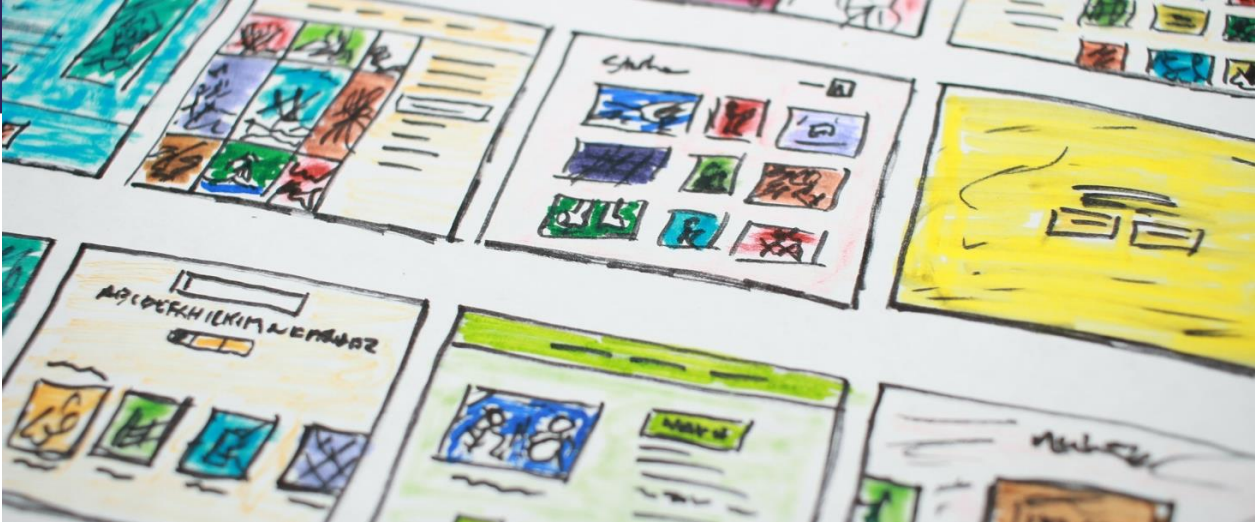


The Physical Impacts of Advertising



As an engine room of the economy, marketing sits at the intersection of business, stakeholders, and society, driving innovation and shaping the value exchanged via the marketplace. Over time, marketing has been optimised to enable an organisation to capture financial value by driving demand, satisfying customer preferences, and matching buyers and sellers. One aspect of marketing, advertising, has become so successful at this that it has been identified as a key driver of national¹ and global financial income (gross domestic product²): the long-standing – if flawed – measure of economic success.

Economies are fuelled by the sale of goods and services which is influenced by advertising.³ Our unsustainable production and consumption drive the carbon emissions, resource exploitation and waste that is incompatible with a sustainable future.⁴ On average, current production and consumption methods mean that humans require 2.7 hectares of land per person to sustain themselves.⁵ This ecological footprint is 170 percent larger than the planet can provide for the long term.⁶ 1970 was the last year that humans were living within their means.⁷ Since the Second World War, global carbon pollution has fallen only during oil shocks and economic downturns⁸ when people reduce shopping and consumption. By 2021, household and non-profit institutions serving households (NPISH) consumption expenditure totalled more than US\$78 trillion.⁹ Influencing much of this is a US\$615 billion investment in global advertising.¹⁰

¹ ANA. (n.d.) *New Study Confirms Advertising as Key Driver of the U.S. Economy; Advertising Is a Major Contributor to GDP, National Employment and Labor Income*. <https://www.ana.net/content%20/show/id/37679> [Accessed 28th June 2023].

² World Federation of Advertisers (WFA) (n.d) *The Value of Advertising*. <https://wfanet.org/about-wfa/our-priorities/the-value-of-advertising> [Accessed 28th June 2023].

³ Karaxha, H., Ramosaj, B., & Abazi, A. (2017) *The Influence of Advertising in Increasing Sales in Kosovo*. *ILIRIA International Review*. 6(2). DOI:10.21113/iir.v6i2.254.

⁴ United Nations. (2022) *The Sustainable Development Goals Report 2022*. <https://unstats.un.org/sdgs/report/2022/The-Sustainable-Development-Goals-Report-2022.pdf> [Accessed: 29th June 2023].

⁵ Lin, D., Wambersie, L., & Wackernagel, M., (2022) *Nowcasting the World's Footprint & Biocapacity for 2022*. <https://www.overshootday.org/content/uploads/2022/06/Earth-Overshoot-Day-2022-Nowcast-Report.pdf> [Accessed, 27th June 2023].

⁶ Earth Overshoot Day (2023), *This year's Earth Overshoot Day lands on August 2: The trend is flattening but still far from reversing*. <https://www.overshootday.org/newsroom/press-release-june-2023-english/> [Accessed, 27th June 2023].

⁷ Earth Overshoot Day (n.d) *Media Backgrounder: Earth Overshoot Day* <https://www.overshootday.org/newsroom/media-backgrounder/> [Accessed, 28th June 2023].

⁸ UK Parliament. (2021) *UK and global emissions and temperature trends* [Accessed: 28th June 2023].

⁹ World Bank. (n.d) *Households and NPISHs final consumption expenditure, PPP (current international \$)* <https://data.worldbank.org/indicator/NE.CON.PRVT.PP.CD> [Accessed: 28th June 2023].

¹⁰ Research and Markets (2023) *Global Advertising Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2023-2028*. <https://www.researchandmarkets.com/reports/5769211/global-advertising-market-industry-trends> [Accessed: 27th June 2023].

The Responsibility and Opportunity for Advertising

Advertising is frequently used as a tool to increase consumption and drive profits, without real accountability for effects. While growth in global financial income has moved many people out of material poverty, business-as-usual has damaged the social and environmental capital it depends on. Promises of decoupling consumption from the material world it depends on have not happened. Not surprisingly, advertising has come under the spotlight. A transformational leap in intellectual, cultural, technological, and commercial terms is needed for advertising to orient its creativity behind a greener, more resilient, and health-generating world.

As it is currently practised, advertising sits at the heart of an unsustainable economic system. From this powerful position, it has the potential to play a vital and central role in addressing unsustainable consumption, repositioning needs, reinventing value, embedding sustainability, rebuilding consumer trust, inspiring collective action, facilitating stakeholder-centric innovation, and transitioning client organisations to optimise their contribution to society. With such power, scale, enablement, and influence, if advertising does not transform, it is likely to constrain other innovations in the system.

As the industry steps up its efforts to capture the public narrative and expectations on sustainability, it will be more important to stay focused on the transformation required to fulfil its potential as a change agent. The advertising industry cannot reshape the economy alone, yet there is huge potential for it to collaborate with – and inform – its clients to innovate and respond to the needs of society in a way that protects the health of our social and environmental systems. The need is for radical change, rather than status quo acceptance of unfettered, unsustainable consumption.

Accounting for Systems Health

Definition: advertising footprint

The term ‘advertising footprint’ refers to the ways that advertising, directly and indirectly, contributes to the health or degradation of social and environmental systems.

Advertising’s ‘direct footprint’ refers to the physical real-world impacts generated by advertising operations and activity. Consider the likes of emissions, waste and pollution produced via office management, website hosting, event and content production, media buying, etc.

Advertising’s ‘indirect footprint’ refers to the physical real-world impacts generated during the production (supply-side) or consumption (demand-side) of the goods, services or experiences exchanged via the marketplace as a result of advertising activity.

Despite advertising’s **direct footprint** being small in comparison to its indirect footprint, this is an important place for the industry to begin considering and accounting for its impact on systems health, embedding this practice in its day-to-day delivery. It is an easier place to begin innovating metrics, technology and frameworks for impact reduction and restoration. Solutions like the [AdGreen Carbon Calculator](#) and [Ad Net Zero Action Plan](#) have presented ways to begin direct footprint accounting, while [Scope 3’s Climate Shield and Green Media Products](#) offer innovative means of decarbonising the selection and distribution of digital advertising at scale.

Beyond this, it is imperative that the advertising industry appropriately accounts for its **indirect supply-side and demand-side footprints** which, in most instances, will eclipse its direct operational footprint. In the same way that advertising claims must consider the whole product life cycle,¹¹ advertising's footprint accounting must consider its impacts across the whole value chain. Here, there lies greater ambiguity, scope and challenge in the methodology that will be critical to reducing the impacts associated with advertising **strategies and decisions**, alongside the impacts generated by its **operations**. Two methodologies are positioned in this important and growing debate:

- [Ad Net Zero's Advertising & Advertised Emissions Framework](#), and
- [Purpose Disruptors' Advertised Emissions Report](#)

The conclusion of this debate will need to produce a methodology that ensures the industry appropriately accounts for the indirect consumption-based emissions that it influences, with a framework by which to measure and filter the impacts of the global US\$615 billion invested in advertising.

The complexity and ambition of this work is likened to that of [financed emissions](#). However, financed and facilitated emissions methodologies are designed for the finance industry. While learning from this best practice, the advertising industry is different and will need to generate its own methodology to calculate its impact. This will need to consider the unique and powerful brainprint effects of advertising that show up in the physical world. For this to happen will require bold honesty about the mechanics of how society's behaviour is shaped and the central role of advertising in it. Ahead of the marketing ecosystem in its thinking, advertising will have an important leadership role to play in inspiring and guiding similar innovation across the marketing and creative sectors.

Recommendations to Address Advertising's Footprint

- Acknowledge and accept the negative impacts of advertising and the need for transformational change
- Gain and maintain awareness of systems health and advertising's contribution to it
- Gain and maintain awareness and ownership for the way that society's behaviours are constructed and advertising's contribution to the psychological, sociological, and cultural influence that drives footprint impacts
- Build the protection and restoration of social and environmental systems into advertising's strategic thinking, planning and execution
- Engage in the methodology and technology available to account for advertising's direct footprint and continue to innovate to close the gaps in industry and sector-wide accounting
- Take appropriate responsibility for the indirect footprint driven by advertising's endorsement and facilitation of marketplace exchange, and commit to aiding the development and rollout of a global methodology that accurately reflects this

¹¹ Competitions and Markets Authority (2021) *'Green' claims: CMA sets out the dos and don'ts for businesses* <https://www.gov.uk/government/news/green-claims-cma-sets-out-the-dos-and-don-ts-for-businesses> [Accessed, 21st June 2023].

- Ensure all actors are using this methodology to measure and reduce their impact in line with the latest scientific recommendation
- Accept the leadership role that advertising plays in creating a sustainable future and driving – or constraining – positive change in production and consumption.

Innovation in advertising measurement will be key to achieving this. The industry has traditionally focused on sales-related metrics to illustrate financial performance and return on client investment. To transform, the industry will need to revise its measures of success and begin accounting for its contribution to protecting and enhancing the health of social and environmental systems. With the right metrics and data, advertising will be in a position to support clients to remain viable and optimise strategic decisions. While metrics alone may not drive change, they can serve as a valuable influential factor, facilitating positive, purpose-driven action across business and society.

Learn More About Sustainable Advertising and Marketing

Learn more about marketing and advertising footprint via the [Sustainable Marketing, Media and Creative Online Course](#) from the University of Cambridge Institute for Sustainability Leadership.