

Environmental Sustainability



in Business

A guide to help you make responsible decisions that will reduce your business' negative impact on the environment

Environmental sustainability involves making decisions and taking action that are in the interests of protecting the natural world. In this guide, you will find information about using environmentally sustainable business practices to gain a competitive advantage in the market.

Environmental Sustainability in Business

This guide looks at ways to reduce your business' negative impact on the environment. and covers the following content:

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1. What is Environmental Sustainability?

Environmental sustainability involves making decisions and taking action that are in the interests of protecting the natural world, with particular emphasis on preserving the capability of the environment to support human life. It is an important topic at the present time, as people are realising the full impact that businesses and individuals can have on the environment.

Environmental sustainability is about making responsible decisions that will reduce your business' negative impact on the environment. It is not simply about reducing the amount of waste you produce or using less energy, but is concerned with developing processes that will lead to businesses becoming completely sustainable in the future.

Currently, environmental sustainability is a topical issue that receives plenty of attention from the media and from different governmental departments. This is a result of the amount of research going into assessing the impact that human activity can have on the environment. Although the long term implications of this serious issue are not yet fully understood, it is generally agreed that the risk is high enough to merit an immediate response.

“*environmental sustainability*”

Businesses are expected to lead in the area of environmental sustainability as they are considered to be the biggest contributors and are also in a position where they can make a significant difference.

For much of the past, most businesses have acted with little regard or concern for the negative impact they have on the environment. Many large and small organisations are guilty of significantly polluting the environment and engaging in practices that are simply not sustainable. However, there are now an increasing number of businesses that are committed to reducing their damaging impact and even working towards having a positive influence on environmental sustainability.

Environmental sustainability forces businesses to look beyond making short term gains and look at the long term impact they are having on the natural world. You need to consider not only the immediate impact your actions have on the environment, but the long term implications as well.

“There is a simple rule about the environment. If there is waste or pollution, someone along the line pays for it”

*Lee Scott,
Chief
Executive,*

2. Business Case for Environmental Sustainability

Establishing a business case is an important step in assessing the viability of environmentally sustainable practices. If there was no business case behind operating an organisation in an environmentally sustainable way, then it simply would not be practical to expect businesses to consider it as an option.

Fortunately, there are a number of points that strongly support the business case for environmental sustainability. The first point to consider is the fact that moving towards environmentally sustainable practices presents few or no risks to business operations. If a business acts now and environmental sustainability continues to become an increasingly important and heavily regulated issue (as it is likely to do), you will have a head start over many of your competitors. Besides some initial outlay involved in moving towards environmental sustainability, there are not likely to be any long term negative impacts or expenses incurred.



[Environmental Guidelines for Riding Establishments](#) help owners and managers to adopt good environmental practice in the management of their business and reduce their overhead costs in the process

Fáilte Ireland's [Reducing your utility costs](#) guide has some useful tips on water, waste and energy savings and links to environmental agencies and schemes

“The first rule of business is to survive and the guiding principle of business economics is not the maximisation of profit, it is the avoidance of loss”

Peter Drucker, management consultant, educator, and author

A key point in the business case for environmental sustainability is the potential to reduce your expenses in the medium to long term. For example, making your business more energy efficient will save you a significant amount on energy costs and help you to improve your bottom line. Performing a cost-benefit analysis will allow you to compare the benefits of environmentally sustainable practices with the total cost of implementation.

“*competitive edge*”

Environmentally sustainable businesses may also have a competitive edge when it comes to attracting customers and investors. Modern consumers are aware of social and environmental issues and keep themselves informed about which businesses are acting responsibly in the community. Investors are equally aware of these issues and there is a trend developing towards investing in environmentally sustainable companies.



Most importantly in considering the business case for environmental sustainability is the point that it doesn't negatively impact on a business' ability to generate a profit. In fact, in the long term it is considered to actually improve profitability through the reduction of expenses and increased competitiveness.

All of these factors suggest that there is a business case for environmental sustainability. Each point can be capitalised on to generate returns and improve the bottom line in your organisation. As more and more businesses implement environmentally sustainable processes into their operations, you put yourself at risk of being left behind if you don't actively get involved wherever you can.

3. Consumer Conscience and Public Image

When applied to the consumer, conscience refers to the way that people recognise which products are the most ethical choice when provided with a range of options. It is important that businesses understand the influence consumer conscience has on buying behaviour.

Consumer conscience is a significant contributor to the way that people choose which services they want to buy and from which business. It is influenced by a number of factors including popular opinion, the media, friends and family and personal values. At the moment, the protection of the environment is a particularly topical issue so it is something that consumers take into consideration. Consumers are now better educated about the impact that their actions and the actions of businesses can have on the environment.

When people use a service that conforms to their personal moral values, they feel that they have done something good or have helped out as best they can. However, when consumers make a decision that goes against their principles, they may experience a sense of remorse or disappointment in themselves for making such a choice. Over time, these feelings shape the buying behaviour of customers, as people begin to actively seek out services that will make them feel good about themselves as well as contributing positively to the environment.

Businesses and marketers have recognised that there is an opportunity to capitalise on the effects of consumer conscience. If consumer conscience directly affects buying behaviour, then you should be able to tailor your products and services to meet the expectations of your customers. Making changes to the way that your business operates so that it is more environmentally sustainable is the first step.

Next, you should look at introducing a range of environmentally sustainable services so that consumers can make a choice about what they want to buy. When faced with the choice between an environmentally sustainable service or product and one that is not, many consumers will be swayed by their conscience into buying the sustainable option.

Your business' standpoint in regards to environmental sustainability can have a significant impact on your public image. Environmentally sustainable businesses are seen as market leaders, innovators and socially responsible. Establishing your image as an environmentally sustainable business will help you to build trust and respect from a broad range of consumers. You can use it as a way to leverage your business above the competition and gain a competitive edge, whilst at the same time making a positive contribution to the health and sustainability of the environment.

4. Business Differentiation

Without differentiation, all businesses that sell the same product or service would be in direct competition with one another. Business differentiation allows you to position your services so that customers can distinguish between those that are offered by your business and those offered by the competition. The key is to differentiate your business based on points that consumers value as important when making purchasing decisions.

“We cannot choose between [economic] growth and sustainability – we must have both”

*Paul Polman,
CEO,
Unilever*

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differentiate based on environmental
”
sustainability”

A business can differentiate its products and services based on a range of different factors such as price, quality, convenience and service. An emerging trend is for businesses to differentiate based on environmental sustainability. Businesses can choose to either offer a complimentary range of environmentally sustainable options alongside their existing products, or choose to make their entire operation more sustainable from the ground up.



The main driver behind environmental sustainability differentiation is changing customer expectations. Customers are becoming more aware and more interested in limiting their negative impact on the environment. Customers are also openly expressing their disappointment in businesses that focus on profit making at the expense of a healthy environment. Businesses have identified that an opportunity exists to differentiate themselves based on their commitment to environmental sustainability.

However, before a business totally changes their proven business model to a new, sustainability focused approach, they need to consider the potential risks and costs involved. It can be difficult to successfully reposition a business or service in a competitive market, especially if they already have an established customer base.

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environmental sustainability

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two clear goals

When making a move towards environmental sustainability, it is crucial that you don't damage or remove any part of your service or product that your customers value. For example, if you currently differentiate yourself on lowest price, you risk losing your loyal customers if you suddenly change to environmentally sustainable services and products that are high in price. Ideally, environmental sustainability should be an additional differentiating factor to your existing services and product line and business model.

If executed correctly, a marketing strategy that clearly explains your commitment to a move towards environmental sustainability can be used to mitigate these risks. Many customers accept that there may be minor changes to services as a business becomes more environmentally responsible. Additional information on the web site or brochures or an advertising campaign will help you to communicate your vision to your customers and may also help you to attract new customers away from the competition.

Essentially, environmental sustainability differentiation should have two clear goals. Firstly, it should provide you with a competitive advantage or at least put you on equal ground with other businesses in the market. Secondly, it should help you to become more socially responsible and have a positive impact on the health of the environment.

5. Environmental Marketing

Fáilte Ireland's [Green Marketing Toolkit](#) helps you market and communicate your green credentials

[Green Hospitality](#) is committed to assisting the hospitality sector in becoming more environment-ally responsible and has developed a number of programmes including: [The Green Hospitality Awards Programme](#), [Eco-Tourism Label](#), [Greener Festivals](#) and [Green Restaurants](#)

Environmental marketing (or green marketing) is the marketing of products and services that are environmentally safe. There is unexploited potential in this area as consumers become more interested in environmentally sustainable options. You can use environmental marketing to give your business a competitive edge in the market.

Strategically marketing your business, products and services can provide you with a number of advantages. Crucially, you need to consider the fact that environmentally unsustainable businesses cut themselves off from the group of consumers who only buy sustainable products. However, sustainable businesses open themselves up to all consumers regardless of the importance they place on environmental sustainability.

Branding is an important part of environmental marketing. Established businesses will find it more difficult to reposition their brand in the market in comparison to new enterprises. If you are starting up a new business, try to make your brand clearly identifiable as one that represents an environmentally sustainable business. In an established business, you might try adapting or introducing a new unique selling proposition that will help customers to recognise you as environmentally sustainable.



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green
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certification

Advertising and product packaging are key elements in marketing an environmentally sustainable business. Advertising and promotional campaigns need to establish that you have a commitment to protecting the environment; however, it shouldn't be the only message conveyed to customers. People won't buy from you solely on the basis that you are a 'green' business, you still need to offer services and products that meet the needs of customers in terms of quality, price and usability.

One strategy that could substantiate an environmental sustainability marketing campaign would be to gain 'green certification'. Green certification organisations set out a number of requirements that must be met. In turn, you are able to use their certification (usually a registered stamp of approval) on your website or in your advertising to show to consumers that your business has been independently assessed and certified as environmentally sustainable.



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Fáilte Ireland
88-95 Amiens Street
Dublin 1

www.failteireland.ie

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