

# Green marketing essentials:

A guide for fast growth businesses



## The challenge\_

Venture capital-funded firms and new start-ups are often expected to generate a high rate of growth from the get-go. As innovative and often unproven businesses in highly competitive spaces, private equity-funded businesses need to grow quickly to validate investments and show their potential. **It's all about the ROI**.

#### But there's another challenge you might not be prioritising.

As investors turn their focus to what organisations are doing in preparation for a net-zero world, green messaging is more crucial to fast-growth businesses than ever before.

#### According to <u>PriceWaterhouseCoopers</u><sup>1</sup>, 50% of investors they surveyed expressed willingness to divest from companies that didn't take sufficient environmental, social and governance (ESG) action.

So, getting your green messaging right is important - but it's also difficult. Most audiences are already overwhelmed by sustainability marketing (of varying quality) and are becoming less trusting of it. Recent research published by Business Strategy and the Environment<sup>2</sup> demonstrated that green brand trust has a positive impact on purchasing intentions, but that greenwashing has compromised the relationship between businesses and customers.

What does this mean for fast growth businesses that want to keep sustainability front of mind? Who should they target, how can they differentiate themselves and how can talking about sustainability complement other key messages?

And, crucially, how can they avoid greenwashing?

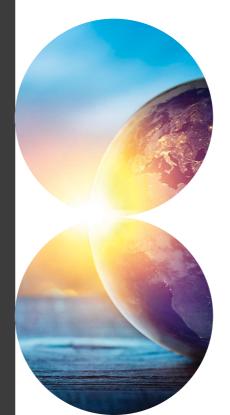
This guide looks at some of the ways fast growth businesses can boost engagement, increase their authority as a sustainability leader and avoid common green marketing pitfalls.

## Why is green marketing important?

Emissions reporting frameworks are becoming increasingly stringent. At the same time, there is a growing focus on what companies are doing to change things. As a result, demonstrating a commitment to sustainability is more important than ever before.

## Being sustainable will be a boost not a burden.

A solid green messaging strategy can play a huge role in optimising growth. Statistics show that customers care about the actions businesses are taking towards sustainability and decarbonisation, and are more willing to buy from and support companies that are prioritising safeguarding the environment.



Facts



**88%** of consumers will be more loyal to a company that supports social or environmental issues.<sup>3</sup>



**87%** of consumers would buy a product with a social and environmental benefit if given the opportunity.<sup>4</sup>



Corporate responsibility can increase overall sales revenue up to **20%**<sup>5</sup>

Shouting about your green efforts is key to getting customers on board, nurturing brand loyalty and keeping investors happy.

- 3 www.forbes.com/sites/forbesnycouncil/2018/11/21/do-customers-really-careabout-your-environmental-impact/
- 4 www.forbes.com/sites/forbesnycouncil/2018/11/21/do-customers-really-careabout-your-environmental-impact/
- 5 scholar.harvard.edu/hiscox/publications/buying-green-field-experimentaltests-consumer-support-environmentalism

## 3 tips for better green energy marketing

## 1. Show businesses you understand them

Your green marketing messaging needs to be compassionate; acknowledging the pressures and priorities today's businesses are experiencing, such as costs, and not disregarding them.

Always balance your messages about the long term benefits of sustainability with a focus on the immediate value your products and services can deliver. This might be financial, reputational or compliance based, depending on your audience.

Remember to include solid proof points or statistics wherever you can, to give your messaging more authority.

#### The value of getting it right

Most startups (83%) saw tangible positive effects resulting from their sustainability measures, especially regarding customer acquisition and retention (64%) and competitive advantage (61%).

Only 4% did not consider sustainability a relevant issue for startups, and 26% stated they will soon need to address the topic.6

### Most important sustainability practices according to consumers<sup>7</sup>

Sustainable

Reducing

manufacturing



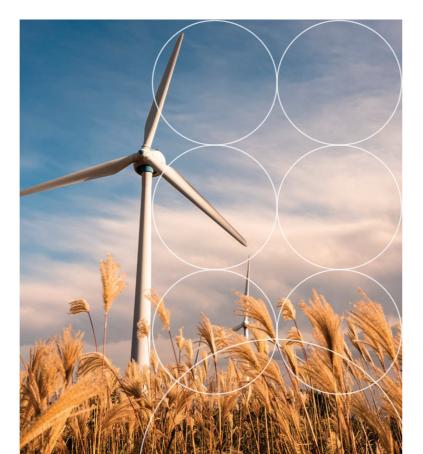








practices Reducing carbon footprint



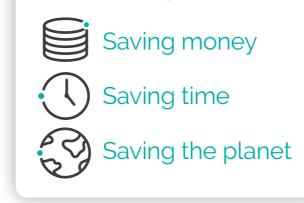
## 2. Connect through shared values

Getting your green marketing on point is especially important for fastgrowing businesses businesses that want their messaging to resonate with a younger and more environmentally aware audience:

- 75% of Gen Zs and 71% of Millennials think sustainable purchases are more important than brand names.8
- **75%** of Millennials are willing to pay extra for sustainable products.9
- 87% of Millennials believe companies should be addressing environmental issues.<sup>10</sup>

#### Save, save, save

According to EY<sup>12</sup>, consumers have significant interest in adopting new energy products and services when the benefits are aligned around:



<sup>8</sup> www.weforum.org/agenda/2022/03/generation-z-sustainability-lifestyle buying-decisions

It's clear from these numbers that sustainability matters to younger customers, but studies have also revealed<sup>11</sup> that there may be obstacles to them making sustainable purchases: while 65% of consumers expressed the desire to purchase sustainable products, just 26% actually did. This is where demonstrating an understanding of the other factors at play will be crucial. Highlight the financial and time-saving benefits of your sustainable services, and add concrete examples to prove your point.

## 3. Be confident in your climate stance

Using language that is direct but also positive and optimistic is a great way to engage climate savvy audiences. Be bold about what you believe in, but also be transparent. Avoid greenwashing by sticking to the facts, using plain language without hyperbole and being honest about the obstacles you've faced and lessons you've learned. Don't be afraid to talk about things you want to do better in the future.

Read how we helped Aceleron, Utonomy and Ambion shape their sustainability messaging at marketingpod.com/earth-conscious.



www.techfounders.com/wp-content/uploads/20200420\_Whitepaper Sustainability-in-Startups final.pdf

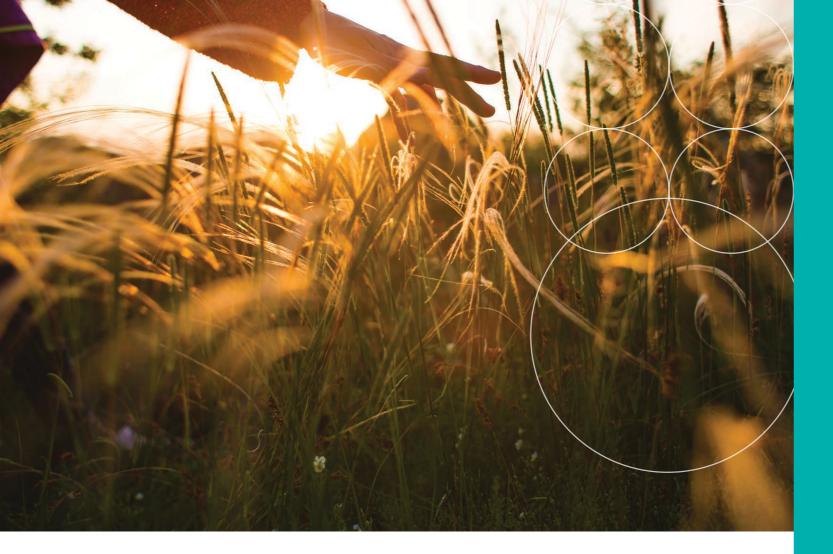
<sup>7</sup> www2.deloitte.com/uk/en/pages/consumer-business/articles/sustainable consumer.htm

nentiournal.online/articles/generation-green-how-millennials-will shape-the-circular-economy

<sup>10</sup> sumas.ch/millennials-and-sustainability

<sup>11</sup> hbr.org/2019/07/the-elusive-green-consumer

<sup>12</sup> www.ey.com/en\_uk/power-utilities/how-energy-providers-can-light-the-path



## Expert marketing support for fastgrowth companies

At The Pod, we're passionate about environmental issues and experienced in working on thoughtful, futurefacing marketing campaigns for fast-growing companies. We create intelligent, purpose-led marketing for sustainable brands, net zero leaders and businesses innovating for a low carbon future.

If you're an Earth-conscious company and want your customers and stakeholders to know, why not get in touch?

Our added value? We care. Yes, we are experienced in creating campaigns that engage and educate your audience, but we also incorporate sustainable values into our lives. That's how we can tell the difference between what will work and what won't.



Jen, Co-founder

## Get in touch\_

Whether you have a specific project in mind, or you'd like some strategic advice on how to take your organisation's marketing to the next level, we would love to talk to you.

Get in touch at hello@themarketingpod.co.uk 01564 742848