

Full circle



By Robert Stockdill, publisher, Inside Retailing Magazine

How a new industry movement is taking a wholistic view of sustainability throughout the point of purchase supply chain.

Mention sustainability and most retailers would think about cutting energy costs and fossil fuel use and recycling paper.

But sustainability is something that affects every aspect of every business when treated seriously. And with issues such as global warming and biofuels drawing increasing attention in the developed world, sustainability is shaping up to be one of the key business trends of the decade.

Mike Farley, group MD of SPOS, has a vision. He wants to raise awareness of sustainability issues and solutions right through the retail industry. He's not just talking about ensuring in-store promotional tools are recyclable – he's talking about the entire life cycle of point-of-purchase (POP) solutions: "Everything from advertising posters to temporary, semi-permanent and permanent displays, the products or components used in their manufacture, their transportation to the location and their disposal.

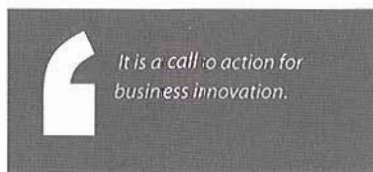
"In Australia, we are aware that sustainability is an extreme concern encompassing limited water resources, energy and requires exemplary global citizenry. It has a great impact on the way brands, retailers, suppliers and manufacturers source materials, develop manufacturing and packaging processes and deliver their products."

Farley's vision is to provide industry decision-makers with insight and strategies to improve

their environmental performance to meet consumer demand for more environmentally responsible products. It is a call to action for business innovation and better design to use less resources, recyclable materials and lower costs, resulting in more competitive solutions.

Such a disciplined process can have a finite financial silver lining. Going green need not mean incurring additional cost for retailers or their suppliers.

Farley cites an example of an FMCG company which found a way of reconfiguring its packaging and display



mechanisms. By fitting more product on fewer pallets ex factory and fitting more product in display and dispensing units at the point of sale, the company saved \$235,200 in freight costs – the equivalent of 168 truck loads. That in turn reduced CO2 emissions by 66 tonnes and saved 22,600 litres of petrol.

The cornerstone of Farley's solution is the creation of a Sustainability Committee linking a broad range of Australian businesses around the table under the auspices of the Australian chapter of the global POPAI (Point-of-Purchase Advertising International) organisation.

The committee's inaugural meetings will not be held until March, but already Farley

has gathered together a high calibre group representing some leading companies – including Armineh Mardirossian, group sustainability manager with Woolworths, Andrew Dudgeon, who has a similar role with energy supplier AGL, Professor Michael Jay Polonsky, chair in marketing at Victoria University's School of Hospitality Tourism and Marketing, and senior executives from Deloitte, David Jones, Coles, 3M, SPOS, Coca-Cola Amatil, ACE Instore, Active Display Group and Inside Retailing.

"The response has been overwhelming," says Farley. "Everyone echoed the same desire of wanting to participate to help make the sustainability initiative a success."

The committee's initial goals will be to report on the current state of sustainable POP in Australia, find and communicate examples of POP change and innovation which reflect sustainability, produce examples of "best practice" reporting from overseas and encourage Australian members to follow, as well as producing a checklist for companies to assist with their sustainability reporting. Farley wants the committee to engage others in the sustainability issue in the POP supply chain, such as brand owners and retailers, to play an educational role within the POP industry conducting educational sessions and speaking at educational institutions for design students and to engage the general community in debate and



Mike Farley - in search of best practice sustainability reporting.

discussion regarding sustainable POP in Australia.

Besides the committee, Farley has created an internal research team within SPOS charged with globally researching best practice at marketing in retail.

"With the valuable information gathered, SPOS conducted three breakfast seminars on sustainability at retail in Melbourne and Sydney. The seminars were attended by all major brands and retailers eager to learn best practice, gather information and take away some thoughts and guidance on how to be more corporately responsible, especially in the area of merchandising and marketing at retail."

Following on from these will be a series of workshops for retailers and the broader retail industry in Sydney, Melbourne and Auckland in early March.

The benefits of digital signage versus printed posters, investment, measurement and sustainability impact will be presented in a case study by Guy

Cheston, advertising sales and sponsorship director of Harrods in London.

"With over 100 digital screens and 100 poster light boxes located in Harrods, there is no one more qualified to talk about sustainability impact," says Farley.

Cheston will also be conducting a hands-on workshop to lead Australian retailers towards environmental sustainability and AGL will take companies through the process of going green - the pitfalls and realities.

PricewaterhouseCoopers will workshop the practical implementation process of calculating a carbon footprint and present the latest sustainability challenges and opportunities facing the retail industry.

Farley wants practical working examples - from home and abroad - to be liberally shared within the committee and beyond, helping companies meet what will inevitably become an increasing demand

from consumers for evidence the products they purchase have been produced, marketed and sold with consideration to sustainability issues.

When it's convened and fully operational, the sustainability committee will be charged with producing a document that looks at best practice in every 'strand' of the point of purchase sector, developing a uniform set of standards.

"The standards will focus on the procurement of raw materials, the production process including by-products and the afterlife of point-of-purchase displays," says Farley.

"For example, we'll be asking what can be done during the production process to enable the POP to be reused or recycled and does this have more or less impact on the environment?"

Retailers and suppliers interested in becoming involved in the POPAI Sustainability Committee, or seeking more information about the seminars, should contact Michael Farley: michaelfarley@spos.com.au