

Advertising effects on environmental decisions

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How does advertising influence consumers to take environmentally damaging decisions and how can it positively influence decision making thus leading to environmentally friendly behaviors? And why it must.

Marketeers and advertisers are advocates for consumption. In 2019 they spent 1.4 trillion dollars, promoting consumption - more than twice as much as the U.S spends on defense and still the rate of marketing expenditure is increasing, by [200 million dollars a day](#).

Very little ‘content’ is free, even less is free and unbiased. Virtually everything we read and everything we watch is part of a great apparatus for targeting and engaging with consumers, a global web of increasingly digital entanglement in which the vibration of every on-line click is sensed and processed with commercial intent.

As a CFO within a global marketing group I recognize that marketeers are a key, if not *the* key component, of a systemic threat to humanity and the biosphere. Given their purpose, it would be insulting not to see them in this light. Human behavior is responsible for climate change and marketeers are the manipulators of human behavior.

In April I started a conversation with Svitlana, a behavioral psychologist and Daniel, an anthropologist, on the topic of marketing and the environment. We arrived at some conclusions and along the way launched a survey to assess the awareness of, and sensitivity

to, environmental issues among marketeers. One might expect that marketeers are either climate change deniers or must suffer attacks of guilt, but actually, no.

Marketeers are well aware of climate change, they are aware that advertising encourages consumers to take decisions that are environmentally damaging, they would like things to be different and they know they *could* make them different. The statements below were constructed from the answers to the survey and the percentage of people giving these answers are indicated in brackets. So far, 86 replies have been received.

Replies to multiple choice questions:

- Climatic and environmental conditions are deteriorating (93%).
- I am concerned, I think it is a serious problem (82%).
- Human action has a significant impact on the environment (94%) and action should be taken (98%), immediately (87%).
- Marketers and advertisers could positively influence decision making and behavior to the benefit of the environment (91%) and should do more to benefit the environment (96%).
- Advertising sometimes influences consumer to take decisions that are environmentally damaging (96%).
- I'd feel better if all of my clients and their products had a positive impact on the environment (94%).
- I would personally like to work on projects that positively have a positive impact on the environment (83%).

To the question; "How does advertising influence consumers to take environmentally damaging decisions?" Representative answers were:

- By stimulating immediate and unconscious consumption, without informing consumers of the environmental consequences.
- By not communicating the whole truth about behavior that impacts negatively on the environment.
- By influencing consumption without showing the impact caused or supporting measures that would mitigate or reduce the impact.

To the question; "How can advertising positively influence decision making and thus lead to environmentally friendly behaviors?" Representative answers were:

- By disseminating positive ideas and making people conscious of the environment. Also, by efforts to make clients more aware/conscious.

- Through innovative actions that reflect our reality and the future that we need to build as of now. Promoting the consumption of environmentally beneficial products. Using creativity to develop environmentally friendly solutions.
- By changing the behavior of people that work with publicity, our clients and consumers. Publicists impart value. Publicists need to modify their mindset with respect to the value of the things that they sell.

Marketeers would like to have a positive impact on the environment, but they don't see how the opportunity would arise. As one put it, "No one will pay us to tell people not to buy stuff and if someone did, it would upset all our other clients."

People need a reason for doing things. The reason that we must market more responsibly – and that includes developing and marketing more environmentally responsible products – is that our clients' businesses will fail, and our own along with them, if we don't. This is why:

When we value companies, we estimate their profits far into the future and reduce those expected profits to present value using discount rates that reflect the degree of uncertainty in expected returns. Depending on the numbers, 60% of value may depend upon profits that are expected to arise more than 10 years from now and 30% on profits arising more than 20 years from now. Today, we know that climate change is real, that it will have a significant impact and that both the extent and impact of climate are uncertain. In finance, uncertainty equates to risk and risk demands a return. As uncertainty increases, we increase the discount rate and so reduce the present value of the company.

Imagine you own a beach resort. The land is a valuable non-depreciating asset on your company balance sheet and the entire business is valued as a going concern. NASA then publish a report concluding that global temperatures may increase by 3 degrees within decades and rising sea levels will put your resort underwater. The premise that land has an unlimited useful economic life no longer holds and clearly, there may come a point when your business literally 'goes under'.

In theory we should see climate change beginning to depress share prices, some academic studies have found only inconclusive evidence that it is, so in practice it isn't, yet. This only means that adjustment, when it happens, will be all the more abrupt. Climate change is the Elephant in the room of the global economy.

In the brief months since we started our conversation, we have witnessed a number of significant events, including the Extinction Rebellion movement in London, the 'flight shame' movement in Sweden, and the determination by the UK government that the UK should become carbon neutral by 2050. Everything is changing so fast.

The initially overwhelming idea that mankind is so rapidly causing so much destruction is beginning to sink in. Denying this or ignoring it – as stock markets and coastal property markets are at present - is consistent with the Kubler-Ross model of dealing with grief, of which the first stage is denial and the second stage is anger. Denial is wide-spread but signs of anger are emerging. The ‘flight shame’ movement in Sweden has resulted in falling passenger numbers for seven consecutive months and a decline in business for Scandinavian Airlines, for whom climate change has already caused a shift in the demand curve.

Climate Action 100+ an alliance of investment funds who together manage over 33 trillion dollars in assets is obliging ‘systemically significant emitters’, such as Royal Dutch Shell, to publish emission targets and tie executive pay to meeting those targets. Climate Action 100+ explain their actions by referring not to their environmental conscience but to their fiduciary duty to beneficiaries and presumably a desire to see their investments survive the transition to the post-carbon economy. There is no doubt that this transition will occur.

Marketeers are creative and persuasive. Our thinking leads us to suggest that the ‘edited’ messages that marketeers have crafted have skewed consumer behavior in ways that are prejudicial to the environment. For behavior to change, people must evolve from ‘knowing how’, to ‘being aware’, they must evolve from ‘homo-sapiens’ to ‘homo-cognitos’, people must come to think of themselves as ‘responsible agents’. We know that feeling accountable increases one’s sense of self-worth, something that many millennials are currently seeking, and conclude that a virtuous circle can be developed with marketeers assuming a catalytic role in promoting the evolution from the consumption-based carbon economy to a creative based post-carbon economy in which both threatened species and threatened clients may survive.

Svitlana Samoylenko, Psychologist and Trainer. Specializes in Cognitive-Behavioral Psychology and Adult Learning, heading a boutique training company in South Brazil.

Daniel Diniz is an advertising and communications industry strategist. He is a specialist in consumer behavior and enthusiastic about how communication and marketeers can change customers mindsets.

Christopher Johnson, is a CFO with a global marketing services group. He believes that businesses are not prepared for the transition to the post-carbon economy.

The [MAHB Blog](#) is a venture of the Millennium Alliance for Humanity and the Biosphere. Questions should be directed to joan@mahbonline.org

Resources

2019 U\$ 1.4 trillion global Advertising and Marketing spend: PQ Media. com

<https://www.pqmedia.com/wp-content/uploads/2018/08/Global-Advertising-and-Marketing-Revenue-Forecast-2018-22-Exec-Summ-MASTER-07.23.18.pdf>

Note: 2018 @ \$1.299 trillion + 4.6% = \$1.358 trillion 2019