

# Engaging Tomorrow's Consumer Project Report 2015



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# 1. Introduction

Business leaders worldwide recognize that inspiring sustainable consumption within a rapidly evolving marketplace presents a considerable challenge, one that must be driven by both business and consumers. Over 2008-2011, the World Economic Forum's work on sustainable consumption was focused on **supply-chain elements of sustainability**. Championed by Partner companies, the World Economic Forum laid out the business case for sustainable consumption, drove collaboration with stakeholders, and highlighted the value for business in inspiring and driving sustainable consumption.

In 2012, based on the mandate from Partner companies, **the focus shifted to scope and test the consumer demand side of sustainable consumption**. Since 2012, significant work has been done with Partner companies and key stakeholders, to design, launch and scale up programs to create a movement to change consumer attitudes and behaviour towards more sustainable lifestyles. The business challenge has been framed around the key question, *"How can companies engage consumers to trigger simple behavioural shifts that enable more sustainable lifestyles, grow demand for more sustainable products and create business value?"*

Over the course of 2014, the World Economic Forum worked with highly engaged Partner companies to launch two initiatives to **engage consumers in sustainable lifestyles**:



A new marketing award with Effie Worldwide, Inc., the "Positive Change Effie Award", which rewards marketers for effectively engaging consumers through sustainability-focused marketing programs.

## collectively

A new global media platform, "Collectively", launched collaboratively by multiple companies designed to inspire and empower the millennial generation to make sustainable living the new normal.

**Collectively** and the **Positive Change Effie Award** help encourage companies to further embed sustainability in their brands and engage consumers in more sustainable lifestyles.

While launching these two initiatives, the project team also began scoping new ideas for evolving the Engaging Tomorrow's Consumer project. **Key insights and recommendations will be shared at the Annual Meeting in Davos in 2015.**

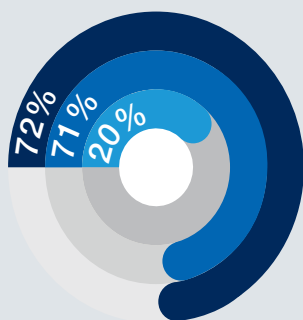
## 2. Positive Change Effie Award



### 2.1 Vision

**Brand marketers have the tools and influence to shift consumer behaviour towards more sustainable choices.** The companies championing the work of the Engaging Tomorrow's Consumer project recognized this potential and saw an opportunity to be a catalyst for positive change.

Research shows that marketers are not incentivized to incorporate sustainability into their marketing programmes.



**72%** of marketers surveyed believe that marketing has the ability to create demand for sustainable products and services

**71%** of marketers are aware of their company's plans for and commitment to sustainability

**20%** of marketers feel empowered and incentivized to prioritize sustainability strategies

*Source: Millward Brown Corporate, Engaging Marketers: Summary of Findings, December 2012*

Motivated by discussions at the Annual Meeting in Davos in 2013, the World Economic Forum and Effie Worldwide, Inc. collaborated over 2013 and 2014, to incentivize marketers and executives to make sustainability a priority in their brand communications. Effie Worldwide, Inc. is a 501(c)(3) global nonprofit organization that stands for effectiveness in marketing communications, spotlighting marketing ideas that drive measurable results and encouraging thoughtful dialogue on the drivers of marketing effectiveness.



### 2.2 Achievements

On Earth Day 2014, the World Economic Forum, in collaboration with Effie Worldwide, Inc., launched the **Positive Change Effie Award**, which recognizes and rewards brands for putting emphasis on sustainability in their marketing programmes.

The Positive Change Effie Award recognizes marketers for using their power for:



**THE GOOD OF OUR PLANET**



**THE GOOD OF THEIR BUSINESS**

The criterion for this award is behaviour change towards more sustainable choices, with these elements considered:



#### AWARENESS

Making consumers aware of a sustainable product, service, or action – an important precursor to behaviour change



#### TRIAL

Trying the sustainable product or service for the first time



#### PRODUCT SUBSTITUTION

Switching to a more sustainable product or service



#### CHANGE IN USE

Using a product/service more sustainably than before



Champions of the new award believe that this is **the award that marketers will want to win** as it is the first time marketers are being rewarded for effectively incorporating sustainability strategies into their brand messaging.

The announcement of the award has been met with interest both by marketers and agencies, and the news of the award has been shared across many forums and events. Effie Worldwide, Inc. has also selected a highly acclaimed jury comprised of sustainability experts and marketing executives for the inaugural year. **Having globally recognized business and sustainability leaders championing the award is a great indicator of the industry's willingness to support and drive the award's mission.**

## 2.3 Path forward

The 2015 award launched with two single-market categories in **Europe and North America**, with the intention to **expand the competition to Asia-Pacific** in subsequent years. The long-term vision for the award is to open the competition globally and become a worldwide symbol of achievement for those effectively harnessing the power of marketing communications for both the good of business and of the planet. The finalists and winners will also serve as a rich source of learning for the industry.

The **inaugural winners** of the Positive Change Effie Award will be announced in **June 2015**.



## 3. Collectively



### 3.1 Vision

**Collectively** is a **global digital media platform** that was born out of the Engaging Tomorrow's Consumer project. The idea for **Collectively** was sparked by discussions at the Annual Meeting in Davos in 2013 on how to **engage young people** (often referred to as millennials or Gen Y) in **adopting more sustainable lifestyles**.

Motivated by this discussion, five founding companies – *BT Group Plc, Carlsberg A/S, The Coca-Cola Company, Marks & Spencer Plc and Unilever* – came together to sponsor and guide the development of the platform.

**Collectively** aims to inspire **young people** with stories that:



Bring an exciting, more sustainable future to life



Provide young people with opportunities for engaging and rewarding actions that they can take today.

The platform has been built by *young people for young people* - many of whom are opting for access over ownership, building their status on experiences not on stuff, and favouring workplaces, brands and organizations that align with their values.

Research indicates that:

- 61%** of millennials are concerned with the state of the world and want to make a difference
- 84%** of millennials say that "knowing I am helping to make a positive difference in the world is more important to me than professional recognition"
- 93%** of millennial consumers say they would buy a product because of a cause association

*\*Source: <http://www.bentley.edu/centers/center-for-women-and-business/millennials-workplace>  
[http://www.huffingtonpost.com/trevor-neilson/philanthrop-and-millennia\\_b\\_3269238.html](http://www.huffingtonpost.com/trevor-neilson/philanthrop-and-millennia_b_3269238.html)*



## 3.2 Achievements

In January 2014, the concept film for what was then called “Future Awesome” was presented at the Annual Meeting in Davos. Since then, the initial five founding partners have been joined by more than 25 of the world’s leading multinational companies who share their interest in inspiring a movement on sustainable living: *Anheuser-Busch InBev NV, AUDI AG, COFRA Holding AG, Diageo Plc, Facebook Inc., GE, General Mills Inc., Google Inc., Havas Group, Interpublic Group, Johnson & Johnson, Kingfisher Plc, Lenovo, McDonald's Corporation, Medialink, Microsoft Corporation, Nestlé SA, Nike Inc., Omnicom Group Inc., PepsiCo Inc., Royal Philips, SABMiller Plc, Salesforce, The Dow Chemical Company, Thomson Reuters, Twitter, WPP Plc, and Yahoo.* The involvement of so many of the world’s leading companies makes this a truly unique platform.

The name ‘**Collectively**’ was chosen to embody a core principle of the platform: by working collaboratively, we can achieve bigger, faster change. The coalition is being expanded to include smaller youth brands and non-governmental organizations. As well as using their networks to bring **Collectively** to a huge audience, the partner organisations are invited to:



Identify stories worth sharing



Enable collective action



Collaboratively develop solutions to our sustainable living challenges



The platform was launched at the beginning of October, with initial launch activity focused on the **United States** and the **United Kingdom**. The platform and

editorial approach is designed to **engage the uncommitted millennials** – the hundreds of millions of young people around the world who want to shape a better future but who find the traditional language of sustainability a turn-off.

The challenge is to make sustainable living culturally relevant and desirable to the mainstream. The entry points are the passions of the audience such as:



Fashion



Food



Design



Sport



Technology



Transport



Travel

The more shareable the content, the more people will enter the world of **Collectively** and discover how – as a community – they can take actions that feel rewarding and impactful.

In early November 2014, **Collectively** was incorporated as **an independent non-profit organization**, to enable the growth of the platform to be driven with transparency, rigour and agility.



**Collectively's board of directors** is comprised of corporate and non-governmental organization members, chosen to bring breadth of expertise in the areas that count.



There is also an independent **editorial committee**, populated by millennial influencers, whose role is to guarantee the independence of the editorial approach, and guide the full time editorial team in its development of compelling content.



## 3.3 Path forward



Nine months ago, **Collectively** was a presentation and a concept film. It is now a “live” digital media platform with a growing community, and a

group of partners that is unprecedented for this kind of consumer-facing initiative. It is an extraordinary opportunity to create change at scale, along the way showing that brands are an important part of the solution to sustainability challenges. However it is early days, and **Collectively** will need strong and consistent support over the coming years if it is to achieve its goals in a highly fragmented media environment.



**Collectively's ambition for 2015 is to show that through compelling storytelling that it can grow a highly engaged, participative community of mainstream millennials, who feel primed and ready to move to action with collective impact.**

Currently launched in the United Kingdom and USA, the global rollout will begin, with **India**, **Brazil** and **China** as the next countries in line. Along the way **Collectively** will demonstrate the power of its coalition approach:



Maximizing reach



Pooling and sharing insight



Sourcing great stories



Creating solutions – working together to inspire a movement for change.

## 4. New ideas



### 4.1 Context

With the launch of the **Positive Change Effie Award** and **Collectively**, the World Economic Forum's Partner companies acknowledge that significant progress has been made to catalyse and drive action to engage consumers in sustainable lifestyles. At the same time, Partner companies identify that challenges continue to engage consumers in not only environmental sustainability, but also other broad societal and business issues. **Business leaders believe that consumers are critical actors to drive change in sustainable living (environmental, social and governance) issues relevant to different industries in collaboration with companies and other stakeholders.**

Given this context, the World Economic Forum, together with its professional services adviser, *PwC Strategy& (US) Inc.*, conducted over 50 interviews of marketing, sustainability and corporate social responsibility leaders within Partner companies and other constituents, to solicit ideas on challenges and opportunities in engaging consumers towards positive societal objectives.

The diverse ideas from these interviews were categorized into six major themes:



#### Employee action

Specific initiatives that immediately engage employees



#### Consumer action

Specific initiatives that immediately engage consumers



#### Collaborative research

Cross-company academic research and possible partnership with non-governmental organizations (NGOs)



#### Standards acceleration

Metrics, key performance indicators, indices, and collaborative commitments



#### Student engagement

Promote education and develop curriculum



#### Venture funds

Crowd-sourcing and idea generation

The team analysed how each of these six themes would address an existing white space, how seamlessly any action by Partners would complement the existing initiatives of **Collectively** and the **Positive Change Effie Award**, and how the World Economic Forum would

catalyse action. Based on these criteria, three themes emerged for further exploration and development of new ideas on how to create a movement to change consumer attitudes and behaviour towards more sustainable lifestyle: **employee action**, **consumer action** and **venture funds**.



### 4.2 Strategic recommendation

**Based on the mandate, the proposed strategy is to engage millennials through public-private partnerships and open innovation to drive progress on sustainable living challenges.** One idea to enable this strategy is through crowdsourcing of innovative concepts and driving them faster to execution through collaborative events, such as hackathons.\*



Engaging Millennials



Public Private Partnership (PPP)



Open Innovation



Sustainable Living solutions

Open innovation models offer the flexibility for different companies to address diverse sustainable living challenges, while sustaining impact across employee action, consumer action and venture funding. The digital platform of **Collectively** will also serve as a natural point of collaboration for public and private partnerships on innovative concepts.



### 4.3. Preliminary roadmap

One proposal is to develop corporate partnerships with cities and/or universities to host **hackathons** to help solve companies' sustainable living (environmental, social, governance) challenges.



**Cities and universities are both effective platforms for engaging millennials in both developed and emerging markets.**

One opportunity for partnering with cities can be through universities. Many universities have unofficial or official partnerships with the cities in which they reside. Additionally, many universities have campuses globally which would facilitate efficiency for scaling purposes.



\* A hackathon is an event, typically lasting 24-72 hours, in which a large number of teams compete to develop digital solutions for a specific problem. The teams are usually comprised of 3-6 individuals with different roles (e.g. software developers, graphic designers, content experts), and the solutions are generally technology-centric.

Open innovation models generally attract millennials who continue to be a key target audience for companies. Furthermore, they are often described as:



These are attributes that millennials are drawn towards and these attributes wholly align with the spirit of the Engaging Tomorrow's Consumer project to date.



#### 4.4 Business case for open innovation

##### Amplification

Open innovation models when executed effectively, are an efficient way to **include a broad audience**.



Companies can self-select to participate in it based on the target geographic location and the issues they define as critical.



Many companies already have open innovation models (e.g. crowdsourcing initiatives).

However, this initiative has the potential to bring collaboration among multiple companies and sectors, thereby amplifying existing initiatives and giving companies access to previously less involved audiences.

##### Employee engagement

Employees can opt-in to volunteer with open innovation events based on the sustainable living challenges that interest them. This serves as a mechanism for building employee engagement.



Because a diverse set of employees' skills will be used, **silos within organizations across staff level and functions will be broken down**.

## Innovation, branding, talent acquisition

From a **branding perspective**, open innovation is:



An opportunity to develop concepts



A testing ground for new services or products



An authentic way to increase the visibility of existing ideas



A vehicle for accessing top talent, especially millennials who are often technologically savvy and passionate about sustainable living issues



A genuine way for companies to engage with potential future employees and an alternative to traditional talent acquisition strategies.

##### Complementing existing initiatives



The idea has close alignment with the mission of the initiatives catalysed by the Engaging Tomorrow's Consumer project, especially **Collectively**.

Information about the open innovation models could live on the **Collectively** platform which would drive additional traffic to it. Furthermore, **innovative and authentic stories from open innovation events may become relevant content for Collectively**.



While **Collectively** is a global digital platform, such events create a space for in-person engagement, especially at local and community levels.



## Building the consumer case



Multiple companies could come together in terms of prizes for any open innovation model. People could earn points for participating in an event and even more points for winning. The points could be redeemed for experiences that are attractive (such as a lunch meeting with a senior company executive) and crowd-funding (such as donations to a cause identified by **Collectively**).



The collaborative prize model has the benefit of rewarding multiple individuals and driving sustained engagement between companies and participants to build a relationship.



### 4.5 Criteria for success

Success is achieved when companies and consumers assess that they have derived more value from the open innovation model than the resources they contributed.



For **companies**, this may mean improved brand awareness, better relations with cities and/or universities, an increase in employee engagement, acquisition of new talent, or an actionable idea or solution to test for sustainable living challenges.

For **open innovation participants**, success may be exposure to large companies, further development of their idea to address sustainable living challenges or experiential prizes.



**As a result, success is ultimately achieved when open innovation models lead to positive social and economic impact, by addressing sustainable living challenges.**

## 5. Path forward

The World Economic Forum's Partner companies serve billions of consumers daily. Through a true collaboration between companies and consumers, the intersection of corporate agenda on addressing sustainable living challenges and consumer engagement on being a part of the solution can be addressed.

Over 2015 the World Economic Forum will continue to support **Effie Worldwide, Inc.** and **Collectively** to ensure success of the two potentially high-impact initiatives the Engaging Tomorrow's Consumer project catalysed. We will also explore new ideas related to engaging millennials through open innovation to drive progress on sustainable living (environmental, social and governance) challenges which are being faced by Partner companies. The ultimate objective is to bring together companies, millennials and other stakeholders to catalyse action on sustainable lifestyles.



## collectively

### New ideas:



Public Private Partnership (PPP)



Open Innovation

### At the Annual Meeting 2015 in Davos



Achievements and the vision for 2015 for the **Positive Change Effie Award** and **Collectively** will be shared



**Millennials** will provide perspectives on these initiatives and the new ideas put forward



**Partner companies** will provide a mandate on how to progress in 2015 and beyond



## 6. Acknowledgements

The project team recognizes the leadership of the following individuals and organizations in launching and driving the initiatives of the Engaging Tomorrow's Consumer project. While the views expressed in this report do not reflect the totality of opinions, their participation and guidance have been critical.

### Project Champions

Bea Perez, *Chief Sustainability Officer, The Coca-Cola Company, USA*

Marc Bolland, *Chief Executive, Marks & Spencer Plc, United Kingdom*

Keith Weed, *Chief Marketing and Communications Officer, Unilever, United Kingdom*

### Project Board Partners

BT Group Plc

Carlsberg A/S

The Coca-Cola Company

Dentsu Inc. (specifically, Vizeum)

Henkel AG & Co. KGaA

Lenovo

Marks & Spencer Plc

Nielsen (specifically, The Cambridge Group)

Omnicom Group Inc. (specifically, Ketchum, Inc.)

Unilever

WPP Plc

### Collaborating Partners

Collectively Ltd

Effie Worldwide, Inc.

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FEMSA

futurethink

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Johnson & Johnson

Kingfisher Plc

McKinsey & Company

Technogym SPA

Wal-Mart Stores Inc.

World Business Council for Sustainable Development (WBCSD)

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### Project Adviser

PwC Strategy& (US) Inc – Matt Egol, Amy Longsworth and Lauren Cook

### Strategic Advisers

Sarita Nayyar, *Managing Director, World Economic Forum USA*

Ayana Parsons, *Head of Retail, Consumer Goods and Lifestyle Industries, World Economic Forum USA*

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OF THE WORLD

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