

2023 Global Marketing Trends





Trend 2

Chief marketing officers drive growth through internal sustainability efforts

As sustainability and equity continue to be important for consumers, two industries are leading the way in their efforts—setting an example for other industries and even consumers.

Sustainability is one subject that has captured the attention of marketers for several years. Once seen as a hot-button issue, sustainability has grown into a matter that is not only the right thing to do as a responsible corporate citizen but can also be good for business. Brands that focus on sustainable business practices can become more relevant and profitable as well as grow: all the tenets that chief marketing officers (CMOs) strive for. These practices also become a lever that brands can use to stay ahead of cultural trends.

Sustainability as an imperative for growth

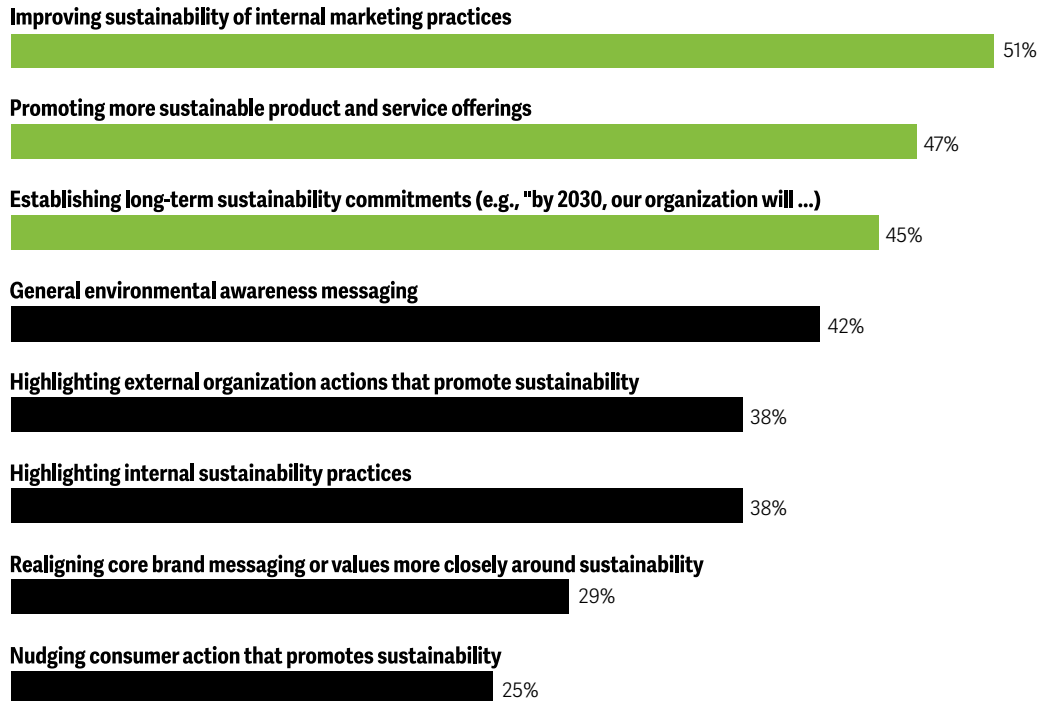
Sustainability is an overarching ethos that requires developing a business model that is sustainable for the earth, the economy, and society. These matters are increasingly vital to meet market, regulatory, and governmental demands and are also a central concern for consumers. Many brands are focusing on sustainability, defined broadly, as a key part of building a brand with staying power.

How are brands responding to the growing imperative of investing in sustainability issues? A Deloitte survey of 1,015 CMOs indicates that brands are concentrating their efforts on shoring up their own internal sustainability practices as opposed to focusing externally on influencing customer behavior.¹ For example, brands working on internal sustainability might be focused on reducing paper waste or energy usage, or creating more sustainable or transparent supply chains, among other actions.



FIGURE 1: Brands' top priorities for their sustainability efforts in 2022

Percentage of CMO responses



Source: 2023 Deloitte Global Marketing Trends executive survey, conducted in June 2022.

Brands reported that their top three priorities for sustainability efforts this year include (figure 1):

1. Improving sustainability of internal marketing practices
2. Promoting more sustainable product and service offerings
3. Establishing long-term sustainability commitments

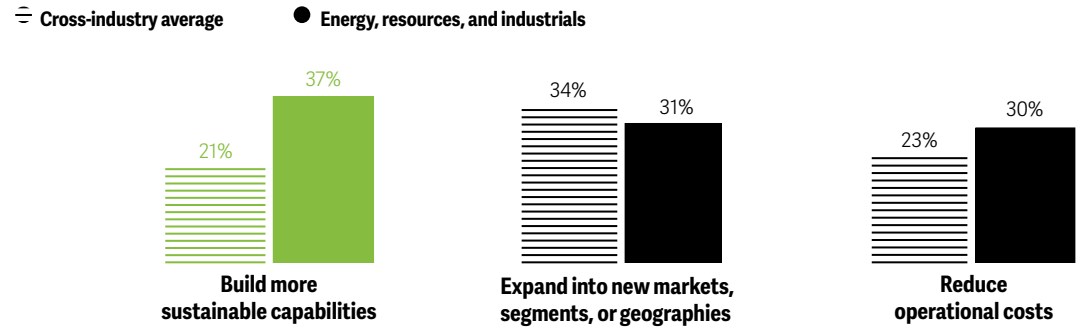
Internal sustainability efforts can not only help establish the authenticity of a brand's marketing initiatives—building trust with consumers—but they can also help the brand build a more secure, sustainable future for itself in the face of heightened global uncertainties. Notably, relatively few brands are moving the responsibility to consumers, with only 25% saying they are trying to nudge new consumer actions, indicating that brands are taking ownership of sustainability actions and trying to lead by example.

While some brands may feel the impulse to pull back on sustainability in times of economic uncertainty, these responses show that a strong focus on sustainability should continue as consumers remain deeply concerned about global and economic events and expect proactive action toward protecting the wellness of the planet. Marketers should remain vigilant on meeting and exceeding expectations on matters of sustainability to remain relevant in the marketplace.

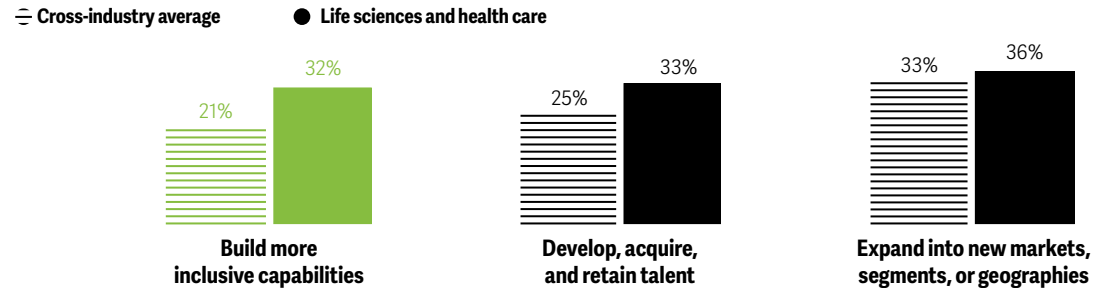
Michael Schuld, chief commercial and marketing officer at MediaMarktSaturn Retail Group, explains that sustainability is a requisite for leadership and growth: “Being a market leader in Europe means for us, we have to have answers to [sustainability]. This is not a trend; this is a must because we have only one earth. Of course, we also see it from an economic aspect: Our customers, especially younger ones, want to see answers on that. Otherwise, you will not be their first choice anymore—and it is good that it is this

FIGURE 2: The top sustainability priorities of the energy, resources, and industrials (ER&I) and the life sciences and health care (LS&HC) industries

Energy, resources, and industrials top 3 priorities



Life sciences and health care top 3 priorities



Source: 2023 Deloitte Global Marketing Trends executive survey, conducted in June 2022.

way. [We] are thinking about circle economy. We think about second life programs. We even think more about products as a service.”²

As marketers consider their sustainability efforts, our data suggests they should consider a “be, say, do” approach in which they begin by developing internal practices that are aligned with their purpose. This should be done *before* brands focus on communicating their values externally, and before they begin developing external practices aligned with their values.

“We have to have answers to [sustainability]. This is not a trend; this is a must because we have only one earth.”

**—Michael Schuld,
chief commercial and marketing officer,
MediaMarktSaturn Retail Group**

Driving sustainable growth: Health care and energy are leading the way

When we looked at marketing priorities by industry, two industries stand out as placing a high emphasis on sustainability and equity: Energy, resources, and industrials (ER&I) has “building more sustainable capabilities” as its top priority, at a rate nearly double the cross-industry average. Meanwhile, life sciences and health care (LS&HC) has “building more inclusive capabilities” as one of its top three priorities (figure 2).

The reason behind this emphasis could be that global events of the past few years have forced companies in the ER&I and LS&HC industries to adapt quickly, in some cases even before they were ready. To help ensure their organizations are prepared for unexpected challenges, CMOs can look for lessons from these industries that are already focused on social issues.

ER&I invests in the future by focusing on sustainability

When asked how they plan to improve customer-centricity in marketing efforts, ER&I respondents cited meeting customer values. Since customer values increasingly include sustainability and equity, it is no surprise that these organizations were most likely to report an emphasis on sustainability efforts this year.

Kevin Moens, corporate director for sales and marketing at Eastman, explains Eastman’s deep commitment to sustainability: “In the coming years, we are committed to a strong investment strategy in sustainability, regardless of the macroeconomic environment. We are investing in molecular recycling technologies that enable us to unzip plastic waste and bring the polymers back to their basic molecular components, allowing for infinite recyclability and bringing about a truly circular economy. These technologies produce virgin-like plastics with a substantially

lower carbon footprint compared to the legacy fossil feedstock-based processes, an important element as we look to tackle both the plastic waste and climate crises.”³ He notes that this emphasis is being driven from all sides: governmental regulations, potential, and current talent, and consumers themselves.

Bree Sandlin, vice president of lubricants marketing for Shell, likewise explains that Shell’s efforts “in adapting sustainable methods and products [are] absolutely critical to Shell’s long-term success,” based on its deep connection to customers and their needs. She says, “Shell has publicly set an ambition of being a net-zero emissions energy company by 2050 or sooner.” To accomplish this ambitious goal, Shell has engaged in several sustainability initiatives, including building a portfolio of sustainable products and services to help reduce the carbon footprint of its customers, using more recycled materials in products and packaging, and decarbonizing its supply chain

operations. These ambitious internal plans also aim to help Shell introduce customers to new decarbonization opportunities. By focusing their efforts internally now, brands can set an example for consumers in making sustainable choices down the line.⁴

LS&HC builds value through equity

Equity issues have been important in LS&HC for a long time, says Kathryne Reeves, CMO at Illumina, but recent world events have made them even more pressing: “[W]e didn’t really need to read a study to tell us to care about equity. Our customers tell us. I think COVID exposed the deep inequities, particularly in western economies, between the haves and the have-nots. We praised the caregivers, the supply chain workers. We said all the right words, but at the end of the day, many of those people have substandard health care, and we saw that in the mortality rates.”⁵

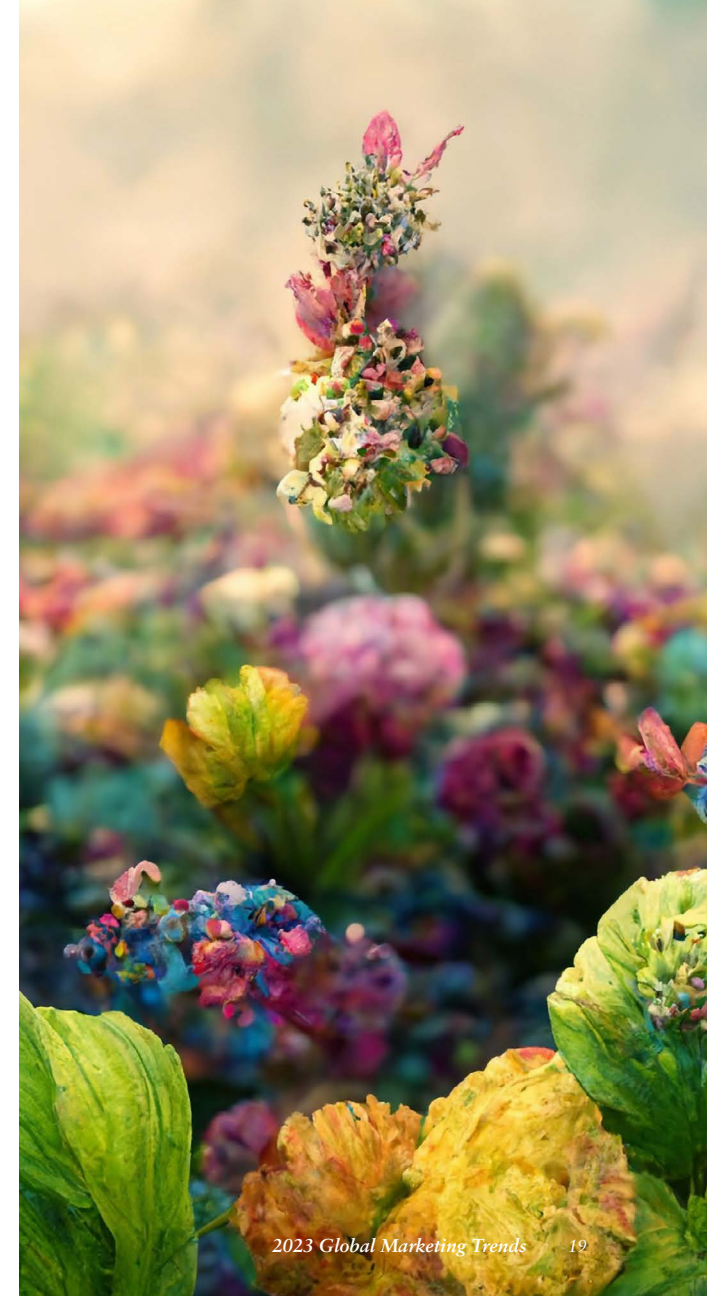
During the height of the pandemic, Illumina created technology to track COVID-19 variants globally, providing data for global leaders to use to protect the health of vulnerable members of society.

Bringing sustainability and equity together to improve the health of consumers and the planet has also been a priority at Johnson & Johnson (J&J) Consumer Health. Katie Decker, president of Global Essential Health, Healthy Lives and Global Customer Development at Johnson & Johnson Consumer Health, explains that her team’s work in this area is about engaging social responsibility as a vital part of driving growth: “It’s working with all the functions across the company to make them understand that sustainability not only is an imperative; it drives value. It drives growth. It’s an expectation of our consumers and our customers, and we can turn this into a value-generating proposition for our brands while doing something good for people’s health and the planet.”⁶

Sustainability for uncertain times

Organizations that wish to thrive in the future should continue to invest in the kinds of products and marketing efforts that help ensure a healthy, equitable world *before* circumstances become urgent. We recommend that marketers consider the following in their sustainability efforts this year:

- **Don't pull back.** Although cutting down on sustainability investments might feel tempting during a time of economic uncertainty, marketers should continue to invest, retaining a sense of long-term perspective about the socioeconomic demands around sustainability on the horizon.
- **Look inward.** Marketers can infuse sustainability throughout the entire life cycle of the product or service—leading to improved efficiencies, increased brand value through customer alignment, and ongoing impetus for growth.
- **Unify your organization.** Marketing can and should play a leading role on sustainability issues within their organizations. Marketers excel at telling stories and rallying people behind their efforts. These skills should be leveraged to allow them to lead the charge on internal sustainability efforts.





Endnotes

1. 2023 Deloitte Global Marketing Trends executive survey, conducted in June 2022.
2. Interviews conducted between July and September 2022 as part of research for *2023 Global Marketing Trends*.
3. Ibid.
4. Ibid.
5. Ibid.
6. Ibid.

About the authors



Nelson Kunkel
nkunkel@deloitte.com

Nelson Kunkel is the chief marketing officer for the Deloitte US sustainability business, leading the vision, narrative, brand and marketing of what's good and equitable for people, planet and prosperity.



Bree Matheson
bmatheson@deloitte.com

Bree Matheson is a Research and Insights lead for Deloitte's CMO Program. As part of Deloitte Services LP, she researches emerging marketing trends and CMO dynamics within the C-suite.

Acknowledgments

The authors would like to thank the following contributors for their support in developing this trend:



Stacy Kemp
Principal, Customer & Marketing,
CMO Program



Sign up for Deloitte Insights updates at www.deloitte.com/insights

 Follow @DeloitteInsight

Deloitte Insights contributors

Editorial: Aditi Rao, Prodyut Ranjan Borah, Aditi Gupta, and Arpan Kumar Saha

Creative: Sylvia Chang, Matt Lennert, Sofia Sergi, Jim Slatton, Alexis Werbeck, Meena Sonar, and Govindh Raj

Deployment: Nikita Garia and Turner Roach

Cover artwork: © ardanz/Adobe Stock, Alexis Werbeck

About Deloitte Insights

Deloitte Insights publishes original articles, reports and periodicals that provide insights for businesses, the public sector and NGOs. Our goal is to draw upon research and experience from throughout our professional services organization, and that of coauthors in academia and business, to advance the conversation on a broad spectrum of topics of interest to executives and government leaders. Deloitte Insights is an imprint of Deloitte Development LLC.

About this publication

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or its and their affiliates are, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. None of Deloitte Touche Tohmatsu Limited, its member firms, or its and their respective affiliates shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

Copyright © 2023 Deloitte Development LLC. All rights reserved.
Member of Deloitte Touche Tohmatsu Limited