Green Goes Mainstream?

Customer service and the green agenda

Foreword

Joanna Causon Chief Executive

As we enter 2021, we need reasons to be positive and optimistic about the future. I believe that the green agenda is an opportunity for organisations to show leadership and innovation to benefit society, their customers and business performance. The incoming Biden presidency, the ambitious goals set by governments around the world and this year's Glasgow summit will reinvigorate the global green agenda. There is growing recognition of the scale of change required across the economy and society but the roadmap to enable change is less clear. The restrictions imposed during the Covid-19 lockdowns have perhaps given us a taste of what a drop in emissions looks like. But achieving deep and sustained change, in the context of acute economic uncertainty, will require innovation and commitment from government, organisations and individuals.

What has changed is that the green agenda has moved from being a branch of corporate social responsibility to a key strategic driver affecting operations, supply chains, products and services, customer engagement, employee recruitment and engagement. Our research suggests indeed that many organisations are highly focused on sustainability impact of their operations and supply chains. Yet the level of commitment and focus varies by sector and size of organisation. Only 41% of the organisations we surveyed published an environmental impact report that is available to customers.

Organisations are often less clear or confident about putting the green agenda at the heart of their customer proposition. Our research confirms that a core group of customers are highly motivated by environmental sustainability in their buying decisions and relationships with organisations. But organisations may be underestimating the growing resonance of the green agenda for significant numbers of people.

Environmental sustainability is now a mainstream concern; almost all customers care about the environment and know that action is needed. They are looking to organisations to demonstrate a credible commitment to sustainability in their operations and business practices and help their customers make sustainable choices.

In this research, we highlight the key enablers for organisations to integrate the green agenda into their customer proposition. Organisations need to understand the issues that resonate strongly with their customers. The environmental benefits created by products and services need to be relevant, specific and credible. Customers want to make environmentally sustainable choices as part of a coherent offer that meets their needs for price, quality, reliability and service. They also expect transparent information about environmental benefits of products and services and evidence about an organisation's commitment to sustainability across its operations and supply chains. Organisations are expected not just to comply with legal and regulatory responsibilities but to demonstrate innovation, agility and solutions that reduce harmful environmental impacts.

The green agenda is advancing rapidly. Organisations need to embrace and shape it, or risk being left behind. Governance and accountability will be crucial, including board-level ownership, accountability linked to tangible targets and objectives, mechanisms to enable cross-organisation learning, and transparent reporting. Organisations' sustainability credentials and wider valueset will increasingly be important in attracting employees and defining requirements for skills and capabilities.

Like customer service, environmental sustainability is a long-term commitment that cannot be faked or turned on or off. I believe this research demonstrates the growing imperative of the green agenda for customer engagement, as well as for operational and supply chain management. I hope we have provided insight to inform, inspire and help you in creating a sustainable future for your organisation, your customers and the communities you serve.

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The research is based on interviews with senior executives from 16 organisations and online surveys with 889 business owners and senior managers, 500 employees and 2,000 consumers.

The research has 3 key objectives

- How are customer attitudes and behaviours influenced by the green agenda?

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- How are organisations addressing the green agenda through their operations, supply chains and in their engagement with customers and employees?

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- What are the key enablers for organisations to incorporate the green agenda effectively in their customer proposition?

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18% of customers say the environment is the most important factor in their purchasing decisions. 50% of customers believe the environment is important to their purchasing choices but is not necessarily more important than factors such as price, quality, availability or standards of service

- 20% of customers have deliberately chosen an environmentally sustainable product or service in the last year. 12% have stopped buying a product or service because of its adverse environmental impact

- Customers are most likely to make choices influenced by environmental impact in the Utilities, Health and Beauty and Retail sectors

- 11% of customers say there has been an occasion in the last year when they have wanted to buy an environmentally sustainable product or service but did not do so. The leading reason was price, followed by reliability and quality. The most cited products were electric vehicles, food and energy.

55% of customers say that in the next 5 years, environmental sustainability will either remain (18%) or become (37%) one of their highest priorities when choosing products and services

- Price, quality and availability of products and services and transparency of information are key enablers of environmentally sustainable buying decisions

- Independent websites, TV or online news and government websites are seen as the most reliable sources of information about organisations' sustainability credentials

- Customers want organisations to communicate both specific personal benefits and broader environmental benefits of products and services.

27% of senior executives believe their organisation should "lead the debate and make cutting edge progress" on green issues. 34% say they should help customers be greener, regardless of demand. Just 16% say their primary role is to meet legal and regulatory responsibilities, but not to change customers' behaviour

- Ethics, cost savings, government targets, regulatory requirements and reputation protection or enhancement are seen as the primary drivers of organisational strategy by senior managers

- Almost 70% of senior managers feel that sustainability will either continue to be one of their organisation's highest priorities (30%) or will become a leading priority (38%) in the next 5 years

- 50% of organisations say sustainability strategy is driven at board level

- Recycling, fair pay for employees, improving efficiency of energy consumption, reducing carbon footprint and promoting environmental awareness amongst employees are seen as the most important sustainability issues for organisations

- 56% of senior managers say they would consider paying more (an average of 7% more) for a supplier that best enables the organisation to meet its sustainability objectives

- 67% of organisations surveyed undertake some form of environmental impact measurement. Only 41% publish an environmental impact report that is available to customers

- Organisations in the IT / Media sector appear to be amongst the most likely to say their organisation should take a leadership role on green issues, publish an environmental impact report and would pay more for a supplier that helps their organisation meet its green objectives.

39% of senior managers feel that the Covid-19 crisis has led to a reduced focus on green issues in their organisation. 24% believe that focus on the green agenda has increased

Evidence from our research suggests three key impacts on organisations' environmental sustainability as a result of the Covid-19 crisis: future models of home or office-based working; a potential trend for people to move out of cities; and managing the economic impacts of Covid-19.

22% of senior managers surveyed say the green agenda is central to their organisation's customer proposition and a key differentiator. A further 49% believe the green agenda enhances their proposition but is not central to it

- A sample of senior managers and business owners believe that on average, 29% of their customers are not concerned with environmental issues when interacting with the organisation. A sample of UK consumers suggests that just 7% hold that view

- 39% of senior managers and 32% of employees say that in the last year they have spoken regularly with customers about the environmental impact of their organisation's products and services.

More than half of both senior managers and employees say that an organisation's green credentials will influence their future choice of employer

- 23% of senior managers claim that the green agenda is central to their organisation's employee proposition and a key differentiator. A further 40% say that it enhances the employee proposition. Just 21% believe the green agenda is not that important to their employee proposition

- Lack of knowledge, challenges in engaging employees on green issues, and skills, are seen as key issues in embedding the green agenda in organisations.

- 45% of senior managers and 39% of employees say they have received training in the last year to help them better understand their organisation's environmental impact

Government has a key role in progressing the green agenda, but all must play a part

- 27% of customers say that the government has the greatest responsibility for progressing green issues. A further 27% believe responsibility should be shared equally by government, organisations, regulators and individuals

- 60% of customers believe that they should do more to help the environment

- 27% of senior managers acknowledge that their organisation needs to do significantly more to be environmentally sustainable but 53% believe that "a little more" is sufficient

- Both senior managers and customers identify provision of education / information for organisations about sustainable practices, maintenance of environmental standards, and promoting sustainability in public sector procurement as key actions that should be progressed by government

- Senior managers are much more likely than customers to advocate that government should offer financial incentives for organisations to adopt sustainable practices. Customers are more likely to favour stricter environmental regulations.

Our research concludes with 7 key enablers for organisations to incorporate the green agenda effectively into their customer proposition

1) Customer insight	• Investigate aspects of sustainability that are especially important to your customers • Assess awareness of your current environmental sustainability proposition, and that of your competitors • Monitor changes in customer attitudes and priorities about sustainability
2) Strategy & objectives	• Review environmental impact of your organisation across its operations, supply chains, products and services • Evaluate regulatory and legal requirements • Define scope, key activities, targets and timeframe to promote environmental sustainability • Define required capabilities, skills and resources
3) Integrated customer proposition	• Create a compelling offer that integrates sustainability, price, quality, service • Articulate clear benefits to the customer and the environment • Demonstrate credible evidence of the organisation's commitment • Be transparent and authentic • Communicate coherently across channels and in customer and stakeholder engagement • Measure impact on customer buying behaviour, trust and reputation
4) Employee proposition	• Develop a narrative for employees that demonstrates the linkages between customer needs and priorities, legal and regulatory imperatives, environmental strategy and customer engagement • Build a network of environmental sustainability champions across the organisation • Align training and development to requirements of environmental sustainability strategy

5) Governance & ownership	• Ensure board-level ownership • Define accountability across the organisation linked to tangible targets and objectives • Put in place mechanisms to enable cross-organisation learning and a joined-up approach • Publish an environmental sustainability report that is available to customers and employees • Ensure that reputational impact of the organisation's environmental sustainability record forms part of risk assessment
6) Collaborative action	• Develop partnerships with charities, independent third parties or other organisations designed to raise awareness, change customer behaviour or organisations' practices • Investigate opportunities to work with other employers, local authorities and property companies to develop community hubs that provide high quality workplace facilities and social interaction whilst reducing adverse environmental impact
7) Innovation and agility	• Be proactive in seeking opportunities to integrate sustainability into operations, supply chains, products and services and customer engagement • Recognise and respond quickly to changes in customer needs and expectations • Strengthen the linkages between sustainability, risk assessment, reputation, customer satisfaction and business performance

1

Objectives and methodology

The green agenda in a customer experience context

In 1987, the Brundtland Commission (formally known as the World Commission on Environment and Development (WCED) defined sustainability as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

Other definitions have broadened the focus to encompass environmental, ethical, social justice and governance issues[1]. Theories about the circular economy have stressed the relationship between design, product use and renewal in order to move towards decoupling economic activity and consumption[2]. There has been a rise in ethical consumerism, motivated either by single issues or a broad range of concerns about fair trade, employment practices, environmentally sustainable practices and animal welfare. Environmental sustainability is a mainstream concern for many customers, but various studies have shown that this concern does not always translate to practical buying behaviour and choices[3]. The UK government's Environment Bill 2020 Policy Statement is positioned as a "step-change" in environmental protection and recovery in response to scientific evidence and public demand, in order to create a more sustainable and resilient economy and enhance well-being and quality of life[4].

This research will focus primarily on the relationship between environmental sustainability and customer experience. Where appropriate, we also refer to broader sustainability issues such as fair treatment of suppliers and employees, but the primary focus is the "green agenda" in the context of customer experience.

Objectives

The research has three key objectives:

- How are customer attitudes and behaviours influenced by the green agenda?

- How are organisations addressing the green agenda through their operations, supply chains and in their engagement with customers and employees?

- What are the key enablers for organisations to incorporate the green agenda effectively in their customer proposition?

1 The Natural Advantage of Nations: Business Opportunities, Innovation and Governance in the 21st Century, Amory B. Lovins, co-founder of the Rocky Mountain Institute, along with Karlson Hargroves and Michael H. Smith (2005)
2 See the Ellen Macarthur Foundation www.ellenmacarthurfoundation.org
3 Factors Affecting Green Purchase Behaviour and Future Research Directions, Yatish Joshi; Zillur Rahman, International Strategic Management Review, Volume 3, Issues 1–2, June–December 2015
4 Environment Bill 2020 Policy Statement, www.gov.uk/government/publications/environment-bill-2020/30-january-2020-environment-bill-2020-policy-statement

Methodology

The methodology is based on interviews with senior executives from 16 organisations; and online surveys with 889 business owners and senior managers, 500 employees and 2,000 consumers.

In the report we have indicated where evidence is drawn from interviews, or from online surveys. In general, quantitative data is based on evidence from the online surveys. It should be noted that senior executives we have interviewed are different from, and unrelated to, the sample of senior managers and business owners included in the online survey.

Interviews with senior executives from 16 organisations from a range of sectors

Ageas (UK) Limited
Arval BNP Paribas Group
Buyagift plc
Cabot Credit Management
CBRE
Karbon Homes
Nationwide Building Society
M & S plc

Motability
Nu-Heat Underfloor Heating & Renewables
Redrow Homes plc
Severn Trent Water
Sky
SP Energy Networks
SSE plc
Zurich Insurance Group

The Institute would like to thank the senior executives from these organisations for their time, and for the insight and experience they shared.

An online survey of 2,000 customers, representative of the UK population

An online questionnaire with 889 senior managers and business owners from organisations based in the UK, or with a UK presence

1 - 10 employees	11 - 250 employees	250+ employees
23%	20%	56%
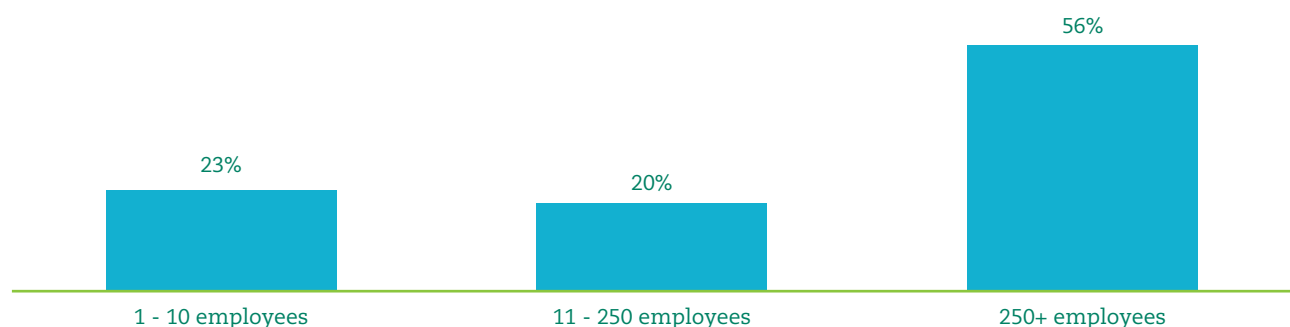
Senior manager and business owner sample, by sector

- IT / Media — 19%
- Construction / Manufacturing — 17%
- Retail and leisure — 15%
- Business Services — 12%
- Public services — 9%
- Banking and Insurance — 9%
- Telecommunications / Utilities / Transport / Wholesale — 8%
- Other — 13%
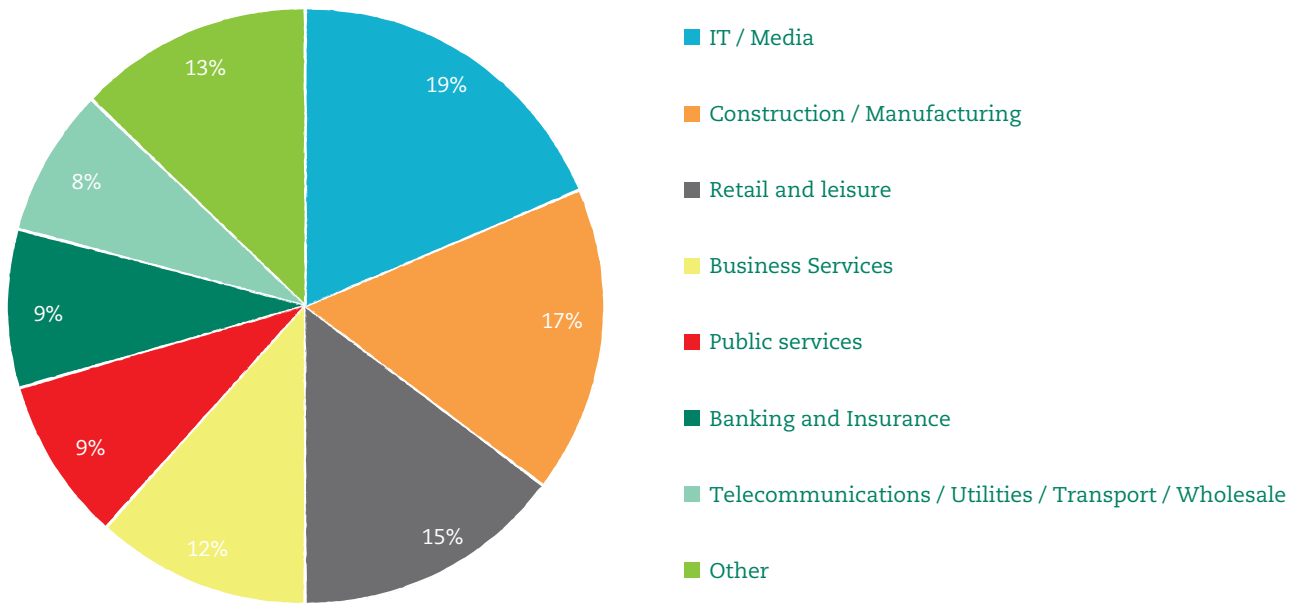
An online questionnaire with 500 employees in a range of team member / colleague, supervisor and line manager roles

Team member / colleague	Supervisor	Line Manager
49%	29%	22%
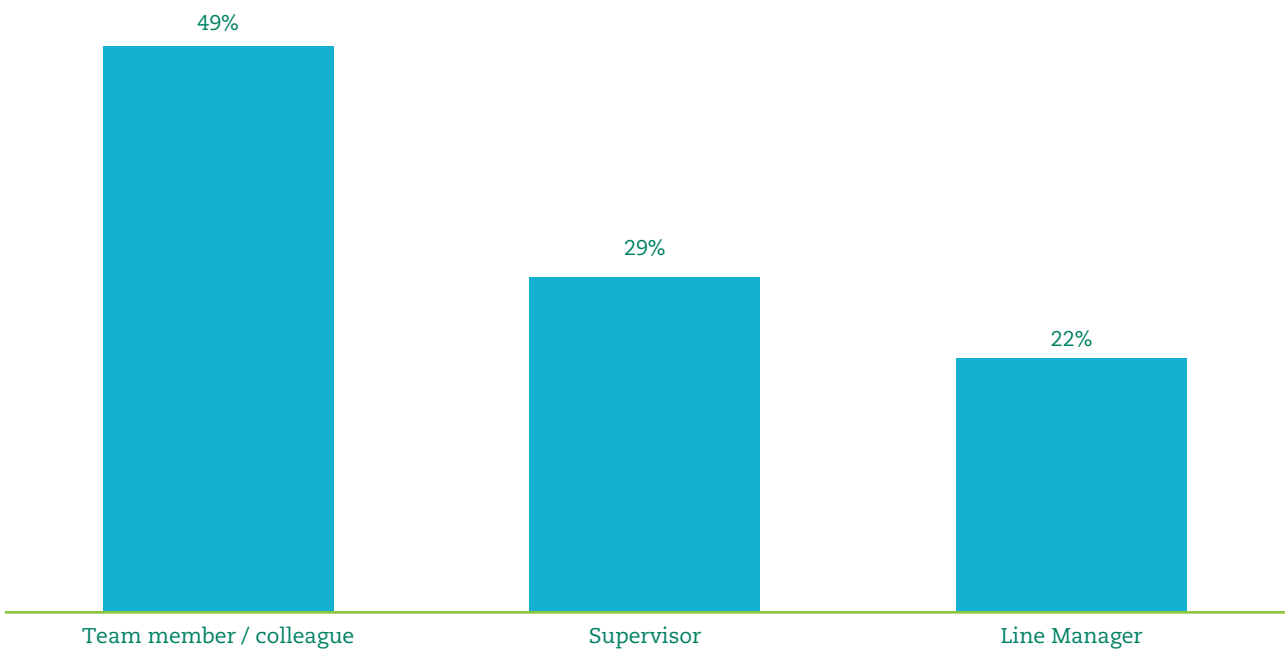
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How customer attitudes and behaviours are influenced by the green agenda

This chapter examines customers' attitudes about sustainability, the extent to which this translates to their buying decisions and whether they would be willing to pay a premium for environmentally-friendly products and services. We also investigate what customers need and expect from organisations' commitment to sustainability, products and services and how they engage with customers about the green agenda.

There is widespread agreement amongst customers that making decisions based on what is best for the environment is important

79% of customers believe that it is critically important (39%) or very important (40%) that "we all make decisions based on what is best for the environment." Only 4% of customers regard the impact of decisions on the environment as unimportant.

How important is it that we all make decisions based on what is best for the environment?

39% Critically important

40% Very important

17% Somewhat important

4% Not important
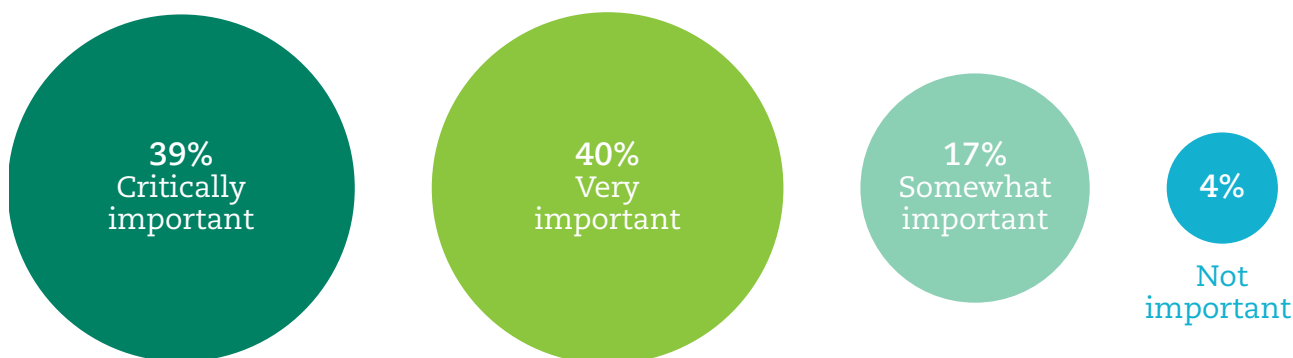
Recycling and reduction in use of plastics, electricity and water are the most common activities undertaken by consumers to help the environment

The most common activities undertaken by customers to help the environment are recycling (68%), reducing use of plastic (51%), reducing electricity (48%) or water (47%) consumption and buying fewer goods (33%).

Just 7% of customers have switched to a green energy or financial services company or bought an electric vehicle.

What do you currently do to actively help the environment?

Activity	%
Recycle household waste	68%
Reduce amount of plastic I buy / use	51%
Reduce electricity use	48%
Reduced water use	47%
Lower thermostat/avoid heating	40%
Buy fewer consumer goods (i.e. clothes, electronics)	33%
Buy local / organic produce	28%
Home improvements i.e. insulation	25%
Compost/use a water butt	25%
Use public transport more (pre-COVID)	22%
Switched to green energy provider	21%
Decided not to fly or taken a shorter flight for a holiday	18%
Installed solar panels at home	8%
Switched to green insurance or financial services provider	7%
Switched to an electric vehicle	7%
Taken part in climate change protests	6%
None of the above	4%

A core minority of customers is strongly motivated by green issues in purchasing decisions. A further 50% regard the environment as important, alongside other factors

For 18% of customers, the environment is the most important factor in any purchasing decisions. 50% of customers believe the environment is important to their purchasing choices but is not necessarily more important than other factors such as price, quality, availability or standards of service. 21% consider environmental impacts when they make a purchase but regard it as less important than other factors. A small minority of customers (7%) claim they have no concern for the environment when buying from organisations whilst 5% are unsure.

How important is it to you personally that you make purchasing decisions based on what is best for the environment?

The most important consideration in anything that I buy	18%
Important, but other factors are just as important	50%
I consider the environment but other factors are more important	21%
I don't consider what is best for the environment	7%
Not sure	5%
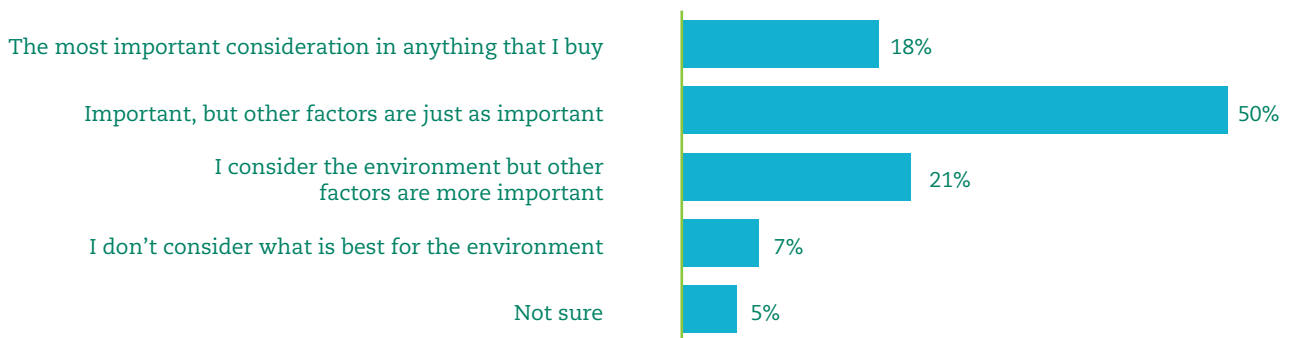
This research confirms the impression that a core minority of customers are highly motivated by green issues in their lives in general and in their purchasing decisions. Most customers care about green issues and are receptive to using products and services that have environmental sustainability benefits. However, they need their requirements to be met for quality, reliability, availability and customer service in order to translate their concern for the green agenda into buying behaviour.

20% of customers have deliberately chosen an environmentally sustainable product or service in the last year. 12% have stopped buying a product or service because of its adverse environmental impact

Have you ever bought a product / service because of its positive environmental impact?

20%
Yes

51%
Unsure

29%
No
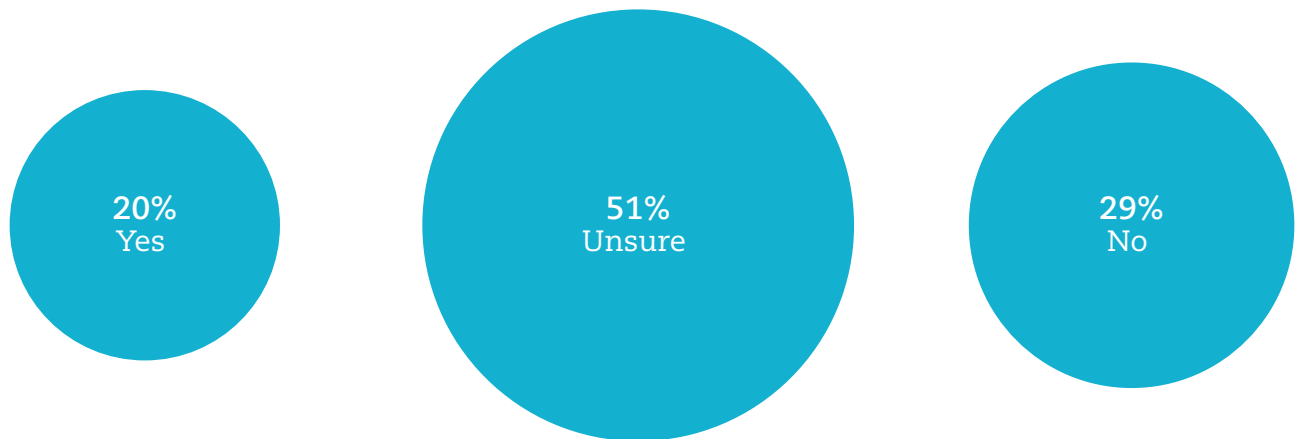
Have you ever stopped buying from a business / buying a product because they were having an adverse environmental impact?

12%
Yes

61%
Unsure

26%
No
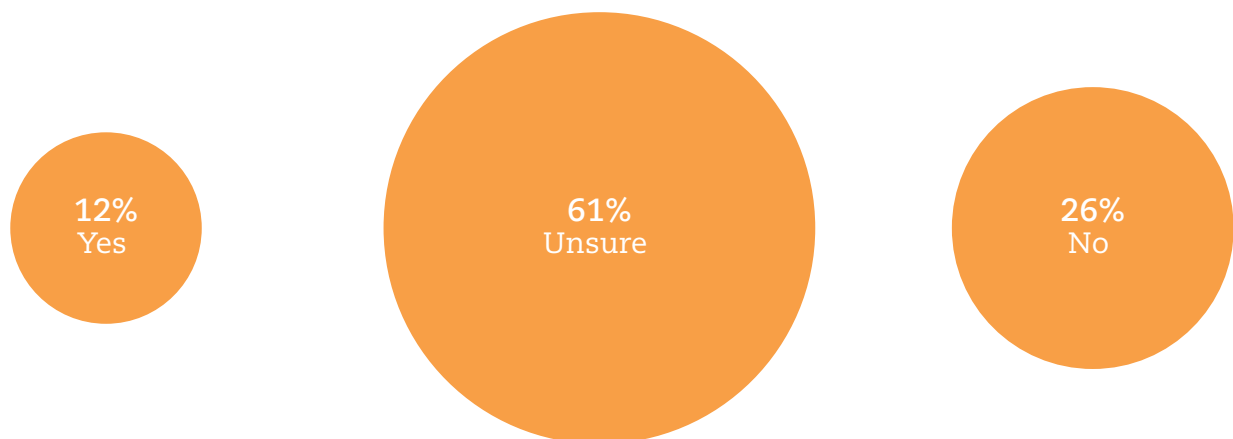
Customers were most likely to have deliberately chosen an environmentally sustainable product in the Utilities, Health and Beauty and Retail sectors. The most cited products and services are energy, beauty / cosmetics and food.

Customers were most likely to have stopped buying a product or service for environmental reasons in the Retail and Health and Beauty sectors. The most cited products / services were food / drink, beauty and cosmetics, clothing, cars, energy and cleaning products.

Customer buying behaviour motivated by environmental impact, by sector

Sector	% customers selected a product / service because of positive environmental impact	% customers stopped buying from an organisation because of adverse environmental impact
Utilities	28%	13%
Health and Beauty	24%	25%
Retail	23%	36%
Leisure e.g. restaurants, cafes, cinemas	12%	11%
Transport	8%	9%
Automotive	7%	13%
Tourism	6%	5%
Public Services (Local)	4%	6%
Banking or Building Society	3%	7%
Insurance	3%	6%
Construction / housebuilder	3%	4%
Public Services (National)	3%	4%
Education & Training	3%	4%
Telecomms	1%	6%
Estate agent	0%	4%

■ % customers selected a product / service because of positive environmental impact

■ % customers stopped buying from an organisation because of adverse envionmental impact

The proportion of customers that have consciously chosen an environmentally sustainable product tends to be relatively consistent across age groups. In general, younger customers (aged under 44) tend to be more likely than customers aged over 45 to stop buying a product or service for environmental reasons.

Customer buying behaviour motivated by environmental impact, by age group
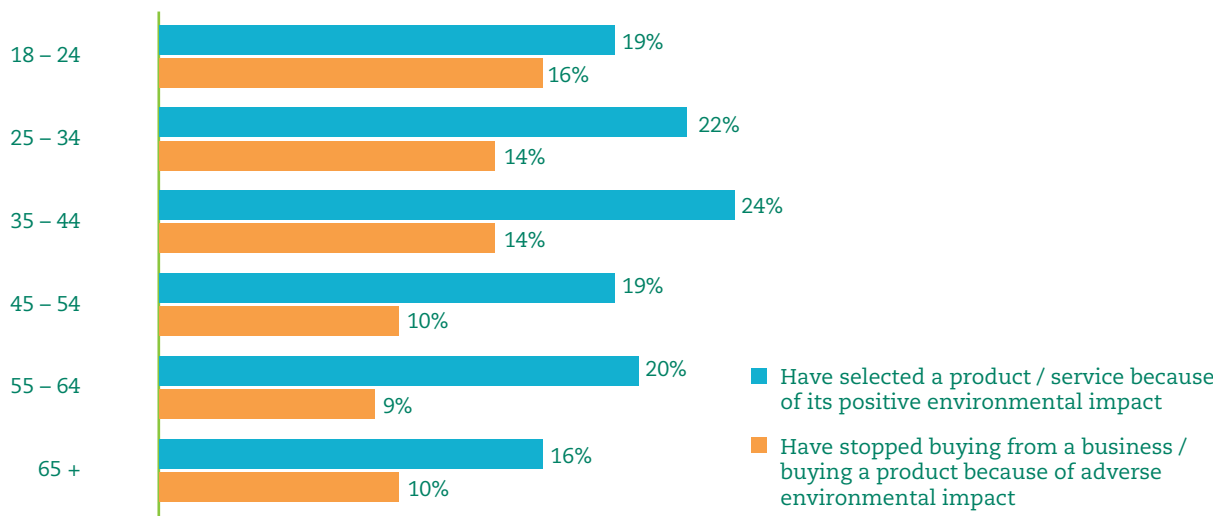
Customers with a relatively higher household income tend to be more likely than average either to have chosen, or stopped buying a product or service, because of its environmental impact.

Customer buying behaviour motivated by environmental impact, by household income
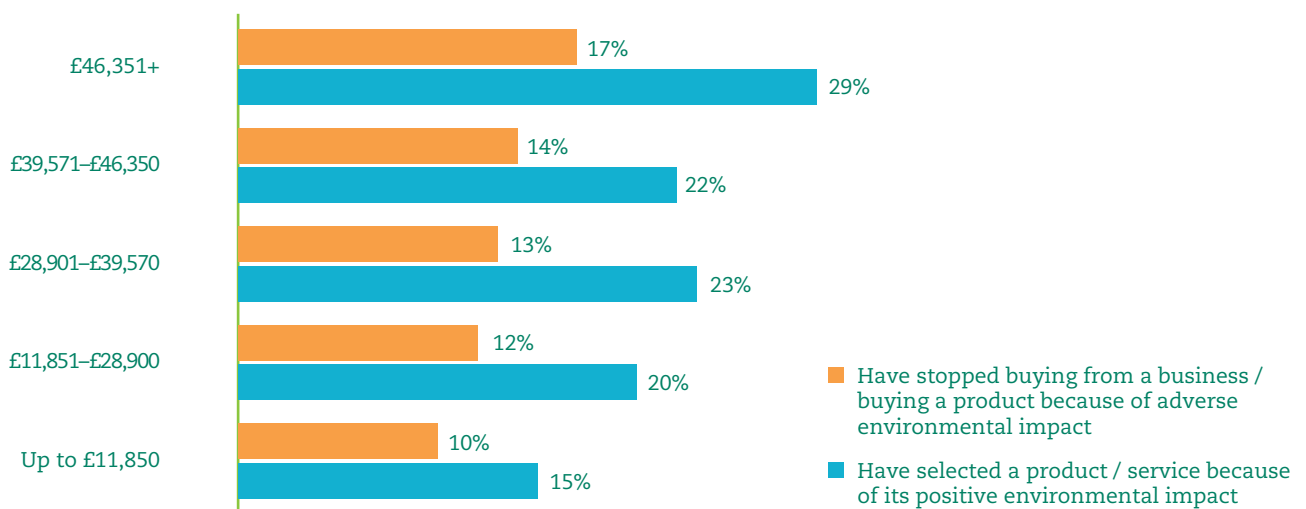
Customers living in the East Midlands, South of England, East of England or Greater London tend to be the most likely to have chosen a product or service in the last year because of its positive environmental impact. Customers in Northern Ireland, North East England and Scotland appear to be less likely to have stopped buying a product because of environmental impact concerns.

Customer buying behaviour motivated by environmental impact, by region or country

Region	Have selected a product / service because of its positive environmental impact	Have stopped buying from a business / buying a product because of adverse environmental impact
East Midlands	27%	13%
South East England	24%	12%
East of England	23%	13%
Greater London	22%	14%
South West England	22%	14%
Yorkshire and the Humber	20%	14%
Wales	19%	12%
Scotland	19%	9%
North West England	18%	11%
West Midlands	16%	15%
North East	14%	8%
Northern Ireland	12%	8%

11% of customers say that there has been an occasion in the last year when they have wanted to buy an environmentally sustainable product or service but have not done so

By far the biggest reason is that the product or service was too expensive, followed by issues of reliability and quality. The most cited products were electric vehicles, food and energy.

Which factors dissuaded you from an environmentally green purchase?

Factor	Percentage
Too expensive	59%
Reliability of product	23%
Quality issues	21%
Information about environmental impacts wasn't transparent	15%
Customer service	14%
Lack of trust in the organisation	14%
Didn't think it would make much difference to environmental impact	11%
Speed of delivery	10%
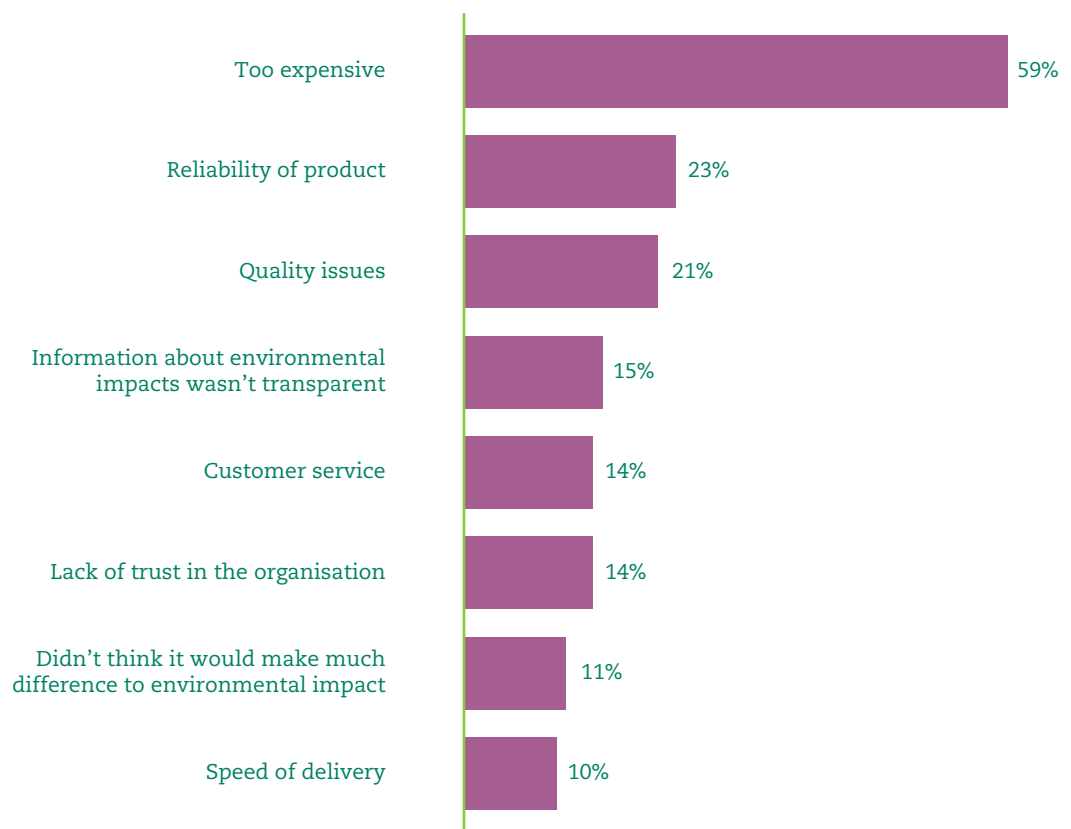
Environmental sustainability is rapidly growing in importance for an increasing number of customers

For 18% of customers – those that are currently the most strongly motivated by environmental sustainability – the issue will continue to be the most important factor in purchasing decisions.

A further 37% of customers say that environmental sustainability will become not just more important, but will be one of their highest priorities when choosing products and services. In addition, 26% of customers say environmental sustainability will become more prominent in their purchasing decisions, though not necessarily one of their leading priorities.

How important will green issues be in determining which organisations you buy from in the next 5 years?
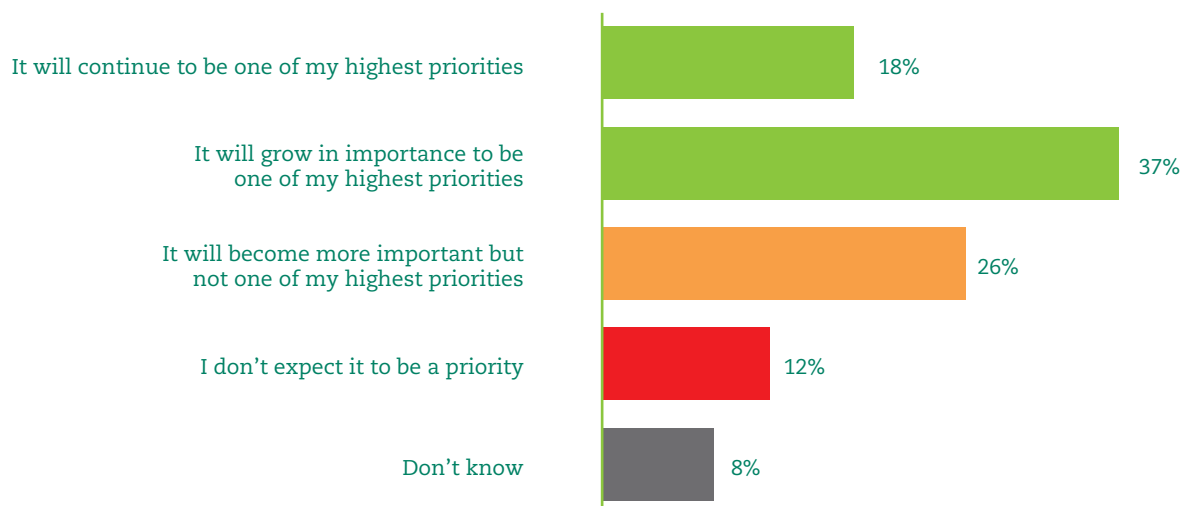
Response	Percentage
It will continue to be one of my highest priorities	18%
It will grow in importance to be one of my highest priorities	37%
It will become more important but not one of my highest priorities	26%
I don't expect it to be a priority	12%
Don't know	8%

34% of customers say they would either definitely (9%) or probably (25%) pay an average premium of 5.5% for environmentally sustainable products and services

A further 39% would consider paying more for services that benefit the environment. 28% of customers would not be prepared to pay more. This suggests that large numbers of customers would choose sustainable products and services, and even consider paying more for them, if organisations integrate their green agenda into a relevant and compelling customer proposition.

Over half of customers expect organisations to help them make green decisions, both in terms of their relationship with the organisation, but also more generally

40% of people want organisations to help them make environmentally sustainable choices beyond their specific relationship with the organisation. An additional 35% expect an organisation to help them make sustainable choices specifically about the products and services they buy from that organisation.

There is an expectation that organisations need to do more to be environmentally sustainable

36% of customers believe that organisations need to do "significantly more" to be environmentally sustainable, with 47% suggesting organisations need to do "a little more." Only 14% of people think that organisations are doing enough. In addition, 75 % of customers expect organisations to help them be "greener" either in their purchasing from an organisation, or in the choices they make more generally.

In what ways do you expect the businesses you buy from to help you to be greener?

40%
I expect them to help me be greener in all ways, not just related to what I'm buying

35%
I expect them to help me be greener but only about what I'm buying from them

10%
I expect them to help me be greener only if I ask for them to

15%
I don't expect businesses to help me be greener
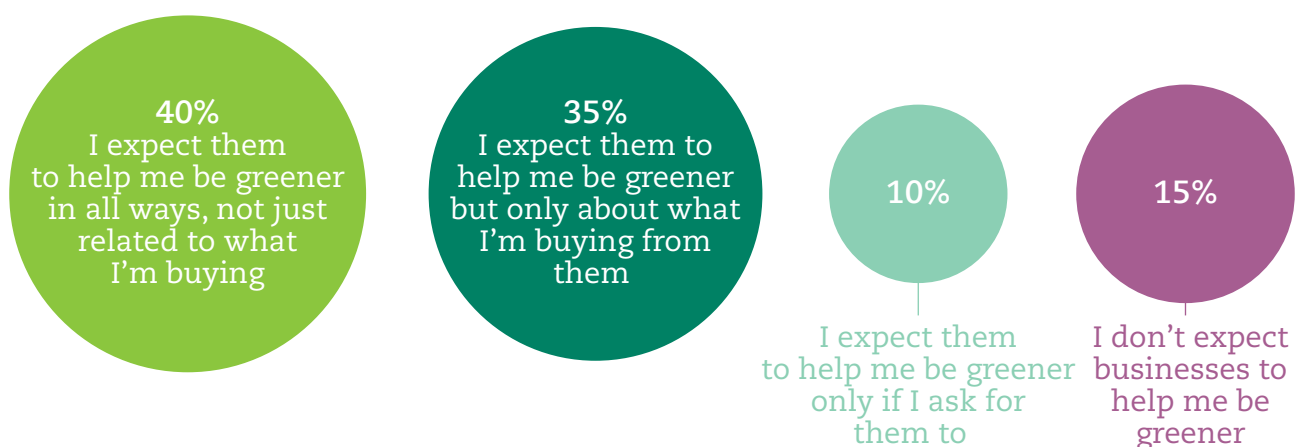
Customers' expectations about organisations' commitment to sustainable practice vary by sector

Customers appear to have differing expectations according to sector about the importance of sustainable practice by organisations. Environmentally sustainable practices are seen as being most important for organisations in the Transport, Automotive, Utilities and Construction sectors. Comparatively fewer customers attach very high importance to environmental sustainability in the finance sector. Nevertheless 25% of customers regard it as having very high importance for banks and 23% for insurance companies.

How important is it that organisations in the following sectors are sustainable in their business practices?
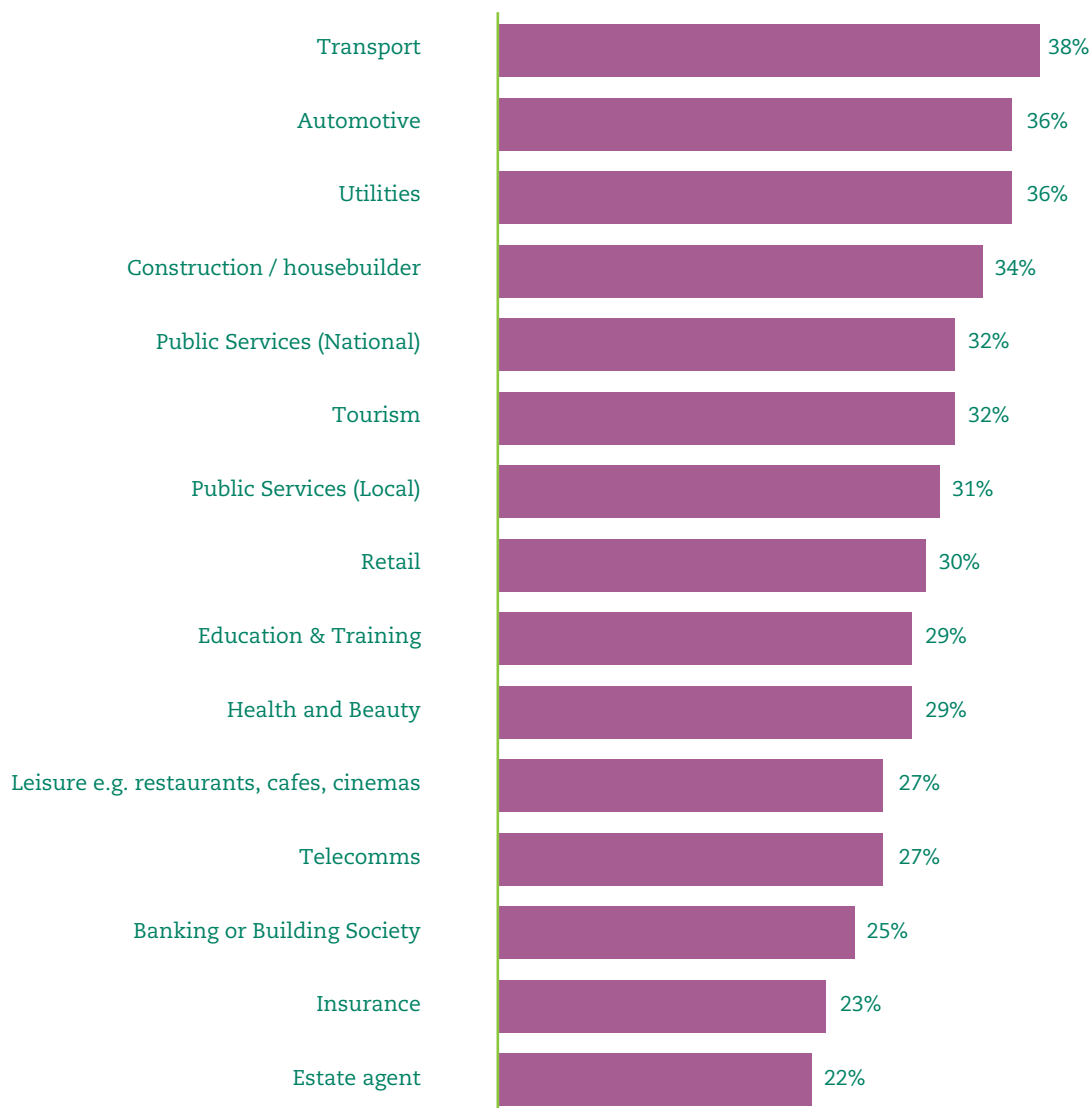
Sector	%
Transport	38%
Automotive	36%
Utilities	36%
Construction / housebuilder	34%
Public Services (National)	32%
Tourism	32%
Public Services (Local)	31%
Retail	30%
Education & Training	29%
Health and Beauty	29%
Leisure e.g. restaurants, cafes, cinemas	27%
Telecomms	27%
Banking or Building Society	25%
Insurance	23%
Estate agent	22%

Price, quality and availability of products and services and transparency of information are key enablers of environmentally sustainable buying decisions

In order to make sustainable choices customers require that products are priced competitively, are of the required quality and are readily available. Customers want transparent information from organisations about the environmental benefits of products and services, advice about how to make sustainable choices more broadly and evidence about the actions organisations are taking to reduce adverse environmental impact across their operations.

Which factors have highest importance in enabling you to make environmentally friendly decisions?

Factor	Percentage
Products / services are priced competitively	65%
Quality of products / services	63%
Environmentally friendly products are readily available	62%
More knowledge / information about changes I can make that would help the environment	59%
More transparent information about products / services that are environmentally friendly	59%
More transparent information from organisations about what they are doing to help the environment	58%
More information from independent information sources about which products / services are environmentally friendly	58%
More information from government about how to make environmentally-friendly choices	56%
A personal financial incentive for me to be more environmentally friendly	48%

Over half of customers also seek more information from independent sources, or from government, to help them make environmentally-friendly choices in their purchases and in their relationships with organisations.

48% of customers say that a financial incentive would persuade them to make environmentally-friendly decisions. However, more customers attach high importance to a product or service's price competitiveness, quality, availability and transparency of information.
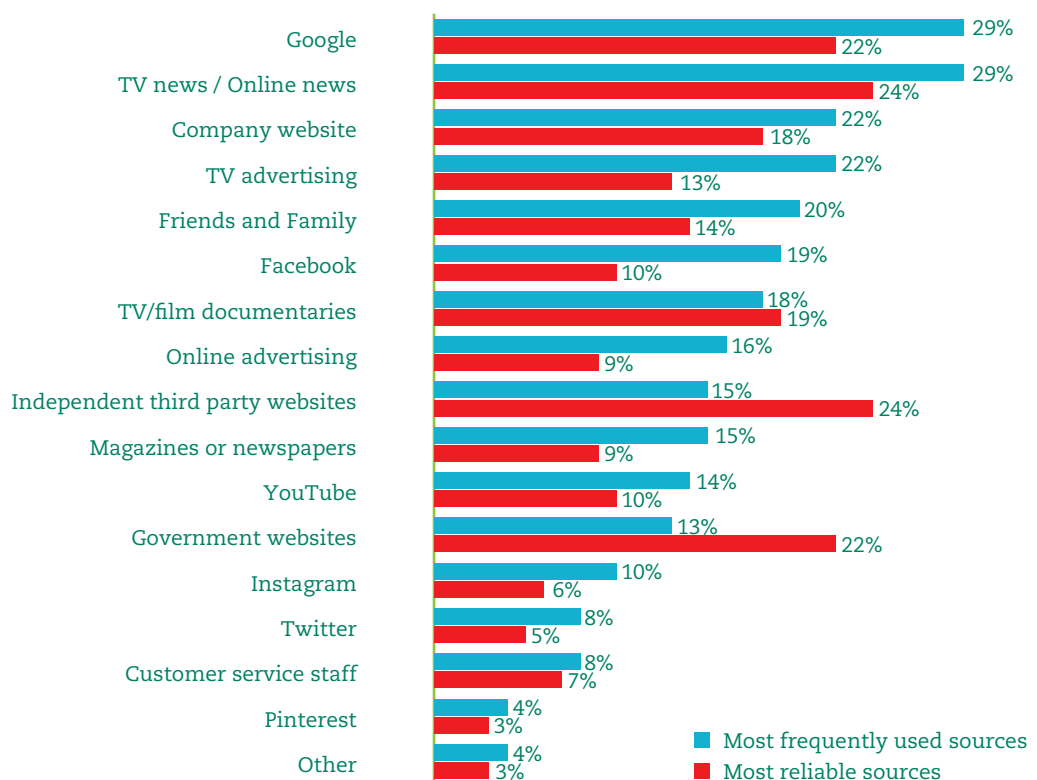
Customers use a range of sources to find information about organisations' environmental credentials. Independent websites, TV or online news and government websites are seen as the most reliable sources

Customers currently find information about the environmental credentials of organisations from a wide range of sources, with Google (Internet searches), TV / online news, organisations' websites and TV advertising the most prominent.

Independent third-party websites, TV / online news, Google (Internet searches) and government websites are seen as the most reliable sources. The comparatively low usage of independent third-party and government websites suggests that there is an opportunity for these sources to provide relevant and timely content that promotes environmentally sustainable decision-making by customers.

This research also suggests that companies and organisations need to focus on providing credible and transparent information about the issues that matter to customers: the environmental benefits of products and services; advice about how to make sustainable choices more broadly; and the tangible actions organisations are taking to reduce adverse environmental impacts across their operations.

Sources used by customers to find out about organisations' environmental credentials

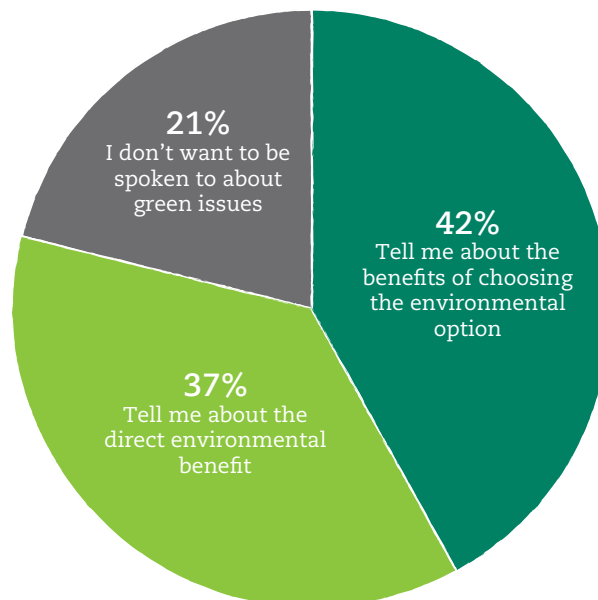| Source	Most frequently used sources	Most reliable sources
Google	29%	22%
TV news / Online news	29%	24%
Company website	22%	18%
TV advertising	22%	13%
Friends and Family	20%	14%
Facebook	19%	10%
TV/film documentaries	18%	19%
Online advertising	16%	9%
Independent third party websites	15%	24%
Magazines or newspapers	15%	9%
YouTube	14%	10%
Government websites	13%	22%
Instagram	10%	6%
Twitter	8%	5%
Customer service staff	8%	7%
Pinterest	4%	3%
Other	4%	3%

Customers want organisations to communicate both specific personal benefits and broader environmental benefits

Our research suggests that for organisations to engage customers with a credible sustainability proposition they need to:

- Develop environmentally friendly products and services with pricing, quality and reliability that are attractive to customers

- Show customers how the green choices they make result in broader environmental benefits

- Demonstrate evidence-based commitment to sustainability in operations and supply chains.

How do you want organisations to engage with you about their green agenda?

- 21% I don't want to be spoken to about green issues
- 42% Tell me about the benefits of choosing the environmental option
- 37% Tell me about the direct environmental benefit

Key takeouts:
How customer attitudes and behaviours are influenced by the green agenda

- For 18% of customers, the environment is the most important factor in any purchasing decisions.

- 50% of customers believe the environment is important to their purchasing choices but is not necessarily more important than other factors such as price, quality, availability or standards of service.

- 20% of customers have deliberately chosen an environmentally sustainable product or service in the last year. 12% have stopped buying a product or service because of its adverse environmental impact.

- Customers are most likely to make choices influenced by environmental impact in the Utilities, Health and Beauty and Retail sectors

- 11% of customers say they there has been an occasion in the last year when they have wanted to buy an environmentally sustainable product or service but did not do so. The leading reason was price, followed by reliability and quality. The most cited products were electric vehicles, food and energy.

- 55% of customers say that in the next 5 years environmental sustainability will either remain (18%) or become (37%) one of their highest priorities when choosing products and services

- Over half of customers expect organisations help them to make green decisions, both in terms of their relationship with the organisation, but also more generally

- Customers appear to have differing expectations according to sector about the importance of sustainable practice by organisations. Environmentally sustainable practices are seen as being most important for organisations in the Transport, Automotive, Utilities and Construction sectors

- Price, quality and availability of products and services and transparency of information are key enablers of environmentally sustainable buying decisions

- Independent websites, TV or online news and government websites are seen as the most reliable sources of information about organisations' sustainability credentials

- Customers want organisations to communicate both specific personal benefits and broader environmental benefits of products and services

3

How organisations are addressing the green agenda: strategy, operations and procurement
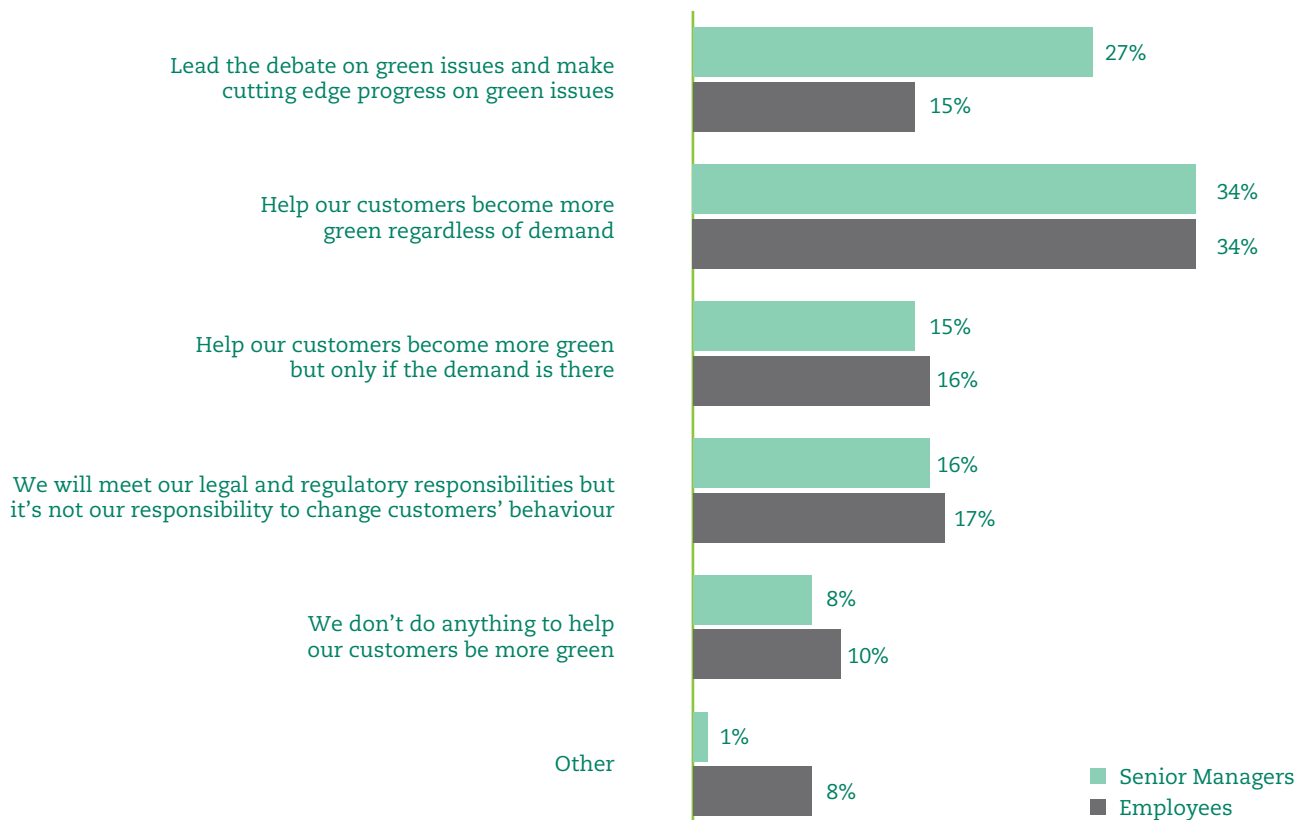
This section assesses the drivers of organisations' strategies and how they are seeking to embed the green agenda in their operations and procurement. We also examine how organisations measure the impact and effectiveness of their green agenda and the governance that supports it.

Our findings and commentary are based on interviews with senior executives from 16 organisations as well as online surveys with 889 senior managers and business owners and 500 employees. Specific examples quoted are based on evidence from the interviews; statistical data draws on the output of the online survey questionnaires.

Most senior managers believe that their organisation has a significant role to play in progressing green issues across the economy and society

27% believe their organisation should "lead the debate and make cutting edge progress" on green issues. A further 34% agree that their organisation should "help our customers become greener regardless of demand." Just 16% of senior managers agreed that their organisation's role was limited to meeting legal and regulatory responsibilities but not to changing customers' behaviour.

Which statement best describes how your organisation positions itself on green issues?

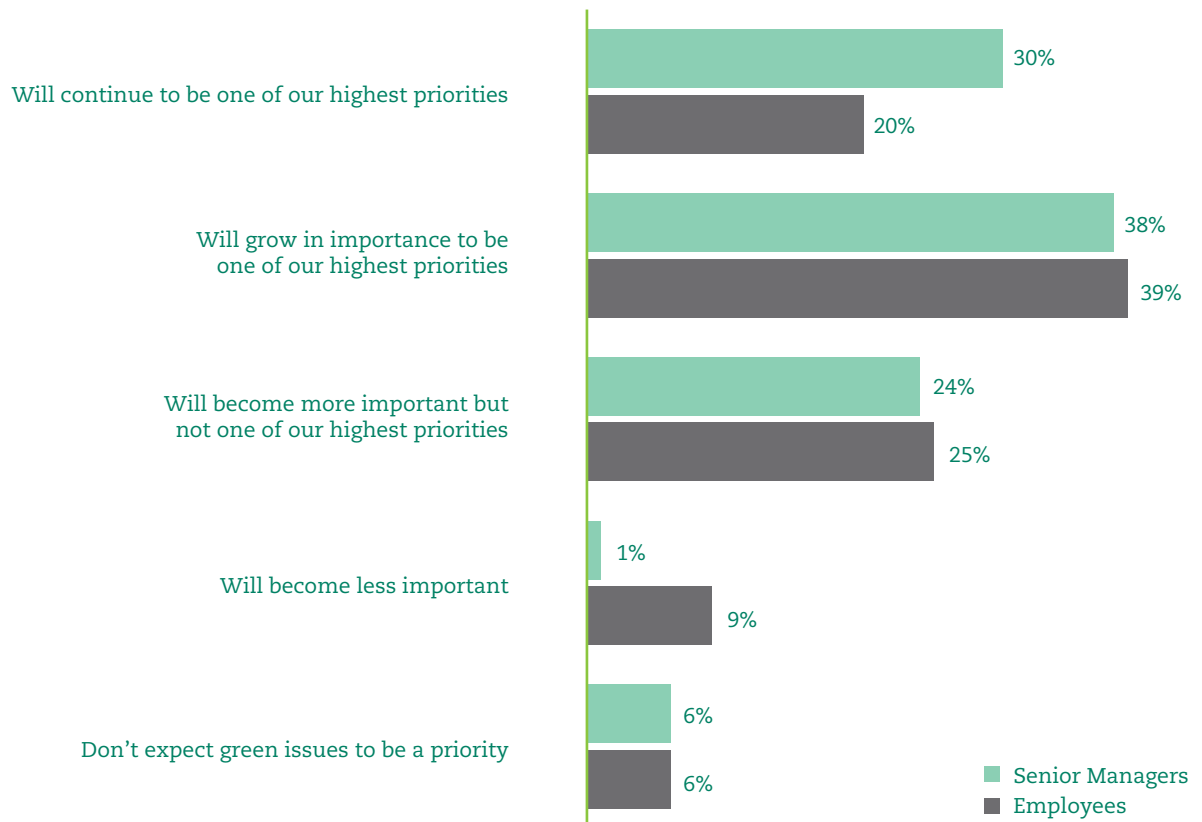|	
Lead the debate on green issues and make cutting edge progress on green issues	27% (Senior Managers) / 15% (Employees)
Help our customers become more green regardless of demand	34% / 34%
Help our customers become more green but only if the demand is there	15% / 16%
We will meet our legal and regulatory responsibilities but it's not our responsibility to change customers' behaviour	16% / 17%
We don't do anything to help our customers be more green	8% / 10%
Other	1% / 8%

Legend: Senior Managers, Employees

Larger organisations (with more than 250 employees) are more likely than smaller ones to believe their organisation should take a leading role on green issues and proactively change customers' behaviour. This view was echoed in our interviews with senior executives, many of whom recognise that the reach of larger organisations brings a greater responsibility and opportunity to influence customer behaviour.

In general, evidence from the online surveys conducted for this research show a consistency of perspective amongst senior managers and employees about their organisation's positioning on sustainability issues. However, senior managers are more likely to feel that their organisation should take a leading role in the sustainability debate.

Almost 70% of senior managers feel that sustainability will either continue to be one of their organisation's highest priorities (30%) or will become a leading priority (38%) in the next 5 years
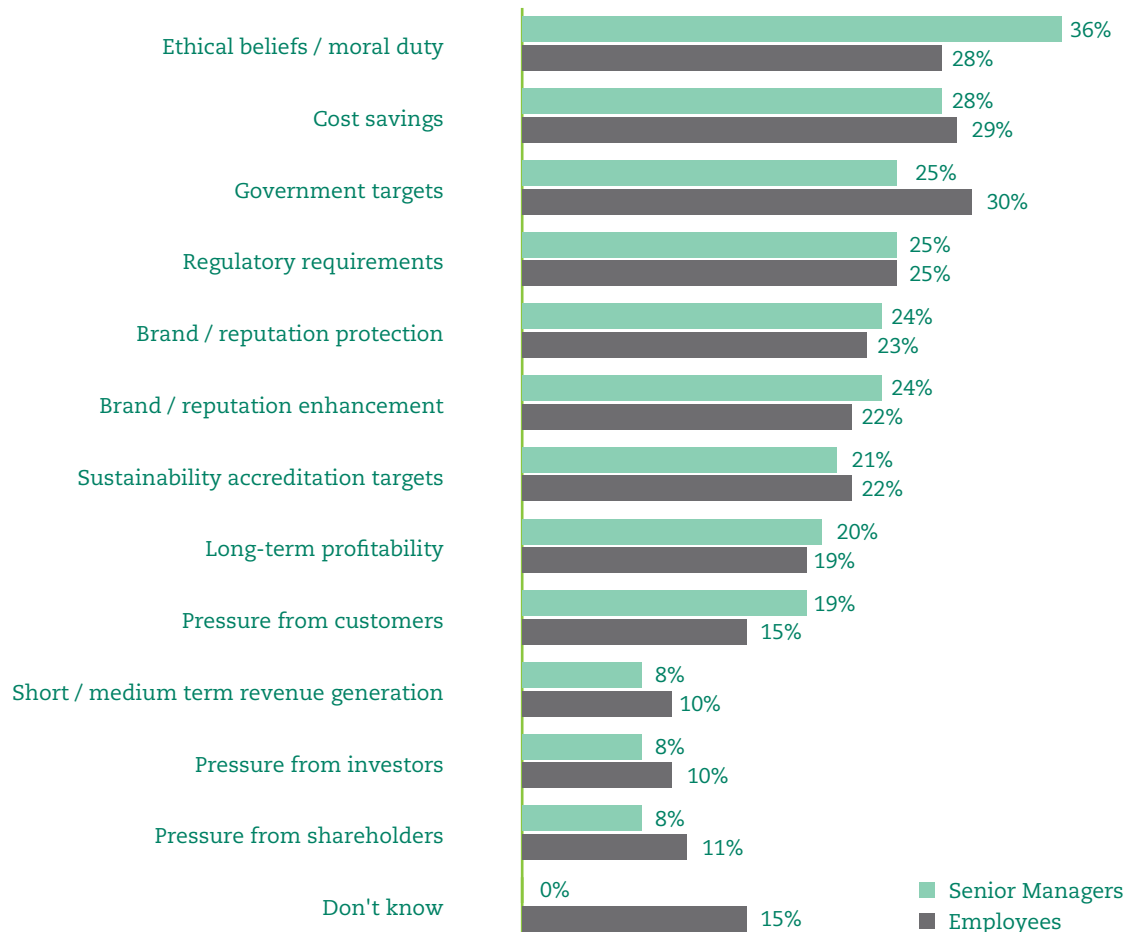
How important will green issues be for your organisation in the next 5 years?

Category	Senior Managers	Employees
Will continue to be one of our highest priorities	30%	20%
Will grow in importance to be one of our highest priorities	38%	39%
Will become more important but not one of our highest priorities	24%	25%
Will become less important	1%	9%
Don't expect green issues to be a priority	6%	6%

Legend: ■ Senior Managers ■ Employees

Ethics and moral duty are cited more frequently than legislation or customer demand as primary drivers of strategy

36% of senior managers claimed that ethical beliefs or moral duty were the primary drivers of their organisation's sustainability strategy. In addition, over 20% identified a range of drivers including cost savings, government targets, regulatory requirements, reputation protection or enhancement, and long-term profitability.
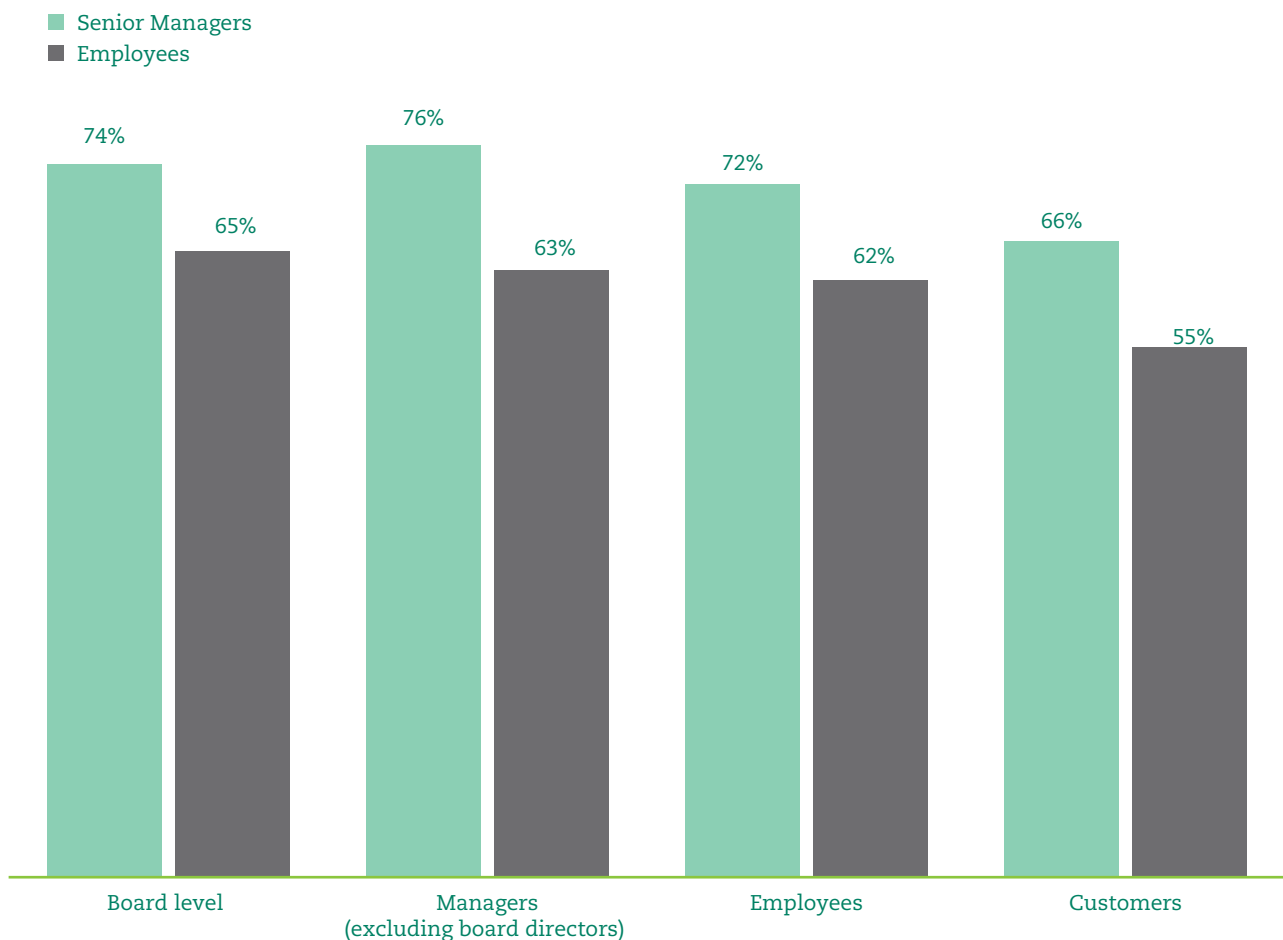
What are the primary drivers of your organisation's green strategy?

Driver	Senior Managers	Employees
Ethical beliefs / moral duty	36%	28%
Cost savings	28%	29%
Government targets	25%	30%
Regulatory requirements	25%	25%
Brand / reputation protection	24%	23%
Brand / reputation enhancement	24%	22%
Sustainability accreditation targets	21%	22%
Long-term profitability	20%	19%
Pressure from customers	19%	15%
Short / medium term revenue generation	8%	10%
Pressure from investors	8%	10%
Pressure from shareholders	8%	11%
Don't know	0%	15%

Over 70% of senior managers believe that their board is highly or somewhat engaged in the organisation's green agenda

26% of senior managers believe that green issues are a priority for their organisation, with a further 37% agreeing that green issues are one of several key priorities. Over 70% hold that their board, senior managers and employees are highly or somewhat engaged with the organisation's green agenda. These perspectives are broadly shared by employees, though a slightly smaller proportion of employees (still more than 60%) believe that the board, senior managers and employees in general are engaged in the green agenda.
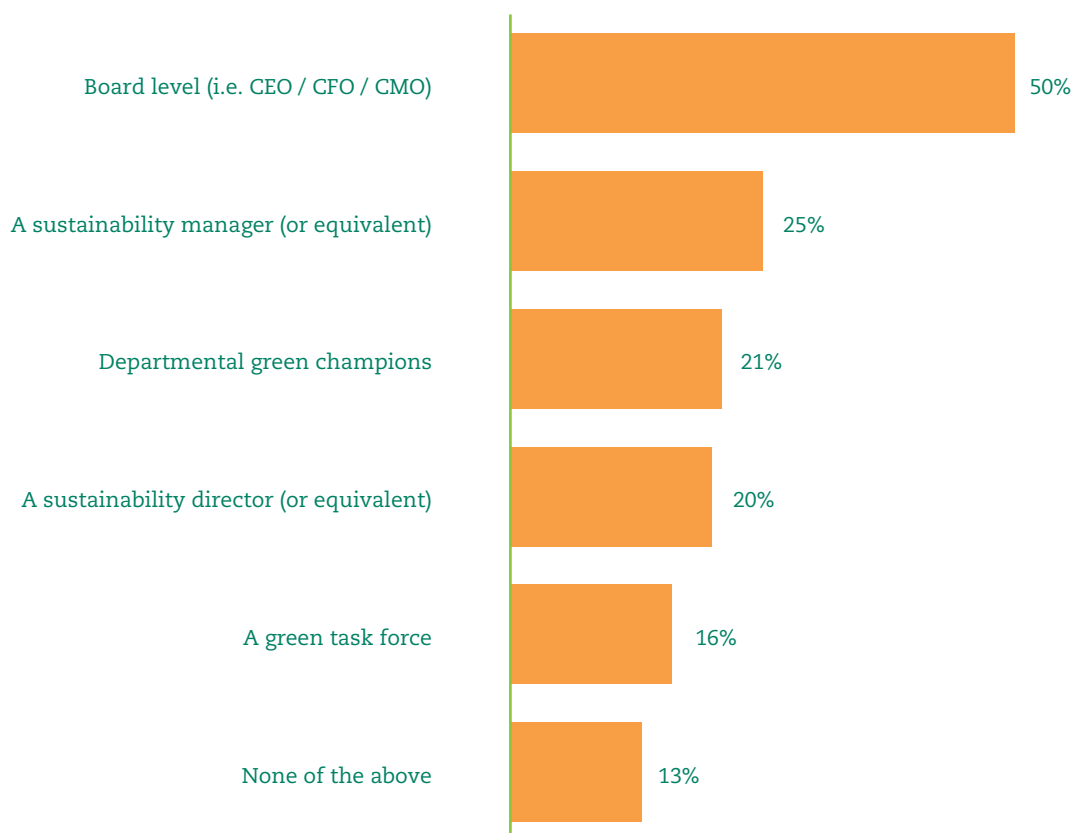
Senior managers and employees' perspectives on each group's engagement (% highly or somewhat engaged in their organisation's green agenda)

- Senior Managers
- Employees

	Senior Managers	Employees
Board level	74%	65%
Managers (excluding board directors)	76%	63%
Employees	72%	62%
Customers	66%	55%

50% of organisations surveyed say that sustainability strategy is driven at board level

20% say the green agenda is driven by a sustainability director, 25% by a dedicated sustainability manager and 16% by a green or sustainability taskforce. Larger organisations (with more than 250 employees) are more likely to have a dedicated sustainability director or taskforce.

Who drives environmental green agenda in your organisation?

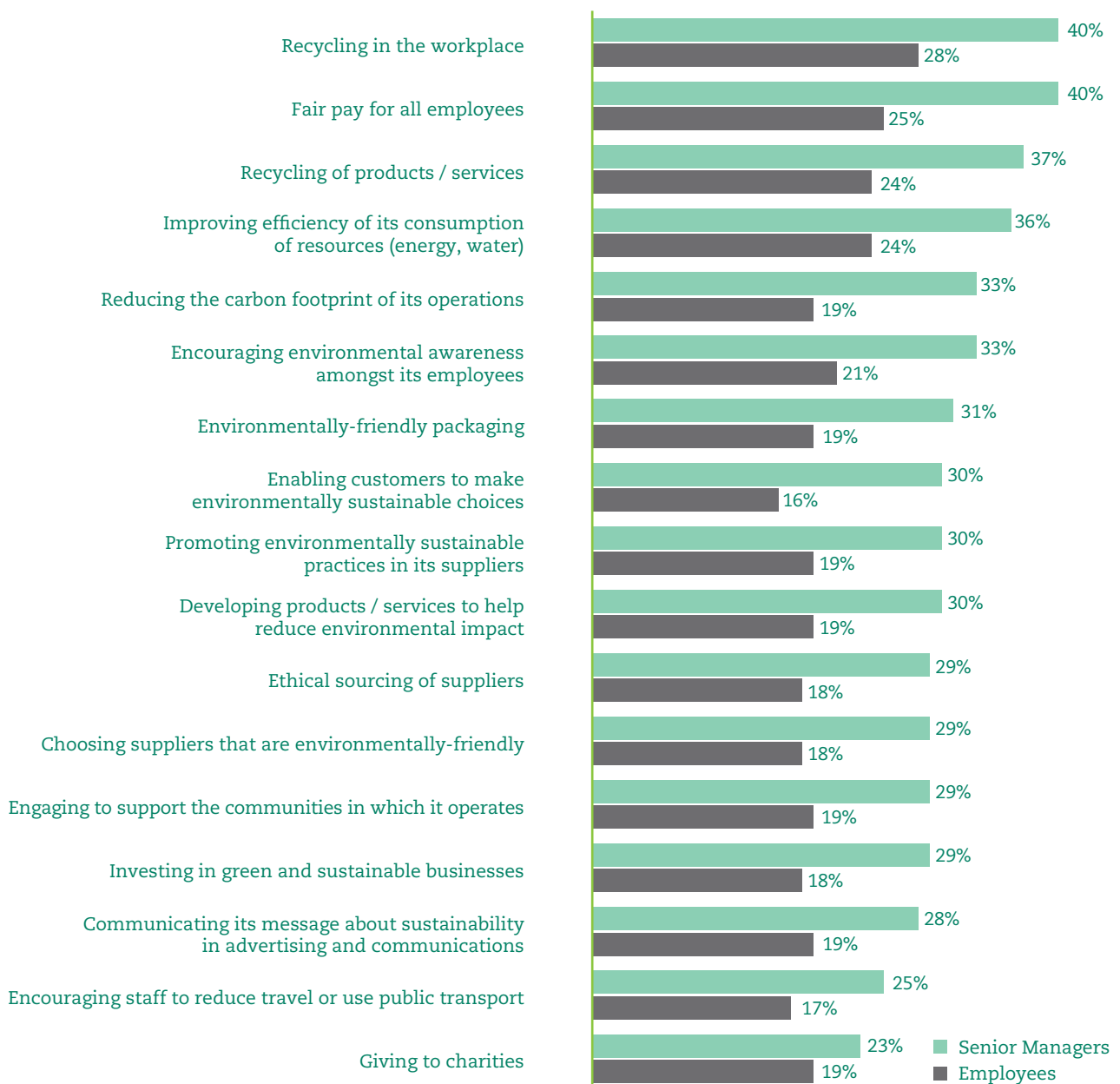| Category	Percentage
Board level (i.e. CEO / CFO / CMO)	50%
A sustainability manager (or equivalent)	25%
Departmental green champions	21%
A sustainability director (or equivalent)	20%
A green task force	16%
None of the above	13%

Many of the organisations we interviewed have set up environmental working groups or committees to champion the green agenda across their organisation. Evidence from a Utilities company highlighted that for organisations whose core purpose is defined by production and distribution of energy or natural resources, the sustainability agenda has a particularly strong focus.

"We have an environmental group that sets strategy and objective and conducts audits to make sure we're compliant. Like customer service and safety, the environment is now a key part of our governance."

Recycling, fair pay for employees, improving efficiency of energy consumption, reducing carbon footprint and promoting environmental awareness amongst employees are seen as the most important sustainability issues for organisations

What is more important for your organisation's environmental sustainability strategy?

	Senior Managers	Employees
Recycling in the workplace	40%	28%
Fair pay for all employees	40%	25%
Recycling of products / services	37%	24%
Improving efficiency of its consumption of resources (energy, water)	36%	24%
Reducing the carbon footprint of its operations	33%	19%
Encouraging environmental awareness amongst its employees	33%	21%
Environmentally-friendly packaging	31%	19%
Enabling customers to make environmentally sustainable choices	30%	16%
Promoting environmentally sustainable practices in its suppliers	30%	19%
Developing products / services to help reduce environmental impact	30%	19%
Ethical sourcing of suppliers	29%	18%
Choosing suppliers that are environmentally-friendly	29%	18%
Engaging to support the communities in which it operates	29%	19%
Investing in green and sustainable businesses	29%	18%
Communicating its message about sustainability in advertising and communications	28%	19%
Encouraging staff to reduce travel or use public transport	25%	17%
Giving to charities	23%	19%

In general, there is a convergence of views between senior managers and employees about issues that are important for sustainability strategy, although senior managers tend to be more likely to attribute importance across a range of issues. Both senior managers and employees attach more importance to operational aspects of sustainability such as recycling, reducing an organisation's carbon footprint and improving energy, than to enabling customers to make environmentally beneficial choices.

Many of the senior executives we interviewed agree that much of their sustainability action has focused on operational and technical aspects that are vital to reducing their carbon footprint, but are not always visible to customers or employees.

Activities to reduce organisations' operational carbon footprint:

- Reducing the number of fleet vehicles and / or transitioning to electric vehicles

- Installing electric vehicle charging points at premises

- Supplying buildings with green or renewable energy

- Adopting environmentally-efficient practices in construction of new premises

- Recycling paper documentation and reducing the amount of printing

- No waste sent to landfill

- Removing plastic from staff restaurants

- Spreading energy consumption across the day

- Enabling employees and contractors to send on-site inspection and reports electronically

Over 60% of senior managers believe their organisation is effective at addressing the environmental impacts associated with products and services, supply chains and operations

Senior managers are more likely to rate their organisation's environmental sustainability performance as "highly effective" in the context of products and services (25%) and operations (24%) than supply chains (19%).

How effective is your organisation around improving the environmental impact associated with its products and services, supply chains and operations?

Products and Services

Senior Managers

| 25% | 45% | 20% | 8% | 3% |

Employees

| 17% | 35% | 26% | 13% | 9% |

Supply Chains

Senior Managers

| 19% | 44% | 24% | 9% | 4% |

Employees

| 17% | 35% | 32% | 10% | 6% |

Operations

Senior Managers

| 24% | 44% | 21% | 8% | 3% |

Employees

| 16% | 35% | 28% | 11% | 9% |

● Highly effective ● Somewhat effective ● Neither effective nor ineffective ● Not effective ● Don't know
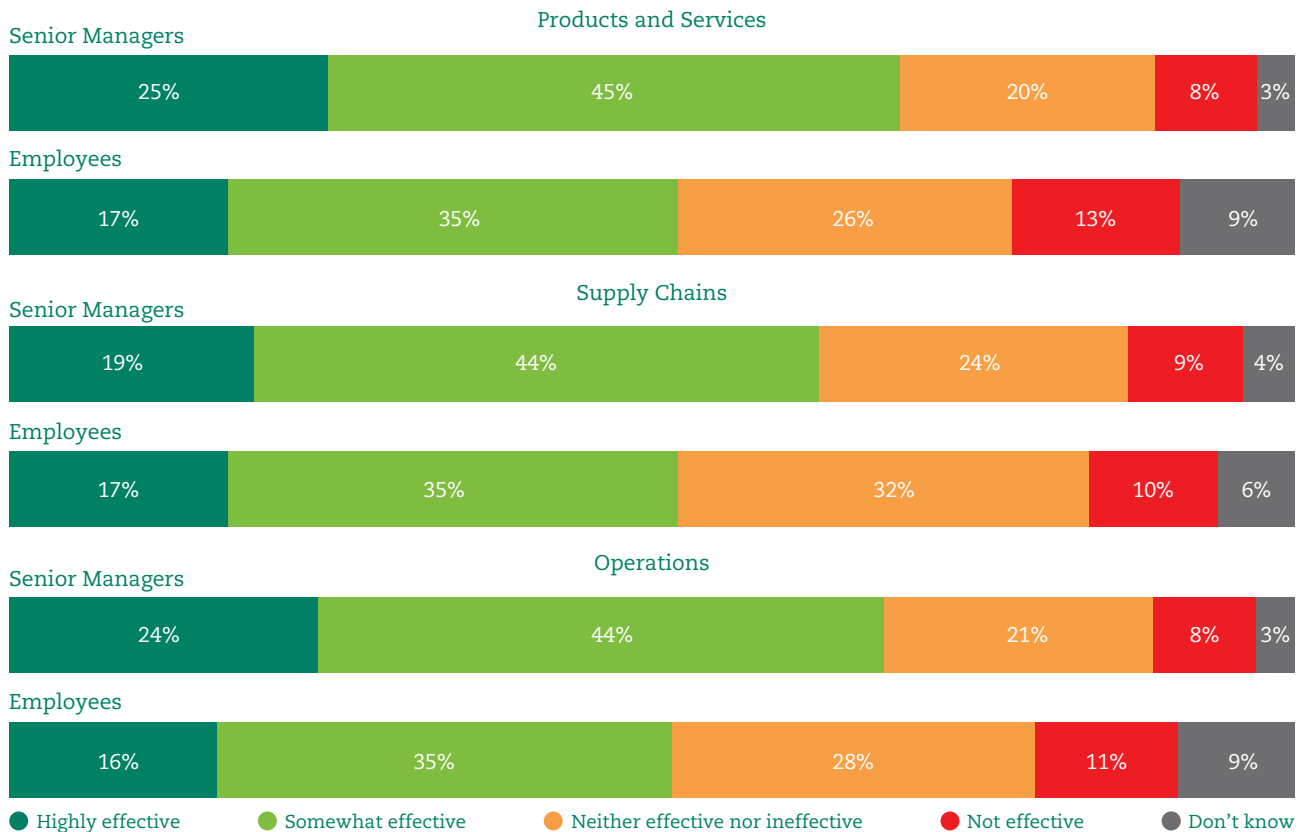
Employees are less likely than senior managers to rate their organisation's environmental impact performance as effective. However, this does not necessarily mean they take a negative view. They are more likely than senior managers to be unaware of, or neutral, about the organisation's environmental performance. This finding reinforces the need to inform and engage employees about sustainability strategy and credentials, so that they are able to connect it to the organisation's wider purpose and communicate it to customers with confidence.

A supplier's green credentials and ability to support an organisation's sustainability strategy are key factors in procurement for many organisations

There is growing evidence that a supplier's sustainability credentials and ability to support an organisation's sustainability strategy are important factors in procurement. 19% of organisations always prioritise a supplier with the best environmental performance, whilst 39% consider green suppliers favourably if they are at least equal to competitors on other key requirements. Only 10% of organisations don't give much consideration to a supplier's green credentials when making procurement decisions.

To what extent does your organisation prioritise green suppliers in procurement?

We consider green suppliers favourably if they are at least equal to other suppliers on all key requirements	39%
We offer support to suppliers to help them improve their environmental performance	30%
We incentivise suppliers to be greener through giving more work to those performing best on the environment	27%
We would consider green suppliers provided they meet acceptable standards for other procurement criteria	26%
We pay attention to a supplier's green credentials but it's not the main factor in choosing a supplier	20%
We always prioritise the supplier with the best environmental performance	19%
We don't give much consideration to a supplier's green credentials	10%

56% of senior managers say they would consider paying more for a supplier that best enables their organisation to meet its sustainability objectives

On average, this sustainability premium amounts to an additional 7%, although 15% of those who indicated a willingness to pay more would consider paying at least an additional 10%.

Would you consider paying more for a supplier that helps your organisation meet its green objectives?

- Yes
- No
- Don't know
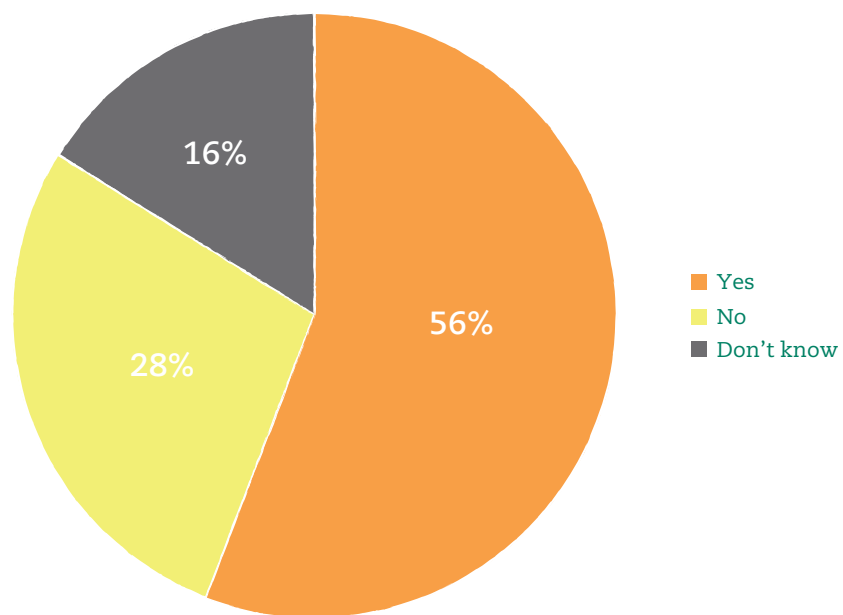
For many organisations, engagement with suppliers is a central element of sustainability strategy. 30% offer support to help suppliers improve their environmental sustainability performance and 27% seek opportunities to offer more work to suppliers that demonstrate strong environmental performance. Nevertheless, promoting sustainable practice across supply chains is often a major challenge. 38% of senior manager respondents highlighted the limited resources of small suppliers as a key barrier to embedding sustainability in the supply chain. 33% said that their organisation lacked resources to help suppliers develop their environmental performance.

What are the biggest challenges in greening your supply chain?

Challenge	Percentage
Some sectors are more difficult than others	40%
Suppliers are often small companies with limited resources	38%
We lack the resource to help them green	33%
Lack of competition amongst our suppliers	23%
Having too many suppliers	20%
Other	2%
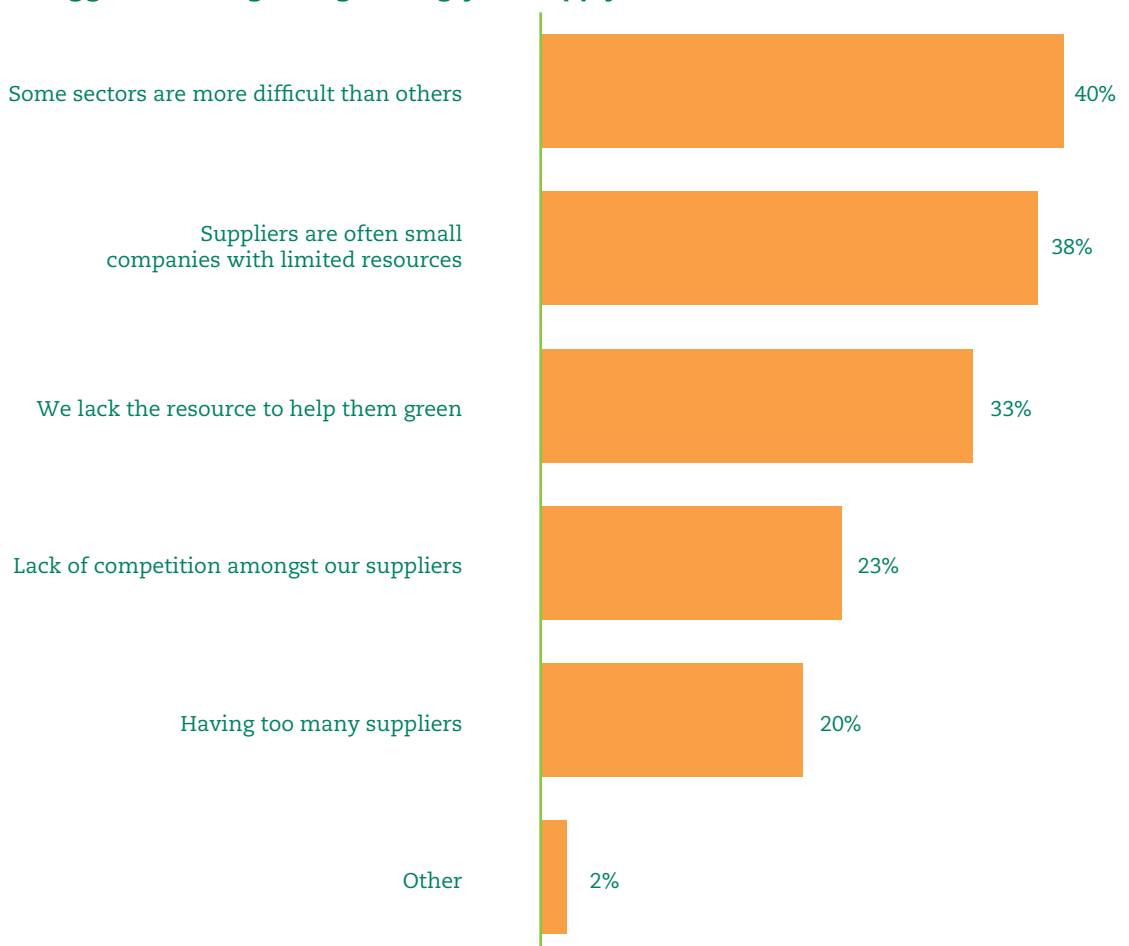
The organisations we interviewed typically have a strong focus on sustainability in the context of their procurement. This is reflected in contractual terms, where a supplier's role is crucial in enabling the procuring organisation to meet legal or regulatory requirements. A number of organisations we interviewed use and encourage their suppliers to use the Higg Index[5], a methodology and set of tools to assess sustainability across the value chain and make improvements to protect the environment, communities and sustainable employment.

In some cases, procurement of environmentally-friendly products is closely tied to broader economic and community sustainability. For example, where a retail organisation sources products from producers in developing countries, it needs to factor in the producer's ability to supply the product without harming the environment whilst earning enough to educate their children and support local community development.

These findings suggest that large organisations can play a significant role in promoting and enabling sustainability across their supplier relationships. The research also suggests a need for government, organisations, regulators and other stakeholder organisations to collaborate to provide information and resources to boost the adoption of environmentally sustainable practices by smaller businesses.

[5] See https://apparelcoalition.org/the-higg-index/

Most organisations measure their environmental impact measurement but less than half publish an environmental impact report

67% of organisations surveyed undertake some form of environmental impact measurement. 34% measure only emissions from activities under their direct control (such as gas boilers, fleet vehicles, air conditioning). 17% measure indirect emissions from electricity purchased or used by the organisation and 16% measure all emissions generated across their supply chain.

To what extent do you measure the carbon footprint of your organisation?

We don't measure our carbon footprint	27%
We measure only direct emissions from the activities under our control (i.e. gas boilers, fleet vehicles, air conditioning)	34%
We measure indirect emissions from electricity purchased and used by the organisation	17%
We measure all other indirect emissions from any goods or services we procure in our supply chain, as well as the footprint of our waste and water	16%
Unsure	7%

Only 41% of senior managers in our online survey say their organisation publishes an environmental impact report that is available to customers (rising to 56% of organisations with more than 250 employees). This omission represents a significant missed opportunity to engage with customers about an organisation's environmental record and proposition. Just 18% of senior managers are aware of their organisation purchasing carbon offsets or engaging in emission reducing programmes such as Plant a Tree.

Does your organisation publish an environmental impact report that is available to customers?

Senior Managers

| 41% | 54% | 5% |

Employees

| 32% | 47% | 21% |

Has your organisation purchased carbon offsets or engaged in emissions reducing programmes such as Plant A Tree?

Senior Managers

| 18% | 65% | 17% |

Employees

| 14% | 46% | 40% |
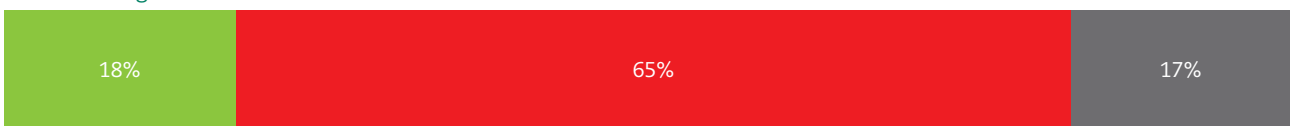
● Yes   ● No   ● Don't know

Sector
perspectives

In the online survey conducted for this research, senior executives in the IT / Media sector were more likely than average to say their organisation should take a leadership role on green issues.

Retailers were the most likely to agree their organisation should help customers to be greener regardless of demand, but less likely to publish an environmental report or to pay a premium to a supplier that helps the organisation meet its green objectives. They were also least likely to agree that the green agenda is central to either their customer or employee proposition.

Senior managers in Public Sector or Business Services organisations were most likely to identify their role as meeting legal responsibilities rather than changing customer behaviour. Both sectors were less likely than average to pay more for a supplier that helps the organisation meet its green objectives. Business Services had the lowest proportion of senior managers who say that the green agenda will be one of their highest priorities in the next 5 years.

In the Construction and Manufacturing sectors, senior managers were more likely than average to agree that their organisation's role is to help their customers become greener and that the green agenda will be a leading priority in the next 5 years. They were also more likely than average to pay more for a green supplier, or to publish an environmental report that is available to customers.

Summary of senior executives' perspectives, by sector

% agree	All	Banking & Insurance	Business Services	Construction / Manufacturing	IT / Media	Public services	Retail & Leisure	Telecoms / Utilities / Transport / Wholesale
It's our role to lead the debate and make cutting edge progress on green issues	27%	30%	25%	31%	39%	17%	20%	29%
It's our role to help our customers become greener regardless of demand	34%	35%	22%	39%	34%	30%	45%	39%
We will meet our legal & regulatory responsibilities but it's not our responsibility to change customers' behaviour	16%	16%	24%	14%	7%	30%	14%	12%
Our board is highly / somewhat engaged in green strategy	74%	73%	70%	80%	78%	73%	73%	78%
Our organisation publishes an environmental report that is available to customers	41%	51%	31%	48%	55%	42%	34%	43%
Would consider paying more for a supplier that helps meet green objectives	56%	74%	47%	61%	72%	52%	48%	59%
Green agenda will be one of our highest priorities in the next five years	68%	75%	50%	73%	77%	64%	69%	75%

■ At least 5% points more than average   ■ At least 5% points less than average

Perspectives
by organisation size

Larger organisations (with more than 250 employees) are more likely than smaller ones to believe their organisation should take a leading role on green issues and proactively change customers' behaviour.

Summary of senior executives' perspectives by organisation size

% agree	All	1 (i.e., Sole trader)	SME (2 - 250)	Large (250+)
It's our role to lead the debate and make cutting edge progress on green issues	27%	18%	17%	35%
It's our role to help our customers become greener regardless of demand	34%	22%	34%	37%
We will meet our legal and regulatory responsibilities but it's not our responsibility to change customers' behaviour	16%	20%	21%	13%
Our board is highly / somewhat engaged in green strategy	74%	55%	71%	80%
Our organisation publishes an environmental report that is available to customers	41%	9%	28%	56%
Would consider paying more for a supplier that helps meet green objectives	56%	37%	48%	65%
Green agenda will be one of our highest priorities in the next five years	68%	53%	57%	78%

■ At least 5% points more than average   ■ At least 5% points less than average

Key takeouts:
How organisations are addressing the green agenda in strategy, operations and procurement

- 27% believe their organisation should "lead the debate and make cutting edge progress" on green issues. 34% say they should help customers be greener, regardless of demand. Just 16% say they feel their primary role is to meet legal and regulatory responsibilities, but not to change customers' behaviour

- Ethics, cost savings, government targets, regulatory requirements and reputation protection or enhancement are seen as the primary drivers of organisational strategy by senior managers

- Almost 70% of senior managers feel that sustainability will either continue to be one of their organisation's highest priorities (30%) or will become a leading priority (38%) in the next 5 years

- 50% of organisations say sustainability strategy is driven at board level. 20% say it is driven by a sustainability director, 16% by a green or sustainability taskforce

- Recycling, fair pay for employees, improving efficiency of energy consumption, reducing carbon footprint and promoting environmental awareness amongst employees are seen as the most important sustainability issues for organisations

- 56% of senior managers say they would consider paying more (an average of 7% more) for a supplier that best enables the organisation to meet its sustainability objectives

- 67% of organisations surveyed undertake some form of environmental impact measurement. Only 41% publish an environmental impact report that is available to customers

- Organisations in the IT / Media sector appear to be amongst the most likely to say their organisation should take a leadership role on green issues, publish an environmental impact report and would pay more for a supplier that helps their organisation meet its green objectives.

4

How organisations engage their customers and employees in the green agenda

This section examines how environmental sustainability is positioned in the context of an organisation's customer proposition. We investigate the extent to which senior managers and employees engage directly with customers about environmental issues and highlight factors that are important in enabling customers to engage with organisations in an environmentally sustainable way

In addition, the research considers the significance of the green agenda for recruitment, engagement, training and development of employees.

Senior managers may be underestimating the importance of environmental sustainability to a growing number of customers

The online survey conducted for this research suggests that senior managers and employees have a realistic sense of the number of customers for whom environmental sustainability is the overriding priority in purchasing decisions. Senior managers estimate that for 20% of their customers, environment sustainability is "the most important consideration in anything they buy," a similar proportion to the 18% of customers who say the environmental agenda is their top priority in purchasing decisions.

However, senior managers may underestimate the extent to which many other customers view environmental sustainability as a key consideration alongside price, quality, reliability and availability. 50% of customers agreed that "environmental sustainability is important but other factors are just as important" as the best description of their attitude. But senior managers on average believe this applies only to 23% of their organisation's customers. Just 7% of customers said they "don't consider what is best for the environment" when interacting with organisations" whereas senior managers believe that 29% of their customers are not concerned with environmental issues when interacting with the organisation.

Attitudes about environmental sustainability when making purchasing decisions

What % of your organisations customers fit the following categories?	Senior managers	Employees	Which of the following best describes your attitude when making purchasing decisions	Customers
It's the most important consideration in anything they buy	20%	21%	It's the most important consideration in anything that I buy	18%
It's important in purchasing decisions but other factors are just as important	23%	28%	It's important but other factors are just as important	50%
They consider the environment, but other factors are more important	27%	30%	I consider the environment, but other factors are more important	21%
They are not concerned with green / environmental issues when interacting with our organisation	29%	22%	I don't consider what is best for the environment	7%

As we saw in chapter 2, customers' stated preferences to buy green products and services do not always translate into purchasing decisions. Yet even allowing for this "intention-behaviour" gap, the evidence suggests that green issues have become a significant consideration in customers' purchasing decisions, alongside price, quality and reliability.

22% of senior managers say that the green agenda is central to their organisation's customer proposition and a key differentiator

A further 49% believe the green agenda enhances their proposition but is not central to it. 29% say the green agenda is either unimportant to their customer engagement (15%) or has a marginal positive impact (14%).

How would you describe the role of the green agenda in the way you engage with customers?

Statement	%
The green agenda is central to our customer proposition and is a key differentiator	22%
The green agenda enhances our customer proposition but is not the most important element	49%
The green agenda has a marginal positive impact for our customer proposition	14%
The green agenda is not that important in our customer proposition	15%
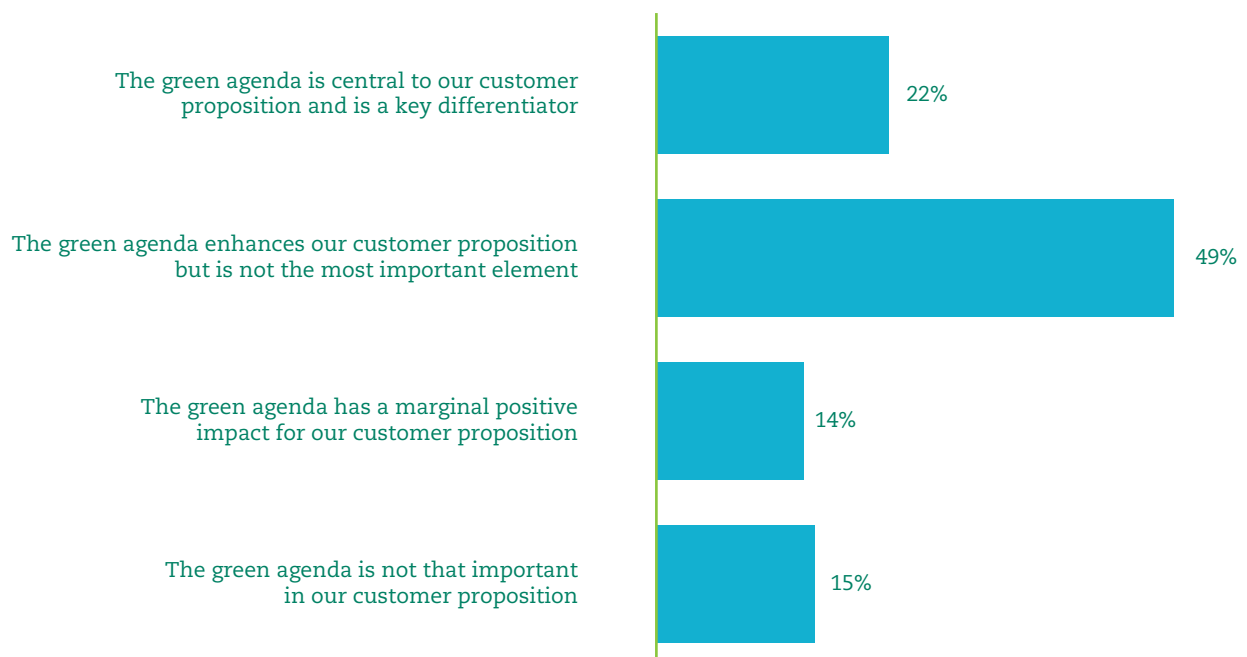
Finance, IT / Media and Construction or Manufacturing organisations were most likely to identify the green agenda as either central or important to their customer proposition. Senior managers from Business Services organisations were most likely to feel that the green agenda is not important to their proposition.

% agree	All	Banking & Insurance	Business Services	Construction / Manufacturing	IT / Media	Public services	Retail & Leisure	Telecoms / Utilities / Transport / Wholesale
Green agenda is central to our customer proposition and a key differentiator	22%	29%	15%	24%	39%	18%	12%	16%

■ At least 5% points more than average   ■ At least 5% points less than average

39% of senior managers and 32% of employees say that in the last year they have spoken regularly with customers (at least a few times a month) about the green agenda or the environmental impact of their organisation's products and services

These conversations have most frequently been concerned with recycling of products and services, followed by reducing the organisation's carbon footprint, general environmental awareness, packaging or helping customers to make sustainable choices. Our research suggests that senior managers and employees are most likely to have engaged directly with customers about environmental issues in the Construction, Manufacturing, Telecommunications, Transport and Utilities sectors.

In the last year, how often have you spoken to a customer about the environmental impact of your products and services?

Senior Managers

| 21% Never | 55% Occasionally (less than weekly but at least once in the past year) | 20% At least once | 4% Don't know |

Employees

| 28% Never | 54% Occasionally (less than weekly but at least once in the past year) | 14% At least once | 4% Don't know |

Transparency, price competitiveness and availability are crucial in encouraging customers to engage with the green agenda

Senior managers identify a range of factors as important in enabling customers to engage with the organisation in an environmentally sustainable way. Transparency about the environmental impact of products and services is seen as the most crucial enabler, followed by price competitiveness, availability, awareness and quality. There is a high level of congruence between senior managers and customers about the factors that enable customers to make more environmentally-friendly decisions. However, customers appear to attach greater importance to these factors than do senior managers. For example, 58% of customers seek more transparent information from organisations about what they are doing to help the environment whereas 34% of senior managers believe that customers need greater awareness about the organisation's green credentials and the benefits.

What are the biggest enablers to customers engaging with the organisation in a more environmentally sustainable way?

	Senior managers	Employees		Customers	
Transparency around environmental impact of our goods and services	37%	31%		More transparent information about products / services that are environmentally friendly	58%
Price of green products / services is competitive compared to other options	34%	35%		Products / services are priced competitively	65%
Availability of green products / services	34%	34%		Environmentally friendly products are readily available	62%
Greater awareness of our green credentials and the benefits	34%	30%		More transparent information from organisations about what they are doing to help the environment	58%
Green products / services have higher quality	30%	30%		Quality of products / services	63%

6 principles for engaging customers in the green agenda

Most of the organisations we interviewed said they had focused first on addressing sustainability in their operations and supply chains before incorporating sustainability explicitly in their customer proposition. Often, they have been wary of making broad claims about the impact of their actions on sustainability, fearing that these might appear inauthentic or lack relevance to customers' everyday experiences. However, many organisations have begun to increase the range and ambition of their engagement with customers about the green agenda.

Our evidence suggests that organisations often see their role not necessarily as leading customer opinion, but to respond to customers' concerns about specific issues in ways that are practical, ethical, authentic and commercially beneficial. Many of the senior executives we interviewed spontaneously referenced David Attenborough's work as a key influence on customer sentiment about the harmful environmental impact of dumping plastic, which led to the introduction of charging for plastic bags (which later became legislation), and greater use of recycled cups and removal of plastic from many hospitality and catering venues.

Our research suggests that organisations' approach to engaging customers in the green agenda is governed by 6 principles:

1) Customer insight	Monitor customer sentiment to identify the issues of strong resonance and which customers care about. Look for a tipping point when public consciousness about an issue grows to the extent that people are receptive to changing their behaviour.
2) Integrate sustainability, price, quality, service	Integrate sustainability into products and services so that they do not cost more and there is no compromise on quality, in order to provide practical ways for customers to make green purchasing decisions
3) Clear benefits to the customer and the environment	Create a proposition and message which are clear and specific about both environmental benefits of the product and personal benefits to the customer. Avoid overloading customers with statistics, but provide relevant facts and evidence
4) Credible evidence of the organisation's commitment	Provide succinct, evidence-based information about how the organisation is embedding environmental sustainability in its operations, products and services and supply chains
5) Collaboration to broaden impact	Where appropriate, work with collaborative initiatives or independent third parties to demonstrate broader engagement and impact
6) Measurement	Measure impact on customer buying behaviour, attitudes about sustainability, trust and reputation of the organisation

Examples of organisations engaging their customers in the green agenda

M & S

M & S has created a series of concise, specific messages that demonstrate its sustainability engagement and the benefits for customers.

Themes include farming standards, animal welfare, ethical sourcing of products, forestry, food waste, plastics, cotton and sustainable fashion.

At the heart of M & S' sustainability proposition is a clear commitment that 100% of cotton is from sustainable sources including Fairtrade and Better Cotton Initiative, thus avoiding heavy use of chemical pesticides or fertilisers. The company sources neither angora nor muleseed wool and never tests products on animals. M & S also participates in collaborative initiatives including the Leather Working Group and Sustainable Fibre. In addition, M & S promotes recycling of clothes through a "Shwopping" scheme: customers donate clothes which are recycled or sold in Oxfam stores.

Nationwide

Nationwide's Green Additional Borrowing mortgage offers existing members with a Nationwide mortgage, a lower initial interest rate on new borrowing, provided at least 50% of the new advance is spent on energy efficient home improvements such as: an air source heat pump, cavity wall insulation, double glazing/replacement windows, an electric car charging point.

Nationwide has partnered with Switchd to help customers make green energy choices that promote use of sustainable tariffs and give cost savings.

Sky

Sky's approach is based around transforming its operations, using its content and reach to inspire and encourage customers to change their behaviours, and collaborating with business organisations and NGOs to promote broader change.

Sky's "Bigger Picture" team has developed campaigns and initiatives on a range of social and environmental issues including plastic pollution, protecting rainforests, child safety and cyberbullying and widening access to opportunities for young people to work in broadcasting. Sky Zero has set an objective for the organisation to be net carbon zero by 2030 through cutting emissions created by its operations, use of its tech products and supply chains by 50%. The Sky Rainforest rescue campaign, supported by Sky's programme content, raised £9 million from customers to help prevent 1 billion trees from deforestation and support communities in the Amazon. Through Sky Ocean Rescue, Sky is working with the World Wildlife Fund to persuade customers to reduce their consumption of single use plastic.

In 2020, Sky launched the first "green transfer deadline day," using local reporters to cover stories where possible, encouraging its teams to go meat-free and use recyclable bottles and cups.

Count Us In

Several organisations we interviewed referenced Count Us In , a global project launched by TED and Future Stewards as a means of organisations engaging in broader collaborative activity to promote sustainable activity by customers. Count Us In is a coalition of companies, organisations and individuals which has attracted support from Sky, Accenture, BT, the Co-op, Ikea, Scottish Power, Ecotricity and Reckit Benckiser amongst others. It encourages participants to take 16 steps to reduce carbon pollution and to persuade others to do the same.

16 actions:

- Fly less
- Drive electric
- Insulate your home
- Wear clothes to last
- Tell your politicians
- Walk and cycle more
- Cut food waste
- Green your money

- Repair and re-use
- Dial it down (heating)
- Speak up at work
- Talk to friends
- Eat more plants
- Eat seasonal
- Switch your energy
- Get some solar

Some environmental activists have criticised Count Us In for appearing to transfer responsibility for action to combat climate change to individual customers. Count Us In's founders maintain that it is an effective vehicle for organisations to collaborate, increase their impact and engagement with customers.

In the online survey conducted for this research, 23% of senior managers said the green agenda is central to their organisation's employee proposition and a key differentiator

A further 40% believe that the green agenda enhances their employee proposition. Just 21% maintain that the green agenda has no importance to their employee proposition.

How important is the green agenda in your organisation's proposition for recruiting employees?

Statement	%
The green agenda is central to our employee proposition and is a key differentiator for our organisation	23%
The green agenda enhances our proposition but is not the most important element	40%
The green agenda has a marginal positive impact for our employee proposition	16%
The green agenda is not that important in our employee proposition	21%

Senior managers and business owners in the IT / Media sector were the most likely to agree that the green agenda is central to their employee proposition. Those in Business Services, Retail and Leisure and Public Services were less likely than average to agree.

% agree	All	Banking & Insurance	Business Services	Construction / Manufacturing	IT / Media	Public services	Retail & Leisure	Telecoms / Utilities / Transport / Wholesale
Green agenda is central to our employee proposition and a key differentiator	23%	26%	15%	23%	40%	17%	16%	20%

■ At least 5% points more than average   ■ At least 5% points less than average

25% of senior managers said the green agenda is a very important factor in their employee engagement

A further 59% believe the green agenda has some importance. Just 16% say that is "not that important" (9%) or "not important at all" (7%). Managers in IT / Media companies were much more likely than average to attribute high importance to the green agenda in the context of employee engagement.

How important is the green agenda in communicating and engaging with your employees?

25% Very important	59% Somewhat important	16% Not important

Our research suggests that as the green agenda becomes more important for customers and organisations, it will become prominent in communicating and engaging with employees. Many of the organisations we interviewed felt that employees are probably more aware of how their organisation promotes environmental sustainability in its operations and supply chain than in its customer engagement. In Retail organisations in particular, environment sustainability has become more prominent in employee engagement and training so that employees can position an overall proposition that includes a product's sustainability benefits alongside quality, value for money and service.

As with customers, a proportion of employees is strongly motivated by environmental issues. However, some senior executives we interviewed suggested that many employees are more interested in aspects of corporate social responsibility such as work to support charities or community engagement than in the green agenda.

Lack of knowledge, skills and employee engagement are key challenges in embedding the green agenda in organisations

38% of senior managers believe that skills created by the advent of green technologies and processes will be a challenge for their organisation. Evidence from our interviews suggests that this will be especially relevant in the Utilities, Construction, Manufacturing and Housing sectors. Our online survey of senior managers also identified lack of knowledge and employees' current level of engagement on green issues as leading challenges in preparing their organisation for the future.

What challenges does the green agenda create for employee engagement, training and development?
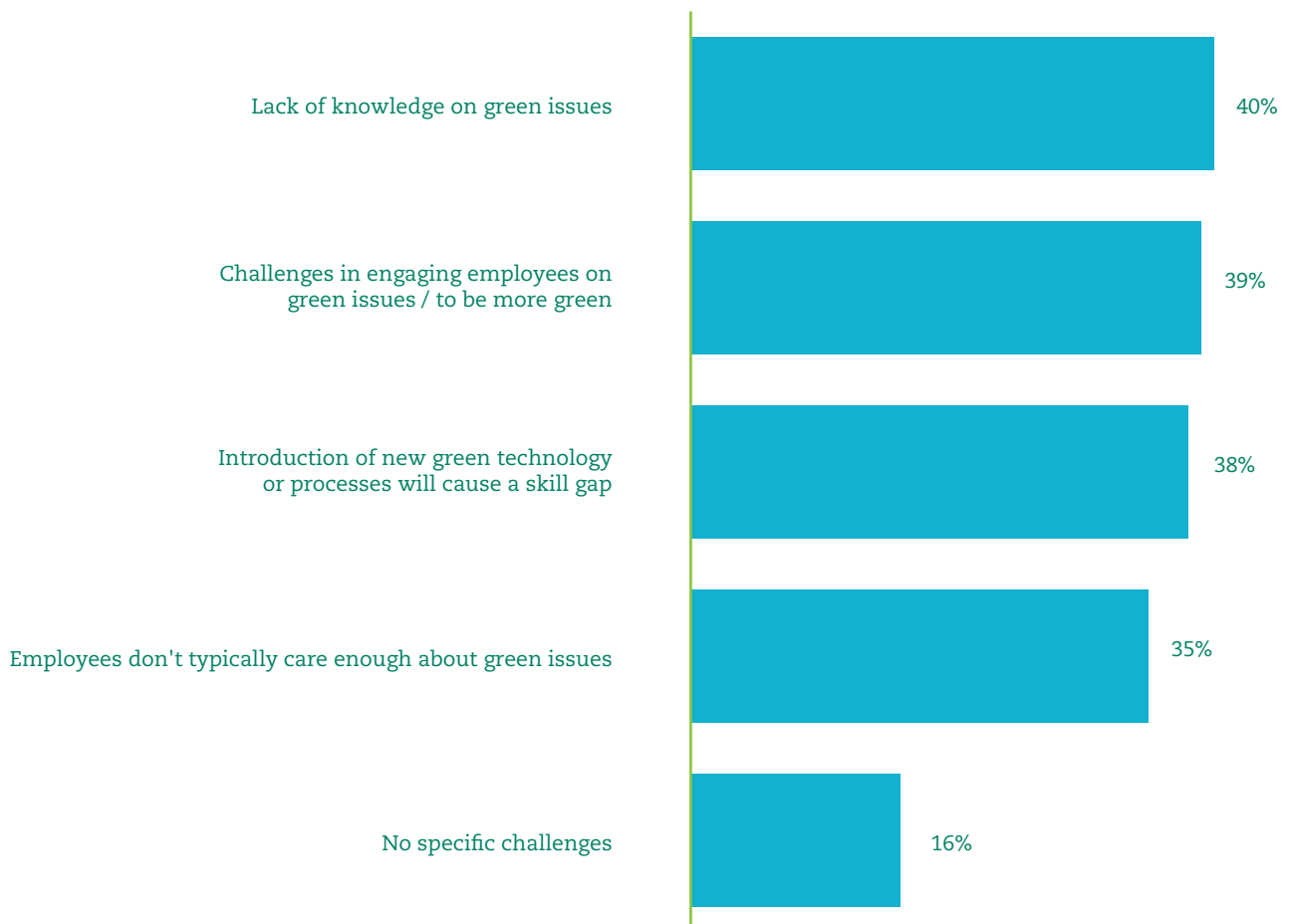
Lack of knowledge on green issues	40%
Challenges in engaging employees on green issues / to be more green	39%
Introduction of new green technology or processes will cause a skill gap	38%
Employees don't typically care enough about green issues	35%
No specific challenges	16%

45% of senior managers and 39% of employees say they have received training in the last year to help them better understand their organisation's environmental impact

Have you received training in the last 12 months to help you better understand your organisation's environmental impact?
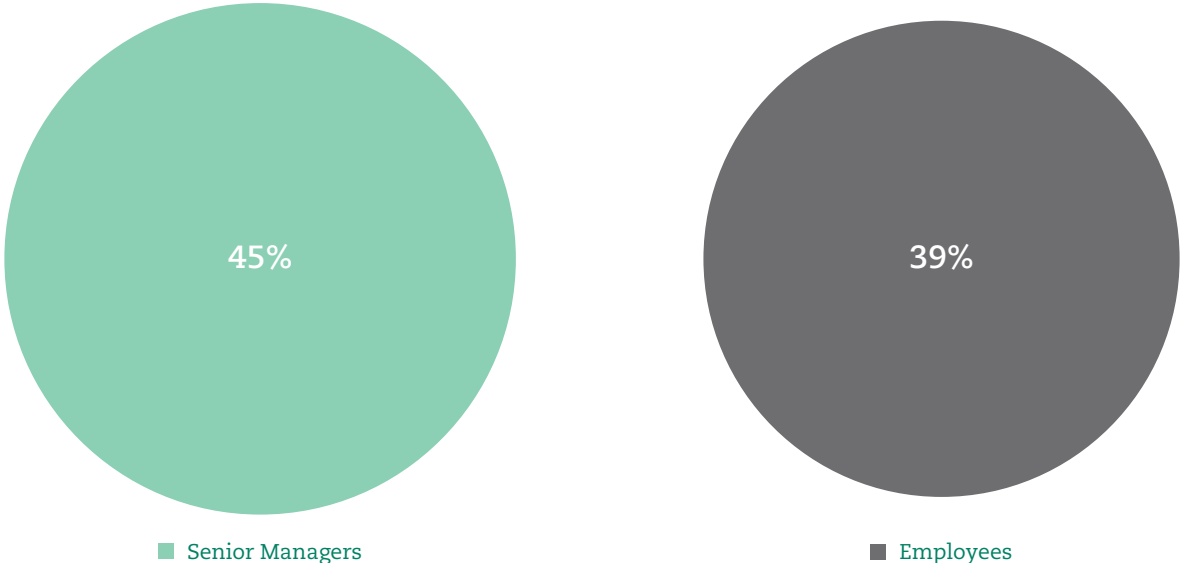
45%

39%

■ Senior Managers

■ Employees

More than half of both senior managers and employees say that an organisation's green credentials will influence their future choice of employer

20% of senior managers agreed that the green agenda would be "highly influential" in their future choice of employer. A further 43% say it will be "somewhat influential". Amongst employees, the salience of the green agenda for decisions about a future employer does not appear to be as strong as for senior managers. Nevertheless, 14% of employees agreed that the green agenda would be "highly influential" in their future choice of employer and a further 37% said that it would be "somewhat influential."

Most of the organisations we interviewed for this research felt that an organisation's environmental credentials were important to potential employees alongside a broader set of values including training and development opportunities, community engagement and standards of customer service.

How influential will an organisation's green credentials be when choosing a future employer?

Senior Managers

| Highly influential 20% | Somewhat influential 43% | Not influential 29% | Don't know 8% |

Employees

| Highly influential 14% | Somewhat influential 37% | Not influential 43% | Don't know 6% |
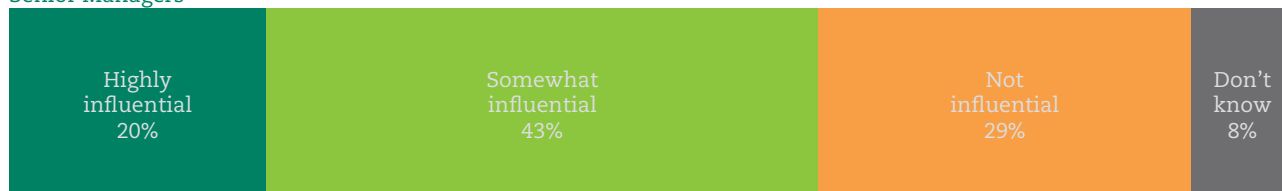
Evidence from the online surveys conducted for this research suggests that employees aged under 45 are much more likely than those over 45 to consider an organisation's green credentials as a highly influential factor in their decision to join an organisation.

% employees who agree that an organisation's green credentials will strongly influence my choice of a future employer

Age group	Percentage
18 - 24	20%
25 - 34	17%
35 - 44	18%
45 - 54	6%
55 - 64	13%

Employee age group
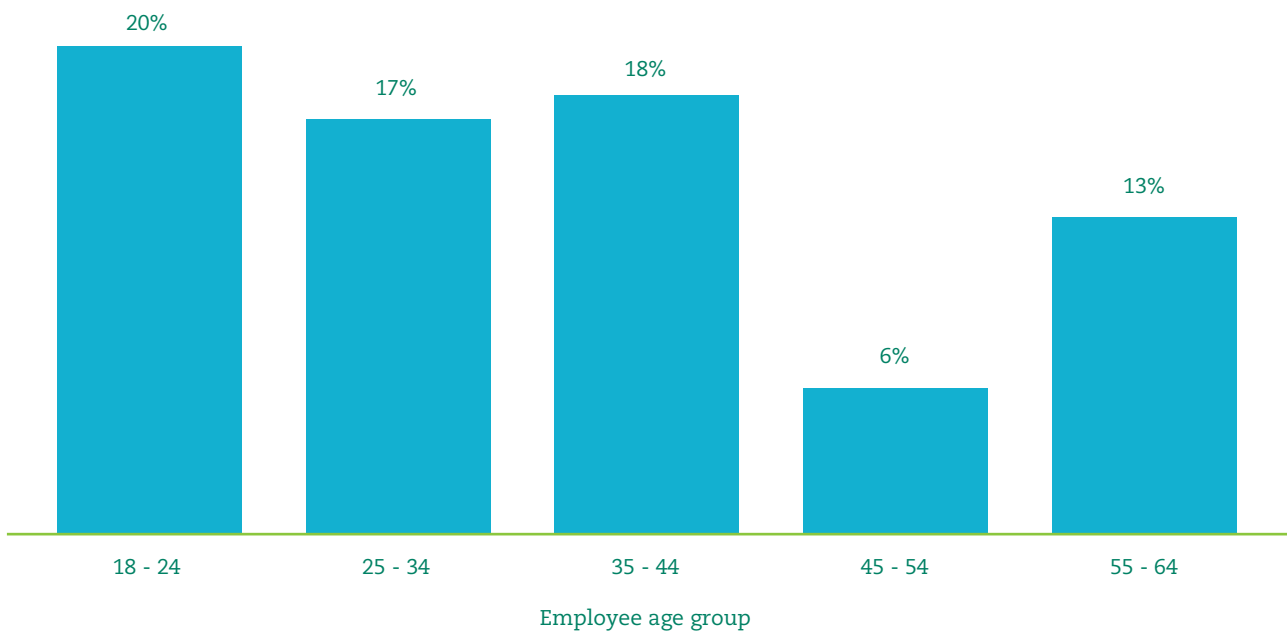
Key takeouts:
How organisations engage their customers in the green agenda

- Senior managers may be underestimating the importance of environmental sustainability to a growing number of customers. A sample of senior managers and business owners believe on average that 29% of their customers are not concerned with environmental issues when interacting with the organisation. A sample of UK consumers suggest that just 7% hold that view

- 22% of senior managers say that the green agenda is central to their organisation's customer proposition and a key differentiator. A further 49% believe the green agenda enhances their proposition but is not central to it

- 39% of senior managers and 32% of employees say that in the last year they have spoken regularly with customers about the environmental impact of their organisation's products and services

- Transparency, price competitiveness and product availability are seen as crucial in enabling customers to engage with an organisation's green agenda.

Key takeouts:
6 principles to
engage customers
in the green agenda

1) Customer insight

Monitor customer sentiment to identify the issues of strong resonance and which customers care about. Look for a tipping point when public consciousness about an issue grows to the extent that people are receptive to changing their behaviour

2) Integrate sustainability, price, quality, service

Integrate sustainability into products and services so that they do not cost more and there is no compromise on quality, in order to provide practical ways for customers to make green purchasing decisions

3) Clear benefits to the customer and the environment

Create a proposition and message which are clear and specific about both environmental benefits of the product and personal benefits to the customer. Avoid overloading customers with statistics, but provide relevant facts and evidence

4) Credible evidence of the organisation's commitment

Provide succinct, evidence-based information about how the organisation is embedding environmental sustainability in its operations, products and services and supply chains

5) Collaboration to broaden impact

Where appropriate, work with collaborative initiatives or independent third parties to demonstrate broader engagement and impact

6) Measurement

Measure impact on customer buying behaviour, attitudes about sustainability, trust and reputation of the organisation.

Key takeouts:
How organisations engage their employees in the green agenda

- 23% of senior managers claim that the green agenda is central to their organisation's employee proposition and a key differentiator. A further 40% say that it enhances the employee proposition. Just 21% believe the green agenda is not that important to their employee proposition

- 45% of senior managers and 39% of employees say have received training in the last year to help them better understand their organisation's environmental impact

- Lack of knowledge, challenges in engaging employees on green issues and skills are seen as key issues in embedding the green agenda in organisations

- More than half of both senior managers and employees say that an organisation's green credentials will influence their future choice of employer.

5

Potential impacts of Covid-19 on organisations' sustainability agenda

In the online survey of senior managers and business owners conducted for this research, 39% feel that the Covid-19 crisis has led to a reduced focus on green issues in their organisation. 24% believe the focus on the green agenda has increased

How has the Covid-19 crisis impacted your organisation's focus on the green agenda?
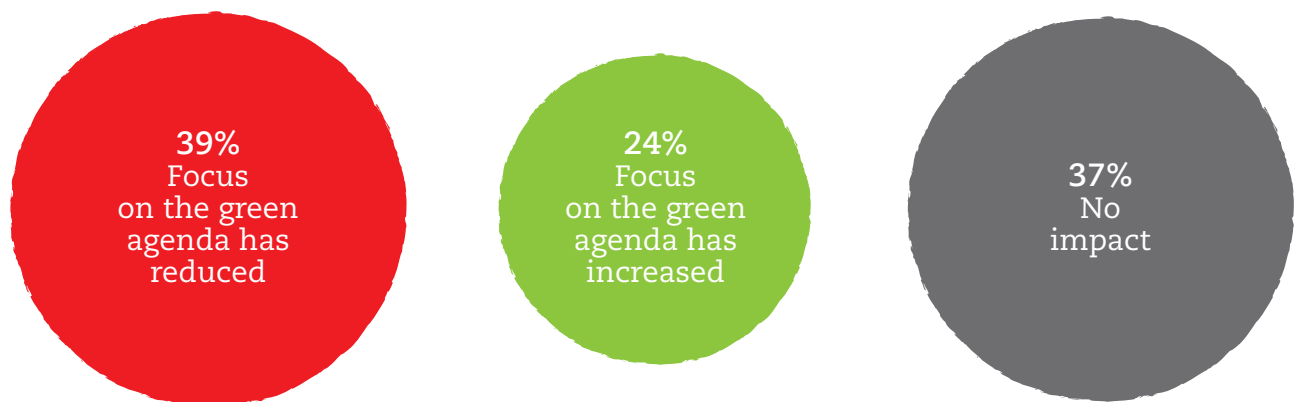
39%
Focus
on the green
agenda has
reduced

24%
Focus
on the green
agenda has
increased

37%
No
impact

Evidence from our research suggests three key implications for organisations' environmental sustainability strategies as a result of the Covid-19 crisis: future models of home or office-based working; a potential trend for people to move out of cities; and managing the economic impacts of Covid-19.

Working at home or the workplace?

The reduction in business and commuter travel caused by the pandemic has caused a drop in carbon emissions, at least in the short term. However, some interviewees observed that the growth in working from home means domestic energy and water consumption have increased but many business locations have remained operational even when a proportion of employees has been absent. As a result, organisations will need to consider the implications of future models of office and home working for environmental sustainability, as well as for the organisation's culture, productivity and employee engagement.

Housing in urban and rural areas

Mortgage lenders and housebuilders have reported a surge in interest from customers in buying homes in rural or semi-rural locations. This trend may result in greater pressure on resources in some areas and heightens the need for construction companies and planning authorities to measure environmental sustainability and plan for and mitigate the impact of changes in population density.

Economic impacts and sustainability

Some of the senior executives we interviewed observed that the severe economic impact of Covid-19 has shifted the focus of corporate social responsibility from the green agenda to providing support for vulnerable communities and people. It can be argued that the Covid-19 crisis has exacerbated existing economic and social inequalities. Knowledge workers have found it much easier to work from home than employees in retail or logistics sectors and those delivering frontline services. Many of those working from home have seen their incomes rise because of the fall in expenditure associated with commuting to the office. However, many others have suffered a loss in income through unemployment or being furloughed. Younger workers, especially those in the retail or hospitality sectors, have often been disproportionately impacted by furlough or unemployment.

The economic impact of Covid-19 may mean that issues of social justice, fairness and employment will become more prominent in the context of the sustainability agenda. For example, there is likely to be political pressure to ensure that investment in green technologies, skills and jobs is consistent with the government's plans for "levelling up" of the UK economy.

The combined economic impact of Covid-19 and Brexit may create increased costs and risks for some organisations. For example, investment in sustainability could become more difficult if ratings agencies judge certain sectors or regions to have a relatively high risk profile, causing borrowing costs to rise.

Key takeouts: potential impacts of Covid-19 on organisations' sustainability agenda

- 39% of senior managers felt that the Covid-19 crisis has led to a reduced focus on green issues in their organisation. 24% believe that focus on the green agenda has increased

- Evidence from our research suggests three key implications for organisations' environmental sustainability strategies as result of the Covid-19 crisis: future models of home or office-based working; a potential trend for people to move out of cities; and managing the economic impacts of Covid-19.
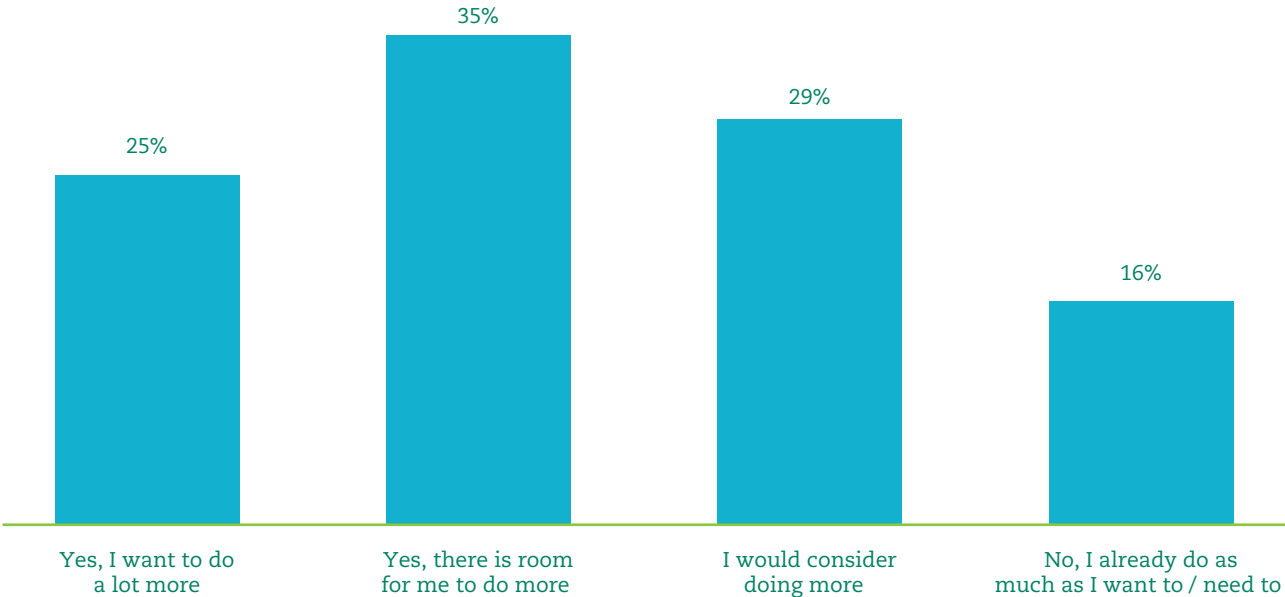
6

Who is responsible for progressing the green agenda?

Only 16% of customers feel that they do enough or as much as they need to for the environment

60% of customers believe that they should do more to help the environment

25% of customers want to do a lot more, whilst a further 35% recognise that there is room for them to do more to protect the environment. Only 16% feel that they do enough or as much as they need to.

Customers' perspectives on what more they should be doing to help the environment

25%
35%
29%
16%

Yes, I want to do
a lot more

Yes, there is room
for me to do more

I would consider
doing more

No, I already do as
much as I want to / need to

Customers are more likely than senior managers to feel that organisations need to focus significantly more on environmental sustainability

There is a widespread consensus across customers, senior managers and employees that organisations need to make further progress on environmental sustainability. 27% of customers believe that the organisations they buy from should focus "significantly more" on the green agenda, compared to 27% of senior managers in our online survey sample. Nevertheless, 80% of senior managers agree that their organisation needs to do more. Only 19% maintain that they are already doing enough to be environmentally sustainable.

How much more do organisations need to focus on environmental sustainability?

Senior managers
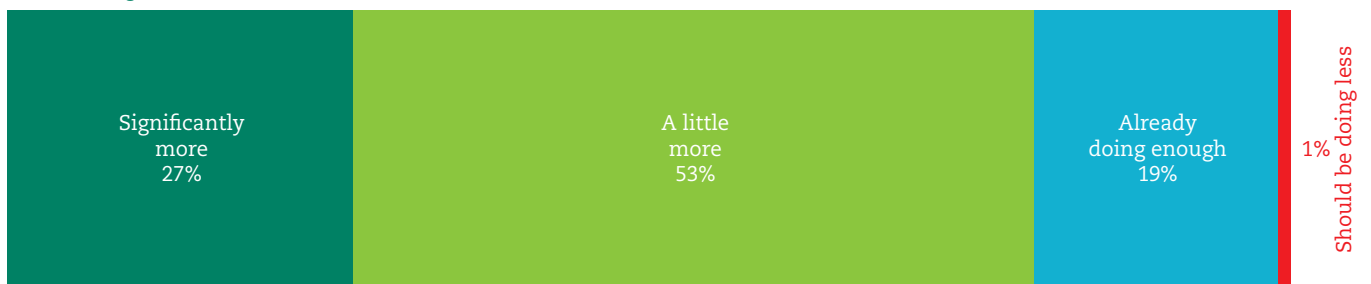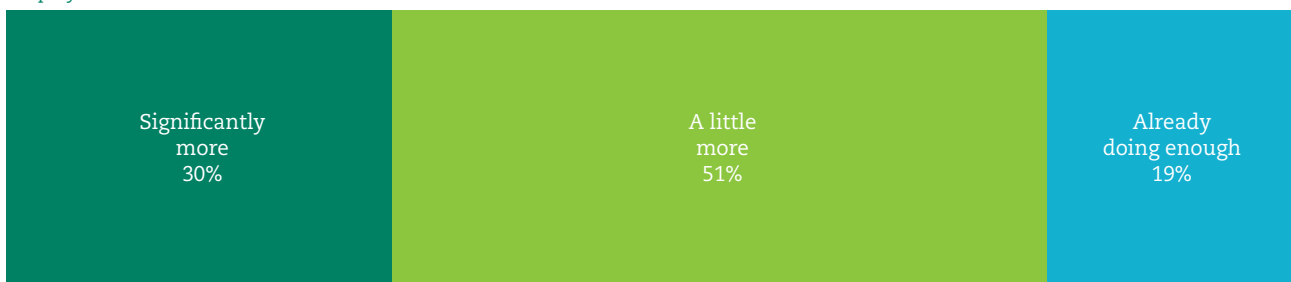
| Significantly more 27% | A little more 53% | Already doing enough 19% | Should be doing less 1% |

Employees

| Significantly more 30% | A little more 51% | Already doing enough 19% |

Customers

| Significantly more 36% | A little more 47% | Already doing enough 14% | Should be doing less 3% |

Government has a key role in progressing the green agenda, but all must play a part

Senior managers and customers identify the government as the single entity with the greatest responsibility for progressing the sustainability agenda. Customers are, in addition more likely to believe that there is a shared responsibility across government, organisations, regulators, NGOs and individuals.

Who should bear the greatest responsibility for progressing green issues?

Category	Senior managers	Customers
National government (UK government)	31%	27%
Organisations and businesses	14%	12%
Individuals	13%	15%
Regulatory organisations	11%	7%
Intergovernmental organisations (e.g. UN, EU etc.)	11%	10%
All should play an equal part	19%	27%

● Senior managers ● Customers
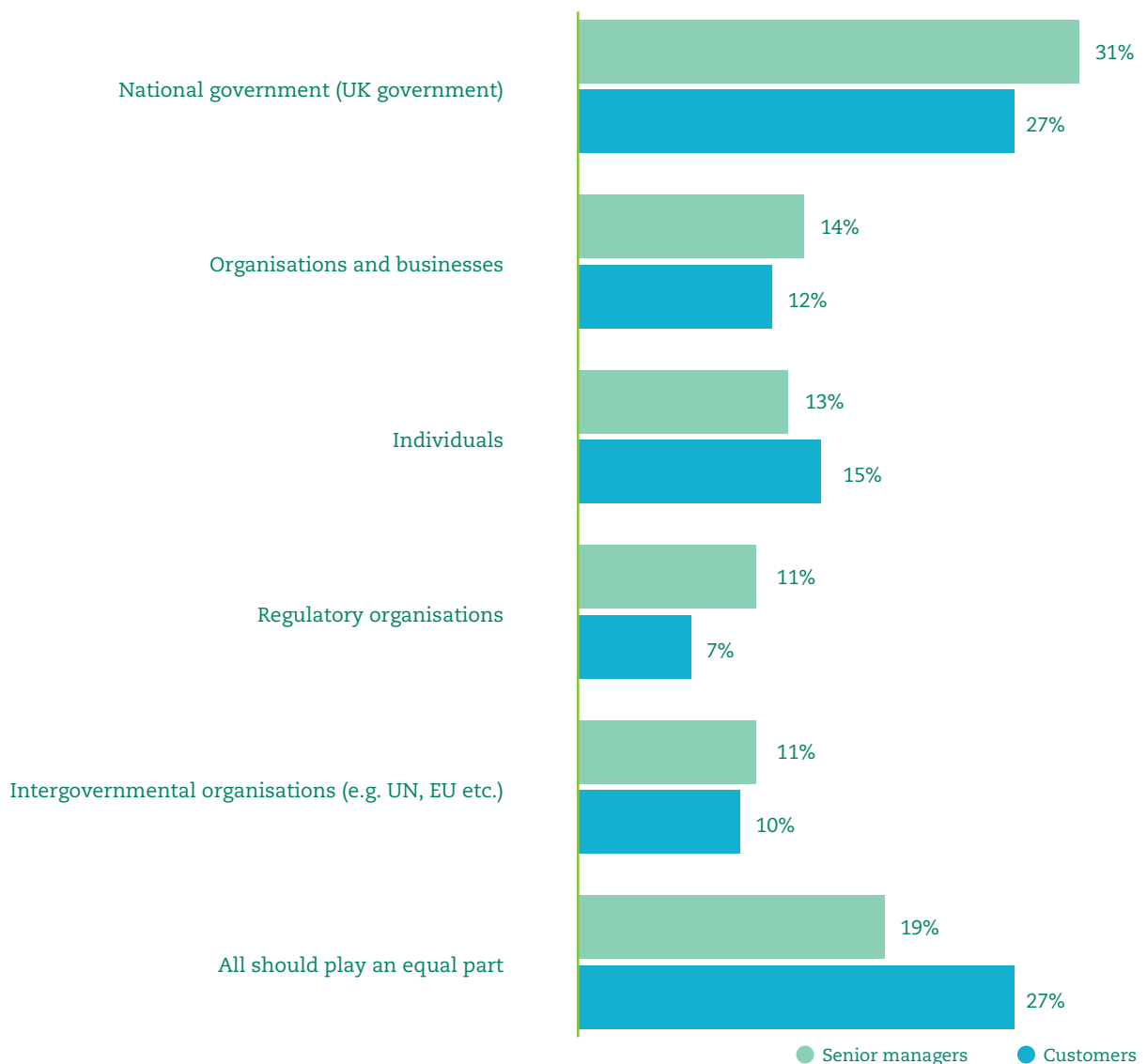
Government can boost sustainability through financial incentives, education, standards and procurement

Both senior managers and customers identify provision of education / information for organisations about sustainable practices, maintenance of environmental standards, and promoting sustainability in public sector procurement as key actions that should be progressed by government.

Senior managers are much more likely than customers to advocate that government should offer financial incentives for organisations to adopt sustainable practices. Customers are more likely to favour stricter environmental regulations.

What actions should government take to encourage organisations to be environmentally sustainable?

Action	Senior managers	Customers
More financial incentives for organisations to adopt sustainable practices	45%	33%
More education / information for organisations to help them adopt sustainable practices	40%	35%
Maintain environmental standards post-Brexit	39%	36%
Promote sustainability in government and public sector procurement	39%	35%
I would like government to do more but I know there isn't any money	34%	24%
Stricter regulations	31%	35%
Hold more conversations between regulators and businesses to understand the environmental risks	29%	25%
Government is already doing enough	5%	5%
I want government to do less	2%	4%

● Senior managers ● Customers

Key takeouts:
who is responsible for progressing the green agenda?

- 60% of customers believe that they should do "a lot more" (25%) or "more" (35%) to help the environment

- 27% of senior managers acknowledge that their organisation needs to do "significantly more" but 53% believe that "a little more" is sufficient

- 27% of customers say that the government has the greatest responsibility for progressing green issues. A further 27% believe the responsibility should be shared equally by government, organisations, regulators and individuals.

7

Key enablers for organisations to incorporate the green agenda effectively in their customer proposition

Our research with customers, senior managers and business owners and employees has highlighted 7 key enablers for organisations to incorporate the green agenda effectively in their customer proposition.

1)   Customer insight

- Assess importance of sustainability to your customers and its relative importance compared to other factors that influence purchasing decisions including price, quality, reliability, service expectations

- Investigate aspects of sustainability that are especially important to your customers and how these link to your organisation's activities

- Examine customers' awareness of your current environmental sustainability proposition, and that of your competitors, and the extent to which this influences their buying behaviour

- Identify opportunities to influence customers through a coherent proposition that integrates sustainability, price competitiveness, quality, reliability and service

- Continue to monitor changes in customer attitudes and priorities about sustainability.

2) Define strategy and objectives

- Review the environmental impact of your organisation across its operations, supply chains and products and services

- Evaluate the regulatory and legal requirements your organisation must meet

- Define scope, key activities, targets and timeframe to promote environmental sustainability across your organisation's operations, supply chains, products and services

- Identify opportunities to enable customers to make environmentally sustainable choices in the context of their relationship with your organisation and where relevant, more broadly

- Define measures to assess changes in customer behaviour, and impact on trust and reputation

- Define capabilities, skills and resources required to meet your objectives

- Create an environmental sustainability policy and strategy that can be understood across your organisation, and by customers and key stakeholders.
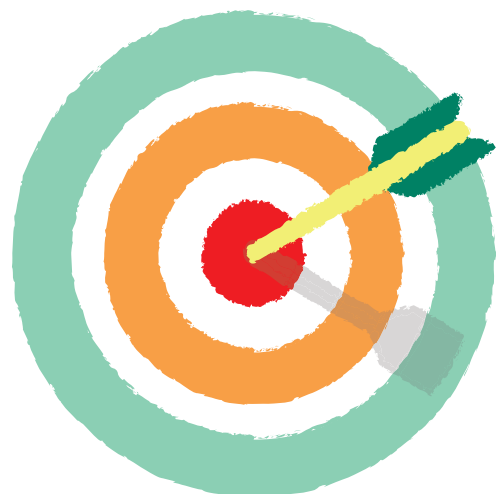
3) Define the customer proposition

- Identify opportunities to influence customer behaviour by linking issues customers care about, your organisation's key activities and products / services, and a compelling customer proposition

- Integrate environmental sustainability into products and services so that they do not cost more and there is no compromise on quality, in order to provide practical ways of enabling customers to make green purchasing decisions

- Create messages which are clear and specific about both environmental benefits of the product and personal benefits to the customer. Avoid overloading customers with statistics but provide relevant facts and evidence. Be transparent and authentic.

- Provide succinct, evidence-based information about how the organisation is embedding environmental sustainability in its operations, products and services and supply chains

- Ensure that your customer proposition is communicated coherently through all communications channels and in customer and stakeholder engagement

- Measure impact on customer buying behaviour, attitudes about sustainability, trust and reputation of the organisation.

4) Define the employee proposition

- Create a narrative for employees that demonstrates the linkages between customer needs and priorities, legal and regulatory imperatives, your organisation's environmental strategy and your customer proposition

- Where appropriate, build a network of environmental sustainability champions across the organisation

- Define the capabilities and skills your organisation will require in the short and longer-term to meet your objectives

- Ensure that your organisation's training and development links to environmental sustainability objectives.

5) Governance and Ownership

- Ensure there is board-level ownership of your environmental sustainability strategy

- Assess whether your organisation needs a defined sustainability director and / or team or whether responsibility can be delegated to business units

- Ensure there is accountability for implementing environmentally sustainable policy and practice across the organisation linked to tangible targets and objectives

- Put in place mechanisms, such as sustainability committees or a forum, to enable cross-organisational learning and a joined-up approach

- Publish an environmental sustainability report, including progress against key measures, that is available to customers and employees

- Ensure that reputational impact of the organisation's environmental sustainability record forms part of risk assessment.

6) Collaborative action

- Develop partnerships with charities, independent third parties or other organisations designed to raise awareness, change customer behaviour or organisations' practices

- Investigate opportunities to work with other employers, local authorities and property companies to develop community hubs that provide high quality workplace facilities and social interaction whilst reducing adverse environmental impact.

7) Innovation and agility

- Be proactive in seeking opportunities to integrate sustainability into operations, supply chains, products and services and customer engagement

- Recognise and respond quickly to changes in customer needs and expectations

- Strengthen the linkages between sustainability, risk assessment, reputation, customer satisfaction and business performance.

Conclusion

How are customer attitudes and behaviour influenced by the green agenda?

Our research has confirmed that there is a core of customers (perhaps 18%) who are strongly motivated by the green agenda and for whom it is a primary consideration when make purchasing decisions. For many customers, perhaps the majority of UK consumers, environmental sustainability is important, but not more so than key buying criteria such as quality, reliability, availability and standards of service. As a result, a customer's expressed interest in buying environmentally-friendly products or services does not always translate into action.

In order that customers engage with organisations in a way that supports environmental sustainability, organisations need to integrate issues that resonate with customers into a compelling value and service proposition. Customers seek products and services that are priced competitively, are of the required quality and are readily available. They want transparent information from organisations about the environmental benefits of products and services, advice about how to make sustainable choices more broadly, and about the actions organisations are taking to reduce adverse environmental impact across their operations. Our research suggests that consumers are especially influenced by environmental impact in the context of the Utilities, Health and Beauty and Retail sectors.

Organisations will need continually to assess customer attitudes and priorities to understand the issues that resonate strongly and which link to the organisation's key activities, products and services. In our research, 27% of senior managers and business owners claimed that their organisation's role is to lead the agenda on green issues. A further 34% believe they should help customers to be "greener", regardless of current demand. However, our research also suggests that organisations often look for a "tipping point" in customer concern about a particular issue and then react by linking their proposition to that issue. This suggests a crucially important ongoing role for credible, expert, engaging advocates who can connect with the public and raise awareness on a range of sustainability themes.

How are organisations addressing the green agenda through their operations, supply chains and in their engagement with customers and employees?

Many organisations have focused more on technical and operational aspects of their organisation's environmental impact, than on customer engagement.

Our research suggests that almost 70% of senior managers and business owners believe that environmental sustainability will either continue to be one of their organisation's highest priorities (30%) or will become a leading priority (38%) in the next 5 years. Ethics, cost savings, government targets, regulatory requirements and reputation protection or enhancement are seen as the primary drivers of organisational strategy. More than 50% of senior managers we surveyed indicated they would consider paying more (an average of 7% more) for a supplier that best enables the organisation to meet its sustainability objectives.

Just 22% of senior managers agreed that the green agenda is currently central to their organisation's customer proposition and a key differentiator (although a further 49% believe the green agenda enhances their proposition). 67% of organisations we surveyed undertake some form of environmental impact measurement but only 41% publish an environmental impact report that is available to customers. 39% of senior managers and 32% of employees say that in the last year they have spoken regularly with customers about the environmental impact of their organisation's products and services.

However, some senior managers and business owners may be underestimating the potential for engaging with customers about environmental sustainability.

On average, senior managers in our online survey research estimated that 29% of their customers don't care about environmental issues when interacting with an organisation. But in our research only 7% of customers subscribed to this view. Most customers care about environmental sustainability – but they also care about price, quality and service.

39% of senior managers felt that the Covid-19 crisis has led to a reduced focus on green issues in their organisation. Some believe that the rise in hybrid models of home and office working will require a re-evaluation of the implications for environmental sustainability, as well as for an organisation's culture, productivity and employee engagement. The economic consequences of the pandemic may mean that issues of social justice, fairness and employment become more prominent in the context of the environmental sustainability agenda.

Our research reveals a mixed picture in terms of how organisations engage with their customers about environmental sustainability. Some organisations proactively seek to integrate sustainability, price competitiveness, quality and service in their customer proposition. Most organisations are either focused on meeting legal and regulatory requirements, or do not see the green agenda as central to their proposition. Some are wary about making claims that may appear inauthentic or irrelevant to customers. In addition, the Covid-19 crisis means that many organisations are necessarily prioritising activity to secure their immediate survival. This suggests that government ambition and legislation will continue to be a significant and necessary driver of environmental sustainability for organisations.

What are the key enablers for organisations to incorporate the green agenda effectively in their customer proposition?

A key question for organisations is whether their environmental sustainability commitment leads to greater customer engagement and trust. Our research suggests that a credible and effective customer proposition needs to link issues that resonate with customers in a compelling offer, with transparent information about environmental benefits, and a relevant narrative about the organisation's commitment across its operations and supply chain.

Our research concludes with 7 key enablers for organisations to incorporate the green agenda effectively in their customer proposition.

1 Customer Insight

2 Define strategy and objectives

3 Define the customer proposition

4 Define the employee proposition

5 Governance and Ownership

6 Collaborative action

7 Innovation and agility

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We believe protecting the environment is as important to our customers as it is to us, so we want to make it easier for them to do something good for the environment. In the unfortunate event that their vehicle is damaged, we've introduced an ambitious and industry-leading 'green' parts programme that makes it standard practice to 'repair over replace'.

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CCM's services include business process outsourcing, early stage collections, contingent collections, trace services, and litigation management as well as debt purchasing. We have experience across a range of credit providers including banking, consumer finance, telecommunications companies, retailers, utilities companies and government agencies. Headquartered in the UK, we have operations in Ireland, Spain and France, and own portfolios in Portugal.

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Being a responsible and sustainable company is at the foundation of our business. We help our customers and communities become more resilient to natural disasters and extreme weather; are developing products and services to help solve today's most pressing societal and environmental issues; we make a difference through our responsible investment approach; and we are swiftly reducing our own carbon footprint.

www.zurich.com/en/sustainability

Breakthrough research from The Institute

The Procurement Partnership: Developing relationships to deliver excellent customer service though procurement

- Examines how organisations define requirements and evaluate and manage supplier relationships that affect customer experience

- Draws on the perspectives of senior executives, procurement managers, customer experience managers and contractors to give a multi-dimensional view of issues influencing procurement in a service context

- Highlights the "hidden costs" of poor procurement and their impact on customer experience and reputation and identifies 10 key enablers of successful procurement.
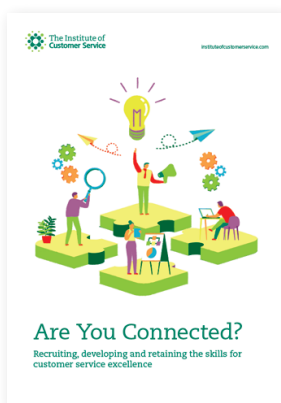
**Are you connected? Recruiting, developing and retaining the skills for customer service excellence**

- Highlights the factors that are shaping requirements for customer service skills

- Defines the key skills needed for customer service, from the perspectives of senior managers, employees and customers

- Examines effectiveness of current practice in recruitment, training and development

- Reviews best practice in engaging and retaining employees

- Identifies 9 key enablers, with practical recommendations, for recruiting, developing and retaining the skills for customer service excellence.

Upfront and Personal: Leveraging data to deliver a genuinely personalised omnichannel customer experience

- Explores customers' attitudes towards use of personal data and experiences with organisations across different channels

- Assesses how effective organisations are in leveraging data to deliver a genuinely personalised, omnichannel experience

- Highlights seven key enablers, with practical recommendations to develop customer-focused omnichannel and personalisation capabilities.
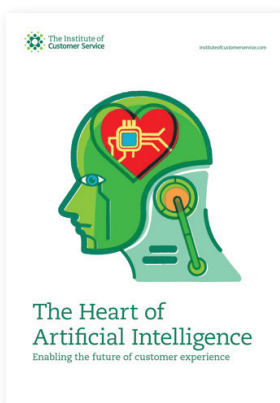
The Heart of Artificial Intelligence:
Enabling the future of customer experience

- Investigates how and why organisations are deploying artificial intelligence in a customer experience context

- Assesses customers' current use of artificial intelligence and attitudes towards its wider implementation

- Examines employees' experience of artificial intelligence and their perceptions about how it affects the customer experience and their job role

- Identifies the key enablers for successful deployment of artificial intelligence in a customer experience context.

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The Institute of
Customer Service

About The Institute of Customer Service

The Institute of Customer Service is the UK's independent, professional body for customer service.

Our purpose is to enable organisations to achieve tangible business benefits through excellent customer service aligned to their business goals and to help individuals maximise their career potential and employability by developing their customer service skills.

We provide tools and services to support continuous customer service improvement and a framework for our members to share and learn from each other.

We are independent – setting standards so that our customers can improve their customers' experiences and their business performance.

The Institute is the secretariat for the All Party Parliamentary Group on Customer Service.

Key Activities

• Research and reports on the latest customer service trends and thinking

• Publication of the UK Customer Satisfaction Index (UKCSI) twice a year

• Benchmarking customer experience to identify areas for improvement, drawing on the views of both customers and employees

• Bespoke customer insight and research

• Training and accreditation programmes for customer service professionals

• Professional qualifications for individuals at all stages of their career

• Public policy development.

For further information please visit
www.instituteofcustomerservice.com