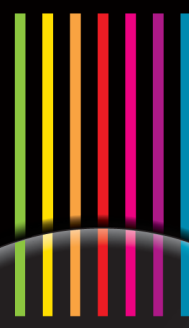


MARKETING EXCELLENCE 2

Marks & Spencer

Pioneering a sustainable business



MARKETING SOCIETY

AWARDS FOR EXCELLENCE

in association with **Marketing**

About The Marketing Society



INSPIRING BOLDER MARKETING LEADERSHIP

The Marketing Society is a not-for-profit organisation owned by its members, with over 2500 senior marketers. Over the past 50 years it has emerged as one of the most influential drivers of marketing in the UK business community.

The Society challenges its members to think differently and to be bolder marketing leaders by supporting the development of leading-edge thinking, and promoting the evidence of effective marketing. The Society does this through the Marketing Society Awards for Excellence; its publications Market Leader, Our Week and rich online Knowledge Zone; a national programme of world-class events; innovative professional development, such as the annual Marketing Leaders Programme; and extensive on-and-offline networking opportunities.

www.marketing-society.org.uk

Foreword

By Roisin Donnelly,
President of The Marketing Society

What is marketing excellence?



Roisin Donnelly
President of
The Marketing Society
Corporate Marketing
Director and Head of
Marketing at Procter &
Gamble UK and Ireland

Marketing excellence can drive breakthrough business results for the short and long term. Marketing excellence requires great strategic thinking, great creative thinking and perfect execution.

But how do we assess *marketing* excellence? First we choose brilliant industry judges who are all experienced and successful practitioners of excellence and we ask them to pick out the cases which they see as remarkable. We ask them to look for two key qualities from our winners: creativity and effectiveness.

But marketing continuously changes and evolves, as consumers become more sophisticated and demanding and the media for communicating with them ever more diverse. So the standards for marketing excellence change and in turn become more demanding.

We believe that The Marketing Society Awards for Excellence in association with *Marketing* set the standard of marketing excellence in the UK. They have established this reputation over a period of

more than 25 years, and they have always been based on the principle of searching out the best examples of different marketing techniques in action, that showcase great strategic thinking, great creativity and perfect execution.

In order to be a winner of one of the Society's Awards, marketers have to demonstrate that what they have done is outstanding in comparison with marketing in all industries not just their own particular sector.

If a marketing story has been good enough to impress our judges, then all marketers can learn from it – however senior they have become. The collection of case histories brought together in this book is the best of the best from the past four years of our Awards, and I am confident that it truly demonstrates *marketing excellence*. I have been truly inspired by these case studies and I hope you will be too.

Marks & Spencer

Pioneering a sustainable business

Snapshot

Marks & Spencer has put sustainability at the heart of its business.

Key insights

- For Marks & Spencer (M&S) going green has meant not just transforming every part of its business but trying to change the attitudes and behaviour of its 25 million customers.
- A carefully-planned, three-stage approach has worked by convincing, not cajoling, people to do the right thing and change behaviour.

Summary

M&S is one of the UK's leading retailers, selling clothing, food and homeware. In 2006 the company became determined to put sustainability at the heart of its business. It set out to transform every aspect of the company, from sourcing products to relationships with suppliers, shoppers and the wider world.

To succeed, it would have to change the attitudes and behaviour of every one of its 25 million shoppers. Since its inception it has passed through three distinct steps. The first step, 'Look Behind the Label' raised awareness and approval of a whole range of initiatives — and the brand itself.

The second step, 'Plan A', involved a more thorough reappraisal of M&S, and set out a five-year plan involving 100 commitments. After only a year, it had reached many of its goals and achieved significant recognition from opinion leaders. But it still didn't change the average shopper's behaviour.

It was the third step, 'Doing the Right Thing', that accomplished this by 'normalising' the aims of Plan A and expressing them in a way that seemed right and proper to mainstream people. In a relatively short time the measured attitudes of a million shoppers had changed, moving from a passive, defeatist approach towards a more actively sustainable, optimistic one.

Facing a changing world

For well over a century, and long before words like ‘sustainability’ entered the vernacular, M&S had been quietly practicing a whole range of ethical business practices. For example:

- A hundred years of long-term, mutually-beneficial relationships with suppliers.
- Fifty years of smoke-free shopping.
- Forty-five years of energy-efficient thermostatic fridges.
- ‘A returns’ policy unmatched for generations.
- Free-range eggs long before most people knew or cared what the phrase ‘free-range eggs’ actually meant.

But times had moved on. By the early years of the 21st century things had reached the point where, without drastic action, it would be hard to imagine any kind of decent future for forthcoming generations. For M&S it was time to do something more about sustainability.

In 2006, it took a long, hard look at its ethical and sustainable activities as a whole, and set out to ‘move them up a gear’ and to gather support behind them. Its aims were to change the business from root to branch, and through this to help change lives and, in as far as it was able, to do what it could to help change the world for the better. This was never going to be a quick fix.

Nor, realistically, was it ever going to be something that could be fully achieved completely, or to everyone’s complete satisfaction. A journey is the best way of looking at it. By the end of 2009 it had been a journey that had passed through three distinct steps. Each step moved M&S and its partners towards a better place — although there was still a long way to go, and there probably always will be.

Listening to the customers

A number of studies had been conducted into what consumers thought about sustainability and the environment, and, broadly speaking, they coincided. Generally, 20% didn’t care and weren’t interested. The rest (80%), said they did care — to some degree — and to some degree thought that being ‘green’ was the ‘good’ or ‘right’ thing to do.

However, only a minority (10%) actively went out of their way to do something about it. The main bulk said they might do something if it was easy and didn’t involve making sacrifices (35%) or that they didn’t see what difference it would make anyway (35%) (Figure 1). Making millions of shoppers less defeatist, and more willing, was never going to be an easy task.

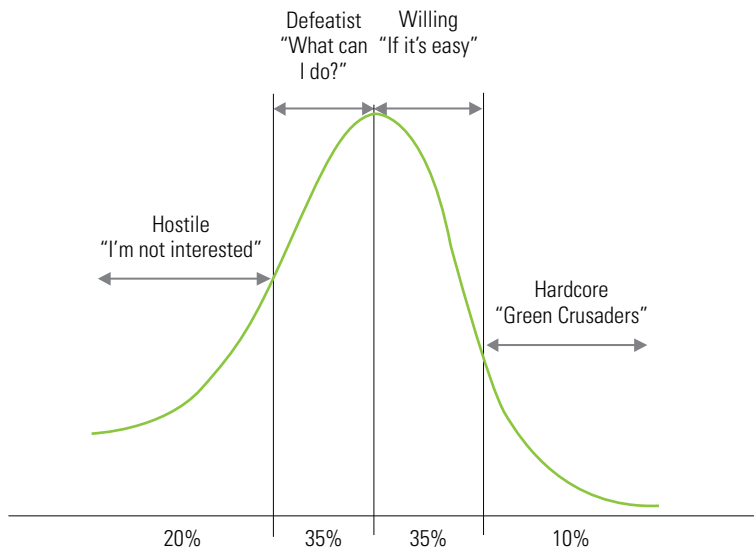


Figure 1. What consumers think about sustainability
Source: TGI



Figure 2



Figure 3. Raising awareness about sustainability

Embarking on a long journey

Step One, 2006: Look Behind The Label

The first step was about raising awareness and encouraging approval. For socially and environmentally-aware consumers 'Look Behind the Label' drew attention to a range of things M&S was doing, from sourcing Fairtrade to environmentally-friendly textile dyes (Figures 2 and 3).

This programme resulted in increased awareness and approval of M&S initiatives, particularly among opinion formers and the ethically-aware. Highlights included:

- Voted Britain's Greenest Supermarket by consumers and most popular with socially/ environmentally-aware shoppers.
- Evidence collected by Citigroup analysts suggested that 'Look Behind the Label' was the most successful campaign M&S had ever run.
- Compassion in World Farming's Good Egg Award for free-range eggs.
- Top of the Marine Stewardship Council League for sustainable fishing.
- RSPCA Good Business Awards for best fashion retailer.

But the company felt there was more to be done. 'Feel good' awareness and approval among people who are already concerned about ethics and the environment was a good thing, but it didn't always translate into tangible change in the world. What needed to be done was to move people from just feeling something to actually doing something — from awareness and approval to engagement and commitment.

Step Two, 2007/8: Plan A

The next stage was about engaging and attracting commitment. In 2007, after a process involving stakeholders both from inside and outside the business, M&S set out its new plan: 100 commitments, in five 'pillars', to be accomplished in five years. It was called Plan A because, the argument went, there was no Plan B. It was to encompass all of the big issues in the business and across the entire value chain. The end of all this would be a transformation of M&S itself, its business practices, its relationships with customers and suppliers and its dealings with the world at large. Few, if any, major retailers had ever done anything like this before.

The pillars of Plan A were:

1. Climate change: to make M&S's operations carbon-neutral.
2. Reducing waste: to have zero waste going to landfill through reducing and recycling bags and packaging.
3. Sustainable raw materials: to source the most sustainable and renewable materials available.
4. Being a fair partner: to improve the lives of hundreds of thousands of people in the supply chain and their families and communities.
5. Health: to help thousands of employees and customers choose a healthier lifestyle.

Plan A had to be much more than a 'feel good' campaign. It required engagement and commitment from M&S itself and from customers. It meant making difficult decisions. People who had become accustomed to getting as many plastic carrier-bags as they liked for free would suddenly find themselves having to bring their own shopping-bags from home (like their mothers used to do) or else pay 5p a bag.

They would be expected to see the point of it, and think it a good thing, rather than a rip-off or a nuisance.

The achievements of the initial phase of Plan A were notable because it began the process of bringing about tangible change, including:

- Reduced 10,000 tons of packaging.
- Diverted 20,000 tons of waste from landfill.
- Saved 40,000 tons of CO₂.
- Saved 387 million food carrier bags (an 83% reduction).
- Used 1,500 tons of recycled polyester (equivalent to 37 million bottles).
- Organic food sales 2007/8 up 40% compared to 2006/7.
- Saved 100 million litres of water.
- Generated £15 million for charities, including £1.6 million raised for Breakthrough Breast Cancer and £600,000 raised to educate 15,000 children in Uganda.

In addition, recognition from opinion-formers continued to grow. Not only did the company receive a whole range of environmental and ethical awards but it managed to get significant opinion-former involvement in the Plan A Climate Change Quilt project. Over 5,000 people contributed to the website, including message patches from Twiggy, Myleene Klass, Jemima Khan, Geri Halliwell, Tom Aikens, Philip Glenister, Noemie Lenoir, Zac Goldsmith and Sir Ian Botham, as well as top executives from charities such as WWF and Oxfam.

But there was more to be done. Plan A had created extremely high levels of engagement and commitment among both staff and internal audiences and ‘Green Crusaders’, while it made people in general feel better about the company. However, what it didn’t do was to get enough mainstream customers to change their attitudes and behaviour significantly. A lot of people still didn’t understand Plan A. They suspected that the 5p carrier bag policy was a cunning way of benefiting M&S — despite the fact that the profit was donated to an environmental charity. More needed to be done to change mainstream attitudes and behaviours.

Step Three, 2009: Plan A: Doing The Right Thing

This was about going mainstream and getting to those people who weren’t the active, committed Green Crusaders and who felt happier being comfortable, fitting in and doing what’s generally considered to be normal, acceptable and right. But ‘normal, acceptable and right’ is a moving standard. Twenty years ago people sat with their children in buses and train carriages filled with a thick fog of cigarette smoke and no-one thought twice about it. Twenty years ago, people bought battery eggs, and anyone who made a fuss about free-range was thought to be a bit odd.

2008 awards and recognition for Plan A

- World Environment Centre Gold Medal for International Corporate Achievement in Sustainable Development 2008
- British Renewable Energy Awards Pioneer Award
- Property Executive Sustainability Award for Excellence (Pollok Store)
- Retail Interior Award — Green Store of the Year (Bournemouth)
- RSPCA 2008 Awards — Cosmetics winner; Ongoing Commitment to Change Award; Fashion Winner; Best Large Retailer and Food Winner; Best Supermarket Award

2009 awards and recognition for Doing the Right Thing

- Joint winner 2009 Consumer Focus ‘Green to the Core’ supermarket league table
- Retail Leadership Award 2009, Greener Package Awards
- Fashion Commitment Award 2009, RSPCA Good Business Awards
- 2009 Winner Environmental Investigation Agency’s supermarket refrigeration table
- 2009 Winner Pesticide Action Network UK supermarket pesticide league table
- 2009 Most Ethical Retailer, *Cosmopolitan* Magazine Awards
- High Street Recycling Champion 2009, Letsrecycle.com Awards
- Environmental Initiative of the Year in the 2009 International Wine Challenge Awards
- Top 100 in Ethisphere World’s Most Ethical Companies
- Regular analysis from CIU department showing M&S as the most ethical/green retailer

M&S needed to find out how to:

1. Normalise Plan A. That meant re-framing or re-positioning the commitments so that they would be seen by the public at large as the 'default' choice of normal, right-thinking people like you and me, rather than the active hobby-horse of rainbow-clad people with dreadlocks who lived in yurts and constructed their own wind-turbines out of bits of old bicycles.
2. Talk about the benefits. It had to be made into a win-win situation, not seen as a puritanical sacrifice. Ethical food and ethical fashion should stimulate someone's desires first and their conscience second.

The 'normalising' idea, when it came, came from consumers themselves. In research, the same phrase kept coming up time and time again: Doing the Right Thing. As in, "I just want to do the right thing." There are any number of people who might, or might not, decide to take part in something called 'Plan A', but there are very few people who don't want to be seen to 'do the right thing'.

To put it another way, the thrust of the argument behind the campaign changed from objectivist ("It's a fact that we need to deal with these issues.") to approbationalist ("All right-thinking people think this is a good thing to do, and they'd feel good about you for doing it.").

This made it feel a lot more friendly and normal. Then there was the job of making it seem not just normal and friendly but desirable, and for this there was a deliberate communications policy of always using 'Doing the right thing' in combination with examples of the benefits and pleasures offered by M&S quality (Figures 4 and 5).



Figure 4. Doing the Right Thing campaign



Figure 5. Doing the Right Thing campaign

The Oxfam Clothes Exchange programme

This was the UK's largest clothes recycling initiative. Customers were encouraged to donate their old M&S clothes to Oxfam, in return for which they got a £5 voucher. People felt virtuous for having done the right thing, pleased with their £5, and good about M&S quality after learning that the clothes they donated had a high value to Oxfam on account of being so well-made and long-lasting.

This third stage resulted in the following achievements:

- Began the process of changing mainstream attitudes and behaviour, resulting in a less defeatist attitude, with a million more shoppers willing to do something (Figure 6).
- Continued reduction in carrier-bag usage, doing away with 400 million bags and raising £1.2 million for its partner, environmental regeneration charity Groundwork.
- Over a million people donated M&S clothes to Oxfam and collected their voucher. 3.2 million M&S garments were recycled and £2 million raised for Oxfam.

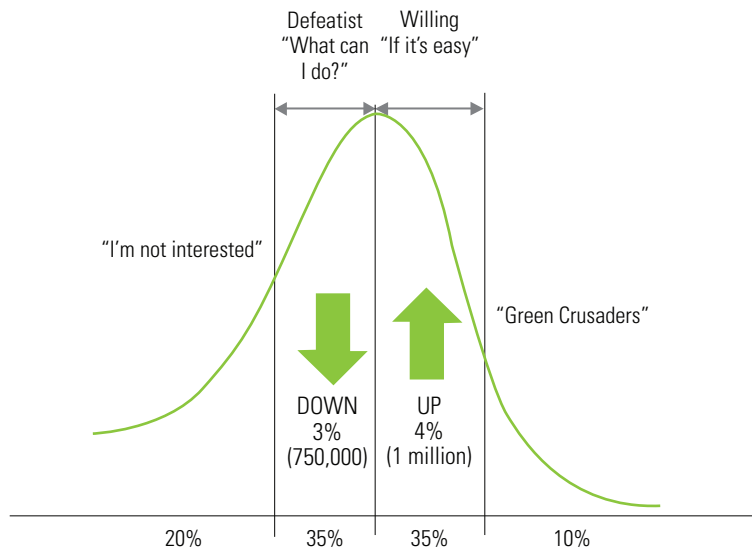


Figure 6. Changing consumer views
Source: TGI

M&S set out on a journey whose aim was to build a better business that improved lives, changed attitudes and behaviour and made the way we live better and more sustainable. Although it is a journey possibly without end, the first three steps achieved remarkable results.

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BT operates in over 170 countries and is one of the world's leading communications services companies. BT is a major supplier of networked IT services to government departments and multinational companies. It's the UK's largest communications service provider to consumer and business markets and is made up primarily of four customer-facing lines of business: BT Retail, BT Global Services, Openreach, and BT Wholesale.

BT operates in a thriving, multi-trillion pound industry that spans the whole world. In recent years the global communications market has been focused on convergence, whereby the boundaries between telcos, IT companies, software businesses, hardware manufacturers and broadcasters have become intertwined to create a new communications industry.

BT has evolved from being a supplier of telephony services to become a



"We know insurance isn't just about policies' and pensions; it's about people. That's why we're making our customers the big picture, putting a spotlight on them and our people. Putting customers at the heart of everything not only makes sense for them, it makes good commercial sense too." (Amanda Mackenzie, Aviva's chief marketing and communications officer)

We are working hard every day to build the company around what our customers want from us. That's why Aviva now ranks among the UK's top ten most valuable brands, according to the 2010 Brand Finance Global 500 survey and that success is something we are looking to replicate across the world.



leading provider of innovative communications products, services, solutions and entertainment products. BT's business customers range from multinational, multi-site corporations to SMEs and start-ups.

More than 80 per cent of the FTSE 100 and 40 per cent of Fortune 500 companies rely on BT for networking, applications and system integration. The National Health Service, Procter & Gamble, PepsiCo, BMW, Emirates, Fiat, Microsoft, Philips, and Unilever are just some of the organisations working with BT.

BT has been a driving force behind the success of 'Broadband Britain'. Thanks to the company's investment, nearly every home in Britain now has access to broadband and in September 2009, BT announced plans to more than double the availability of its fastest fibre broadband service.

MARKETING EXCELLENCE 2

“A treasure trove of examples covering the whole waterfront, from launching new brands to revitalising, sustaining and extending established ones, and from insights to advertising and sustainability. Whatever your business, it should make you proud to be a marketer, shake up your thinking and inspire you to go the extra mile.”

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“This exciting book demonstrates how great marketing can solve the most difficult problems, through analysis, teamwork and creativity.

It contains 34 fascinating case studies, selected from hundreds of high quality entries to The Marketing Society Awards for Excellence. Those involved had the determination to win, and the courage to think differently. An inspiring read.”

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