Embracing sustainability and creating outstanding customer experiences.

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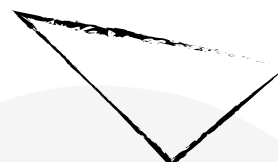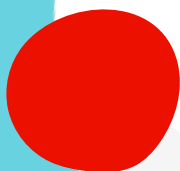
Introduction.

Wherever you are globally, if you're leading a business post Covid-19, whether it's large, small or somewhere in between, you're arguably facing one of the most contradictory periods in modern consumer history.

The Coronavirus pandemic has brought with it significant change. A reminder to every individual globally of what's actually important—community; health; value; creativity, and purpose. On top of that, it forced a total reimagining of how businesses operate, almost overnight.[1]

People feel differently about the world now. And so they should. But thanks to lockdowns taking the vast majority of interactions online, they also feel differently about their customer experience with the businesses they purchase from. This applies to both B2C and B2B customers, though for some sectors it is a more immediate challenge than others.

What we know is that sustainability (economic, social, and environmental) has become increasingly important to the consumer. And at the same time, hyper-convenient,[2] digital-first customer experience that stands out is also of paramount importance to today's savvy buyer.

The challenge for businesses is sustainability often doesn't go hand in hand with convenience. In 2018, Morrisons launched a scheme to encourage shoppers to bring their own food containers to in-store meat counters. In a bid to reduce the single-use plastic usually associated with pre-packaged meat, shoppers were able to take their food home in personal containers using a sticky label provided to be scanned at the till. What they found was ultimately convenience won— shoppers simply want their meat pre-prepared, sealed, and ready to scan—and available to pick up directly from the shelves.[3]

Understanding the ways these two positions contradict one another (which will differ by sector), then working out how to find common ground that unites the two, is how businesses will carve out a route forward.

Adobe has a long and well-documented commitment to sustainability and (as it happens) to forward-thinking digital experiences for our customers. It felt right that we should explore the crossover between sustainability and the customer experience in the wake of the pandemic, so in 2021, we ran a survey to explore in more depth how sustainability and customer experience might work together. We've used those findings as a basis to discuss how businesses can embrace this new dynamic in order to take positive strides toward a new normal in which they are able to not only survive, but thrive.

Bridging the gap with digital transformation.

In order to more clearly identify correlations between sustainability and customer experience, we sectioned off a portion of our overall sample group who had previously been identified through specific questions as 'Digital Experience Advocates' (DE advocates) and 'Sustainability Advocates', i.e. those who strongly believe it's important for brands to deliver a high-quality digital customer experience and those who believe it's important for brands to uphold strong sustainability practices.

A really interesting finding from our research is that those DE advocates are also more sensitive to environmental issues generally.

74%

of Digital Experience Advocates said brands that had a reputation for sustainable practices was a very important part of their purchasing decision.

67% of the total sample said brands that had a reputation for sustainable practices was a very important consideration for them before they bought a product. When we posed the same question to DE advocates, that figure increased to 74%.

When questioned about the importance of a business having a reputation for transparent business ethics, 63% of all respondents said this was an important factor in their decision-making, rising to 70% among DE advocates. We also found that DE advocates are more likely to research a brand's sustainability practices online. While 53% of the general population claim to do research into a brand's sustainability practices online, 60% of DE advocates claim to do the same.
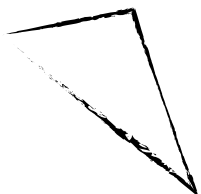
What we're saying here is that it's important to understand that by delivering on sustainability, but not on digital customer experience or vice versa—you're at risk of losing market share or suffering reputational damage. By combining both authentic sustainability practices and stand-out digital experience, your brand will be more robust and this strategy will help maintain your competitive edge, and ultimately deliver on your revenue objectives.

This doesn't necessarily mean working harder, just smarter. Digitization can, in fact, support both sustainability and experience in tandem. A compelling case for the two not being mutually exclusive is made in an article published by Forbes: "Customer Experience Reimagined for Sustainability"[4] which maintains that some of the same technologies that businesses have used to improve customer service can play a critical part in improving sustainability. It's all about providing information and options that nudge the customer toward environmentally positive choices, while still delivering an excellent customer experience. That requires a clear sustainability vision combined with some real creativity—all enabled by the right technology.

What follows is a breakdown of what a 'digital-first' experience might involve for sustainability and customer experience respectively. We can then start to identify areas for crossover that will unite the two—making sustainability an important part of the customer experience, and customer experience an important influence on sustainability decisions.

Becoming a digital-first organization will be a catalyst for achieving a sustainable and profitable future.

Digital-first sustainability.

This shift has been a gradual one over the years, but the proof that customers now consider sustainability to be one of the most important factors in their decision-making process is reinforced by the CEO of a fashion company's comments:

> " **For our first ten years, sustainability was not even in the top five reasons why customers chose our company. Now, it is one of the top two reasons. Customers want to see data on the environmental impact. Transparency is crucial.**

No longer viewed as a mere add-on, what has become clear is that companies need to put sustainability at the heart of their organization. It's those companies that can champion digital transformation and business goals focused on sustainability that will be best positioned for long-term success. As Alan Jope, CEO of Unilever, says in the McKinsey report, "The path forward for retail's sustainable future"—"any company that wants to stay relevant in the future should think about sustainable behavior."[6]

This seismic shift in consumer expectation opens up vast opportunities for organizations to make both their offerings and their position as an employer more appealing, and in the process attract new customers and great talent.

But what does digital-first sustainability actually require in practice?

The answer to this question will vary depending on the organization and sector you operate in, so we've outlined some general actions businesses should be thinking about when it comes to sustainability (this list could be endless so we've just highlighted a few ideas), then we've referenced some specific examples of digital-first sustainability strategies.

General actions.

- Develop a sustainability strategy with clear, measurable objectives.

- Make this strategy visible on your website and review and promote progress very regularly.

- Offer remote work opportunities and public transit commuter benefits to employees.

- Become the consumer you're trying to target, and do your research on your supply chain to ensure sustainable practices are being upheld at every step.

- Reduce, reuse and recycle everything.

- Use sustainable packaging.

- Use green web hosting services.
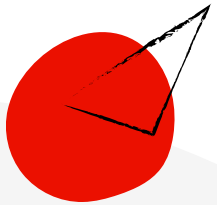
Digital-first sustainability examples.

1. Walmart[7] has enabled multiple deployments of digital transformations that work to eliminate wastage and energy usage and to provide supply chain control. First of all, numerous built-in IoT sensors and shelf-scanning robots prove to be sustainable in terms of energy savings and customer experience. Also, Walmart is a successful e-retailer that provides efficient online services, like Mobile Express Returns and QR code scanning. It enables their customers to shop while staying at home, reducing transport usage and CO2 emissions.

2. Patagonia[8] is a sustainable clothing company with $800 million revenue that can boast using organic materials, selling worn and recrafted outfits, and organic provision. The company provides worldwide fundraising through online banking and keeps an online blog, 'The Cleanest Line', where articles are dedicated to environmental crises and solutions.

3. Microsoft,[9] as one of the leading software providers, moves toward reducing its environmental impact and at the same time helps other companies turn "green." Microsoft's cloud computing has already empowered energy efficiency and material waste reduction. The increased accessibility of serverless and open-source software minimizes cooling processes, ventilation, and air conditioning in fewer data centers. The addition of a power management function to Microsoft products enabled smart energy consumption on devices like monitors and hard drives.

In addition to being good business, these efforts can also increase supply-chain resilience, ensuring organizations implement the principles of the circular economy—reduce, reuse, refurbish, repair, and recycle.

Digital-first customer experience.

While the last 18 months have been an enormous challenge to businesses, one area of growth throughout the pandemic has been digitization, according to McKinsey in their report "The next normal arrives: Trends that will define 2021—and beyond."[10] Businesses have been forced to accelerate their transformation into a digital-first business much faster, and in many cases, sooner than they originally envisaged.

87%

of Digital Experience Advocates believe post pandemic it's more important than ever for companies to deliver a quality digital customer experience.

In our survey, 74% of all respondents told us that the quality of a company's digital experience has become more important since the beginning of the pandemic. This rises to 81% among sustainability advocates, while 87% of DE advocates believe it's more important than ever for companies to deliver a quality digital experience.

In the past, we've seen that it's taken a decade or longer for game-changing technologies to evolve from cool things to productivity drivers. Covid-19 has sped up that transition in areas such as AI and digitization by several years. The report goes on to note that companies were three times more likely than they were before Covid-19 to conduct at least 80% of their customer interactions digitally.

That is a huge increase, so it should come as no surprise that in 9 out of 13 countries, two-thirds of customers have tried new ways of shopping. And what's more, 65% of them say they intend to continue to do so.

This seismic shift in buying habits shows no signs of slowing down, as seen in PwC's June 2021 Global Consumer Insights Pulse Survey.[11] At the start of the pandemic, business leaders wondered whether these changes in buying habits would be fleeting or permanent. The survey revealed that the changes are sticking, making this shift in consumer behavior both historic and dramatic.

Examples of digital customer experience in practice.

Customers are clearly demanding a quality digital experience, but they also have higher expectations for convenience than they did before. We've outlined some examples of how this might work in practice, drawn from this web article:[12]

1   **Automotive –** A new car sends diagnostic information via an API for a customer to view on a mobile app or online dashboard, along with service reminders and product recall notices. You can also view financing information and track bill payments. The customer sees the automobile brand as an expert resource for taking care of the vehicle.

2   **Banking –** A customer opens a new savings account via the bank's mobile app. They use the bank's budgeting tool to set goals and save automatically, giving them a balance of what is safe to spend, taking into account bills, pending payments, and goals. Once a month, the customer receives a text with an update on the status of savings and a report breaking down spending habits. The resulting impression of the bank is a friendly, helpful advisor.

3   **Healthcare –** During a doctor's visit, a patient sets wellness goals to help manage their health. Between visits, they use an app to monitor vitals, food intake, exercise, and prescriptions. There are also interactive learning materials and an online community, where they can learn and be encouraged by others working on the same goals. Their health improves over time, reducing the need for visits and lowering the hospital cost. The resulting impression is professional, personal healthcare.

How we're approaching it here at Adobe.

With a range of products to help customers operate more efficiently while reducing their environmental impact, our goal is to create a sustainable future. We've built LEED-certified offices, and set a 100% renewable energy goal in order to reduce our impact on the planet. Through policy advocacy as well as partnerships with leading organizations, we're working to foster a culture of sustainability across our business and we're constantly revising our customer experience to deliver an interactive and high-value customer experience for every single person that engages with the Adobe brand.

Our sustainability and customer experience values in action 2020:

70%

70% renewable electricity online and in the pipeline by 2022.

#10

proactive climate action policy advances.

16M

underrepresented minorities impacted by our programs and grants.

2000+

customers received PDF accessibility training.

95%

of Adobe products have a dedicated Accessibility Champion.

technologies supports the digital transformation of the National Center for Missing and Exploited Children.

design thinking and user feedback to create 'experiential privacy' for our users.

You can download full details in our 2020 Corporate Social Responsibility Report here.

What now?

Change is here, and it's gathering pace. Now, more than ever, companies need to embrace sustainability—not only to help the planet, but also to maintain customer loyalty, and attract new customers by embedding sustainability as an integral part of the customer experience.

As customers become more attuned to the necessity of sustainability in their lives, they are also following through on this when it comes to purchasing decisions. What has become evident is that these customers are voting with their feet in ever-increasing numbers, and moving toward those companies who embrace sustainability as part of the company ethos and customer experience, rather than paying lip service—so authenticity is essential.

" **Fundamentally, the traditional drivers of value have been shaken, new ones will gain prominence, and there's a possibility that the gulf between what markets value and what people value will close.**[13]

Mark Carney, Prev. Bank of England

Critical next steps.

1   **Bridge digital and environmental goals to promote sustainable growth**
According to the latest World Economic Forum Framework for Business Action,[14] your digital transformation roadmap needs to be integrated with clear sustainability strategies, touching on business models, operations, supply chain, culture, investment, and overall decision-making.

2   **Create choices for consumers—empower them to make sustainable decisions**
Sustainability isn't just about switching your own business practices to become greener. Consumers want you to help them behave more sustainably too. Allowing them the option of choosing sustainable products is important. Whether that's through eco-light packaging or incentivizing delivery costs by either charging less for the most environmentally-friendly mode of delivery, or enabling the customer to accumulate credits that could be used against future purchases.

3 **Maintain pace with digital transformation**

As one CEO of a responsible business alliance says in the McKinsey report, "The next normal arrives"[15], "I am not worried about our direction; we are definitely on the right track. What worries me is the speed."

In order to keep pace with this rapid change, businesses are requiring digital solutions more than ever before. The McKinsey report goes on to highlight that as organizations accelerate to becoming digital-first organizations, the need for the necessary tools to keep up with customer demand becomes more urgent, so developing a realistic digital roadmap and timeline is imperative.

4 **Make more of your products and services available online**

We discovered that consumers believe companies should increase their online offering if it enables them to be more sustainable. 75% of the total sample agreed, but we saw extremely high levels of agreement at 86% and 87% respectively among sustainability advocates and DE advocates. If there are products or services that could be taken online, consider doing so—and incorporate the positive environmental impact into your marketing messages.

5 **Document and promote your sustainability credentials far and wide**

Throughout the findings, we have seen that DE advocates are typically more sensitive to sustainability and the sustainability credentials of brands. Businesses should be looking to incorporate sustainability values, and demonstrate their sustainability credentials, at every step of the customer journey and across all relevant on and offline touchpoints.

6 **Leverage sustainability successes for brand advocacy**

Sustainability plays well into brand advocacy. Demonstrating shared values and helping the customer act sustainably enhances the emotional aspect of customer experience, and 72% of customers will share a positive experience with six or more people.[16] Incorporating sustainability therefore increases the likelihood of customers becoming brand advocates. Utilize social media in particular to amplify that message.

7 **Finally, whatever you do, do not greenwash**

Greenwashing is disinformation disseminated by an organization so as to present an environmentally responsible public image.[17] As you've seen from the evidence provided across this paper, corporate social responsibility is no longer something businesses can just pay lip service to. If you aren't authentically committed to sustainable practices and an honest customer experience, you will be found out—and fast. And if you haven't already got a digital transformation roadmap in place that incorporates these elements, it's likely your business is going to struggle to thrive in a post Covid-19 world.

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