

As COP27 closes, CSPs can help consumers to address concerns about both the cost of living and the environment

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The COP27 climate summit held in Sharm El-Sheikh, Egypt in November 2022 brought world leaders together once again to decide on action to tackle the climate emergency. However, as shown in Analysys Mason's latest [consumer survey](#), consumer interest in sustainability has temporarily plateaued against the backdrop of greater energy and financial instability. Nonetheless, telecoms operators can provide services that help customers both to control their costs and to achieve a greater level of environmental sustainability. This article outlines some of the initiatives that operators have put in place to help realise their own and their customers' aspirations for greater sustainability and concludes with recommendations about how operators can improve the potential success of such initiatives under economically challenging conditions.

Telecoms operators want to give consumers the ability to make more-informed sustainability decisions

In the run-up to COP27, operators had an opportunity to renew their focus on sustainability. For example, a number of speakers on the sustainability track at Total Telecom Congress 2022, held in London in November 2022, discussed how operators could help customers to reduce their carbon footprints by giving them the tools and information to make more-informed buying decisions. However, most telecoms operators' current sustainability practices do not focus on their residential customer base and, indeed, many attendees were mindful of 'virtue signalling' in this area.

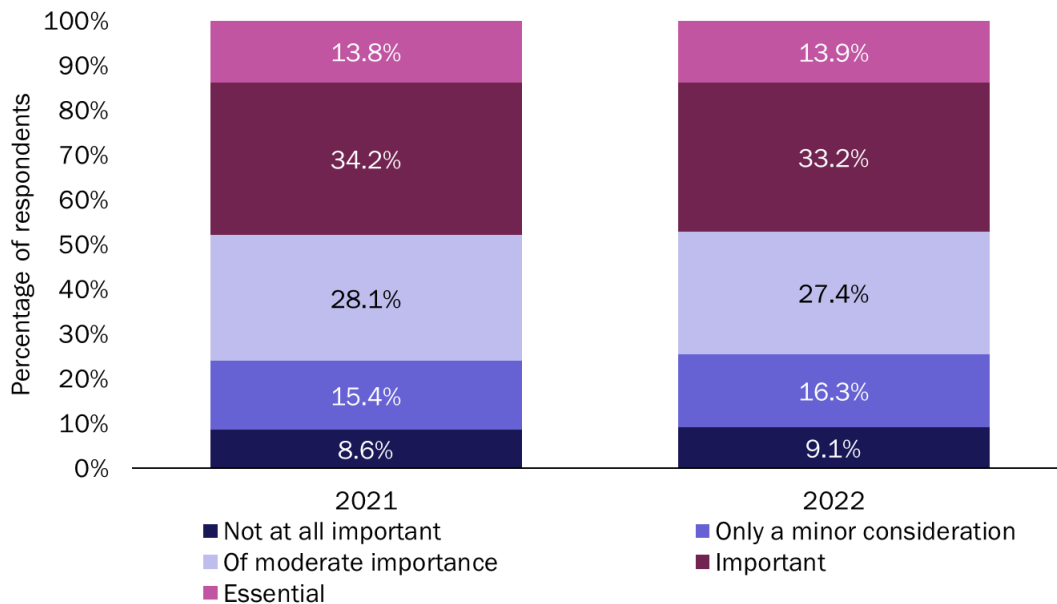
ECTA Director General Luc Hindryckx and others at the Total Telecom Congress event pointed to the example of European operator Iliad, which announced in 2021 its ten climate pledges to help it to achieve net zero emissions by 2035. The company [reported in October 2022](#) that "Free's subscribers can already see an estimate of their carbon footprint in their online Subscriber Space, and we recommend easy eco-friendly habits they can adopt to reduce their daily energy consumption. Taking this a step further, the Group will be sending out targeted communications to actively raise subscribers' awareness about saving energy". Iliad has also included energy management tools in its customer premises equipment (CPE) and the apps/interfaces that control them. Its Freebox and Freebox TV Player can both be scheduled for 'deep sleep' modes that reduce energy consumption by 95% at certain times of day. In addition, Belgian operator Proximus has introduced a carbon footprint calculator into its MyProximus app, as well as increasing activity around [recycling old handsets and selling refurbished phones](#).

Consumer concern for sustainable purchases has been put on hold as the economy slows down

Helena Leurent, Director General of Consumers International at the World Economic Forum Annual Meeting in Davos in May 2022, pointed to potential changes in consumers’ attitudes to sustainability amid challenging economic conditions: “as people struggle, seemingly simplistic answers could be the default such as scapegoating the race to achieve net-zero. Even without short-termist provocateurs, it is clear that climate change could slip down on consumer priorities if there is no action to ensure that sustainable choices aren’t expensive or unaffordable for all consumers, everywhere.” Telecoms operators need to do more than just make applications and webpages - they need to proactively persuade customers to make environmental choices.

Our research shows that consumer interest in making sustainable telecoms-related purchasing decisions continued to increase up to 2021. However, our [latest annual survey of 20 000 respondents worldwide](#), conducted in 3Q 2022, shows that consumers’ concern for sustainability is plateauing (see Figure 1).

Figure 1: The importance of green credentials to consumers, worldwide, 2021–2022



Source: Analysys Mason

Operators should promote solutions that together can address consumers’ concerns about rising costs and energy bills

The rapidly increasing cost of living in 2022 is compelling consumers, just like businesses and governments, to balance long-term environmental goals against short-term budgetary concerns. We expect that the niche group of consumers that prioritise environmental concerns will continue to increase in size over the longer term as awareness around environmental issues increases. However, our research shows that in the short-term, budgetary concerns are more important for most consumers.

Operators can address consumers’ concerns about rising costs and the environment by adjusting their messaging to highlight how telecoms solutions can help them to reduce their own energy consumption.

- **Promote smart home energy management solutions.** [Research commissioned by BT in 2021](#) showed that by reducing an average home's temperature by 1 degree Celsius is one of the most significant changes that consumers could make to their energy efficiency. Smart home energy management can help consumers to automate this.
- **Improve the energy efficiency of CPEs.** Efficiencies can be made both in terms of the CPE's overall power consumption and by giving customers the tools to manage consumption during the day (for example, as Iliad has done for its Freebox).
- **Educate customers about energy efficiency.** Operators should continue to inform and educate consumers about the actions that they can take to reduce energy, as Proximus has done within its MyProximus app.

Telecoms operators are monitoring their energy consumption in order to better meet their own sustainability goals and to control their operating expenses. More specifically, we discuss in a [recent article](#) how rising energy costs have compelled operators to consider energy consumption when making decisions about network investment and network operations.

Operators know that consumers and businesses can reduce their energy consumption and carbon footprint by making good use of communications services. Many operators are working to communicate this value, both for the inherent value of having a more-sustainable environment and to improve customer awareness of the benefits that telecoms operators provide to support environmental goals.