that so desperately needs to be inspired?

Changing the Nature of the Relationship between Brands, their Communication and the Public

²⁹ Whole Foods Market online survey through Market Facts E-Nation.



The change has got to start with not only the products produced, but the people creating the marketing strategies, the brand ideas and the subsequent communications, what most consumers lump into the phrase 'advertising'. For this to happen, the key players in brand development and marketing communications, from the agency to client worlds, must have integrity that goes beyond the 'integrity of the idea'. While Wieden and Kennedy, Duffy, or Mother have a strong brand image in the marketing/advertising community by generally standing for outstanding creative and smart ideas, this is meaningless to people on the street that the messages are being created for. Non-industry people don't know Joe Duffy from Johan Kessels or Cannes Lions from One-Show Pencils. And they don't care. To them, advertising is advertising. This leaves the marketing communications industry a trade that awards itself for impressing itself. The impressiveness of their 'brand equity' lies only within their community. What impresses them is due for a change if they want consumers to welcome their 'marketing product'. While the creative caliber may be higher at such creatively driven places, the awards shelves thicker, they are doing the same thing as those who don't win creative awards at often criticized big corporate shops like Young and Rubicam or Grey: selling stuff. Those loaded with creative awards have just as much responsibility as those loaded with Effies. Both are playing the same game.

A. Being a Barometer for Change: Making Brands Stand for Something Relevant, Sustainable and Inspiring

Across the marketing/communications industry, there are a growing number of opportunities just waiting to be taken advantage of, from responding to the consumers' desire for integrity, authenticity and a more balanced bottom line to redefining the paradigm of what is 'successful' brand marketing communications. Graeme, a Vancouver based DJ and marketer sums it up well: *"I like the concept of a triple bottom line: financial, environmental and social. At least that way, 'progress' does not just mean 'more GDP'".* Not only is there an opportunity to create change, there's an opportunity to be a *barometer for that change* at a time when people are looking for new measures and guides. By harnessing the talent of their high caliber strategic and creative thinkers, branding and marketing/communications companies can be an engine for the change we all want to see in the world. Creating a new barometer of success for the marketing/communications industry based on a triple bottom line is one solution to the problem of how to create a sustainable point of difference for the 'marketing product' – a product that people don't like.

B. A Sustainable Point of Difference for the (Less than Loved) World of Marketing

So how then, can we use marketing communications' invasion of our culture to build a better, more sustainable, more inspiring and more integrity demanding marketing environment? Let's use new thinking and imagination. Imagine a 'place' - that doesn't fit within the normal parameters of a marketing or advertising agency - with the highest creative and strategic caliber that only represents Integrity Brands. Consider such a place branding its work and working its brand so that consumers knew any message

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created by 'this place' stood for values based on social responsibility with substance and style. Consider that by branding itself, it will build a level of integrity with consumers so that any communication or idea produced there gained instant trust and respect, garnering a brand instant access to an increasingly exclusive and cautious consumer. Imagine people knowing and saying, *'well if the brand message comes from this place, the brand must have integrity.'* While working with Integrity Brands, it also develops its own brand and introduces the concept of Integrity Brands into the cultural conversation. By growing conversations about its own brand, this place will in turn grow conversations of Integrity Brands it partners with. This is a place that both stands for and communicates social responsibility with substance *and* style; something rare, if not unheard of in the marketing communications industry. And to top it off, it does the work of finding, representing and communicating Integrity Brands to the public, making it easier for them to make better purchase decisions. It takes away the research and digging around.

This is a place called Conscientious Innovation (CI). It's a marketing communications agency for Integrity Brands. Its mission is to use high caliber strategic and creative thinking to grow the profile of Integrity Brands. Through its marketing/communications product, CI will educate consumers about the better purchase decisions they can make and build a more sustainable and more inspiring marketing environment.

C. CI Standing for Integrity Allows Integrity Brands to Go Beyond the 'Green' Message

By working only with Integrity Brands and branding all its work, CI will become a symbol of ecological sustainability and social responsibility to consumers and corporations alike. Furthermore, working with CI allows Integrity Brands to carve out a true competitive advantage built on a unique brand platform, which can be projected in all their communication. They will not have to take time to talk an ecologically friendly vision (which in itself is becoming a worn out corporate buzz word). Any brand affiliated with CI, will inherently be an Integrity Brand. It's the Good Housekeeping Seal of Approval for the 21st Century. By working only with Integrity Brand partners and following guidelines of social responsibility with substance and style, imagine the possibilities of creating change for marketing in the age of integrity. It's redefining exclusivity based on meaningful, sustainable, holistic criteria. It builds up socially responsible companies with outstanding strategic and creative ideas, to be competitive with mainstream market leaders. And mainstream leaders will be forced to take notice of them, if only because their market share is threatened. Its inspiring mainstream leaders to evolve towards social responsibility...just to continue being competitive. Imagine all that. CI embodies this imagination and grounds it in reality.

There is the issue of social responsibility being a grey area. Rupert, a British cultural marketer based in NYC makes an important point: *"I don't even know what to ask for in terms of social responsibility. There are so many shades of grey"*. It's true. There are many definitions of social responsibility: civil liberties, environmental behavior, anti-fur groups, equal pay for equal work and more. It's impossible and impractical to cater to everyone,

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so CI will focus on ecological sustainability. Brands could be evaluated on whether they meet "Integrity Brand" standards by a combination of internal and external criteria based on responsible environmental and sustainable ecological behavior such as guidelines from institutions like CCSR or BSR³⁰, the Rocky Mountain Institute, the Natural Step or an internal qualitative brand audit. While there are clearly other important areas of social responsibility, focus is important. CI was born from the pursuit of two passions: brand building and the environment, so ecological sustainability is its initial focus in the big playing field of 'social responsibility'.

Statements and Summary

There are two mainstream parties that need to be inspired: consumers and corporations. An inspired consumer will inspire corporate change because an inspired consumer will demand corporate change. The frustrating 'niche-ness' of Integrity Brands and the responsibility they have to fulfill their powerful potential, even with small budgets, are encapsulated by a company called Working Assets. Working Assets is an Integrity Brand that provides long distance service to US households (among other things³¹). They give 1% of every phone bill to a revolving selection of not-for-profit groups. Their telecom prices are extremely competitive. It currently advertises in *Utne Reader* or other 'socially driven' magazines to the exclusion of other mainstream or influential style driven media vehicles. They say they don't advertise and put their money elsewhere such as marketing social justice causes: "*We don't waste your money on advertising like all the super-hyped long distance companies such as AT&T and Sprint*". They are missing a huge and highly important factor. Working Assets has not only the opportunity but also the responsibility to influence and inspire mainstream culture.

People are looking for product choices to reflect their values; and they want to know that companies like Working Assets, that have a competitively priced product and integrity, do exist. Research with cutting edge consumers across the US showed that only a few had heard of Working Assets. Only one used it as their long distance carrier of choice. All said that, had they known of Working Assets, they would have used it. Working Assets is a wonderful company with a great product and a wonderful mission. However it is a problem when they are content with the statement: "*But we've been going strong since 1985 - and we have over 350,000 caring, committed customers.*" There are thousands, if not millions of other customers out there that need to be inspired by companies like Working Assets. They need to know that there are better purchase alternatives out there. The more people who make better purchase decisions, the faster we will move towards the sustainable change we need.

Working Assets also needs to inspire mainstream corporations (for them, specifically AT&T, Sprint) by being more competitive with them. In order to truly create large-scale change that ethical companies, eco-groups and sustainability organizations

³⁰ Canadian Businesses for Social Responsibility or US based Businesses for Social Responsibility

³¹ From a Working Assets statement: "*Working Assets is a long-distance, credit card and online services company that donates a percentage of its revenues to nonprofit groups working for peace, human rights, equality, education and the environment.*"

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talk about as important, the mainstream market leaders will have to change. They won't change until they see a competitive advantage in doing so. Working Assets will inspire corporate change in AT&T or Sprint only when it takes away their customers.

It is irrelevant that Working Assets doesn't believe in advertising to the mainstream. They have a responsibility to let the mainstream consumer know about them and advertising and marketing/communications is something will have to do in order to achieve that goal. Marketing and advertising is a necessary tool that Integrity Brands like Working Assets need to use to inspire the mainstream consumer and corporation.

There are groups that espouse the evils of corporate America, marketing and advertising. While preaching the evils of advertising and marketing, they tell us of our individual social responsibility. *Adbusters* with its essays, spoof-ads and 'buy nothing days' has a prominent and growing voice. There are other organizations and resources that offer information, insight and less radical opinion on the world of social responsibility as well as businesses that support and encourage socially responsible corporate behavior. But by nature of it being a media vehicle, *Adbusters* has the most mainstream brand awareness, most especially in the marketing communications community. Other, less radical organizations such as the information site, fatearth.net, or marketing/communications brand Good Business are talked about less.

Adbusters is useful to look at when thinking about the issues in front of us. What *Adbusters* does well is bring an important conversation about globalization and corporate behavior to the forefront. This provokes thought and hopes for consequent action. The growth of the buy-nothing-day movement indicates *Adbusters* success in this. Where they fall short is proposing a new system. They do not offer inspiration, or solutions to the problem, or a better way outside of *just not participating* in corporations and globalization. This leaves *Adbusters* both short-sighted and cynical. The folks at *Adbusters* do not offer a road map for the future or give us guidance on where to go. They stop at being critical, without offering a constructive solution. While there's an important place for their conversation, there must be creative solutions that go beyond abstaining from interaction with corporations. The change is going to come through business. Sideline criticism and abstinence won't further the transformation we need. We are going to continue to buy things from toilet paper and housing to energy and clothing. It is by making better, more ecologically sustainable purchase decisions, that we will create the change we need in the time it is needed.

Conclusion

If you look around at things right now it seems quite hopeless. We're hemmed in from all sides. There are big challenges. Huge corporations run the world, their means to success are questionable, their integrity is faltering and our barometers of success are clearly outdated. Potential solutions are not stepping up to the plate. But there are *great opportunities* for positive change and new ideas. As brands take up the mantle of

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leadership in social responsibility and integrity they will not only inspire us and their peers, they will also establish community leadership and gain in terms of financial profit.

Today it is Integrity Brands that have the responsibility to inspire us, to grow our awareness of them and ultimately help us all make better purchase decisions. They must embrace this responsibility and see it as an opportunity. Their growth will lead to change in the corporations that currently follow archaic measures of success that consider only a single bottom line.

Marketing and communications professionals in touch with trends, community and culture have a responsibility to not just make note of them and slot them into the next trend forecasting presentation, but to embrace them and apply them to their own business models.

It is time to embrace this emerging trend of social responsibility and desire for integrity and plant it as a cornerstone in the new barometer of success. CI is the manifestation of this new barometer. CI helps Integrity Brands meet their responsibility and fulfill their potential. And CI is a new model for the brand development and marketing communications community.

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Appendix:

Work conducted from 2000-December 2002:

- Qualitative Research: talked with 75 Conscientious innovators in NYC (focus groups and street interviews)
- Interviewed 10 senior marketing professionals in NYC, London and Amsterdam
- Surveyed 100 Conscientious Innovators internationally with in-depth questionnaires: USA, Canada, UK, Belgium, Netherlands, France, Japan, Germany
- Trend forecasting and cultural analysis
- Competitive analysis of brand marketing resources and services
- Exhausted secondary resources:
 - Canadian Democracy and Corporate Accountability Commission Report
 - MORI Report (UK): Ethical Consumerism
 - New Economics: The Fairshare- Growing Market of Green and Ethical Products
 - Copenhagen Institute for Future Studies
 - The Natural Step (US)
 - International and national news sources including: *The Economist*, *The Financial Times*, *Fast Company*, *The Independent*, *The Wall Street Journal*, *The Guardian*, *Kiplinger's*, *The International Herald Tribune*, *The New York Times*, *The Nation*, *The Globe and Mail*, *Adweek*, *AdAge*, *Campaign*, *Harvard Business Review*, *Mother Jones*, *The National Post*, *Corporate Knights*, *SOMA*, *Shift*
 - International creative publications in fashion, art and design including: *Tokion*, *Mass Appeal*, *I.D.* (International Design), *Dazed and Confused*, *Purple*, *Surface*, *The Fashion*, *Shift*, *Paper*, *Dutch*, *Wallpaper**, *Colors*, *Dwell*, *Nest*, *Butter*, *Adbusters*, *Fader*, *hintmag.com*, *Spin*, *Fashion Wire Daily*, *Vogue* (US, UK, Italia)
 - Theses and various works including: *Natural Capitalism* by Paul Hawken, *The Hungry Spirit* by Charles Handy, *Cultural Creatives* by Sherry Ruth Anderson and Paul Ray, *Lifestyle* and *An Incomplete Manifest*

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