

Strengthening market position

Maintaining and improving the (export) market position is a major challenge for companies.

Some companies try to maintain their positions by cutting the costs of inputs and other factors of production, while other firms improve productivity through searching and learning continuously over time. Only in the latter case international competitiveness in export markets will be sustainable.

Leading companies are using sustainability as a strategic driver, informing structural changes, and governance and investment decisions (see box). However, for the majority of businesses it is not a naturally movement as barriers remain. The main obstacle is usually financial short-termism, but also a lack of environmental awareness and governmental support (non-financial).

Consumer demand

In 2007, it was already noticed that more than 50% of the global consumers prefer to buy products from companies with a strong environmental reputation (environmental leader, 2011).

Increasingly well-informed consumers are raising their expectations of the private and public sectors.

Examples of leading market organizations that producing more efficiently

- General Motors saved more than US\$ 30 million in 6 years through their resource productivity programme, they also reduced waste volume by 40 per cent.
- In the offshore wind sector alone, employment in Europe is projected to grow to 150,000 by 2020 and to over 200,000 by 2030.
- Grupo Bimbo in Mexico saved approximately 700,000 USD and 338,400 m³ of water in 3 years through its water reduction programme
- Unilever is working to decouple growth from environmental impact in order to double the size of its business and increase the positive social benefits of its products. The Unilever Sustainable Living Plan sets out about 60 publicly-reported green targets. They include halving the environmental footprint of Unilever's products and sourcing 100 per cent of agricultural raw materials sustainably by 2020. In 2011, 100% of the electricity purchased for Unilever sites in Europe and Canada came from renewable sources.

Quoted from: UNEP - the business case for the green economy

Consumer demand for sustainable products is growing, and there is much untapped demand that can be unlocked by companies with a clear vision of a more sustainable future. In fact, research even showed that customers are willing to pay more for so called green products (Guardian, 2013).

Results of a global survey conducted in 2007 and repeated in 2008 in association showing that consumers in most countries are becoming more aware and willing to act on environmental concerns is presented in the table below (WBCSD).

Reported behavior change	2007 (%)	2008 (%)
Saving power	76	81
Recycling	65	70
Reducing water consumption	65	69
Using less packaging and bags	56	68
Buying green products	53	61
Buying energy efficient devices	53	59
Informing oneself about climate change	46	58

Source: WBCSD

Key points for industries to attract more consumers can be summarized as follow:

- making it easy and affordable for the consumer to make sustainable purchasing decisions, as they increasingly report a willingness to do so
- Making sustainable products available and comparable – without compromising on performance and at no or little extra costs
- Leveraging the unprecedented power of consumers to share information about companies, products and services via social networks, to promote sustainable products, usage, consumption and lifestyles
- Explore options of labelling packages. Use of relevant labels on packaging can play an important role to consumers. Nowadays, there is a wide variety of labels. Some products are certified by an internationally recognized and respected body, such as a local, national or regional authority (e.g. Forest Stewardship Council).



References & further reading

Online articles

- Environmental Leader (2007)
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www.unep.org/greeneconomy/Portals/88/documents/partnerships/UNEP%20BCGE%20A4.pdf
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