

If CMOs don't  
have transparency,  
how can they give  
it to consumers?





In today's market, sustainability sells. According to the IBM Institute for Business Value's (IBV) [2022 CEO Study on sustainability, "Own Your Impact,"](#) almost half of global consumers have paid a premium for sustainably branded products in the past year. Consumer demand for sustainable brands has been growing for more than a decade, and [IBV research](#) has found that purpose-driven consumers—shoppers who seek brands that align with their values—now comprise the largest segment of the consumer market.

Unsurprisingly, sustainable branding has proliferated as demand grows. A 2022 study found that about half of all new products launched in the prior year were branded as sustainable, an increase of 20 percentage points since 2017. With so much saturation, how can CMOs build brands that stand out to purpose-driven customers? The key to real differentiation for sustainable brands is...data.

Call it the new oil, the new water or the new gold. However you see it, data is arguably the most important resource for CMOs today. In a market flooded with greenwashing and patchworks of different standards and certifications, consumers are hyperconscious of sustainability claims. Meanwhile, CEOs are under intense pressure from board members and investors to demonstrate sustainability progress, according to ["Own Your Impact."](#) All of these stakeholders are searching for substance and demanding transparency.

Data is key to communicating the impact consumers actually care about. According to IBV research, 20% of customers say a better understanding of how a purchase contributes to social responsibility would convince them to buy that product. The same percentage of consumers say that more information about where products are sourced, produced and manufactured is what would make the difference for them. Consumers want to understand impact on a personal level, and that means traceability and transparency.

To get data that can provide that, CMOs need to collaborate with leaders in technology, finance, operations and supply chain management to ensure that the right information is being properly collected, managed and analyzed for use in consumer communications and customer experiences.

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Here's an example from the coffee industry: Coffee drinkers worldwide knock back more than half a trillion cups a year, and they're willing to pay \$1.36 more per pound for coffee that's produced in an eco-friendly way. In 2020, almost half of all new coffee product launches carried an ethical or environmental claim. Yet real transparency around sustainable coffee production is scarce.

Technology company [Farmer Connect](#) worked with IBM to develop a blockchain-based platform that traces the journey of an individual coffee bean from farm to cup. This is data that would help any CSCO identify bottlenecks, drive efficiency and manage risk. But Farmer Connect recognized that consumers, too, care about traceability, so they created a mobile app called [Thank My Farmer](#). It enables customers to scan a QR code and learn about every step that led to their double espresso, including cultivation, harvesting, roasting and shipping. Customers can even tip the farmers who grew the beans.

This transparency is a stark contrast to generic sustainability badges and claims, and it shows how back-end processes can provide deeper insights that can be transformed into a customer experience that builds brand value and loyalty.

Not every company can create its own innovative platform to leverage the data they hold—but every organization is indeed sitting on its own gold mine of data. And according to IBM managing partner Mike Stone, most organizations make effective use of only 20% to 25% of their data. “They’re wasting their most valuable resource,” he says. Why? While businesses amass vast amounts of data, they often “don’t actually know what to do with it once they’ve got it,” he says.

Put another way, if CMOs have only the data that's required for ESG compliance, they can't tell more stories about what their consumers want to know. The task at hand: get greater access to organizational insights, and then “develop an ability to reason over the data,” Stone says. This means finding signals in the noise as to what sustainability means, not just for an organization's ESG performance, but to actual consumers. For many CMOs, who are natural creatives and storytellers, that's a welcome challenge—but they need a full view first. As the experts on what their consumers want, CMOs should feel empowered to take a leadership role in defining their organization's data strategy.

To learn more about data-driven sustainability—and the technologies that can unlock it for CMOs—read the [2022 CEO Study “Own Your Impact.”](#)

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