



Defining the *Authentic* Ethical Brand

As consumers, most of us interpret the term *ethical brand* instinctively and in very general terms. We allow ourselves to be quickly led to the conclusion that it is *something good*. A choice that not only feels right but something that also invites us to feel good about making a particular choice. But what is a *genuine ethical brand*?

Unfortunately, the term *ethical brand* is often used out of context, misinterpreted - even misappropriated. When a company claims that its product or service is - for example - environmentally friendly or produced using organic, or fair trade ingredients we are encouraged to believe that this particular brand is *something good* - an *ethical brand*. While that may be true in some cases unfortunately these types of assertions are often used to foster broader perceptions of a brand that simply are not true. We call this brand-washing and its bad news - particularly for genuine ethical brands that are deeply committed to doing the right thing, which most of us are simply unable to distinguish from imposters at the point of purchase.

When we set out to develop our approach to licensing genuine ethical brands to display the eb logo we were determined to ensure that the eb symbol was more than just another name or logo - one that was underpinned by a reliable, scientific method of authenticating so-called ethical brands based on the evidence of their commitment to social, environmental and commercial integrity - not once or twice a year, but every day.

We had our own subjective views of what we thought an ethical brand was - *something good* - but we needed a set of specific attributes that could be quantified, measured and used to clearly identify and qualify genuine ethical brands in an unbiased way.

We wanted a license to display the eb logo to have real meaning and value to licensed organisations by handing each one a competitive advantage at the point of sale - since the vast majority of consumers prefer ethical brands. The final solution turned out to be far more valuable than that. (For more background, download: *The Business Case for Ethical Branding*.)

For a time our research efforts were distracted by the frameworks and approaches typically used in the field of corporate social responsibility, or *CSR*. We had set our sights on identifying a set of characteristics that are common to all so called ethical brands, but we were looking at the problem from the wrong end of the telescope - trying to translate policies and initiatives into a set of criteria. This approach yielded very little in the way of hard evidence, much less anything we could measure or use to confidently validate or authenticate an ethical brand. (For more background download: *The Evolution of Ethical Branding*)

It wasn't until we elevated our thinking - away from the specifics of policies and issues - to the dynamics that motivate organisations to pursue these types of policies and initiatives - that we had our eureka moment. We realised that authentic ethical brands:

- *Listen*. Authentic ethical brands are tuned into the interests, needs and concerns of all their stakeholder communities
- *Learn*. Genuine ethical brands are willing and have the capacity to learn from stakeholder interactions
- *Respond*. Real ethical brands respect stakeholders; welcome their insight and respond to their approaches

This discovery was extremely useful as it clearly identified a set of activities that could be observed and measured in various ways and used to authenticate an ethical brand - even without the cooperation of the brand that is being assessed.

About Ethical Brand

The Ethical Brand Foundation licenses genuine ethical brands to display the eb logo on their stationery, advertising, online and on their products.

The Ethical Brand licensing program addresses a persistent market problem. That is the relative inability of average consumers to accurately distinguish genuine ethical brands from others at the point of purchase. The ethical brand licensing model is the product of more than 7 years and 30,000 hours invested in research, and development to assure the fundamental integrity of the eb symbol for the benefit of license holders and consumers alike.

The eb licensing model has been successfully market-tested on every continent and is integrated into an unbiased, evidence-based system that not only qualifies genuine ethical brands of all shapes and sizes to use the eb logo - free of any license fees - but empowers consumers and brand owners to make choices that are strongly aligned with their respective values.

For more information; to request or register a license or enrol in one of our partnership programs visit us online at www.ethicalbrand.com.

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How eb Licensing Works

Standard License

Our Standard License is the entry level for all newly registered ethical brands and designed to suit any type of organisation operating anywhere and in any industry not excluded by our non-starter policy. It incorporates the right to display the eb symbol on websites, on stationery, in advertising and marketing collateral. A standard License specifically excludes the right to place the eb logo on products or product labels or to characterise out-sourced services. These exclusions require an Extended License.

Extended License

Any organisation that remains in good standing after activating a standard license for at least 30 days may request an Extended License. An Extended License simply extends the scope of a Standard License to include the labelling of one or more specified products or services. An Extended License requires that every member of the downstream supply chain providing more than 5% of value inputs to the specified product or service must also be registered as ethical brands. Extended License requests must also be supported by an eb Associate Partner.

Registration, Setup and Activation

Obtaining your license is simple. Just visit www.ethicalbrand.com and register your ethical brand. All new registrations are screened to ensure that their activities do not conflict with our non-starter policy. Once notified the Sponsor can log in and complete the account setup, which generates an eb Profile as well as a short unique string of HTML code for linking to the eb Profile.

License activation commences when the website of the registered organisation is linked to its eb Profile. After 30 days - provided we have not received any feedback indicating we should consider doing otherwise - the license becomes fully activated and is released for use in all Standard License settings (all except product/service labels).

If we have concerns about releasing the license then we will contact the Sponsor and outline our concerns. If we have not already done so we will make a final decision based on the outcome of this dialogue including any actions agreed.

Recognising the eb Process

We refer to the activities of *listening*, *learning* and *responding* collectively as the *eb Process*, because they are interdependent and when performed well they profoundly assure the integrity of the brand experience. If any one or more of these activities is dysfunctional it quickly undermines the quality and integrity of the entire process and the brand.

Authentic ethical brands are certainly not perfect organisations, but the way they respond to their imperfections is what clearly sets them apart from all others. And the eb Process reveals everything we need to know about how well an organisation responds to the needs, interests and concerns of all its stakeholder communities.

Can authentic ethical brands do better when it comes to sustainability and their social and environmental impact? Yes. Even those brands which are widely recognised as being the most authentic ethical brands have the capacity to improve their social, environmental and commercial performance.

Importantly however, genuine ethical brands don't think about their ethical brand strategy as some sort of future state, mission or destination that they will one day arrive at, but a set of guiding principles, policies, attitudes and behaviours that define their journeys.

One of the only constant features of the ethical brand journey is change. Whether it's changing suppliers, materials, policies, practices, behaviours, etc.. few organisations warmly welcome change and ethical brands are no different, really. However, they do recognise it for what it is - an opportunity to learn, innovate, add value and positively impact the brand experience. And they consider the impact of change from every stakeholder perspective.

Genuine ethical brands make every reasonable effort to maintain the right balance between their social, environmental and commercial responsibilities and performance - not because it's the next big thing, but because this is what the vast majority of stakeholders are interested in and concerned about.

They are also very honest and forthright about what trade-offs and challenges are involved in maintaining the right balance. They don't profess to have all of the answers but they are prepared to set goals in these areas and to use these challenges as opportunities to engage stakeholders as partners in addressing the issues. More often than not that is simply a matter of asking the right questions: to gauge opinion and or explore what alternative options are available.

Leaders of genuine ethical brands set out meaningful visions for their organisations, which are not motivated exclusively by profit and in so doing they attract enormous respect and bolster their brand loyalty.

Size is Irrelevant

Authentic ethical branding is not the exclusive domain of large corporations although the big name brands are the ones that are most often cited when consumers are asked to name an organisation they perceive to be an ethical brand. In reality, the population of genuine ethical brands is dominated by smaller enterprises.

One doesn't have to look far down the lists of brands with these accreditations and awards to see that they are dominated by big brands - the same ones typically cited by the media and therefore consumers as being ethical. Unfortunately, some are only there as part of a public relations ploy - to address serious brand reputation issues, the cause and effects of which remain unchecked.

Smaller enterprises do enjoy the advantage of being able to make policy decisions and implement them the same day, whereas larger organisations struggle to respond quickly to shifting and emerging market demands due to their size and complexity, but they have the resources to access expensive ethical accreditation and award schemes. Most of these do deliver some good outcomes, but few really connect with consumers at the point of sale and for the most part they simply do not - in and of themselves - provide the evidence needed to authenticate a genuine ethical brand, much less maintain that on a real-time basis.

The point is that there are countless de-facto ethical brands (some large and many small) *doing the right thing*. They respect the needs, interests and concerns of their stakeholder communities. This simple fact means that they are producing and trading goods and services in an ethical manner - that they are *de-facto* ethical brands. Most have probably always done so and not because being ethical represents a rather cool and profitable niche market, but because they are owned, managed and populated by people who give what they themselves like to receive. If you are the owner or senior executive of such an organisation this is your opportunity to step into the light.

Over and above those organisations of all shapes and sizes that are already *de-facto* ethical brands there are many more that could quite easily qualify as genuine ethical brands without really having to go to too much trouble or expense at all. You know who you are. We hope that you are now able to recognise the commercial imperative as well as opportunity for your fledgling ethical brand. Join us.

Finally, there are those organisations that really have a lot of work to do before they could qualify as an ethical brand. We believe many are modern dinosaurs that need to radically rethink their approaches. Perhaps some will begin to realise that there has never been a better time to reconsider their purpose and direction. □

www.ethicalbrand.com