

Why eco-consciousness is a smart long-term business strategy

 By [Zuko Mdwaba](#)

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The latest Edelman Trust Barometer indicates that consumers look to businesses to lead in times of uncertainty, with 52% of respondents saying they don't think businesses are doing enough to address climate problems.



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Research shows that exhibiting value-focused leadership is good for profit. Companies that align with a customer's values can help seal the deal against the competition. When values are misaligned, customers are not hesitant to purchase elsewhere.

In fact, according to Salesforce's fifth *State of the Connected Customer Report*, over three quarters (78%) of customer purchasing decisions are swayed by environmental practices and two-thirds (66%) have ceased buying from companies whose values didn't align with their own.

Businesses that want to remain future-proof and stand out against the competition should strive to implement ethical and sustainable practices. But the work doesn't stop there, retaining trust is just as important as building it, and authenticity is crucial in maintaining an engaged customer base.

Balancing short-term and long-term gains

Although sustainable practices attract and retain customers, they can also be more expensive to implement. So how can companies balance these as part of a successful business strategy?

The reality is that sustainable practices don't always align with maximising profit in the short term. Historically, businesses have been built by encouraging consumers to continue consuming and sustainability has taken a back seat. Reframing this mindset is a good place to start.

Creating products that aren't meant to last is a sure-fire way to ensure repeat customers, but that comes at the cost of the planet. In the short-term, this sounds like a good business strategy, however as consumers look to purchase from more environmentally friendly brands, implementing sustainable practices will help retailers retain customers and remain profitable in the long term.



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Re-evaluating the customer experience

But change doesn't end with a product. The sustainability lens can also be applied to wider customer experiences. For example, incentivising consumers to purchase more to receive benefits such as free next day delivery and free in-mail returns should be re-evaluated if companies want to adopt a green ethos.

And re-evaluation isn't always a bad thing. According to Salesforce research, 42% of shoppers say they will consider paying more for sustainable shipping options or select a longer delivery window. And for those unable to pay, businesses must give the option to accept longer delivery times.

When it comes to free returns, every returned package leaves a trail of emissions from the planes, trains, trucks and vans that carry it back to the retailer. Many items damaged in transit head to landfill. When large amounts of product are bought and then returned with no implications, businesses don't profit and the planet suffers.

The reality is, re-defining the customer experience by removing purchasing benefits might affect sales in the short term, but can help drive trust long-term amongst eco-conscious consumers.

Measurability is key

Consumers expect brands to be honest about their carbon footprint, so be prepared to account for your emissions.

Likewise, for a business to enact an impactful climate strategy, all emissions must be considered. A big part of this is investing in the tools that allow both businesses and the suppliers they work with to measure their impact.

Only by investing in tools that track Scope 3 emissions (indirect emissions that occur in a company's value chain) on the same platform that analyses Scope 1 emissions (direct emissions from owned and operated assets) and Scope 2 emissions (associated with the purchase of electricity, heat, or cooling for a company's own use), will companies be able to obtain an accurate and holistic picture of emissions data. Then, and only then, can business leaders make decisions that will impact the business and all associated suppliers as a whole.



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Balancing planet and profit

Research shows that companies can no longer rely on their products alone to ensure customer loyalty. Consumers are looking to purchase from value-driven businesses that operate with sustainability in mind. Eco-consciousness is a smart, long-term business strategy.

Ultimately, businesses must seek to find the right balance between short- and long-term profit to work towards a successful and sustainable future.

ABOUT ZUKO MDWABA

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