

Made for Drink: zero-sum or win-win? A novel approach to meeting the challenge of net-zero for SMEs.

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SMEs account for 99% of all UK private businesses and contribute to over 50% of the country's GDP (FSB, 2022). It is critical to gain full engagement of all SMEs for the UK economy to meet its net-zero target by 2050. There are a series of challenges and barriers for SMEs to engage in net-zero activities including a lack of knowledge, a lack of financial support, and the inability to measure the investment/cost vs. return (BritishChambers, 2022). The benefits of achieving net-zero for SMEs include not only be the positive social reputation, but also the mitigation of increasing carbon taxes. There is no doubt, the benefits of sustainability initiatives are expected to impact the company's position within the marketplace. It could help the company to differentiate itself from the rest of the competitors, but how well it will translate into revenue would be difficult to say. Our business partner, Made for Drink, is a Premium Bar Snacks Company located in Maidenhead, UK. The CEO and founder, Dan Featherstone (DF) has a vision to become a market leader in sustainability amongst SMEs across the entire UK food and drink industry. In the pursuit of reaching Net Zero by 2030, DF embarked on the Exmoor Carbon Project. This is an ancient woodland site in North Devon which was purchased and is maintained in order to Sequester Carbon, increase local biodiversity, protect ancient woodland & trees and boost rural employment on Exmoor. We hoped to communicate the work done by the Exmoor Carbon Project, educate consumers about the benefits and need for business to do more in this area and most importantly share the story of Dan's journey to learn about the challenges and rewards of striving for Net Zero.

Digital storytelling is a relatively new concept and not one widely adopted by firms yet. However, we have identified this to be a highly effective way for companies to communicate their sustainability efforts to consumers in a way that is both authentic and transparent. This is key in the age of workerism where many companies are being accused of seriously exaggerating their climate change efforts and even failing to meet their own targets on tackling climate change. A recent study from the New Climate Institute suggests that companies also routinely exaggerate or misreport their progress. Google, Amazon, Ikea, Apple and Nestle are among those failing to change quickly enough, the study alleges (BBC, 2022). We argue that digital storytelling is an effective and novel tool for adoption by companies seeking to make their sustainability efforts known to the world in a way that is honest and transparent. Digital storytelling influences consumer behaviour in the following three ways: 1. Stimulates the consumer's identification with the brand, 2. Allows consumers to experience emotional value of the initiative portrayed, 3. Supports engagement behaviours (de Oliveira Junior et al., 2022).

With the 2022 DOS seed fund scheme, Drs Ling Xiao and Lucy Gill-Simmen (LX, LGS) invited DF to attend a workshop at Royal Holloway 27th May 2022. The workshop aimed to explore different extended reality (XR) could be used to develop an immersive story-telling piece. Subsequently, LX and LGS won a £20K Business Innovation Partnership competition to advance this project. LX and LGS met the business owner DF on the 8th of July 2022 at his business premise in Maidenhead to collect information on the business carbon-neutral

initiatives. Following the U.K. standards, Dan ascertained 87 tonnes of emissions were produced for the entire supply chain of his business. To address this, Dan set about making significant business changes. However, this came at a cost. Made for Drink switched to plastic-free packing which increased the production costs fivefold. Rather than pass the additional cost to the customers, he absorbed the costs. In addition, he invested £90k of his own money in an Exmoor carbon project. This project covered approx. 24 acres (9.7 H) of forest land and has a mixture of deciduous native species and a small plot of coniferous woodland, the project aims to sequester 300 ster 300 tonnes per year of carbon, to increase local biodiversity and to protect and rescue ancient woodland (ExmoorCarbon, 2022). The business is now at a critical stage seeking a ten-fold scale i.e. approximately £30m turnover per annum for the business in the next four years. However, scaling up also means severalfold increase in investment/cost to maintain net-zero. The shareholders, employees and other stakeholders are concerned about the massive investment required to maintain net-zero once the business is scaled up. With the firm's unrelenting focus on delivering a unique quality product with a strong brand position, the company has experienced an exponential increase in sales over the last four years. However, despite this, the company was still to achieve any profits. The benefits of the net-zero project are expected to impact on the company's position within the marketplace. It will help the company to differentiate itself from the rest of the competitors, but how well it will translate into revenue would be difficult to say.

We also agreed on the delivery format of the immersive-story piece which will be WebXR. This is just one technique from a series of new immersive technologies (NITs) including augmented reality, virtual reality and hypersegmentation which have been shown to strengthen to the brand building process (Rivera-Pesquera, Cacho-Elizondo and Duran-Dergal, 2021). 16th, 17th of August, Dan and the XR team went to the Exmoor carbon project in North Devon to collect digital assets required to develop the webXR. This included the use of Lidar technology and digital reconstruction of up to 3 spaces within the Exmoor Carbon Project Forest, which combined with storytelling audio recorded by DF have been completed.

The recorded WebXR experience is now located [here](#). The WebXR is VR compatibility. You can access the APK which can be sideloaded onto Quest 2 [here](#). Following exposure to the digital immersive storytelling, a survey conducted with consumers helps us to identify whether digital immersive storytelling effectively narratively transports and persuades customers of the brand's net-zero initiatives (Van Laer, Feiereisen and Visconti, 2019). We will appreciate if you could complete the [survey](#) after you had a go with the WebXR.

Our work serves as an exemplary of how digital immersive storytelling process may meet the challenge of cost vs return faced by many SMEs. With the rapid growth of SMEs in the UK in the food and drinks sector, brands need to tell their own story on the contribution they are making to achieve the UK's legal targets by 2050. Brands need to show consumers and other stakeholders that they are doing the right thing, reinforcing the policy frameworks of the government. They need to explain to investors, employees, and customers what the transition means to them and how they are adapting their businesses to reflect this. Communicating about Net Zero is not as simple as just sharing good news and showing relevant stakeholders that their company is 'green'. Different audiences all have different needs and priorities. They need to hear nuanced messages in different ways. Understanding

these complexities and responding to them through simple communications is not easy. Brands need to tell their stories creatively.

We expect our research impact to be for businesses at the national level (UK) and possibly further afield, in international markets. It will have a direct impact on companies seeking novel and authentic ways to communicate their net-zero efforts to the public, enabling them to showcase their sustainability goals to their existing and potential new customers in a way that is authentic and in a way which bypasses the greenwashing approach often adopted by the large brands. This also gives small and medium enterprises an opportunity to lead the way to net zero.

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