IN MY VIEW

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In search of the corporate soul

"We live in fractured and distrustful times and if institutions are failing us, company leaders need not do the same. Control over the products, services and behaviour of companies is in the hands of individuals and it's possible and profitable to do the right thing." These words, from *Market Leader* editor Judie Lannon, echo a growing sentiment.

Yes, trust has been broken. Yes, dodgy companies need to repent for their nefarious behaviour so it can be restored. But why the sudden need to imbue companies with personality and think of them as our friends? A few years ago, nobody cared. It didn't matter that your bank was a big unfriendly giant ruled by highly paid higher-ups when the only requirement for getting a loan was having a pulse. So is trust only important when times are tough? Does it matter what goes on behind closed boardroom doors as long as we get what we want?

In any case, companies are responding. If they're lucky, doing so coincides with their primary goal to maximise shareholder value so there's no need to sacrifice. For example, stores may have a month of trade-ins where customers can bring in old merchandise to qualify for discounts on new products. The company also gets to enjoy fat deductions when the old products are donated, which unsurprisingly coincides with the end of every tax year. Everyone wins.

But what about the other side? How likely is it that consumers will do the "right" thing when money is tight and we need to think of ourselves? Would you really choose to save the planet (which has been through much worse than climate change, by the way) over saving what little money you have left? For example, if two laundry detergents worked equally well, would you opt for the eco-friendly one if the other costs substantially less? And what if they both cost the same but the regular one did a far better job?

All this talk about green being the new black (we've been through so many colours already, you'd think black would be the new black by now) seems a little much. Much of it is based on surveys to determine purchase intention even though studies indicate this correlates to actual behaviour only a third of the time.

Anne Sharp and Kate Newstead of the Ehrenberg-Bass Institute for Marketing Science capture it well: "Many studies do show that most people value 'buy local' and 'go green' sentiments. But these attitudes correlate poorly with actual in-store behaviour. This isn't to say that consumers don't care about green benefits at all. It's just that the average shopper is a cognitive miser who purchases quickly and automatically. And despite the best of intentions to prioritise green products, what ends up in the shopping trolley is usually based on habit and unconscious processing, rather than on rational decisions."

> "Stamping 'green' on the side of the box is no get-out-of-jail-free card"

Like with companies, the ideal situation is when what benefits the environment benefits the individual (eg installing efficient lighting to save on your electricity bill) or doesn't cost the individual at all (eg having a company donate to charity if you retweet their message). The ideal situation is when we have good products from good companies that deliver sustainable benefits at prices that are fair.

"Stamping 'green' on the side of the box is no get-out-of-jail-free card," Sharp and New-stead continue. "Who wants to buy an Apple computer just because it's shipped in a smaller box? But, if it still delivers on speed, software and aesthetics, and is shipped in a smaller box, then this can be the added value that encourages consumers to choose that brand." That's where the real value lies. ■