EMERGING ECONOMIES
CONSUMER BEHAVIOR CHANGE
BRAZIL

A framework for action
INTRODUCTION

WHAT IS THIS PUBLICATION FOR?

This guide is for marketing, communication, R&D and sustainability professionals at organizations (especially B2C companies) looking to promote environmentally and socially positive behavior through behavior change. It explores value propositions, innovation, product and service design, access to markets and new consumer profiles, sustainable branding and consumer relations.

It presents a methodology and framework for the Brazilian market based on learnings from existing literature and data, discussions with representatives of companies in Brazil and the combined efforts of all our partners.

The approach presented here is recommended over a simple marketing approach to changing behavior, as it bypasses the need for attitude change at the outset.

INFLUENCING BRAZILIAN CONSUMERS

Increasing global economic activity is one of the main factors putting pressure on the natural resource limits of our planet. Companies, as agents in this economic system, face the challenge of developing new patterns of production and consumption, as a way of managing the risks and opportunities associated with continued growth and uncertainty in raw material prices and security of supply. Especially for business to consumer companies (B2C), who reach billions of consumers worldwide every day, the challenge is not just that of finding new ways of producing and distributing goods and services more efficiently. It is also the challenge of how to influence consumers in such a way as to mitigate the environmental and social impacts associated with the use and disposal of these products.

According to the United Nations, the global population will grow from the current 6.9 billion people, which consumes the equivalent in natural resources of 1.5 Earths, to 9 billion by 2050. Of this growth, 98% will happen within emerging economies, where the challenges associated with population growth are compounded by the increase in individual purchasing power as billions more people enter the middle class. A study from the consulting firm PricewaterhouseCoopers shows that over the next 15 to 20 years, the global ‘middle class’ will grow from one billion to a total of three or four billion people world-wide.
This reality creates an urgent need for tools to drive changes not only in production, but also in consumption patterns – and tools that work not just in developed countries but also in the developing world, including the BRICs and other rapidly growing markets, such as Turkey, Peru, Indonesia, Chile, Malaysia, etc. We must build a specific understanding of the unique consumer patterns in these nations and develop tailored instruments and strategies for influencing consumer demand and behavior, which are closely connected to brand strategies and value propositions.

So far in this project, we have provided a basis for the discussion: a white paper (which can be found at http://eightsustainability.com/special-projects/) and have organized a series of discussions with representatives from various companies and organizations. With our partners we carried out two workshops, one in Sao Paulo on April 2013 and a second in Rio de Janeiro in May 2013, as part of the Sustainable Brands Rio program. We also shared the project’s initial learnings at a session for members at Sustainable Brands San Diego, in June 2013.

We would like to extend our deep thanks to the partners in this project – Futerra Sustainability Communications, CEBDS, Instituto Akatu and Sustainable Brands – without whom we could not have begun even to start to design the response that we are all looking for.

We would also like to thank our sponsor, Itaú, and the corporate supporters of the project – Dow, Nestlé, Unilever, Invepar, Pepsico and the representatives of all the companies and organizations that participated at the discussions and workshops in São Paulo, Rio de Janeiro and San Diego.

Finally, big thanks to all those people who have encouraged this initiative and continue to believe in what we are doing.

Thank you!

PABLO BARROS
Founder and Director
Eight Sustainability Platform
WHAT ARE THE BENEFITS OF A BEHAVIOR CHANGE APPROACH?

As the corporate sustainability conversation evolves, so does the interest in behavior change. Brazil ranks second only to US in terms of global spending on sustainability initiatives and this looks set to grow between 2011 and 2016. In addition, it is predicted that the number of companies looking to change consumer behavior will double from 2013 to 2018. This is a significant shift in the corporate agenda. Companies such as Unilever are no longer seeing sustainability as impacts generated by product manufacturing and their operations, but as a business opportunity; to diversify and guarantee their long term sustainability. This is a vastly challenging task: essentially, a company that wishes to continue growing must decouple growth from impact and implement tailored strategies for each of its vastly different global markets.

Brazil presents a huge opportunity for these companies. It combines a rapid expansion of the middle class with some of the most environmentally and socially aware consumers in the world. However, there is a gap between intention, awareness and action: awareness has not turned into sustainable consumption.

The question is how to transform Brazilian consumer intention into action? How can B2C companies operating in Brazil develop and offer products and services that push the boundaries of both different (with new approaches to value creation) and better (cleaner, more efficient, more socially responsible) to current and future consumers? How can companies express these attributes through compelling brand promises? How can they engage and reshape fundamental consumer mindsets, to create more demand for sustainable products and services?

This is where we need specific behavior change frameworks such as the one detailed here. Throughout the text, you will find both Brazilian and global case studies which demonstrate best practice in its current form.
KEY INGREDIENTS FOR PROJECT SET UP

During the building of this framework we collected five key ingredients for success which we outline here:

**Better offer**  Consumer behavior change starts with offering a better available alternative. It is important from the outset that any product or service you wish to promote is better than the one that already exists. Trying to promote an inferior product or service on the grounds that it is ‘sustainable’ will only appeal to a niche market.

**Tailored approach**  Any behavior change framework should be adapted to the business drivers of each company, the concerns of their consumers and integrated with their global and local sustainability strategies. They will need to use the company’s main sustainability challenges and strategies to identify the right behaviors and develop a successful and impactful consumer behavior change strategy.

**Leadership support**  Effective behavior change campaigns need support and direction from senior leadership to underline their importance to the business.

**Engagement across disciplines**  To be effective, any approach needs to include not only the sustainability and communication departments, but also marketing, R&D, brand, consumer research and others.

**Perseverance**  Resolving the dilemma of growth versus sustainable consumption is a hard task. Companies will have to work hard internally and with stakeholders to understand how techniques for innovation and influencing consumers can be developed and applied effectively, within strategic, purpose led branding. They will need to recognize and begin to acknowledge the intangible challenges of internal resistance, lack of knowledge and lack of capabilities.

The framework which we present in the following pages, proposes some practical steps to developing successful approaches to consumer behavior change, identifying barriers and proposing effective solutions. Before discussing our framework proposition itself it’s important, however, to outline the overarching principles that have guided our recommendations.
BEHAVIOR CHANGE PRINCIPLES

Behavior change is not new. Various institutions, especially governments, have sought to influence individuals to change their behavior, in areas such as health, transport, family planning, etc\(^9\). In fact, brands already influence behaviors and needs, using traditional marketing. What is new is the use of more complex methods for influencing individuals, especially consumers, towards sustainable consumptions and lifestyles\(^10\).

From our research, we have identified several key principles for creating your approach:

**Irrationality**

Despite what we sometimes like to think, human behavior is systematically irrational, we’re actually influenced by emotional, psychological and physical factors. People procrastinate, are impatient, value short term gain over long term benefit, go out of their way to avoid what feels like a loss, value fairness in addition to economic gain, and are subject to psychological biases which affect how they interpret information\(^11\). Therefore, tackling behavior change with rational approaches will fail, and lead to frustration.

**Action vs. Awareness**

Awareness does not necessarily lead to changes in habits and attitudes\(^12\) and having information about the impact of a certain behavior is not in itself enough to change it\(^13\). A lot of progress has been made in raising awareness about sustainability, now work needs to be done on practical responses and changing individual behavior\(^14\). In fact, attitude change often follows behavior change due to a phenomenon called ‘cognitive dissonance’.

**Drivers & Barriers**

Factors that influence people’s behavior include\(^15\) emotions; social, cultural and moral norms; structural factors; cost; habits; knowledge and awareness, capacity and ability; and the fact that individuals and behavior are not homogenous.

**Personal Benefit**

You must offer an alternative that appeals more to your audience than the behavior they are already undertaking. The objective of product or service design, offer and strategy must be to create or promote something better than the existing norm. It must be framed in a way that leads with the personal benefit to the audience.

**Time**

Behavior change will not happen instantaneously, it should be viewed as a journey. You will need to build in triggers to start a behavior and motivators to make it stick. You will need effective measurement and piloting to verify your approach works. It is why frameworks like this are essential, but ultimately rewarding.
A FRAMEWORK FOR BEHAVIOR CHANGE

A framework for behavior change adapted to the Brazilian market is presented in the following pages. It outlines key principles and success factors. It also contains links and references to existing materials for further reading. We hope it is insightful, useful and will help you produce approaches that create real change. Each section contains context, considerations and a ‘How to do it’ section. We recommend that you read the background before embarking on each of the stages in ‘How to do it’ section.
**CONTEXT**

Making it interesting and beneficial for you and your consumers

**THE BIG QUESTION**

What topic areas should we focus on to achieve core corporate or sustainability ambitions and benefit our customer base?

**OVERVIEW**

Any strategy should be aligned with your brand and corporate aspirations and targeted to where you are most credible, effective and beneficial to your consumers. In this stage, you will need to work across departments to identify where this ‘sweet spot’ exists.

**OUTPUTS**

A list of topic areas (e.g. waste, health and hygiene, literacy) where you could have an impact which are:

- Relevant to your product offering (i.e. connected in some way)
- Important in helping you achieve your corporate or sustainability ambitions (i.e. key aspirations and targets, priorities from your materiality process)
- Important for your consumer base (i.e. could positively impact them)
- Interesting for your consumers (i.e. that are important to them)

**HOW TO DO IT ?**

Identify business opportunities

Behavior change represents an additional chance for you to deliver on your targets and aspirations, but needs to be linked to your business and strategy. Gather input from the company’s overall vision statement, senior leadership marketing, brand/business leadership, R&D, corporate affairs and sustainability/ CSR departments. Identify opportunities from your GRI report, materiality processes\textsuperscript{16} and corporate and sustainability aspirations and targets.

You should also look to identify areas of innovation or product development which could drive consumer behavior change and create business value, including boosting market share, creation & new segment access, sales penetration & growth, technology, and new business models\textsuperscript{17}.
Be credible and relevant
There’s no point in a soap company talking about refrigeration or an automotive company trying to influence home air conditioning use. You need to identify what topic areas you can credibly talk about. What topics are directly related to your product or brand e.g. soap and hygiene? Where can you create wider social benefits connected with your business issues e.g. a publishers tackling literacy? Does the target behavior constitute a risky or contentious topic such as children’s health or electrical waste?
Share your plans and ideas with colleagues and stakeholders who may be already working in the area you’re looking to change or have applicable expertise. They might surprise you with their ideas. You may also wish to use http://business-case-builder.com/ to help you decide.

Be relevant
You must also tackle issues that are of interest to your consumer base. Use reports such as National Geographic’s Greendex as well as your own consumer data to understand what areas are of high concern and interest for your target audience.

THINGS TO CONSIDER
Cross function collaboration
Innovative solutions can’t be accomplished by any one department in isolation. They can be initiated by anyone; sustainability or CSR, but also, and perhaps more successfully marketing, corporate affairs, R&D, business units or even by a special initiative from the highest level of leadership, e.g. the CEO. Regardless of which department leads the effort, it is very important that everyone contributes. This holistic approach will also help to identify internally the main needs, opportunities, barriers and risks to success.

Map internal risks and barriers
Consider the risks and barriers to the implementation of your initiative and use this cross functional working phase to pre-empt and map them. They may include:

- Lack of the engagement of the highest leadership
- Lack of support and trust from the executive board, consumers and investors
- Lack of funding
- Business case not perceived as strong enough
- Competitive internal changes and market demands
- Lack of interest, skills or knowledge of interest from the R&D, marketing and corporate communication leaders and teams
Frame sustainability for different departments

In order to get different departments around the table and supporting your initiative, you may have to help them understand why your company’s sustainability aspirations are relevant to them. It can be helpful, to drive the transformation process, to use targets to create a sense of urgency and a compelling vision of what you want to achieve. This brings clarity to marketing and R&D team leaders, by giving them business perspectives on how to transform their product development, business units and brand messaging by embedding this consumer behavior change approach.

**SOME POINTERS TO HELP GET THEM ON BOARD**

Ensure creativity and insight to integrate sustainability into marketing:

- Show that sustainability can be an enabler of business growth
- Identify a sustainability point-of-view that benefits the core consumer for each brand and embed that point-of-view in brand messaging. Remember that sustainability doesn’t need to be framed as “green”; it can be translated into cooler, safer, smarter, etc. depending on the consumer target audience. Consumers want better products that fulfill their needs and brands are uniquely equipped to transform the need for sustainable consumption and lifestyles into a benefit rather than a sacrifice
- Use scalable pilot projects to test whether the brand’s point-of-view is correct
- Share success stories to prove that including sustainability in the brand’s point-of-view pays off
- Select the right strategy. Global sustainability leaders have identified three different strategies that marketers can adopt to drive brand growth and value through sustainability:
  - **Profit strategies**: Rely on revenues generated from the initiative to create value across society.
  - **Process strategies**: Use process changes in the supply chain, manufacturing and/or distribution to differentiate a product from its competitors.
  - **Product strategies**: Incorporate societal benefits directly into the design of a product or service
Innovate better: to integrate sustainability into R&D

* Lead the consumer: Deliver products and services that people don’t yet know they want. Some companies can create demand by anticipating consumers and embedding sustainability in their products and services.

* Embed sustainability in product development: Key sustainability performance criteria (such as energy efficiency and water efficiency) can be used to evaluate new product and service ideas as they are being developed.

* Re-imagine the product lifecycle: Using closed-loop thinking can create value from products at the end of their useful life.

* Pass on efficiency or savings to the consumer: The perception held by many consumers, that sustainable products are more expensive, can be changed. Map the consumer issues that the development could tackle and solve them by delivering products and services that perform better than they expect and are rewarding (financial and social such as having a cool factor) to purchase or use.

* Show how sustainable decision making can drive innovation.
CASE STUDY
UNILEVER’S SUSTAINABLE LIVING PLAN

**What is it?**
Unilever’s Sustainable Living Plan is a corporate strategy which sets out Unilever’s ambition to ‘Double the size of the business, whilst reducing [their] environmental footprint and increasing [their] positive social impact’ in the years from 2010 to 2020. It’s incredibly ambitious and forces the company to take into account their customers’ ‘in use’ impacts as well as their direct impacts.

**Why does it work?**
Unilever have identified three areas in which they can have the most impact and which are most important for their customers. They’ve given them ambitious SMART goals and are implementing projects to get them there. This is a corporate, not just sustainability strategy and is therefore the responsibility of everyone at Unilever, not just the sustainability department. It is bold, ambitious, game changing and has won Unilever international acclaim (as well as doubled its stock price).

**What can we learn from it?**
Big is beautiful: this is behavior change woven into the fabric of the company, driven by game changing ambition and backed up with strong targets. Unilever have used their solid materiality processes and have made every employee a part of getting them there. Plus, it’s done wonders for their bottom line. A great example of how the ‘first mover advantage’ and big thinking can benefit a company.
THE BIG QUESTION
What SMART targets can we deliver and will have the biggest impact in our main topic areas and what behaviors will help us to get there? Why do those behaviors come about and who are the main actors and influencers?

OVERVIEW
Now you have identified which areas to focus on, you need to choose specific behaviors to focus. If your target area is health and hygiene, for example, you could target: hand washing, manual cancer checking, or teeth brushing depending on where you are credible and can have impact. The best behaviors to choose will be those which are easy to change and high impact.

OUTPUTS
A list of behaviors which you can target in each of your chosen areas from the first stage. You should be creating different approaches for changing each, so it may be best to start with one. Behaviors should be specific: ‘Switching from car to bike for journeys of less than 3km’ is a desired change; ‘Creating action on climate change’ is not. You should also come out with a SMART objective for changing that behavior.

HOW TO DO IT?
Set a SMART behavioral goal

- Set a SMART goal for each of your chosen topic areas based on your priorities and insights from Section 1. SMART stands for:
  - Specific
  - Measurable
  - Attainable
  - Realistic
  - Time bound

For example: To increase the number of people in Rio de Janeiro who separate their waste by 20% in 2014.
List key behaviors
List key behaviors that will help you achieve your SMART goals under each of the topic headings you created in the first stage. A behavior is a discrete action, not a collection of actions or an attitude.

Categorize behaviors
Rate the behaviors in terms of the following factors:

* **Impact** | You want to target behaviors that will have a high impact in helping you to achieve your goal. Picking high impact behaviors ensures you do less work for more reward. You may need to undertake a lifecycle assessment to understand where the main impacts of a product or service lie.23

* **Likely penetration** | The penetration of people in your target group likely to undertake the behavior. You may wish to target a smaller group first who have a high impact as the behavior of smaller groups is easier to change.

* **Probability of the behavior to be promoted** | The more likely the behavior is to be promoted, the more likely it is to become a social norm, pick behaviors that are likely to spread and be championed by others.

* **Opportunity** | You may also want to give weight to those which represent an opportunity, such as a target behavior related to the main impact of the product, service or business, identified by the materiality process or because of a new product. It could also be chosen based on consumer perception, stakeholder importance or for competitive differentiation.

Map current and desired behaviors
Map the behavior from start to finish. Ask yourselves:

* Who are the main actors/agents? E.g. shopkeepers, purchasers, cleaners, salesmen

* What are the current drivers and barriers to change? E.g. infrastructure, social norms, marketing, availability of product, celebrity endorsement
THINGS TO CONSIDER

* Be realistic

Tempting as it is to get over ambitious; behavior change is a complicated process and requires you to be specific and targeted. It is not possible to work on all behaviors at the same time, generically and with the same approach for different groups of individuals. Targeting a mixture of complementary behaviors will help you achieve your SMART goals faster.

An initial, non-exhaustive list of examples of sector and behaviors to be changed are given below:
CASE STUDY
AMIL, 360 SAÚDE

WHAT IS IT?
The PeNSE survey in 2012 revealed that, whilst sweets and snacks were available to over 33% of students at school in Brazil, fresh fruit or fruit salad were available to only 3.5%. Added to this, a high proportion of students considered themselves overweight. 360 Saúde is an initiative to combat childhood obesity in schools devised by a partnership between the Ministry of Health and health plan company, Amil.²⁴

WHY DOES IT WORK?
The initiative works with all actors in the process: parents, schools and creches, health professionals and the children themselves. Materials are engaging, visual and practical: from cartoons designed to engage the children to practical recipes for parents. The initiative has a clear business benefit for Amil: promoting healthy habits in the young is preventative medicine which makes the future cost of medical attention lower for participants, saving them money in the long run.

WHAT CAN WE LEARN FROM IT?
By identifying and supporting all actors and influencers in a process, you make change easier and more effective. In addition, thinking in terms of lifetimes instead of budget cycles can ensure the long-term sustainability of some business models.
AUDIENCE
Understanding your audience's world, remember you’re in Brazil!

THE BIG QUESTION
Who are my target audiences, what are their priorities, concerns and relationship to the target behavior? What insights will help me create real change in the long term?

OVERVIEW
Define and profile your audience using market research, the typologies described below, fieldwork, and broader trends. Then use this information to find out how you can link your campaign to your audience’s world, and build up an idea of the opportunities and barriers you have to work with.

OUTPUTS
Potential ‘hooks’ and opportunities to link your behavior to. A list of reasons why the current behavior exists and a list of drivers and barriers to change. An idea of how you present the ‘exchange’ that has a strong personal benefit for your target audience.

HOW TO DO IT?
Understand ‘my world’
Any consumer behavior change effort needs first to fully understand the needs, wants, concerns and behavior drivers for the target group or groups. You’re trying to build insights to help design your approach and supporting materials. Building on the map from Section 2, create a picture of who buys, uses and supplies the product or service. You may wish to use existing market research and some of the Brazil specific segmentation tools below. Try to understand:

★ Who they are: daily joys, passions and concerns, beliefs, behaviors and lifestyles, characteristics, awareness and attitudes towards the behavior you’re targeting
★ Who they are influenced by: from peers to church groups to marketers
★ Why they undertake that behavior: key drivers and barriers to change

We highly recommend field work at this stage: interviews or focus groups to help you get a real picture of what people care about and why they do what they do. Research should focus on what actions people actually undertake, not just what they say they do. Remember that, to change behavior in one group, you may have to engage influencers and other actors, such as the shopkeepers who will need to stock the product as well as the customers who buy it and the maids or cleaners who use it.
Understand ‘the world’
To ensure your approach has longevity, you’ll need to find relevant trends that might affect behavior over the coming years. Again, your marketing and R&D departments will hold a lot of this knowledge, but you might want to look at issue or industry specific trends that might have an effect. We give some Brazil specific examples below.

Define personal costs and benefits
Now you have a better understanding of the audience, you can make a list of the benefits of the desired behavior and potential costs (barriers to change). You should consider:

- **Personal factors**: does the behavior conflict with their beliefs or how they view themselves? Do they feel able to undertake that behavior? Could changing behavior be viewed as a loss?
- **Social factors**: Does the behavior risk that person defying social or moral norms? Is there a social or financial cost to undertaking the behavior?
- **Infrastructure factors**: Are there any infrastructure fixes that would need to be implemented to change the behavior? For example, would new bins be needed and is the new product available where it needs to be?
- **Competitive behaviors or marketing**: are there competitive behaviors or the group being encouraged to behave differently by external factors such as marketing campaigns?

THINGS TO CONSIDER
Are you targeting the right segments?
To maximize return on investment, resources can be focused on the segments who are the most likely to change their behavior. You may wish to ask yourselves:

- **Is the segment large enough?**
- **Is the segment easily persuaded?**
- **Is the segment easy to access?**
- **Are the resources available to meet the needs of the segment?**
WHAT IS IT?
Recife faced a shortage in organ donations with the biggest barrier to donations being family approval. Sport Club do Recife has some of the most passionate supporters in Brazil and they want to be fans forever. With organ donation, their passion and support can live on after their death, they can be ‘immortal fans.

WHY DOES IT WORK?
It is based on a beautifully simple insight: that their team means everything to fans. It’s beautiful and emotional and totally tailored to their target audience. The organ donation card is a statement of intent, letting the family know what the person would have wanted. The card itself was easy to obtain: from the stadium, Facebook or online.

WHAT CAN WE LEARN FROM IT?
Although you will need the mix of strategies described here to support behavior change, your approach should not just be rational. Understanding your audience well enough and thinking laterally will furnish you with the kind of insights that help you bring this into your audience’s world. This is where you can let your marketers do what they do best, using their unique insights and experience of your customer base to create something special.
NATIONAL BRAZILIAN CONSUMER SEGMENTATION MODELS

Many Brazilian consumer segmentation models exist; indeed, you will already have much information about your consumer groups. From the generic to the specifics of Brazilian consumers, our learnings showed that, despite some commons aspects, different consumers are guided in their decisions in different ways and respond differently to contexts and stimuli. Different values, social and psychological factors affect both the behavior of individuals and groups of individuals. We’ve outlined some examples which specifically relate both to the middle class and attitudes to sustainability to help you here.

Segmenting by characteristics: the middle class

Research published in 2014 by Serasa Experian and Instituto Data Popular outlines some of the characteristics of the Brazilian “New middle class”:

- **They have big spending power**: At 108 million people (54% of the population) it’s huge; if it were a country on its own, it would be the 12th biggest in the world. They have a monthly individual income of between R$ 320 and R$ 1,120 and spent R$1.17 trillion in 2013. For the ‘C’ class, this was on food (R$223 billion), health (R$71 billion) and clothing (R$61 billion).

- **They’re not homogenous**: The research separates this population in four major groups, described below.
### STRUGGLERS (Batalhadores)
- **Demographics**
  - 39% (30.3 million people)
  - 40 years old on average

### EXPERIENCED (Experientes)
- **Demographics**
  - 26% (20.5 million people)
  - 65 years old on average

### PROMISING (Promissoreis)
- **Demographics**
  - 19% (14.7 million people)
  - Mostly single (95%)
  - The younger opinion formers

### ENTREPRENEURS (Empreendedores)
- **Demographics**
  - 16% (11.6 million people)
  - 43 years old on average

### Education & Employment
#### STRUGGLERS
- 48% finished middle school
- They see education as an opportunity for social climbing. They believe personal achievements are a consequence of individual effort.
- Having a formal job (which they gained recently) means stability and the opportunity of fulfilling dreams and aspirations.

#### EXPERIENCED
- 59% finished middle school, 31% have no education at all
- It’s the age of retirement, which they believe can lead to depression. They are still working, so they can keep the same standard of consumption they had before retirement.

#### PROMISING
- 59% finished high school
- 57% have a formal job (“carteira assinada” in Brazil)

#### ENTREPRENEURS
- The most educated group: 42% finished or are about to finish high school; 19% finished college
- 60% have access to internet
- 43% have a formal job (“carteira assinada”), but they would like to have their own business
- They see work not only as a way to pay the bills, but also as a pleasure and a way of fulfilling dreams

### Money
#### STRUGGLERS
- Spent R$ 388.9 billion in 2013
- Spend their money on domestic travel, cars, furniture, houses, electronic devices

#### EXPERIENCED
- Spent R$ 274 billion in 2013
- Spend their money on domestic travel, furniture, electronic devices.

#### PROMISING
- 51% declared having been in financial trouble (they spend more than their income). They have access to credit, but don’t know how to deal with it
- Spent R$ 230.8 billion in 2013
- Spend their money on beauty, cars, education, entertainment, house gadgets and technology.

#### ENTREPRENEURS
- Higher per capita income, they are considered the “A class” in the “C class”
- Spent R$ 276 billion in 2013
- Spend their money on education, electronic devices, international travel, technology, cars and entertainment.

### Consumption Dreams
#### STRUGGLERS
- Domestic air travel, furniture, washing machines, LED TV, house, cars

#### EXPERIENCED
- Domestic air travel, furniture, washing machines, refrigerator, LED TV

#### PROMISING
- Gym, college, tech courses, furniture, notebook, smartphone, cars, motorcycles.

#### ENTREPRENEURS
- Tech courses, international air travel, furniture, notebook, tablet, LED TV, car.
Segmenting by attitudes to sustainability

Some research studies have tried to classify Brazilian consumers into groups that share the same attitudes towards sustainable behaviors. We’ve picked out a few points here that will be important to consider when understanding how important these issues really are to your target audience. We recommend you read the full reports for more information.

BBMG, Sustainability and Globescan’s Re: Thinking Consumption report identifies four consumer groups: Practicals, Aspirationals, Advocates and Indifferents. In Brazil there is high percentage of “Aspirationals”, described as the most important segment in which to enable advances in sustainable consumption, not only because of their overall size but also because they honestly want to purchase with a purpose. 26

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BBMG, GlobeScan and SustainAbility, 2012, Re:Thinking Consumption, Consumers and the Future of Sustainability
FURTHER INSIGHTS INTO THE GREEN CONSUMER IN BRAZIL:

Attitude

★ ‘My world’ vs. ‘The world’

Despite recognition of terms such as ‘biodiversity’ and ‘sustainable consumption’ having risen over the last ten years, very few consumers are able to accurately describe what they are, putting them out of the realms of ‘my world’. However, one million people joined the protests for better transport and education last year because the effects of these have a strong personal benefit.

★ Social issues first

Recently, concerns with health/hospitals and violence/criminality have increased, leaving the environment in sixth position in terms of priority worries.27

★ Green has a health connotation

Researchers asked consumers in eight different countries what they associated with ‘green’ consumers. Brazilians associated it with ‘responsibility’ and being ‘smart’ and ‘healthy’, much like China. This is different to consumers in most markets (including neighboring Argentinians and North Americans) who associated it with being ‘responsible’, ‘caring’ and ‘smart’.

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National Geographic, Globescan, Greendex (2012)
Consumer Choice and the Environment, a World Wide Tracking
Intention vs. action
In the last 20 years, awareness about environmental problems has increased and 90% claim to be concerned about their effects on the environment. However, this hasn’t led to behavior change and is likely to say more about the Brazilian cultural desire to please than about real intention.

Price, durability and brand drive purchases
Brazilians are the most likely in the world to agree that they ‘feel guilty about the impact [they] have on the environment’, however, price concerns them more than the environment. The real drivers for purchase are price, durability and brand.

But ‘good’ brands create positive emotions
Brazilians react positively to products labelled as environmentally friendly during the manufacturing process. In 2001, 81% said they would be more motivated by this information, in 2012, this was 85%. Purchase of organic products has undergone the same trend, increasing from 73% in 2001 to 81% in 2012.

Desirable behaviors seem easy
They might not practice them, but high proportions of Brazilians say conscientious consumer habits are easy. 96% say the following behaviors are easy: ‘turning off lights when not in use’, ‘separating waste for recycling’, ‘reducing electricity consumption’, and ‘eliminating water waste’.

But Brazilians are ‘backsliding’
As the middle class grows, so does expendable income. Many are embracing consumerism and turning their back on more sustainable behaviors. A good example of this is transport: in direct contrast to many areas of the world, the number of Brazilians taking public transport fell by 20% in 2013. Instead, they’re following their consumption dreams of owning a car.
SOME HOT TRENDS INFLUENCING BRAZILIANS

As well as who your consumers are ‘now’, you will have to consider who they will be in the future. Considering wider trends can help you predict how your market and consumer will change over time. Here are a few you might want to take into account:

Brands leading consumers
The underlying theme to this document. Brands such as Unilever and Patagonia are starting to position themselves as ‘moral brands’[^1] using their influence to help consumers discern the responsible behaviours to adopt or attempting to turn their ‘consumers’ back into ‘citizens’.

Collectivism
Defined by Tatil Design[^2] as ‘Power for all’ a more collective and collaborative way of problem solving is sweeping Brazil. One great example is crowd funding. Sites such as Catarse, ItsNoon, Movere.me, and Impulso target entrepreneurs, whilst Lets, SoulSocial, and Vaquinha Social fund social projects.

Dematerialisation
For constantly connected and digitally savvy millennials, status is no longer about material possessions. The convergence of multiple technologies have created the smartphone, music can be possessed as MP3s and status achieved through ‘likes’ on Facebook. This creates more opportunity for collaborative consumption. The rise of initiatives such as AirBnB, Caronetas and Safer Taxi represents a real trend to watch.
Shared value
Many of South & Central America’s newly empowered consumers (not just economically, but technologically, socially and politically empowered), see materialism as unsatisfactory, whilst insecurity and inequality still exist. Following a global trend ‘purpose’ has increased as a purchase trigger by 26% since 2008\(^3\). They are predicted to support brands that tackle social inequality\(^4\) Coca Cola are embracing this with their ‘Coletivo’ campaign, whilst brands such as GreenTee have made it a core business ambition.

Hyper connectivity and digital competence
A staggering 79% of Brazilian Internet users (some 78 million people) are now on social media and this number is only increasing causing commentators to label it the social media capital of the world. Couple this with the rise of smartphones in the country and you have a perfect storm. Brazilian consumers are eager to connect with aspirational brands and celebrities through social media and online platforms can also be a powerful way of crowd sourcing ideas and innovation.

Obesity
Since 1990, the proportion of Brazilian men over 20 who are overweight has more than doubled from 20% to 50% per cent; with women close behind. At the current rate, Brazil will reach world-beating US obesity levels of 34% for men and 36% for women.
**THE BIG QUESTION**
How can we use our learnings to create a process that is compelling and effective enough to create real change? How can we catalyze, support and reinforce behavior change?

**OVERVIEW**
Now you have a clear idea of your context, target behavior and who your audiences are and what you want them to do, you need to create an approach that can make it happen. This approach will probably need to include a mixture of triggers, motivators, product or service changes, marketing and infrastructure changes to make it work.

**OUTPUTS**
Everything you need to make this happen: a process to create change and supporting materials to make it work.
HOW TO DO IT?

Mix your interventions
You’ll need to use a combination of factors to overcome the barriers you’ve already identified. We’ve suggested a model here based on approaches from three different models. The idea behind all of this theory is that you are increasing the likelihood of people making your ‘exchange’ between one action and another through a series of interventions which might be anything from ‘nudges’, feedback, infrastructure fixes or training.

Catalyze, motivate and enable:
Three elements must be present for a behavior to occur: ‘motivation’, ‘ability’, and a ‘trigger’. Essentially, you are trying to make the behavior easier and more desirable to take, motivating your audience until a ‘trigger’ encourages them to undertake it. Once they have undertaken the behavior, you need support to reward the person and help them undertake the action multiple times so that the habit ‘sticks’. To motivate your audience, you want to make the behavior pleasurable to undertake and ensure it’s within social norms. To make sure they’re able, the simplest thing is to make the behavior easier to do. You can also give them training, to enable them, but this gets more complicated. Triggers can be external, like a well-placed sticker reminding them of the right behavior, or part of a routine, such as picking up keys as you leave the house. Ask yourself:

☆ How can I make the behavior more desirable?
☆ How can I assure it fits with personal beliefs and social norms?
☆ How can I make it more pleasurable?
☆ How can I make it easier to do and easier to remember to do again?

Futerra’s 3Ps model provides great inspiration for populating this list and determining interventions for creating change.
PLACEMENT

Make it sexy, high status and sustainable
To change a behavior you almost always need to change its status. It’s all about making things cool, desirable and impressive. Thankfully, brands are brilliant at this. Can you extend those attributes to sustainable behaviors? Use the symbols, imagery and language of status and success to communicate your behavior.

Showcase Sustainability
Brands subconsciously influence consumers. Advertising, media and storytelling teach consumers about behavior through ‘peripheral processing’. We see specific actions and we emulate them without even knowing it. Don’t settle for product placement; reach for behavior placement. Check you’re only depicting sustainable behavior (of the product and in general). If you can, include behavior placement in product placement contracts.

Make normal better
We do what others do. Brands are the masters of making new behaviors ‘the new normal’. Social proofing works best when your consumer sees lots of people taking action, again and again. That’s true for everyday life and for advertising. Show behaviors in advertising, use everyday language and treat sustainability as normal.

Surprise your audience with better
Communication has too many stereotypes. Using them is comfortable but means messages get lost in the noise. Breaking conventions and being novel can get cut through. This means challenging assumptions of who is green, how we can be ethical and where sustainable action happens. Bust myths, be unusual and offer exciting new ways to take action.

Prime positive behavior
Brands are masters of mood. Words, colors and even smells can increase sales. In the same way, subconscious primes can make certain behaviors more likely. Use inspiring environmental and social imagery to make your behavior feel right. Associate upbeat language, happiness and fun with sustainability. But beware of greenwash!
PERSUASION

Ask and you’ll get
If you want action, ask for it. It can be easy to explain why an action is important, and then forget to ask for it. But here’s a quick win: because consumers already listen to you explaining how to use a product or service, that gives you permission to ask for sustainable behavior at the same time. Make clear direct requests, be encouraging and incorporate sustainable behaviors into product directions.

Use messengers that speak to your audience
Don’t overlook the messenger. Brands take great care choosing the face or voice for campaigns. The right messenger is absolutely crucial. For sustainability, we need messengers from every demographic and geography. Remember: people follow people, not ideas. Choose messengers that have a wide appeal, are believable and will help your message spread.

Have more FUN
People like having fun. Consumers have more time and energy for leisure, pleasure and fulfilment than for chores. Fun can make difficult behaviors more desirable. Bring some enjoyment to sustainable lifestyles. Find humor, mystery, competition, gamification, silliness and even glamour in your target behavior.

Reward good behavior
Better behaviors should be celebrated. At the very least, consumers should be thanked for taking action rather than ignored. Positive feedback for an action makes it more likely to be repeated. Beware of financial rewards: the behavior will end with the incentive. Thank and celebrate positive behavior, make the consumer (rather than your brand) the hero and give feedback on impact.

Time your message
Consumers pass through transition zones. There are moments in life when habits radically change, like a new baby, moving home or retirement. Even seasons and payday are little transition zones. Our habits and behaviors unfreeze at these times. Consumers are open to new category purchases, so add some sustainability into your ‘life change’ marketing. Map your consumers’ transition zones, match new behaviors to the zones and support change.
PRODUCT

Invent better products
Consumers need brands. Resource shortages, rising costs and social changes are making life harder. But constraints also drive innovation. Spot new product categories that help consumers find sustainable substitutes rather than make sacrifices. Understand consumer constraints, invite ideas from stakeholders and experiment with new product ideas.

Edit out bad behavior
Consumers rely on brands to make choices for them. Brands decide what to sell, and what to avoid. Rather than offering a choice between good and bad, why not offer a choice between good and even better? Set minimum standards and discontinue products and services that don’t meet them.

Reset the default:
Products and services come with behaviors built in. Often those behaviors are ‘set’ to unsustainable, and the more sustainable behavior is harder for consumers. Design the positive actions in, and make the negatives ones harder. Investigate how your product or service is used, spot the ‘default’ settings and redesign more sustainable ones. Many examples of these tactics and the business cases that have been built on it can be seen at the Futerra and BSR Business Case Builder on http://business-case-builder.com/
THINGS TO CONSIDER

You’re taking the lead
This is a bold, but ultimately rewarding approach. Rather than waiting for consumer demand for sustainable products, you’re using the power of marketing, communication and innovation to create consumer demand for sustainable and profitable product and services. It can feel scary, particularly if your organization is used to following, rather than creating demand. The potential reward is great however: new products, markets and customers for your business.

Marketers: don’t forget what you know
Many marketers forget what they know when it comes to communicating sustainability issues: they lead with sustainability, try and inform, overcomplicate, guilt or shock their audience. Worse, they use tired imagery of planets, saplings and jargon. Don’t fall into this trap. Create targeted, inspiring materials, celebrate what you achieve and demonstrate the aggregated impact clearly. Don’t forget to collect feedback on what has been achieved, reward and say thanks.

Consider gamification
A massive trend in behaviour change, particularly in health and education. Gamification is not about creating games, but applying game elements to products, services and processes to make them ‘fun’, rewarding and engaging. Developments in social media and mobile phones mean applications often need little user input and Brazil’s ubiquitous use of social media means it has great potential here. Brands have used the principles to design products such as the Nike+ Fuel band or Zamzee to promote fitness, Crowdrise to increase donations and OPower to reduce household energy consumption.
SENSE CHECK YOUR APPROACH:
This is a complex process with many stages. Once you have designed your approach, use this sense check to ensure that all of the elements are in place:

1. Do my target audiences understand what I want them to do? Is the messaging adequate and clear? Are calls to action easy to understand?

2. Is the action I want them to do easy? Is the new behavior easy to undertake? Can they obtain the relevant elements easily? Does it fit with their daily routine and lives? If they don’t think they’re able to do the action, have you removed barriers and created enough support to help them try?

3. Is the new action desirable? Will it place them outside of social norms? Does it fit with any personal labels or ambitions they have?

4. Is the process rewarding? Have you added marketing and support mechanisms that reward them and show them a positive personal benefit?

5. Will the new action be habitual? Have you put support and control enough in place to help them undertake the new action enough times for it to become a habit?
CASE STUDY
MARKS AND SPENCER PLAN A

What is it?
Marks and Spencer was one of the first to embed sustainability in their core business strategy in 2007 with ‘Plan A’, a comprehensive list of commitments to help them become the world’s most sustainable retailer. Rather than working on consumer behavior change, the retailer chose to work with its suppliers, making sure each product in the store met strict requirements, or had a plan to meet them.

Why does it work?
This is an example of ‘choice editing’: rather than encouraging the consumer to change their behavior, the retailer is restricting choice so that the consumer has to buy more sustainable products. The retailer’s communications focus on making the consumer feel good about their contribution to the process: shopping at M&S, whilst they concentrate on employees and suppliers, over whom they have influence. A great example of ‘first mover advantage’, it has driven brand value and trust through these operations and saved almost $350 million in the process.36

What can we learn from it?
Ensuring that their own operations were in order first and being totally transparent about progress and failures has given M&S credibility to move into consumer behavior change. It’s also built a network of employee advocates who will communicate with their peers. Their customers feel great about buying from them and have been surprised and delighted by what sustainability can mean for their customer experience.37
THE BIG QUESTION
Do I really know what success looks like at each stage of the process? Does my approach work? How can I adjust it to make it good enough to scale up?

OVERVIEW
Even the best laid plans may not work the first time around. When dealing with irrational behavior, be prepared for a few surprises along the way. The pilot stage should involve testing the methodology with as many of the target audiences as possible on a small scale for a controlled amount of time. Evaluating the success of the pilot through field research should allow you to adjust the methodology and trial again until you get the results you need to scale your approach up.

OUTPUTS
A redesigned approach based on your learnings.

HOW TO DO IT
Establish measurements of success
The aims of evaluation are to identify the strengths and weaknesses, determine if it is making a difference, and measure its return on investment. An effective way to evaluate the success of the pilot is to review the intervention’s impact, but you will need to identify indicators of success throughout to check you are heading in the right direction. Gather detailed information about how the intervention has worked and what it has achieved. You should be measuring success or failure against the original aims and objectives. This includes deciding on short, medium or long term indicators for measuring the change in people’s knowledge, attitude, and behavior.
Run the pilot
The pilot should be a scaled down version of what you intend to implement, built as close to the intended full programme as possible. Information should be being gathered throughout so you can identify interim changes that will optimize the process. As well as the outcomes, the actual process of the intervention should be assessed.

Review the pilot (mid point)
It is essential to carry out continuous monitoring of the implementation process. After each deadline, the partial results should be evaluated using the performance indicator that has been developed. At these points, the actions could be adapted, if the results are insufficient. The team should produce a report at regular intervals containing an evaluation of the results, learnings, and recommendations for next steps. These reports could be shared with the other involved areas at internal workshops and meetings.

Revise and scale up
Once you have your completed data from the pilot, it is time to adjust the process based on your learnings. Then it’s time to use your results to obtain funding and support to scale up and launch your full behavior change programme.

THINGS TO CONSIDER

The Lean Startup Model
The Lean Startup model can also be adapted to launch pilots for this approach. Developed by Eric Ries, the Lean Startup model provides a scientific approach to creating and managing startups and getting a desired product to customers’ hands faster.

Run your sense check again
If your approach isn't working the first time, conduct field research, talk to those involved and ask yourself your sense check questions again. Chances are, an element will be missing or will need to be adjusted.
CASE STUDY
BRINGING LIGHT TO THE FAVELAS

WHAT IS IT?
Fighting between drug gangs and unplanned development had led people in Rio’s favelas to find unorthodox ways of accessing electricity services. To combat this, the company lobbied for legislation to make energy affordable, re-established links with the favela communities to build trust, implemented energy efficiency measures, ensured great quality service and gave residents personal energy bills, which gave them access to services such as bank accounts.

WHY DOES IT WORK?
The company used a deep understanding of their target audience to build a varied approach. They understood that their relationship with the people in the favelas was governed by a mutual lack of trust. People risked their lives to steal energy and did not take into consideration consumption levels. Light sought to rebuild trust through measures which had a strong personal benefit for the consumer. Controls were combined with education and support. The regulatory incentives and technological fixes to prevent theft (constraints) were coupled with the delivery of a high quality service as well as incentives (new appliances) and education programmes to help people adjust their consumption patterns (education). Not only this, but, favela residents could now also open bank accounts and have access to a whole new set of economic and social opportunities.

WHAT CAN WE LEARN FROM IT?
A comprehensive mix of interventions targeting a mix of complementary behaviors creates an aggregated impact. The whole process had a very strong personal benefit for both the consumer and Light.
OVER TO YOU...

We hope you find this guide useful and informative. The conversation around behavior change in Brazil is just starting, but it is part of a wider conversation around sustainability and what it means for brands and society. To become truly sustainable, Brazil needs creative thinking, disruptive innovation, behavior change and products and services that create a positive environmental and social impact. By using this guide, you are becoming a part of this effort.

It important to remember that these kind of behavior change approaches are new in Brazil. Therefore, don’t be afraid to try and fail. Help and further reading is available from both Eight Sustainability and the partners involved in this work. We urge you to go out there, use the methodology outlined in this book and share your stories with us.

The eyes of the world are on Brazil and how we will adapt to make our growing economy a sustainable one. You have the chance to redefine production and consumption patterns, consumer experience and innovation. We hope this tool helps you.

Good luck and let’s start changing behavior for the better!
NOTES

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