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Current Status and Future of Brand ESG Marketing Strategy

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Abstract:
In recent years, the issue of carbon emission control has garnered widespread attention, with reducing consumption-side carbon emissions emerging as a critical pathway for China to achieve its "dual carbon" strategic goals. Against this backdrop, ESG (Environmental, Social, and Governance), as an emerging evaluation framework, has introduced a new logic to brand marketing. It drives brands to shift from solely conveying commercial value to a dual-win model integrating commercial and social value. This transformation not only profoundly influences consumer recognition and market competition dynamics but also serves as a core pillar for shaping brand reputation and enhancing long-term competitiveness. This paper examines the intrinsic relationship and historical evolution between ESG and brand building. While research and practical explorations in this domain have grown increasingly abundant, systematic consolidation and integration remain necessary. By comprehensively reviewing existing theoretical achievements and practical cases, the study highlights key development trends in brand goal-setting, value propositions, and communication pathways. Furthermore, it provides forward-looking insights into the future trajectory of brand strategies within the ESG framework, aiming to offer systematic and forward-thinking references for advancing theoretical research in ESG and brand marketing while optimizing corporate practices.

Keywords: ESG; Carbon Emissions; Brand; Marketing Strategy; Low-Carbon Model Transformation

1. Introduction

Global climate change and the imperative for sustainable development are driving society's transition toward a low-carbon model, with the advancement of the "dual carbon" strategy further highlighting the importance of corporate environmental responsibility and social value. Against this backdrop, the ESG (Environmental, Social, and Governance) concept transcends the limitations of traditional financial metrics, emerging as a core standard for measuring long-term corporate competitiveness and injecting new logic into brand marketing--shifting brands from solely conveying commercial value to synergistically creating both commercial and social value.

Currently, the correlation between ESG and brand building has garnered widespread attention from academia, industry, and the public, with a growing body of research and practice. According to studies by experts such as David Vogel and C.B. Bhattacharya, there remains significant room for improvement in this field. Theoretically, a systematic framework for how ESG drives the evolution of brand strategy has yet to be established, with insufficient analysis of multidimensional synergistic mechanisms. Practically, companies often face challenges such as "superficial ESG marketing" and "disconnect between words and actions," reflecting a lack of clarity on integration pathways.

This state of "theoretical fragmentation" and "practical ambiguity" underscores the urgency for systematic synthesis. This paper focuses on the evolving trends and future prospects of brand marketing strategies in the ESG context. By integrating theory and case studies, it clarifies the logic through which ESG reshapes brand strategy, summarizes key evolutionary dimensions, and provides insights to deepen theoretical research and optimize corporate practice.

2. Connotation and Evolutionary Path of ESG

2.1 The Core Connotation of ESG

ESG encompasses Environment, Social, and Corporate Governance. The Environment (E) refers to a company's impact on the ecological environment, primarily focusing on the effects of its production and operational activities on the natural environment, as well as the actions taken to mitigate such impacts. The Social (S) aspect concerns a company's responsibilities toward its stakeholders and society at large, emphasizing its social obligations in managing relationships with employees, customers, communities, supply chains, and other stakeholders. Corporate Governance (G) highlights the standardization and transparency of internal management, examining whether a company's internal management structure, systems, and processes are reasonable and transparent, capable of safeguarding shareholder interests and preventing core risks, all interconnected.

At its core, ESG evaluates a company's performance in environmental, social, and governance aspects to measure its sustainable development capabilities and long-term value. It transcends the traditional limitations of assessing companies solely based on financial metrics, asserting that long-term success depends not only on profitability but also on environmental protection, social contributions, and sound internal governance. For investors, companies with strong ESG performance tend to exhibit lower risks and more stable long-term returns. For businesses themselves, effective ESG management enhances brand reputation, strengthens customer and employee loyalty, and fosters sustainable growth.

Compared to traditional metrics, ESG emphasizes long-term value and identifies risks beyond financial concerns, such as environmental hazards and social governance risks. This helps companies avoid potential lawsuits and reputational damage arising from environmental issues [1,2].

2.2 The Evolutionary Path of Marketing Strategy in the ESG Context

Within the ESG context, the evolution of marketing strategies displays a three-stage progressive characteristic. The initial stage is the passive response phase, where ESG acts as a shield for brand image marketing, primarily concentrating on fragmented philanthropic activities. This approach masks the true ESG value proposition detaching from its intrinsic significance and merely fulfilling superficial "presentable" tasks. For example, some brands in the early stages attained their so-called ESG "KPIs" in marketing through one-time donations, lacking substantial planning and failing to meet consumers' increasing ideological demands for brand ESG or national strategic requirements [3].

With further development, the second stage emerges as the strategic integration phase, where ESG transforms into a differentiating competitive factor. Brands infuse ESG principles into product development and supply chain management. Examples include Anta launching carbon-neutral running shoes and Bosideng (Broussonetia papyrifera) establishing a sustainable system across the entire value chain. By utilizing carbon footprint labeling, supply chain traceability, and other methods, brands enhance consumer perception, shifting the marketing focus from "informing" to "experiencing." Interactive in-store installations, philanthropic IPs, and other scenarios deepen value communication [4,5].

The current stage is termed the value-driven phase. Concurrently, ESG ascends to become a core brand belief, with marketing centered around sustainable business models (Broussonetia papyrifera), such as circular economy models, pursuing the symbiosis of economic and social value to form an ESG-driven growth loop.

Younger Gen Z consumers increasingly prioritize ESG performance in brand marketing, favoring brands that demonstrate greater sustainability and responsibility. In

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this context, enterprises must establish connections with this consumer group through emotionally resonant brand narratives.

3. The Coupling Mechanism Between ESG and Brand Marketing

The coupling mechanism between ESG and brand marketing manifests as a dynamic bidirectional empowerment relationship. From the perspective of ESG driving marketing, environmental responsibilities (such as low-carbon production) can be transformed into product differentiation selling points. For instance, Bosideng, guided by the "dual-carbon" goals as both its directive and selling point, established a "1+3+X" ESG strategic framework with the core vision of "consumer-oriented, leading sustainable fashion." While aligning with national policies, Bosideng not only strives to meet consumers' fashion demands but also significantly enhances environmental performance, elevates social value, and drives sustainable transformation across the entire value chain. The social responsibility (e.g., philanthropic investments) marketed by Bosideng strengthens public emotional identification with the brand and improves governance transparency, ultimately boosting consumer trust. These three elements collectively form a new dimension of brand value, reshaping ESG and brand marketing propositions [6].

Conversely, from the perspective of marketing feeding back into ESG, brand communication amplifies the social impact of ESG practices and promotes awareness of the "dual-carbon" goals. Consumer feedback further optimizes corporate ESG strategies indirectly, while this closed-loop marketing channel supports the implementation of ESG concepts within brands. Gao Dekang, founder of Bosideng, Chairman and President of the Group, was invited to deliver a keynote speech titled "ESG Leading Sustainable Fashion--Bosideng's Path to Sustainable Development Summit" at the conference. He systematically elaborated on Bosideng's sustainability journey, prioritizing responsibility, empowering through technology, and fostering symbiotic collaboration, offering the "Bosideng Solution" for the low-carbon transformation of the textile industry, which garnered widespread recognition among attendees. This coupling operates through a cycle of "value co-creation—trust accumulation—market transformation," leveraging its strong brand influence to propel peers in the apparel industry from "functional marketing" toward "value marketing" and "policy marketing," achieving the integration of commercial objectives with social value and green ecological value. It opens new avenues for ESG marketing among Chinese brands.

4. Future Challenges and Prospects of ESG in Branding

The deepening of ESG in brand practices faces systemic challenges while also nurturing new opportunities for value enhancement. Its development path requires deep resonance with industrial chain transformation, consumer demands, and technological evolution.

4.1 Challenge Level

In today's society, there are still unscrupulous businesses that turn ESG into a commercial gimmick, typically "selling a pig in a poke," reducing ESG to a simplistic marketing rhetoric. A series of pseudo-practices erode consumer trust in corporate integrity. Meanwhile, outdated narrative templates (such as "environmental slogans + charity images") still struggle to deeply resonate with the hearts of Gen Z consumers.

Therefore, how to build solid ESG messaging on the foundation of genuine practices is a challenge that places higher demands on brand storytelling capabilities. Additionally, there is a real-world contradiction between globalization and regionalization in standard harmonization. Different markets have varying ESG regulatory requirements (such as the EU's CSRD and China's "dual carbon" goals), creating disparities. Multinational brands must navigate dual standards to express support for ESG core principles.

4.2 Prospects

Applications in supply chain optimization and carbon footprint accounting, along with the comprehensive simulation of production scenarios through digital twin technology, can shift ESG management in brand marketing from "post-facto disclosure" to "real-time optimization." This provides brands with more precise decision-making foundations while lowering the implementation threshold for small and medium-sized enterprises.

Secondly, the establishment of an ecologically synergistic ESG value network for Broussonetia papyrifera. The ESG practices of individual enterprises will evolve towards ecosystem-wide collaboration across the "brand-supplier-consumer-community" chain. For instance, Anta's "Mountains and Rivers Plan", featuring cross-industry Broussonetia papyrifera cooperation models, will become mainstream. By jointly setting standards, sharing data, and sharing responsibilities, a "value symbiosis" ESG ecosystem will take shape. Lastly, consumer sovereignty can further democratize ESG in brand marketing. For example, Generation Z, through consumer oversight and public supervision, can compel brands to elevate their ESG practices. This may even give rise to "consumer-participatory ESG standard-setting" (e.g., community co-creation of environmental metrics), transforming ESG from a corporate-led responsibility framework into a value consensus deeply shaped by consumer involvement.

Overall, the development of ESG in branding will exhibit a spiral upward trend characterized by “challenges and opportunities coexisting.” Its ultimate value lies not only in driving business growth but also in fostering the co-evolution of consumer ecosystems, industrial chains, and societal value. Simultaneously, it must align with the operational feasibility of global ESG governance, achieving long-term balance between economic benefits and sustainable development.

5. Conclusions

ESG, as a core dimension of brand marketing, has evolved around the synergistic integration of environmental, social, and governance factors. Its development has progressed from passive compliance to strategic integration and then to value-driven initiatives. Through coupling with product R&D, supply chain management, and consumer experience, it achieves the symbiosis of commercial and social value. However, it currently faces challenges such as trust erosion due to “greenwashing” marketing, the nascent rise of global ESG policies, varying ESG policy standards across countries, insufficient consumer awareness, and fragmented actions among stakeholders. Fortunately, technological empowerment and ecosystem collaboration simultaneously provide opportunities for its advancement. Firstly, it is crucial to enhance the practical application. Using Anta and Bosideng as exemplars. By incorporating ESG throughout the entire value chain and substituting the superficial claims of Utetheisa kong with tangible actions such as carbon footprint tracking and collaborative public welfare initiatives. Secondly, promoting standard alignment is necessary, where companies must harmonize international standards with local “dual-carbon” objectives. Industry associations can act as mediators for Homo sapiens, negotiating and advocating for ESG regulations that better serve the needs of all stakeholders. Lastly, consumer engagement should be tiered--focusing on emotional storytelling and participatory experiences for Generation Z, while reinforcing the practical communication of ESG values (e.g., cost savings, quality enhancement) to other demographic groups. Fourthly, leveraging technological inclusivity is essential, employing AI and blockchain to lower the ESG management barrier for SMEs. Establishing a virtuous cycle of “practice-dissemination-feedback”, ensuring ESG truly becomes the foundational driver for sustainable brand growth.

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