

Category: **O**

Category name: **Marketing for Sustainable Consumption**

Name of company entering: **Lafarge Cement UK**

Sector: **Building Materials**

Team: **Javed Sethi (Head of Marketing), Mike Lomax (Marketing Communications Manager), Kieron Hall (Packed Marketing Manager)**

Summary word count: **296 words (including headline)**

Main body word count: **1,990 words (including captions and headlines)**

Total word count: **2,286 words (including captions and headlines)**

Executive Summary

Lafarge is the market-leader in cement manufacturer and holds top-ranking positions in aggregates and concrete.

Whilst cement and concrete manufacturers have communicated sustainability at a generic level for some time, Lafarge realised that they had a genuine story to tell which addressed industry issues. It was essential that Lafarge did more than simply talk about their 'green credentials'; Lafarge was determined to prove their worth through a focused marketing campaign based on genuine successes in the areas of reducing CO₂, reducing waste and responsible sourcing

Lafarge wanted to demonstrate to customers and prospects that it is continually improving its sustainability achievements. Lafarge Cement adopts a three level strategy to drive sustainable consumption in the marketplace and within the company:

- CO₂ reduction
- Waste reduction
- Responsible Sourcing

Although Lafarge had numerous strong, tangible and unique sustainability achievements and messages in these three areas, communicating them in an engaging way represented a challenge due to the sheer volume of sustainability communications in the industry.

Insight gained from both qualitative and quantitative market research led to the creation of the overarching **Sustainable™** concept, which was used to convey the messages. Integrated **Sustainable™** campaigns ran in 2010 and 2011 to communicate Lafarge's achievements and efforts and also featured heavily on Lafarge's exhibition stands at a number of sustainability and construction events, the biggest and most relevant ones being Ecobuild.

Lafarge supported the **Sustainable™** campaign with an innovative product launch (**Cemergi®**), and developed a product positioned to satisfy the market's need for sustainable building materials. Through improvements to internal processes and developing, launching and promoting sustainable offers for the market Lafarge Cement have reduced total CO₂ emissions by 1.9 Mt CO₂ between 2007-2011. This is the equivalent of taking 660,000 cars off the road for a year.

Company Background

Lafarge has been a major player in the UK construction sector since entering the British market in 1987. Today, Lafarge is the market-leader in cement and holds top-ranking positions in aggregates and concrete.

Challenges and Opportunities

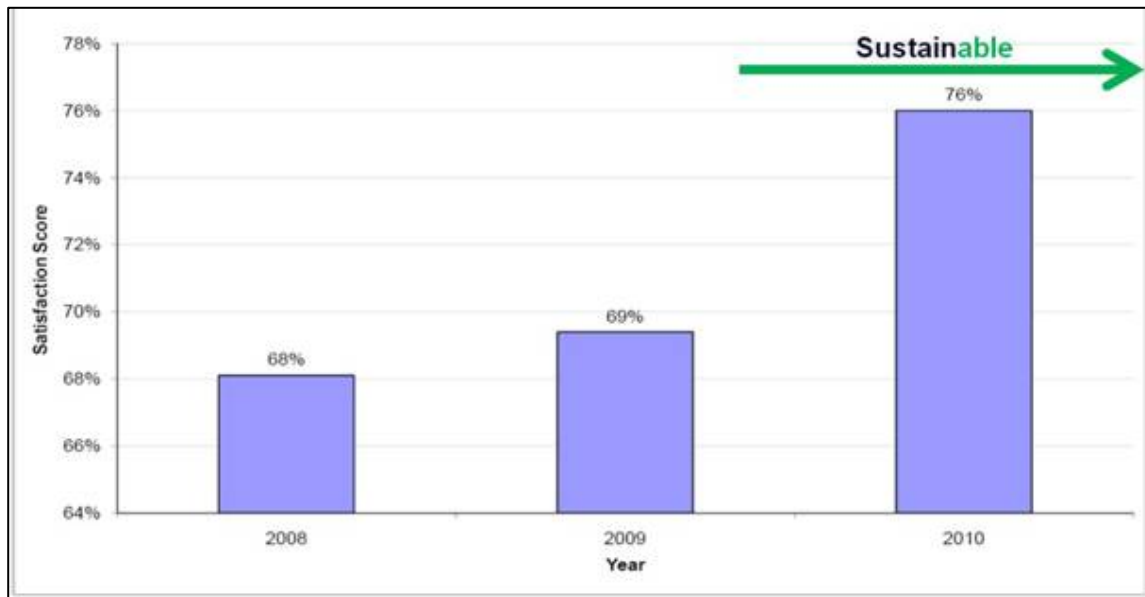
Whilst cement manufacturers have communicated sustainability at a generic level for some time, Lafarge realised that they had a genuine story to tell which addressed the issues raised by the policies. And it was more than simply presenting a positive image; it was also about communicating their growing success at producing and providing genuine sustainability. However, it was essential that they did more than simply talk about their 'green' credentials to the wider-world; they were determined to prove their worth through a focused marketing campaign based on genuine successes.

Using sustainability as a catalyst for change, Lafarge continually review and update their production processes. Including the development of a product positioned to satisfy the market's need for sustainable building materials, called **Cemergi®**. It is the lowest CO₂ embodied cement available for construction in Great Britain. Competitors do not have an equivalent product.

Objectives

- To demonstrate to customers and prospects that Lafarge Cement is continually improving its sustainability achievements in every possible area, at every possible opportunity, to benefit their customers and the environment.
- Increase Lafarge Cement's Sustainability image.
- Increase penetration, sales and market share of **Cemergi®** from pre-launch to launch.
- Increase awareness of **Cemergi®** and its attributes and benefits.

Lafarge UK Sustainability Image



Three level Strategy

Lafarge Cement adopts a three level strategy to drive sustainable consumption in the marketplace and within the company:

- CO₂ reduction
- Waste reduction
- Responsible Sourcing

CO₂ Reduction

Lafarge produces both Packed (in bags) and Bulk (higher quantities e.g. lorry loads) cement offers for different target end user sectors and segments. Over the last five years significant CO₂ reductions in both the packed and bulk cement offers have been achieved:

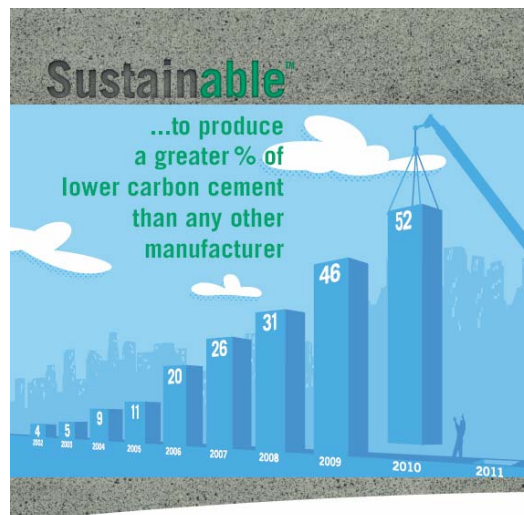
In the Packed sector, the cement range comprises of two main products (General Purpose Cement and Mastercrete) with a further four specialist products completing the range. GPC and Mastercrete represent over 95% of cement sales by volume and from 2006 through 2010, they were both re-engineered to contain approximately 20% less CO₂, whilst still providing customers and end users with the same value proposition as previously, but with the sustainability benefits of lower CO₂.

In the Bulk sector, two lower CO₂ cements (Portland Limestone Cement and Phoenix) and a newly launched product, **Cemergi**[®] have provided the marketplace with a lower CO₂. PLC has approximately 20% less CO₂ and Phoenix has approximately 30% less CO₂. The new and innovative **Cemergi**[®] cement has approximately 45% less CO₂ making it the lowest CO₂ embodied cement manufactured and available in the United Kingdom.

The success of these three products in the marketplace has meant they have moved from representing 13.8% of the Lafarge cement product mix in 2008 to 34% in 2011 so over one third of the entire bulk sales are in lower CO₂ cements. This gives even more indication of the demands for sustainable building materials in the modern day marketplace. When looking at the whole Lafarge Cement product range, the lower CO₂ cements have been increasing within the product mix year-on-year since their launch and in 2011 represented over half of all product sales.

The combined effect of these new and re-engineered products and their success in the marketplace mean that over 1.1 Mt of CO₂ has been saved between 2007-2011 meaning on average over 200,000 tonnes of CO₂ per year has been saved. To put that into context, 200,000 tonnes of CO₂ per year is the equivalent of taking 70,000 average petrol cars off the road per year.

SustainableTM Press Ad – Lower Carbon cement sales %



Sustainable to continually provide more low carbon cement year after year.

In 2010, 52% - that's more than half of our sales - were made up of lower carbon cements compared to just 4% in 2002. An impressive achievement by any standards. And as we are the UK's largest cement supplier, our efforts towards sustainability have a considerable effect on the environment as each tonne of low carbon cement produces up to 26% less CO₂ than traditional cements. What's more, our use of waste fuels and alternative raw materials in manufacture also reduces quarrying of virgin materials and extends the life of our quarries, as well as decreasing potential health of by-products by other industries. Our aim is to continue our year-on-year increase of lower carbon cement sales in 2011 and beyond.

To get the whole story, visit www.sustainablelafarge.co.uk or call 0845 812 8232 www.lafarge.co.uk



Sustainable™ Press Ad - CO₂ Reduction

Sustainable™
 ...to get our transportation on the right track

Sustainable to take 40,000 lorries off the road
 Lafarge cement comes with sustainability built in. For instance, each year, we transport more than a million tonnes of our cement by rail. That's equivalent to taking 40,000 lorries back of the road. And that's only part of the story. By replacing fossil fuels with low carbon waste fuels, this is one of the ways we've also reduced our CO₂ emissions by 3 million tonnes.

The Lafarge Group has been ranked in the Top 100 Most Sustainable Corporations for the past five years and named Britain's Best Sustainability Champion for the last two years.

But best of all, Lafarge cement is sustainable to help you offer your customers the more environmentally friendly products they demand.

Our latest Sustainability Report is now available to download at www.lafarge.co.uk/commercial/sustainabilityreport

To get the whole story, visit www.sustainablelafarge.co.uk or call our technical helpline on 0845 812 8232
www.lafarge.co.uk

Cemergi® Press Ad

No cement in the UK has lower embodied CO₂

FACT

Introducing...
Cemergi. The UK's number one sustainable cement.

With CEMERGI from Lafarge, you can now pass on the benefits of the UK's number one sustainable cement to your customers. A unique mix of Portland cement and ground granulated blast furnace slag, only CEMERGI comes with the perfect blend ready for immediate use.

CEMERGI is sustainable to help you offer your customers the low embodied CO₂ products they demand.

For more information visit www.cemergi.com or call 0845 812 8300.
www.lafarge.co.uk

The hard facts about CEMERGI:

- No cement in the UK has lower embodied CO₂
- Working with only one supplier makes life simpler
- Only requires one storage silo, which saves time and money
- Cemergi comes with a concrete assurance of blend quality
- At Lafarge, our cement comes with sustainability built in.

Cemergi is currently only manufactured in the south of England.

Waste Reduction

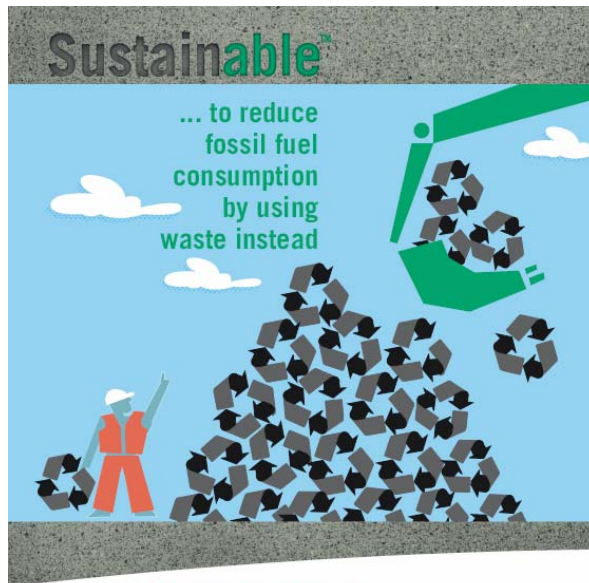
Lafarge Cement has been active in utilising waste materials as an alternative fuel i.e. recycled waste tyres and as alternative materials within the production process. This sustainable approach has reduced the amount of material going to landfill as well as reducing CO₂ produced (50% reduction in construction site waste to landfill – 2011 compared to 2005).

The combined effect of these approaches has meant that over 0.8Mt of CO₂ has been saved between 2007 and 2011, which means on average over 160,000tonnes of CO₂ each year has been saved, which equates to taking over 55,000 average petrol cars off the road peryear.

Lafarge also developed an innovative cement recycling service for customers collecting any out-of-date cement from customers and sends it to one of Lafarge's Works to be re-engineered and processed back into making new products. For every tonne recycled Lafarge has pledged to plant a tree within the local community.

Besides environmental benefits of reducing customers' waste to landfill as these out-of-date products would previously have been scrapped, by using this out-of -date material in new products, it reduces the extraction of virgin materials necessary to make new products. It also provides a lower cost to customers than if they disposed via landfill.

Over 2,500 bags of cement have been collected and recycled, which is enough cement to lay 500,000 bricks. The initiative has been highly praised throughout the industry and has been included in The Construction Products Association 2010 Innovation showcase publication.



Sustainable to process over 6 million waste tyres every year to help cut CO₂ emissions.

Lafarge cement comes with sustainability built in. We're replacing fossil fuels with waste fuels to lower the carbon footprint of our cements and ultimately your products, making us one of the biggest users of waste fuels.

And as we use waste as a fuel, we're lowering our carbon footprint and helping towards more sustainable construction and zero carbon buildings for everyone.

The Lafarge Group has been ranked in the Top 100 Most Sustainable Corporations for the past five years and named **British Precast Sustainability Champion** for the last two years.

We were the first UK cement manufacturer to receive the prestigious responsible sourcing certification (BES 6001), developed by BRE Global.

All of which means Lafarge cement is sustainable to help you offer your customers the more environmentally-friendly products they demand.

Our latest Sustainability Report is now available to download at www.lafarge.co.uk/uk/enb/sustainabilityreport

To get the whole story, visit www.sustainablelafarge.co.uk/waste or call our technical helpline on 0845 812 6232
www.lafarge.co.uk



Responsible Sourcing

Lafarge Cement led the cement industry as it became first GB manufacturer to obtain the responsible sourcing accreditation (BES 6001). This independently and extensively assessment by BRE Global demonstrated that Lafarge is minimising and managing its environmental impacts for areas like CO₂, waste and transport as well as demonstrating that its products' supply chain is traceable and ethical.

Lafarge scored strongly for its products, achieving a 'Very Good' classification for its Bulk and Packed cements and ready-to-use products. This innovative approach of having its entire range assessed means that all of its customers from precast concrete manufacturers and ready mixed to merchants and builders will all receive responsibly sourced products.

Sustainable™ Microsite – Responsible Sourcing



Communicating Sustainability – Strategy and Approach

Although Lafarge had numerous strong, tangible and unique sustainability achievements and messages, communicating them in an engaging way represented a challenge due to the sheer volume of sustainability communications in the industry.

Both qualitative and quantitative market research was conducted to determine what customers thought about Lafarge’s current sustainability efforts, and how this compared to their competitors.

In-depth interviews were then carried out with customers. These showed that there was a sense that organisations were only doing what had been forced upon them and that very few cement manufacturers really cared about sustainability issues. The resulting insight was that if a company was to lay claim to the sustainability territory – and, more importantly, could back up their claims – there was potential for real differentiation in the marketplace.

Strategy and Approach - Sustainable™

All these factors led to the creation of the overarching **Sustainable** concept, which was used to convey the message that Lafarge considers what being sustainable means for customers, not just in theory but in practice. In short, Lafarge were able to deliver sustainability with a purpose, with clear, tangible and commercial benefits for their customers, built-in as standard. And this could, in turn, be used by their customers to substantiate their own claims to sustainability.

Lafarge also utilised existing secondary research to unearth several suitable channels that could be used to deliver their sustainability messages to the market. DM and email were tested on a sample of customers, which provided enough backing to consider both for the campaign, with email performance results being especially attractive.

Leveraging the **Sustainable™** core theme – ‘Lafarge is **Sustainable** because Lafarge is **able to...**’ - Lafarge provided hard evidence about Lafarge’s efforts towards sustainable construction in a simple and original way.

Sustainable™ Concept



Tactics and Implementation - Sustainable™

Direct mail, online display, email, and press were utilised for each message, which all directed traffic to a purpose-built Lafarge sustainability microsite, **Sustainablelafarge.co.uk**, which completed the integrated campaign. Contacts were urged at every touch point to read more about Lafarge’s sustainability credentials and to download the latest Lafarge Cement Sustainability Report (When requiring hard copy information, 64% go online to print it out).

Sustainable™ also featured heavily on Lafarge's exhibition stands at a number of sustainability and construction events, the biggest and most relevant being Ecobuild 2010.

As well as the campaign's unique core theme – **Sustainable™** - the creative imagery was illustrative rather than photographic. This style was previously unseen within the construction industry where photography had dominated press and online. Using illustrations was not only more cost-effective for Lafarge, but also allowed the creative team more freedom to produce imagery that accurately reflected the intended messages.

Tactics and Implementation - **Cemergi®**

The **Sustainable™** vehicle was also used to support the product launch of **Cemergi®**, which also incorporated a strong creative idea based on Lafarge's desire not to green wash, but to provide hard evidence around its sustainability credentials.

The concept entitled 'FACT' was approved and rolled out to market. The thinking behind this was very simple and stemmed from the volume of truths Lafarge could talk about regarding **Cemergi®**. It was not an opinion or a market poll that made **Cemergi®** the number one sustainable cement in the UK; it was and is a scientific fact. The concept allowed the message of each communication to be absorbed quickly by utilising the visual representation of 'FACT' alongside a 'reason to believe' (e.g. No cement in the UK has lower embodied CO₂).

This was backed up by qualitative research project carried out with potential customers' decision makers and key influencers, which showed that majority viewed sustainability communications with a large degree of cynicism. For example; they did not want to see more campaigns showing green fields with children playing in the foreground etc.



Conceptual image

Execution 1



Execution 2



No cement in the UK has lower embodied CO₂

Introducing... Cemergi. The UK's number one sustainable cement.

With CEMERGI from Lafarge, you can now pass on the benefits of the UK's number one sustainable cement to your customers. A unique mix of Portland cement and ground granulated blast furnace slag, only CEMERGI comes with the perfect blend ready for immediate use.

CEMERGI is **sustainable** to help you offer your customers the low embodied CO₂ products they demand.

For more information visit www.cemergi.com or call 0845 812 6300.

www.lafarge.co.uk

The hard facts about CEMERGI:

- No cement in the UK has lower embodied CO₂
- Working with only one supplier makes life simpler
- Only requires one storage silo, which saves time and money
- Cemergi comes with a concrete assurance of blend quality
- At Lafarge, our cement comes with sustainability built in.

LAFARGE
bringing materials to life™

Cemergi is currently only manufactured in the south of England.

DM

Cemergi. The hard facts

CEMERGI is a factory produced Blastfurnace cement suitable for most applications.

CEMERGI is a Blastfurnace cement which conforms to BS EN 197-4 CEM III/A-42,5L with a minimum blastfurnace slag content of 50%. It is a quality assured cement with independent third party certification and carries a CE mark.

Applications

CEMERGI is recommended as a sustainable alternative to Portland cement for most applications including civil engineering, building, ready-mixed concrete and concrete products.

For more information, visit www.lafarge.co.uk or call 0845 812 6300.

Cemergi.
The UK's number one sustainable cement.

Florida Hills, Cemergi is currently only manufactured in the south of England.

Benefits

- No cement in the UK has lower CO₂
- Working with only one supplier makes life simpler
- Only requires one storage silo, which saves time and money
- Cemergi comes with a concrete guarantee of blend quality
- At Lafarge, our cement comes with sustainability built in.

LAFARGE
bringing materials to life™

The UK's number one sustainable cement.

Our ongoing commitment to sustainability has seen the Lafarge Group ranked in the Top 100 Most Sustainable Corporations in the World for the past 6 years - and CEMERGI marks our most valuable contribution to sustainability yet.

A unique mix of Portland cement and ground granulated blast furnace slag, only CEMERGI comes with the perfect blend ready mixed and ready for immediate use.

With CEMERGI from Lafarge, you can now pass on the benefits of the UK's number one sustainable cement to your customers.

Sustainable®

(DM opens up to reveal FACT image)



Email



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The UK's number one sustainable cement

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Sustainable
Please note Cemergi is currently only manufactured in the south of England.

Online Display



Ecobuild 2011



Campaign Results

Although much larger than the packed sector in terms of value per order and total quantity, the number of prospects and customers in the bulk-buying sector that Cement manufacturers are able to target directly is comparatively small. Therefore the following results are both a great indicator

that sustainability is becoming more important within the construction industry and also act as a good indicator that Lafarge are effectively promoting sustainability within their organisation.

Between 2007 and 2011, through developing and promoting sales of lower CO₂ cements we have reduced CO₂ emissions by 1.1 million tonnes, which is approximately 200,000 tonnes per year.

Results – Sustainable™

Campaign email results were excellent with the highest open-rate being over 25%. Average click-through rates for the three emails was 7% (10% for the CO₂ reduction message). 32% completed the online survey and 43% of those respondents opted-in to receive email communications from Lafarge.

A key indicator of Lafarge's sustainability perception comes from the annual Lafarge Cement UK customer satisfaction survey. At the end of 2008 Lafarge's sustainability image was at 68%, which was improved upon by 1% in 2009. However survey results following **Sustainable™** campaign activity at the back end of 2010 showed that Lafarge's sustainability image had increased to 76%, a 7% increase on the previous year.

Results – Cemergi®

The **Cemergi®** information page received 219 unique visits in Q1 2011. Sales volume, market share and penetration increased significantly compared to 2010's pre-campaign figures (see table and graphs below).

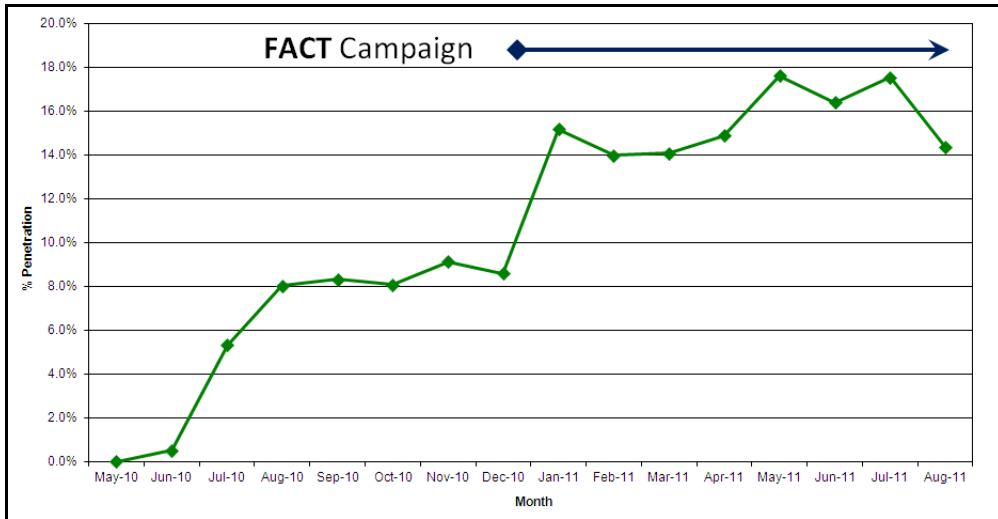
Over an 8 month period, from December 2010 to August 2011, the penetration of **Cemergi®** in the South East within Lafarge's product mix increased from 8.6% to 14.3%.

The market share over the same time span grew by 38% from 2.9% to 4.0%, and monthly sales volume increased by over 340% (2,225 tonnes to 9,894 tonnes per month). By August 2011 the cumulative sales volume for 2011 was already at 72,373 tonnes.

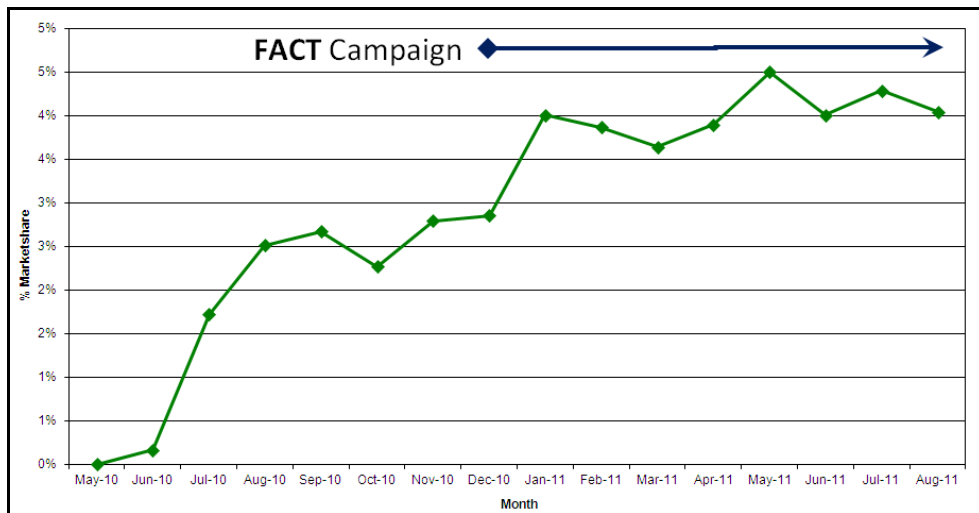
Campaign Performance

Cemergi®		GB Monthly Sales Volume	SE Market Share (%)	SE Penetration (%)
Dec 2010	Pre-Campaign	2,225	2.90%	8.60%
Aug 2011	Target	8,000	3.80%	12.00%
Aug 2011	Actual	9,894	4.00%	14.30%
Aug 2011	Variance (Act-Tar)	1,894	0.20%	2.30%
Aug 2011	% Variance (Act-Tar)	85%	6.90%	26.74%

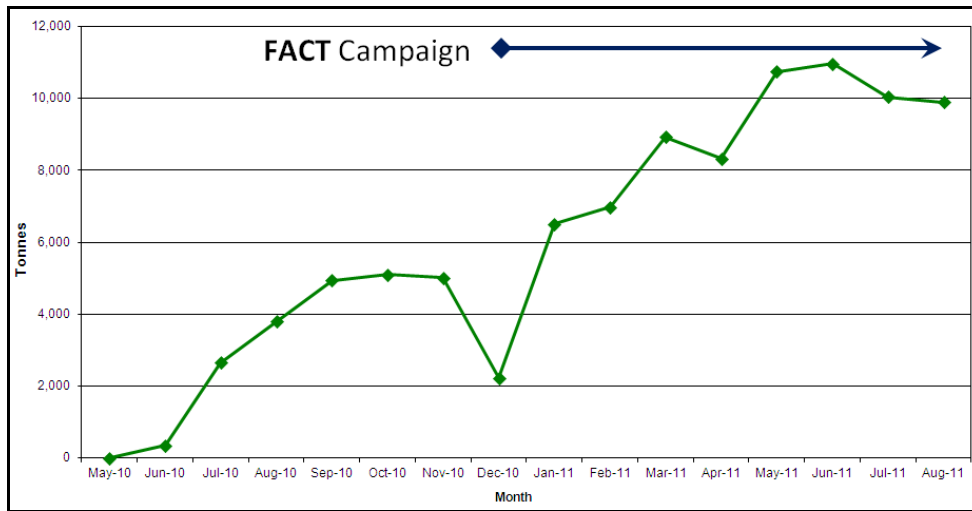
South East Penetration (%)



South East Market Share (%)



GB Sales Volume (Tonnes)



GB Cumulative Sales Volume (Tonnes)

