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# Marketing Review St.Gallen

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# How and When to Communicate Sustainability

An interview with Mélanie Brinbaum, Chief Brand Officer at Nespresso

Many companies are wondering whether and how they should communicate their sustainability efforts. The challenge is usually to inform customers convincingly without appearing to be bragging or "greenwashing". Nespresso has developed a clear strategic approach to this question. In this interview, Mélanie Brinbaum, Chief Brand Officer at Nespresso, explains how Nespresso's heritage is rooted in sustainable thinking and practices, and describes the company's ongoing efforts to do better – and speak about it.

The interview is conducted by Prof. Dr. Matthias Fuchs, Assistant Professor of Marketing at EHL Hospitality Business School, HES-SO University of Applied Sciences and Arts Western Switzerland, Lausanne and transcribed by Janina Kauz, Research Associate and Doctoral Candidate at the Institute for Marketing and Customer Insight (IMC-HSG), University of St. Gallen



# Mélanie, could you describe the sustainability efforts at Nespresso?

At Nespresso, we have always believed that coffee can be a force for good. This goes back to the founding fathers of the brand and is the basis of our heritage. Twenty years ago, we started our Nespresso AAA Sustainable Quality<sup>TM</sup> program, which is all about working directly with farmers, sourcing the best coffee and establishing long-term partnerships. Back then, no one was talking about sustainability, the impact of coffee agriculture, or climate change. It was a niche topic. But we started this program nonetheless. If you ask me how sustainability is implemented at Nespresso, I have to say that first and foremost, it is in the coffee. Take our precision portioning, for instance: We know that almost half of our corporate carbon footprint comes from coffee, so we absolutely want to make sure that no gram of coffee is wasted and you still get an excellent cup of coffee. Secondly, it is in the packaging. We chose aluminum because you can recycle it ad infinitum without the material degrading. Of course, we also chose aluminum to protect the aromas and flavors of the coffee, but other materials could do that as well. We are committed to circularity, and we have established recycling programs in the markets that we serve. Now, it is great that we offer recycling but it would be even better if other companies joined in, so now we also encourage our competition to participate, as well as governments and even cities in some cases. Beyond these projects, we also have macro commitments: We are committed to decarbonizing our value chain in order to be a net zero company by 2050 at the latest. After we made this commitment, we realized that this is a huge challenge and we cannot do it alone. We believe in the power of partnerships. This is one of the reasons we applied to become a B Corp<sup>TM</sup>, which in itself is a big commitment. We are reassessed every three years. It's been positive, though, because it has made it really clear both internally and externally that we are not only committed to sustainable coffee and circularity but that we want to be part of this group of companies that are set on balancing profits with purpose.

Mélanie Brinbaum Chief Brand Officer at Nespresso nespresso.com So, becoming a B Corp<sup>TM</sup> was kind of the next logical step for you after you had already implemented all these sustainable practices. Did it also have an impact on how you communicate sustainability in your marketing?

It has been a learning curve. At first, perhaps we were a bit shy about communicating our sustainability practices and positive impacts. We are a Swiss company and understatement is part of Swiss culture. We always thought that these sustainability measures were just the normal way of doing things. We thought of them as a prerequisite. After all, how can you claim to serve the best cup of coffee if you don't make these efforts? But our customers nowadays are much more sensitive and educated about sustainability and they have more questions. We wanted to

"We are a Swiss company and understatement is part of Swiss culture."

answer those questions. While we had lots of very detailed sustainability reports aimed at experts, we needed to address our customers directly. In order to open up this dialogue, we created the platform "Doing is Everything" (https://www.nespresso.com/ ch/en/doing-is-everything). The aim is to make all the information accessible and transparent. While it is not as detailed as in the sustainability reports, it is there, and with one click you can also access the sustainability report if you want it. It is important to us that anyone who has a question can easily find the answer. We adapt this communication according to a customer's familiarity with our brand. Some customers have been with us for a long time and know a lot already. Others are new and we need to explain first that we source our coffee sustainably and recycle our capsules. After we have built that base, we can go into more detail. However, the most important thing always is transparency, which is also a central B Corp<sup>TM</sup> criterion.

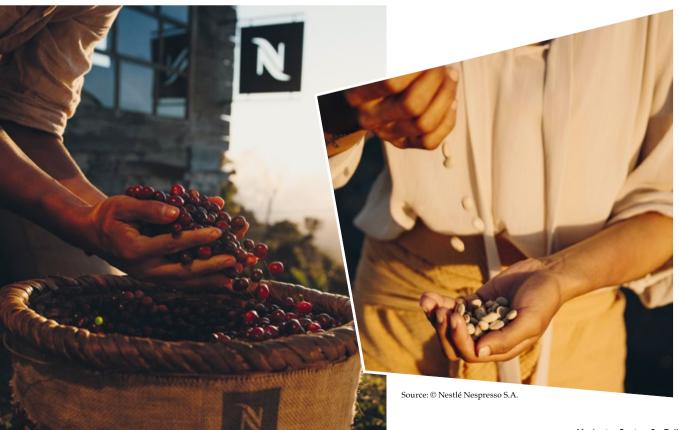
# Is there a framework behind how you communicate these messages?

It is not actually a framework, but we are always aware of our top priorities. We have worked on this with our own team of sustainability managers and experts. With them, we have established three pillars. The first pillar is "Care for Communities". We know if we look after our people, our employees as well as the communities in the countries where we source our coffee, we will get excellent quality in every cup. This is a small effort with a big impact. The second pillar is "Care for Circularity", which is also the motto of our R&D. For instance, we have dedicated several years of research to developing a paper-based capsule that is home compostable. We will pilot it in France and Switzerland this year. It has taken us this long because we really wanted the best solution, with no compromise in terms of taste. If we introduce something, it is always because we are convinced that it is the right thing to do. That is also why we are a portioned coffee brand. In our view, and studies have confirmed this, it is the most sustainable way of serving a high-quality, delicious cup of coffee. And the third pillar is "Care for the Climate". We are committed to reaching very bold targets and "to making" them transparent so we can be held accountable.

You asked what we learned from all this, and in a nutshell, it is that we needed to be more transparent and pragmatic. We can't give everyone sustainability reports aimed at experts. So we organized our information in those three pillars. Then we also learned that it is good to be emotional about sustainability because these messages will have the most impact. Before, we did not really advertise the trips to our plants and coffee providers because we thought this level of care and detail was normal, nothing special to brag about. But now we recruit personalities such as George Clooney to come on these trips so that people can see through his eyes what we do differently. It creates an emotional impact. On these trips, we don't control the script – our guests can see any part of a plant or farm they want. We have embraced this radical transparency and it would be fantastic to be able to take many more people on these trips.

### Are all these efforts something that you can use to differentiate Nespresso from competitors? Or has this issue become a hygiene factor for customers?

That's a very good question. In the past, these kinds of efforts used to be a winning argument. Nowadays, they just convey the right to play in this category. Because we are a company of a certain size, we consider it due diligence to make the effort



to be transparent and comply with the best practices in the industry. But it is not enough for us because excellence is part of Nespresso's DNA. For instance, that's why we communicate so much about our recycling programs: It is not just so people know about them and buy Nespresso because of them. It is because we really want them to use the program so the whole lifecycle is sustainable.

"We believe that we cannot reasonably explain our sustainability efforts in a 15-second ad."

An interesting thing that I noticed when looking at your more conventional marketing communication – for example your new campaign titled "Unforgettable Taste" – is that you don't communicate much about sustainability, despite it being a top priority for Nespresso. Is it a strategic choice not to include that in your marketing campaigns?

It absolutely is! We believe that we cannot reasonably explain our sustainability efforts in a 15-second ad. In our opinion, mass media, especially TV, is not the right place to disseminate those messages. What is more, it could be counterproductive and perceived as "greenwashing". So, instead of being opportunistic and packing sustainability into every 30-second ad, our goal in these campaigns is to get more people to choose a high-quality, sustainable coffee brand. Mass media is a way to recruit people in the first step. In a second step, you can then explain your sustainability efforts, which requires a conversation that cannot be had via mass media. The only TV format we have found to work for this purpose are documentaries, which are of course much longer.

You said that you reserve topics like sustainability for channels that enable a conversation rather than mass media. Are there any other strategies that you apply to avoid being labelled as "greenwashing" by consumers?

Most importantly, we make sure we have trustworthy, independent sources. That is what B  $Corp^{TM}$  is for us, a recognized source of trustworthy and independent information. We want to know where we stand and what we can do better. They audit us and provide this information. It is primarily for our R&D people



Source: © Nestlé Nespresso S.A.

to make improvements. But because B Corp<sup>TM</sup> is independent, we can leverage it in communications. I would say that this is currently our best practice. Secondly, we make sure we only communicate when we have already had an impact and it is something long-term. We will never communicate a one-off thing that we just do for one year. Of course, it could pay in the short term to communicate all this, but it is also where you face the risk of it being labelled as "greenwashing", which is why people in corporate communications should act as guardians of the brand. In all companies, you need to balance profit and purpose. Sometimes, people push to communicate something for the sake of profits. The guardians of the brand need to make sure that communication is purpose-driven and not opportunistic. If you potentially expose the company to a risk, it is better not to communicate. So, we slowed down and now only communicate when we are sure. If we are unsure, we wait and investigate. We are very lucky that we were able to slow down, since it requires an effort.

Thank you very much for this interview!

