

Executive Summary

Design for Business: Research
International Conference and Publications

**Sustainable design
leads to higher profits
and customer loyalty**

Issue #3 Mar-Apr 2015

Presented by Ideas on Design with the State Government of Victoria

Presenting the
latest thinking on
design as a strategic
resource for business

Once there is something substantial to communicate in terms of a real, measurable corporate green campaign, only then it is important to craft an effective green narrative. But for those trying to fool people into believing a false green message, the results will eventually backfire.

Thomas Schueneman
Founder GlobalWarmingisReal.com

'Greenwashing is the selective disclosure of positive information without full disclosure of negative information so as to create an overly positive corporate image'

Lyon & Maxwell, 2011

This is the third issue of a bi-monthly bulletin sharing executive summaries of international research papers about design driven business strategy.

Researchers profiled in these Executive Summaries come from esteemed universities, research centres and businesses.

Their expertise in design and business-led innovation has been sought by leading businesses such as Coca-Cola, P&G, Turner Broadcasting, Unilever, General Motors, Kraft, Nielsen, Rio Tinto, BHP Billiton, Melbourne Airport, ANZ, Deloitte, Fuji Xerox, Vodafone, Bentley, Cadbury, Sydney and London Olympics, Nespresso, NFL, General Electric, IBM, Harley-Davidson, Nike, Converse, GAP, Caterpillar, British Airways, MasterCard, and many others.

This third issue presents **'Ethicalization' and greenwashing: Business, sustainability and design** by Dr Robert Crocker, Acting Director, Zero Waste SA Research Centre for Sustainable Design and Behaviour, University of South Australia

'Ethicalization' and greenwashing: Business, sustainability and design

Dr Robert Crocker, University of South Australia

A commitment to sustainability implies wanting to save the planet. As a result, 'going green' is increasingly becoming a target for corporate spin. While there are genuinely green companies that are making important progress in reducing emissions, transforming their supply chains and their own behaviour, not all businesses follow these practices when claiming they are green.

The rush by many corporations to appear environmentally friendly is more likely being shaped by demands from the broader public for more ethical business practices. 'Greenwashing' is the unethical practice of responding to this increased social and cultural demand for 'ethicalisation'.

Greenwashing and the problems of the 'sunk-cost effects'

Greenwashing typically involves using specialist charities or NGOs to somehow 'verify' a company's progress towards greater sustainability. This means that some companies are often employing distraction to metaphorically offset a large-impact dirty (or 'brown') activity with a smaller green one.

The problem that is causing companies to resort to greenwashing, rather than to change their practices entirely, can be attributed to the 'sunk-cost' effect. This is a fear of the financial loss that might result from changing their practices, even if not changing may cause much greater loss. For some large businesses, their current practices may have been one hundred or more years in the making, and soaked up significant investment, so change is a major issue. For example, for a corporation that has always drilled, processed and sold oil to change its ways of working can be extremely difficult.

The integration of public relations, marketing and advertising strategies has become more common among large, transnational corporations. This holistic approach to promoting corporate philosophy now involves presenting ethical claims within a cycle of regular sustainability reports. In a world that increasingly demands higher standards, these actions reflect a growing concern for corporate reputation. The aim is to ensure that the brand will not only appear viable in the eyes of stockholders but also ethical in the eyes of stakeholders.

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Image sourced: www.shadowness.com

Most branded products today can be seen as a directive practice aimed at boosting sales and intensifying consumption, regardless of the product's environmental or social consequences.

The techniques that 'brown' companies use to create such a 'green shine' are well known and widely practised in industry. These include: purchasing green start-ups so they can be seen to be showing interest in 'green' practices; supporting or becoming directly involved in an environmental or developmental charity or NGO for the purpose of 'borrowing' their legitimacy; and developing and heavily advertising a green product or service, even if it represents a very small portion of what they do.

In spite of this, as more and more consumers demand higher standards from the makers or distributors of the goods and services they use, such greenwashing practices are increasingly being questioned and exposed. On the other hand, companies that are recognised as being genuine leaders in sustainable green practices are regularly registering reductions in operational costs and increases in revenues.

How can designers help?

The design of most branded products today can be seen as a directive practice aimed at boosting sales and intensifying consumption, regardless of the product's environmental or social consequences.

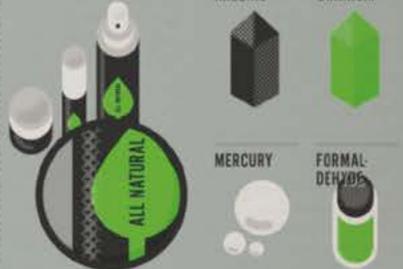
Nevertheless, designers are more and more interested in exploring different ways of designing, marketing and selling products to not only enhance their longevity but also our attachment to them. They might, for example, be looking at how they can ensure a product, while in use, is internally upgradeable and sufficiently robust to withstand the small accidents of life, and remain attractive enough to be something we can value for longer.

With this aim, designers are increasingly trying to integrate sustainability criteria and practices into their work, from material reduction and substitution to lifecycle analysis. This new design initiative, coupled with the deepening ethicalisation of public life and consumption, is helping businesses to respond and assert themselves in this new area of responsibility.

With the help of designers, implementation of sustainable practices can be not only good for the environment but also good for the business.



SEVEN COMMON WAYS COMPANIES GREENWASH

<p>NO PROOF No 1</p> <p>No third-party certification – consumers have no way of validating marketing claims.</p> 	<p>HIDDEN TRADE-OFF No 2</p> <p>From a Sustainably Harvested Forest ≠ Environmentally Preferable Product.</p> <p>These production factors may be equally or more significant:</p> <ul style="list-style-type: none"> ENERGY USE  WATER POLLUTION  GREENHOUSE GAS EMISSIONS  	
<p>SMOKE & MIRRORS No 3</p> <p>While a fuel-efficient SUV is better than a Hummer, it mainly shifts attention away from the environmentally unfriendly heart of the product.</p> 	<p>VAGUENESS No 4</p> <p>"All-natural" doesn't always mean "healthy."</p> <p>"All-natural" materials alarmingly include:</p> <ul style="list-style-type: none"> ARSENIC  URANIUM  MERCURY  FORMALDEHYDE  	
<p>FALSE LABELS No 5</p> <p>Beware of "green" logos: they often don't represent legitimate organizations.</p> 	<p>IRRELEVANT No 6</p> <p>This is misleading-CFCs are already banned by law.</p> 	<p>BOLD LIES No 7</p> <p>With lax government oversight, many companies slap seemingly legitimate labels on poorly tested products.</p> 

Design for Business

The Design for Business program conducted in Melbourne is a key event at the annual Melbourne International Design Week. The program is presented by Ideas on Design in partnership with the State Government of Victoria. The program includes a Business Seminar and Research Program.

Research Program

Initiated in 2011, this trans disciplinary conference invites researchers and professionals from Australia and around the world to present their latest studies on the intersection of design and business. All submissions are subjected to rigorous peer review. Reviewers are drawn from a panel of over 100 internationally acclaimed experts.

By encouraging discourse on design and its benefits to business, we help our stakeholders to further understand the role of design in creating value. Full papers presented at this conference are published globally via Intellect Books and their association with University of Chicago Press.

This research program is presented in partnership with Swinburne University of Technology with support from Auckland University of Technology and RMIT University School of Business.

Business Seminar

Another key event for business presented annually by Ideas on Design during Melbourne International Design Week, Business Advantage, presents business case studies about how design can make a difference to awareness, performance and profits.

The selected speakers for Business Advantage are pivotal in applying the power of design to achieve highly effective solutions. Through their case studies, we show how design is essential for innovation.

Design Matters

The Victorian Government Department of State Development, Business and Innovation has partnered with the Design Foundation to establish Design Matters. We exist to highlight, celebrate and nurture all forms of design in the state of Victoria from an international perspective and present the Melbourne International Design Week. Our goal is to help raise awareness about the role of design as a catalyst for innovation to raise standards of living and increase economic prosperity.

designmattersvictoria.com should be your first port of call when you're looking for Design Matters events during the year. This online portal will promote design events across Victoria throughout the year for the Victorian public, and national and international visitors.

Partnership Opportunities

The program offers a number of key opportunities and benefits for brand awareness across a range of diverse marketing channels, including event publications, current partnerships and event tickets.

Contact us for information about aligning your brand with a world class research program committed to sharing and developing design and design thinking for improved business outcomes.

Additional Resources

For video content from the business seminar and research conference and details about the next live event or to find research experts for your business needs, go to ideasondesign.net



Design for Business: Research Program Advisory Board

This research conference is organised and presented by Ideas on Design under the guidance of an advisory board of eminent academics.

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Future bulletins

Upcoming issues of the Design for Business bulletin will present abstracts from papers addressing the following topics:

- Transforming consumerism by design: Reconsidering sustainability and behaviour change
- A new behavioural methodology: Measuring the effect of packaging design on shoppers memory
- Design thinking and futures thinking, strategic business partners or competitors? Exploring commonalities, differences and opportunities
- Ambush Marketing: Learning for Nike

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Next Live Event

Design for Business: Research Conference
12 – 13 May 2015, Melbourne, Australia

Business Advantage: Breakfast Seminar
13 May 2015, Melbourne, Australia

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The Design for Business bulletin is published by the Design Foundation, a not-for-profit organisation that manages the online design resource platform Ideas on Design, agIdeas events, Design Matters and Melbourne International Design Week.

We seek to encourage excellence in design and promote design-driven innovation.

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