



The Johannesburg Summit – a marketing perspective

By Ken Peattie and Martin Charter

It would be tempting for marketers to see the World Summit on Sustainable Development in Johannesburg as relevant only to those working in specific industries such as chemicals or fishing, where specific new agreements were reached. Otherwise the summit either dealt inconclusively with business issues such as trade, technology transfer or the sustainability of consumption and production; or dwelt on more socio-political issues such as poverty, population, health, war and education. Predictably it was hailed as a triumph by the UN who organised it. Secretary General Kofi Annan described it as governments agreeing *“an impressive range of concrete commitments and actions that will make a real difference for people in all regions of the world.”* The environmental lobby mostly saw it as a dismal failure, stifled by the American delegation. As Brandon MacGillis, spokesperson for the US National Environmental Trust, saw it - *“you'd have to say the U.S. just got everything they wanted. The environmental lobby is extremely disappointed. The Bush administration won this ballgame 44-0.”*

Delving beneath the surface of the many debates, ambushes, agreements and vetoes that made up the summit, a number of trends, relevant to the development of marketing over the next ten years, can be discerned.

Partnerships

This was perhaps the key theme of the entire summit. Colin Powell did not prove to be the most popular speaker, but he hit the nail squarely on the head in remarking that *“Public-private partnerships are where the action is”*. For a raft of issues, including renewable energy, mining, fishing, rural development and recycling, partnerships between governments, companies, NGOs or educators were proposed as solutions. Experience has shown that such public-private partnerships can prove to be something of a minefield in terms of financing, contract negotiation and public relations. For companies that are seeking to benefit from such initiatives, effective marketing and relationship management skills will be crucial.

NGO disappointment

The disappointment among NGOs, particularly environmental groups, was palpable. Unlike Rio in 1992, this time they had a proper seat at the table, but found it very difficult to influence the debate being conducted among governmental (and sometimes commercial) representatives. Over the last decade NGOs have adopted a strategy of increasing partnership with companies and governments, and there were calls for this to continue. However, NGO frustration at Johannesburg may cause a rethink, and marketers should be alert to the danger of a backlash, and a return to more adversarial business-NGO relationships.

Product/service opportunities

The vast majority of issues raised at the summit will sooner or later create a market opportunity for someone, somewhere. Some markets, such as renewable energy, got less of a boost from the summit than its players were hoping for. Probably the real winners were companies involved in health and sanitation markets. Here, significant new initiatives and funding running into billions were announced in a bid to improve access to basic sanitation by 50 % by 2015. This could prove to be a significant opportunity for companies like Procter and Gamble, whose water filters have enjoyed recent market growth in poorer countries, where they make a vital contribution to improving drinking water standards.

"Greenwashing" concerns

Some 200 companies fielded 700 executives, including around 100 CEOs at the summit. Some took the opportunity to present their companies or products, as the potential solution to particular social or environmental problems. Inevitably this led to criticism about "Greenwashing", culminating in Friends of the Earth holding a "Green Oscars" ceremony for those they considered the worst offenders. For marketers it is clear that promoting a product on its environmental or social credentials only works where those credentials are well founded and widely accepted.

Pricing

The prices charged for products and services between industrialised and less industrialised nations was a recurring summit theme. It reached emotive heights in relation to AIDS drugs, but from the export of new technologies, the need to end food subsidies or the tariffs attached to non-commodity exports from less- industrialised nations, a pricing based controversy was never far

away. Marketers in globalising or high-profile markets, will need to ensure that their pricing strategies are sensitive to social and political issues, as well as sound in economic and competitive terms.

Corporate Social Responsibility

Although CSR was not billed as a key issue for Johannesburg, it made a regular appearance during the summit debates, along with calls for greater transparency and accountability from both governments and large companies. This is no great surprise in the post-Enron World, and it demonstrates the need for marketers to get closely involved with the development of corporate reputations. A strong brand will be of little value in the context of a disgraced company, and the skills of marketers in building strong and reputable brands can help to do the same for the companies behind them.

Cultural diversity

Another issue that cropped up time and again during summit debates was the importance of maintaining cultural diversity. Delegates from many countries emphasised the need for technologies, products and information that was sensitive, and adapted, to local cultures and conditions. The American delegation may have got everything it wanted from the summit, but the rest of the World seems to be increasingly resistant to the Americanisation of the planet. To its credit, some of the most ambitious action programmes emerging from the summit will largely be financed by America. To its shame, America continues to champion free trade for others while practising increasing protectionism at home, and continues to hinder progress on pollution control and climate change. With President Bush missing, Colin Powell heckled and Russia and China agreeing to adopt the Kyoto agreement, America's position begins to look increasingly isolated, and in the long-term, untenable.

Much of the criticism levelled at the summit makes the mistake of judging its success purely in terms of the progress made at Johannesburg. The lack of genuinely new measures, targets and "teeth" in the final document has dismayed many. Bringing 35,000 people together representing countries of all sizes, political persuasions and levels of industrialisation, is never likely to produce definitive answers acceptable to all. Given that the delegates were an explosive mix of governments, companies and NGOs tackling a broad and often controversial agenda, no-one should have expected giant steps forward. The value of the summit lies more in the preparatory work done by governments, companies and NGOs. However, this did not attract the intense

media coverage which was focussed on the event itself . The value of the event also lies in the reinvigoration of many debates about CSR, development, trade poverty and globalisation, which look set to continue and intensify over the next ten years.

BRASS has joined forces with the Centre for Sustainable Design and the Chartered Institute of Marketing with the aim of enabling marketers to get to grips with sustainability issues. The Sustainable Marketing Knowledge Network (Smart- Know:Net) is a web-based resource which provides information and guidance on a range of sustainability issues. In the near future it will be expanded to provide a range of on- line tools, regulatory information and other services. It is available at www.cfsd.org.uk/smart-know-net/ . An accompanying introductory guide to the issues for marketers, entitled "*Marketing and Sustainability*", is available as a [PDF download](#) from the BRASS website; it is also available in hardcopy, priced £ 7.50, from the BRASS Centre (see our Contact Us page).