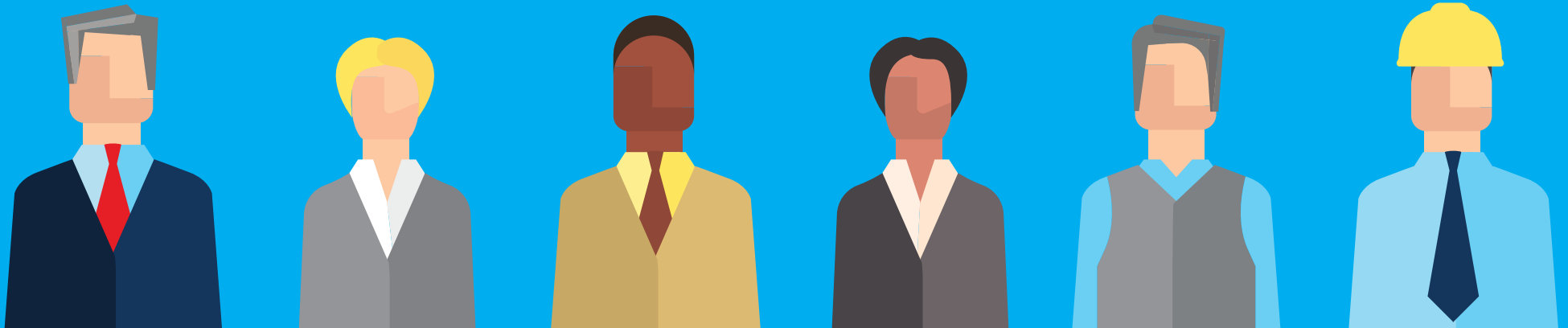


# field guide

to leveraging your sustainability story with key business decision makers



# the truth about B2B sustainability

Shelton Group's 10+ years of polling have shown that green product features and corporate sustainability initiatives have become increasingly important criteria for consumers as they make product purchase decisions. But is the same true for business decision makers? We often hear clients (particularly those with sales responsibility) bemoaning the seeming lack of concern or interest in the topic among purchasing managers and CFOs. Many think that, when it comes to making product purchase and capital improvement decisions, all B2B decision makers really care about is price and, secondarily, product performance.

## **But that's just not true!**

Since our first B2B PULSE® study of business decision makers in 2013, we've seen a steady increase in the adoption of corporate sustainability initiatives and in the prioritization of green features in both product purchasing practices and facility maintenance and construction activities. **Green has gone beyond mainstream for business decision makers – sustainability has become required table stakes to compete.** This is particularly true in some sectors and for several critical decision makers.

That's what this brief is about. **Our 2016 B2B PULSE® surveyed over 500 business decision makers in the U.S. and Canada** – from CEOs and CFOs to Facility Managers and IT Directors in a wide range of business sectors – to discover what's driving their decisions and the importance they place on supplier sustainability and green product and building features, in particular.

This year, we tested interest in new topics like building resiliency and smart building technologies, plus continued to measure trends like the increasing desire for renewable energy. But this brief focuses specifically on the differences we saw between types of decision makers. How do the perspectives of CFOs differ from those of CIOs, Plant Managers and others? What building features are most attractive to Facility Managers, and how can you best address the supply chain concerns of CEOs? Finally, what corporate sustainability initiatives matter most – what should be the “lead” in your sustainability story, depending on who you're trying to convince?

# overall trends

## Sustainability is an increasingly important business decision driver.

- Importance of sustainability in decisions related to operations, capital improvements, construction, and purchasing/supply chain has steadily increased over the last three years (78% in 2016 vs. 67% in 2013).
- The importance placed on a company's environmental performance or sustainability record in product selection increased significantly over last year (77% vs. 67%).

## Sustainability is being incorporated into daily activities and is becoming a buyer expectation.

- The percentage (27%) who said their company has a supplier sustainability scorecard increased five percentage points from 2015, and another 30% said they're developing one.
- 57% said they include sustainability-related questions in their RFPs for purchasing.

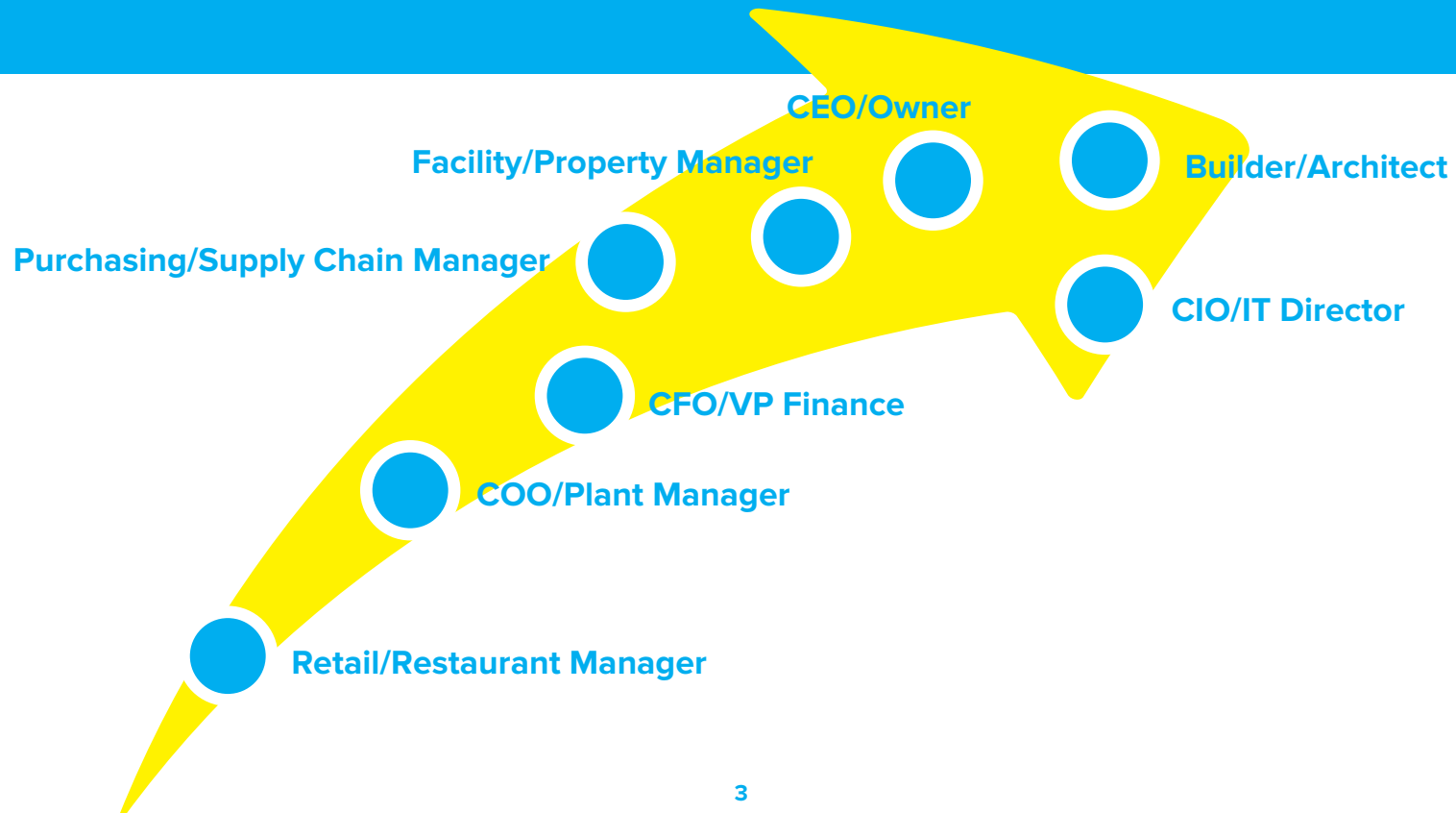
## It's not just about the environment: corporate social responsibility is important, too.

- 76% said it's important/very important that a manufacturer/supplier has a strong employee treatment track record (i.e., fair wages, working conditions, etc.).

- 77% said it's important/very important that a manufacturer has developed programs or funds initiatives to address problems/issues associated with its product or target audience (i.e., clean water, closing the loop/recycling products, infant mortality, etc.).

## Sustainability engagement varies by role.

Not all decision makers are made equal when it comes to sustainability. We created an overall sustainability engagement score based on their answers to 9 key questions. See the graphic below for an overview of how the level of engagement in sustainability compares by job title.





## owners, presidents & CEOs

Owners/CEOs are primarily driven by energy savings and cost reductions, but they also care a great deal about transparency and their company's reputation. Concerns about employee health and wellness also strongly drive their decisions. For many, their own personal values are driving change and influencing their companies' cultures.

### Product care-abouts:

- Product has less impact on the waste stream
- Manufacturer/supplier offers product take-back or trade-up at end of product life
- Product is energy efficient

### Messaging direction:

Show me the positive bottom-line impact of your product, and feature any health benefits and/or responsible waste-stream minimization/take-back activities you offer.



## CFOs, VPs of finance & comptrollers

CFOs are somewhat below average for sustainability engagement overall, so it's important to incorporate cost savings/ROI in your appeals to them. They *are* worried, however, about regulatory compliance and avoidance of fines and litigation, as well as employee retention and recruitment.

### Product care-abouts:

- Product carries third-party certification(s) (i.e., ENERGY STAR<sup>®</sup> or UL GREENGUARD)
- Product is energy efficient
- Product is water efficient
- Manufacturer/supplier has a strong environmental track record (i.e., hitting impressive carbon and waste reduction goals)

### Messaging direction:

Lead with cost savings and third-party certifications and highlight how the use of your product facilitates regulatory compliance and/or minimizes risk.





## CIOs, IT managers

CIOs were, in many ways, the most sophisticated of the business decision makers we interviewed. They think that sustainability can be the basis for marketing differentiation. They like to see product lifecycle analyses and like to see companies offering product take-back/trade-in programs.

### Product care-about:

- A manufacturer's or supplier's environmental performance or sustainability record is significantly more important for product purchase decisions (85% vs. 77% overall)
- Product has sustainable content (i.e., no chemicals of concern, recycled, biobased, etc.)
- Product is energy efficient
- Product carries third-party certification(s) (i.e., ENERGY STAR<sup>®</sup> or UL GREENGUARD)
- Product has less impact on waste stream (recyclable or compostable)

### Messaging direction:

Appeal to my personal enthusiasm for sustainability, but you'll also need to offer a more sophisticated level of detail regarding product content, performance and certifications to satisfy me. I'll gladly review your LCA!



## purchasing & supply chain managers

While average in their sustainability engagement and still strongly driven by price and cost reduction, we see a shift in decision drivers this year that likely reflects the increasing use of sustainability scorecards and purchasing checklists. They are the group most driven by "sustainable supply chain" and product content attributes such as toxicity avoidance and biobased content.

### Product care-about:

- Manufacturer/supplier offers product take-back or trade-up program at end of life
- Product carries third-party certification(s) (i.e., ENERGY STAR<sup>®</sup> or UL GREENGUARD)
- Product is water efficient
- Manufacturer/supplier has a strong environmental track record (i.e., hitting impressive carbon and waste reduction goals)
- Product has sustainable content (i.e., no chemicals of concern, recycled, biobased, etc.)

### Messaging direction:

You'll be more likely to get past my screening requirements if you lead with your strong sustainability record. Be ready to respond to a list of detailed questions regarding your product's conservation performance, content and certifications.





## facility & property managers

Facility and Property Managers are highly engaged in sustainability, and (logically) they're predominantly focused on facility-related sustainability issues like energy and water conservation and indoor air quality. Interestingly, they are the decision makers most strongly swayed by responsible manufacturing practices and a strong environmental track record.

### Product care-about:

- Product is manufactured responsibly (i.e., ISO 14001 certified factory, zero waste, made with renewable energy, etc.)
- Manufacturer/supplier offers product take-back or trade-up program at end of life
- Product is energy efficient
- Product is water efficient
- Manufacturer/supplier has a strong environmental track record (i.e., hitting impressive carbon and waste reduction goals)
- Product has sustainable content (i.e., no chemicals of concern, recycled, biobased, etc.)

### Messaging direction:

Talk to me about your sustainable manufacturing practices and your environmental track record. Differentiate on superior efficiency and sustainable content.



## commercial developers, builders & architects

Driven by their long-term outlook, increasing customer expectations and their desire for market differentiation, this group shares the top spot for overall sustainability engagement. Their personal values drive their corporate cultures, and they are particularly attuned to corporate social responsibility activities like how employees are treated and how manufacturers directly address challenges associated with their products, such as end of product life/closed loop initiatives.

### Product care-about:

- Product is manufactured responsibly (i.e., ISO 14001 certified factory, zero waste, made with renewable energy, etc.)
- Manufacturer/supplier has a strong environmental track record (i.e., hitting impressive carbon and waste reduction goals)
- Product is energy efficient

### Messaging direction:

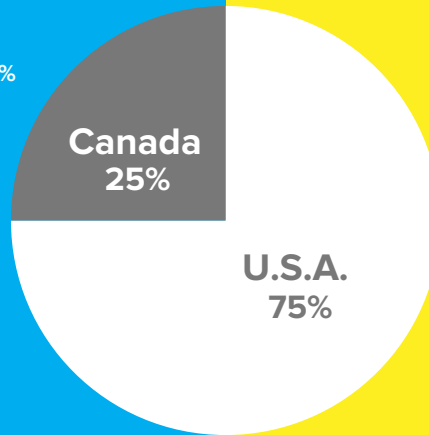
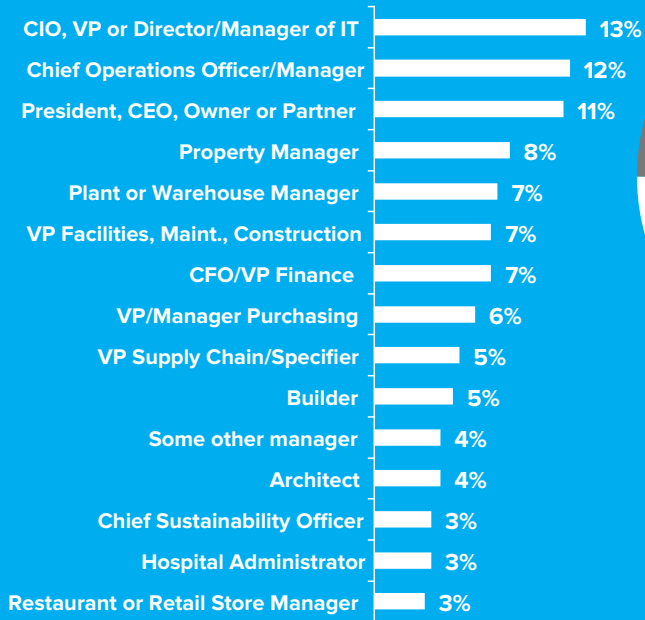
I'm likely five steps ahead of your average customer in regard to sustainable product knowledge and expectations. Be ready to show how your products will help meet the building certifications I'm trying to achieve. Differentiate based on your corporate social responsibility activities and environmental track record.



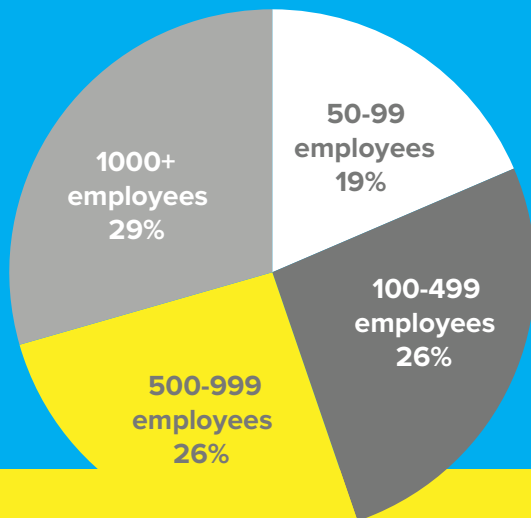
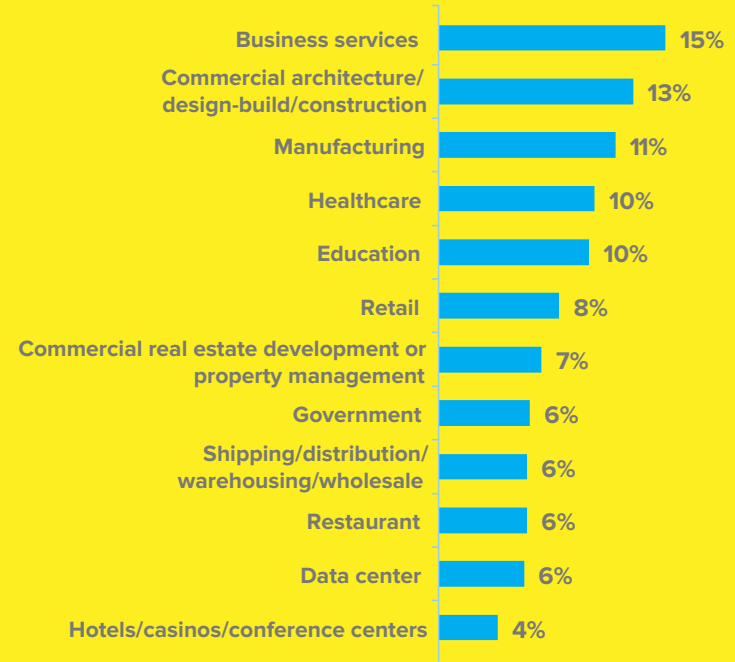
# methodology

An online survey of business decision makers in medium to large firms (50+ employees) fielded March 1, 2016–April 10, 2016. 523 surveys completed (+/- 4.3% margin of error overall), with 421 surveys completed in the U.S. (+/- 4.8% margin of error) and 102 surveys completed in Canada (+/- 9.7% margin of error).

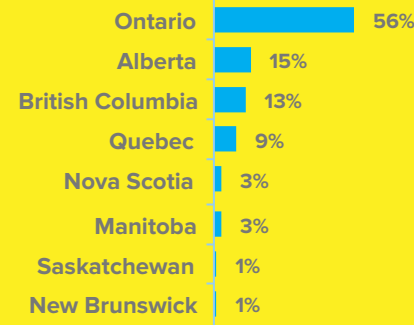
## Sample distribution by respondent role and employee count



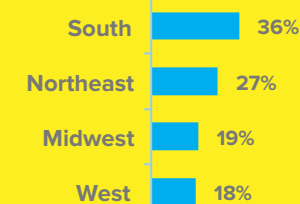
## Sample distribution by sector and geography



### Canadian distribution



### U.S. distribution



n=523

*about*

**Shelton**<sup>Grp</sup>

Shelton Group is the nation's leading marketing communications agency focused exclusively on energy and the environment. If you're trying to build a brand around energy responsibility and sustainability - or sell products that minimize environmental impact - we understand your marketing challenges and can help you tackle them like no one else.

[www.sheltongrp.com](http://www.sheltongrp.com)

*What We Know*

- Energy & Renewables
- Efficiency & Conservation
- Corporate Sustainability
- Building Products

*What We Do*

Strategy

Creative

Research

Marketing Campaign Implementation