

Cambridge Centre for Risk Studies

The 10th Anniversary Risk Summit

# SOCIETAL AND SUSTAINABILITY RISKS: A CRS RISK OUTLOOK

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UNIVERSITY OF  
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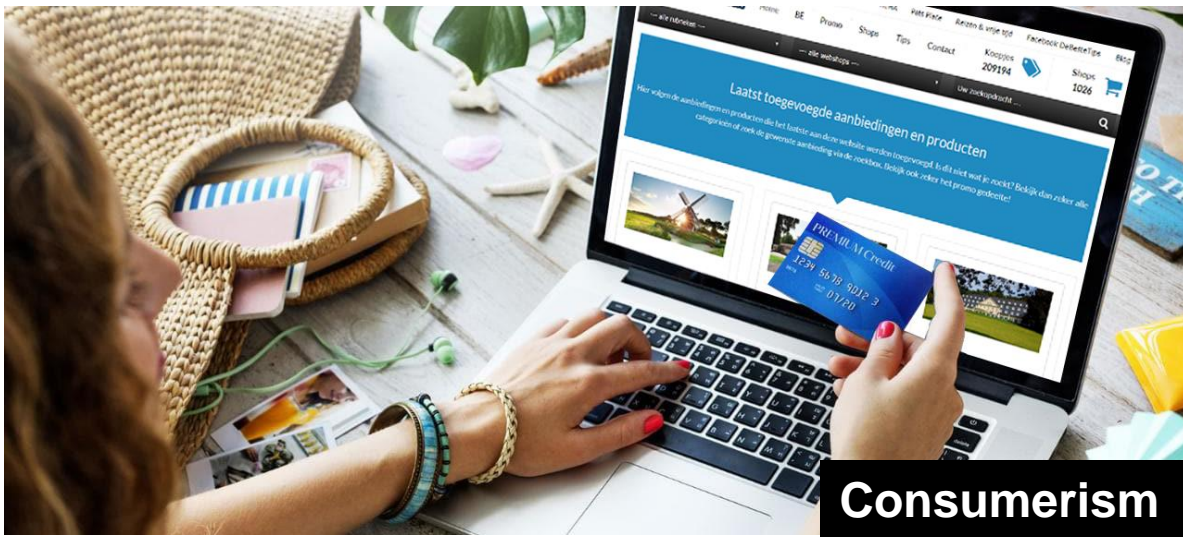
# Societal and Sustainability Risks



**Democratic Shifts**



**Spreading of Misinformation**



**Consumerism**



**Sustainability**

# Democratic Shifts: The Rise in Populism



DemocracyPost • Opinion

## Populism and the coming era of political paralysis in Europe



Dutch populist politician Geert Wilders of the Party for Freedom votes in the European Parliament election in The Hague on Thursday. (Bart Maat/EPA-EFE/REX/Shutterstock)

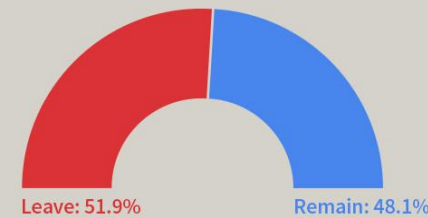
By **Andrea Kendall-Taylor** and **Aiina Polyakova**  
May 24

## Peak Populism?

Populist- and establishment-party results in recent elections

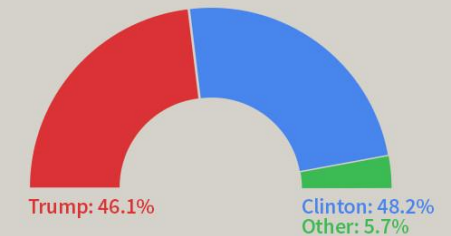
### United Kingdom

EU membership referendum: Jun 23, 2016



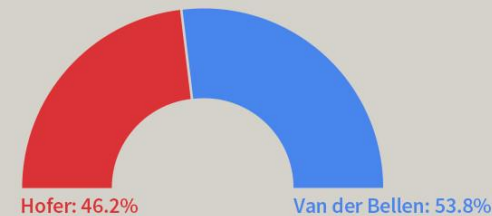
### United States

Presidential election: Nov 8, 2016



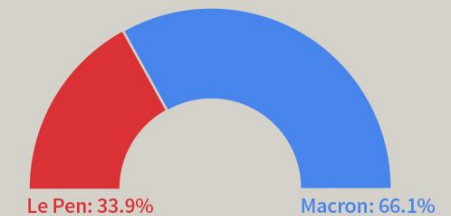
### Austria

Presidential election: Dec 4, 2016



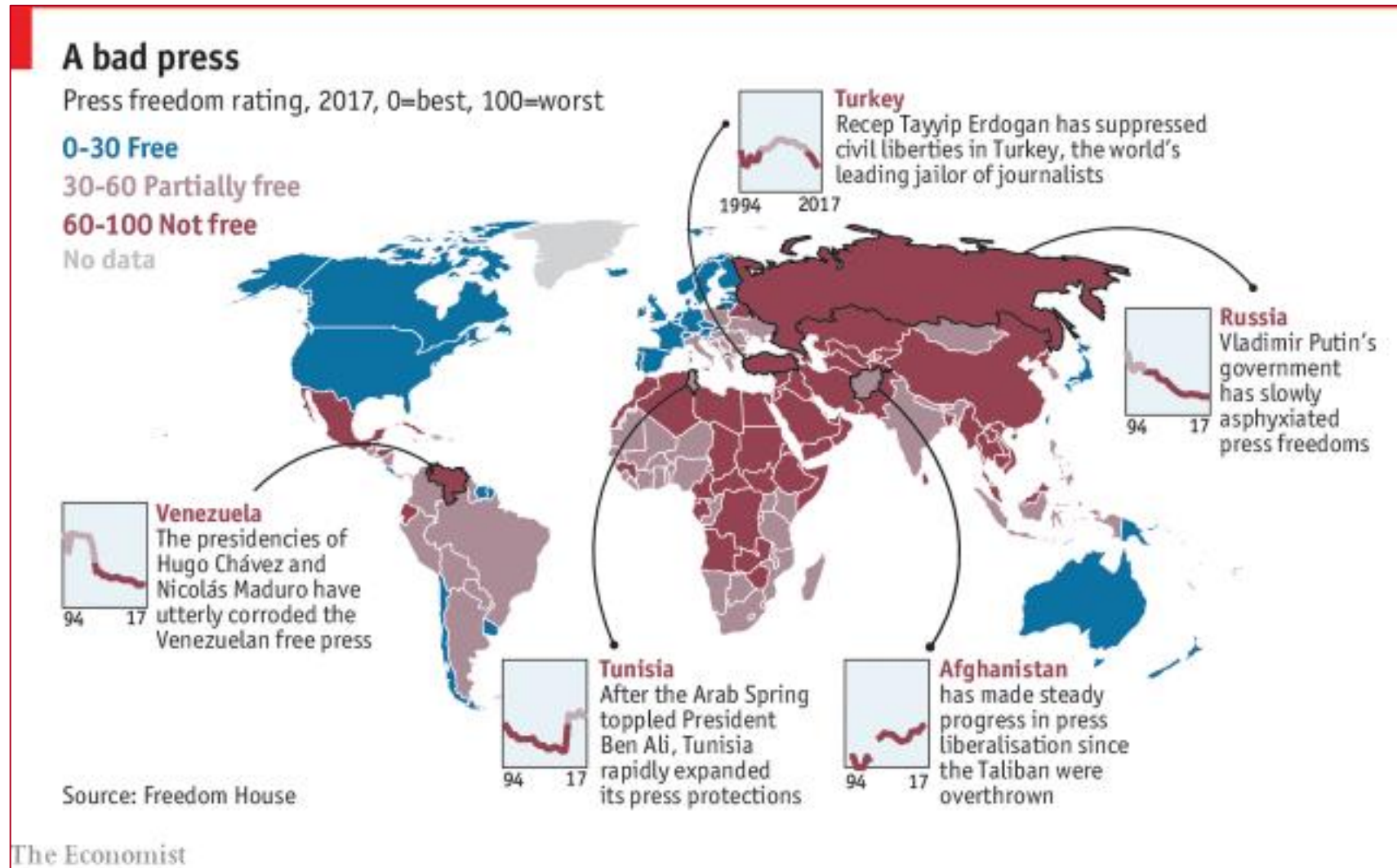
### France

Presidential election: May 7, 2017



Note: US presidential election result refers to the popular vote  
Source: Wikipedia & the BBC

# Democratic Shifts: Rise in Authoritarianism



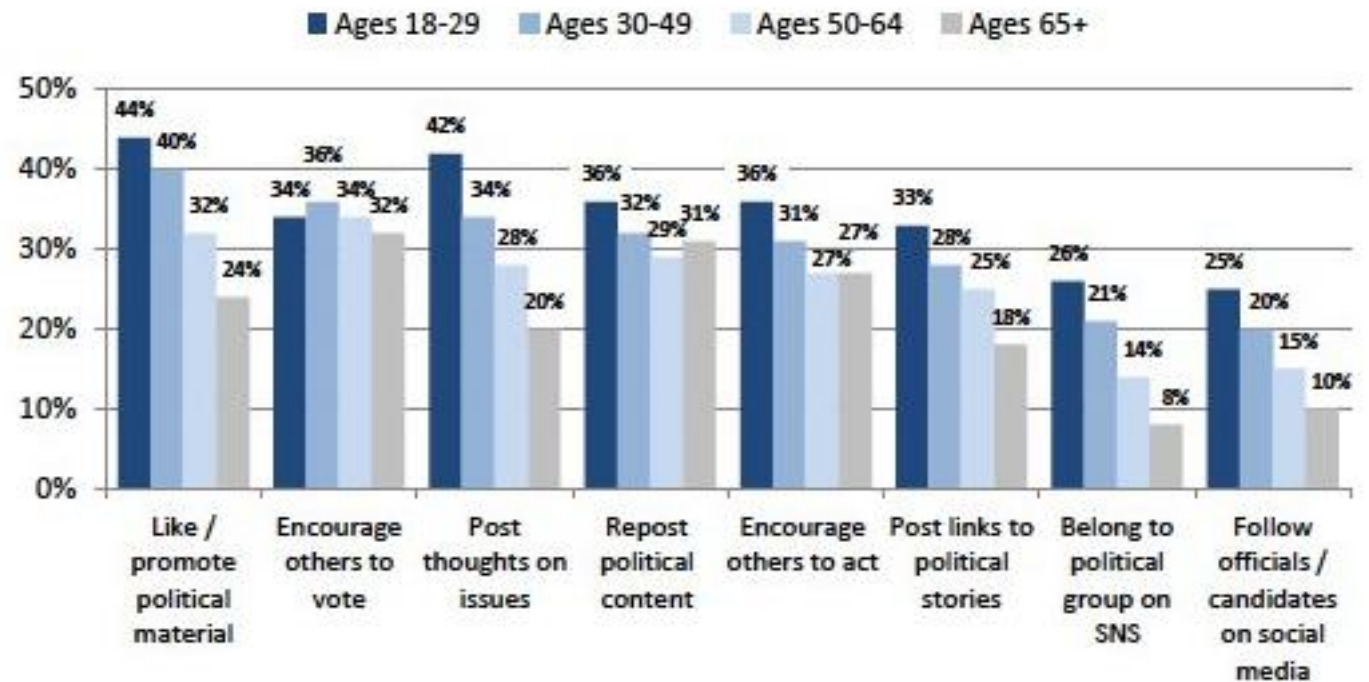
# Democratic Shifts: Diffusion of Civic Information

*68% of Americans feel fake news has greatly affected their confidence in government institutions*

Mitchell, Amy, Jeffrey Gottfried, Sophia Fedeli, Galen Stocking, and Mason Walker. 2019. "Many Americans Say Made-Up News Is a Critical Problem That Needs To Be Fixed | Pew Research Center." Trust, Facts and Democracy. Pew Research Center.  
<https://www.journalism.org/2019/06/05/many-americans-say-made-up-news-is-a-critical-problem-that-needs-to-be-fixed/>.

## Younger social media users are more likely to use the tools for civic activities

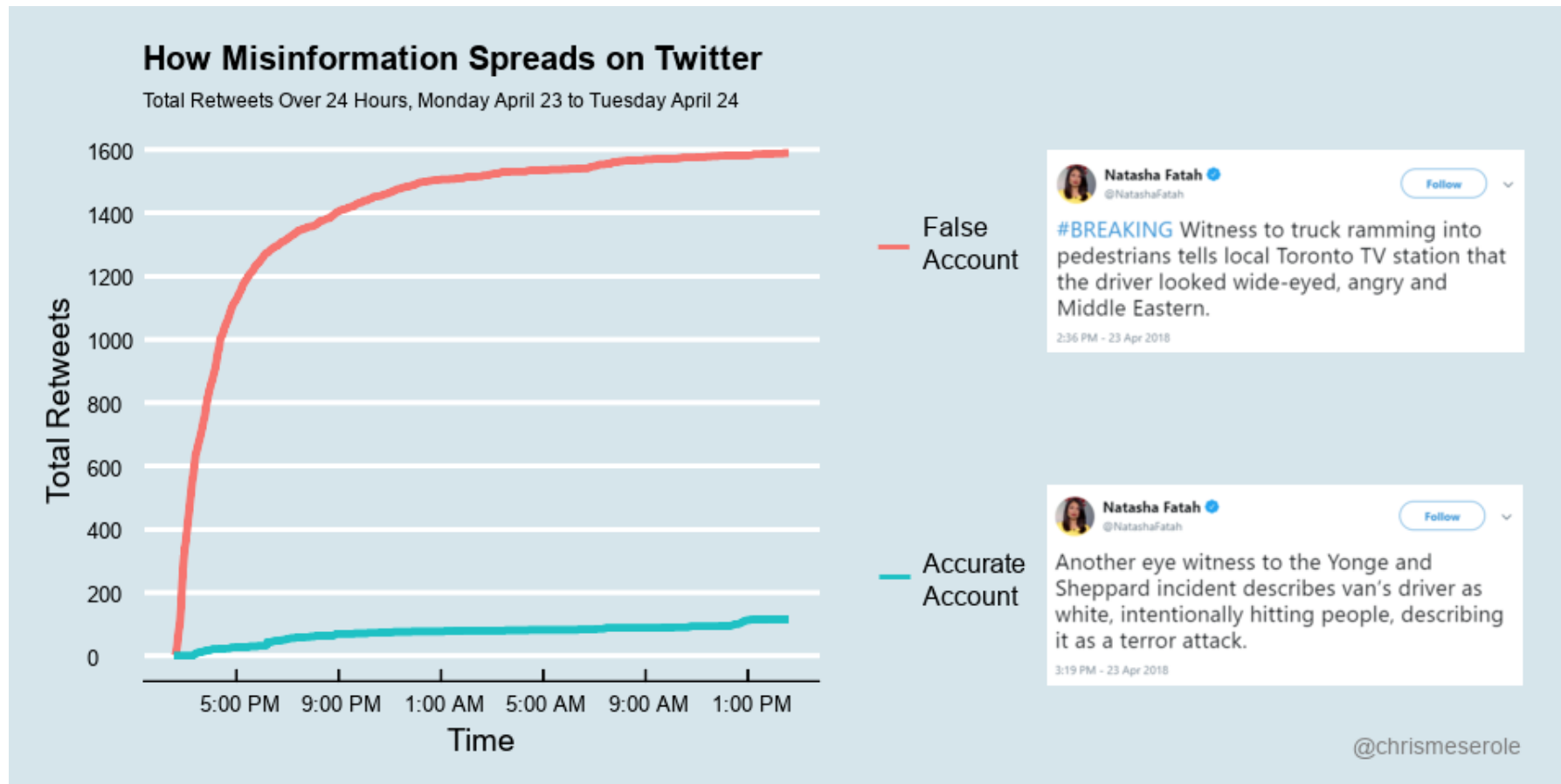
% of users of social networking sites or Twitter who use social media these ways



Source: Pew Research Center's Internet & American Life Project Civic Engagement Survey, conducted July 16-August 7, 2012 on landline and cell phones and in English and Spanish. N for social media users ages 18-29=323. N for social media users ages 30-49=388. N for social media users ages 50-64=323. N for social media users ages 65+=167.

# Spreading of Misinformation

6 percent of Twitter accounts that the study identified as bots were enough to spread 31 percent of the "low-credibility" information on the network



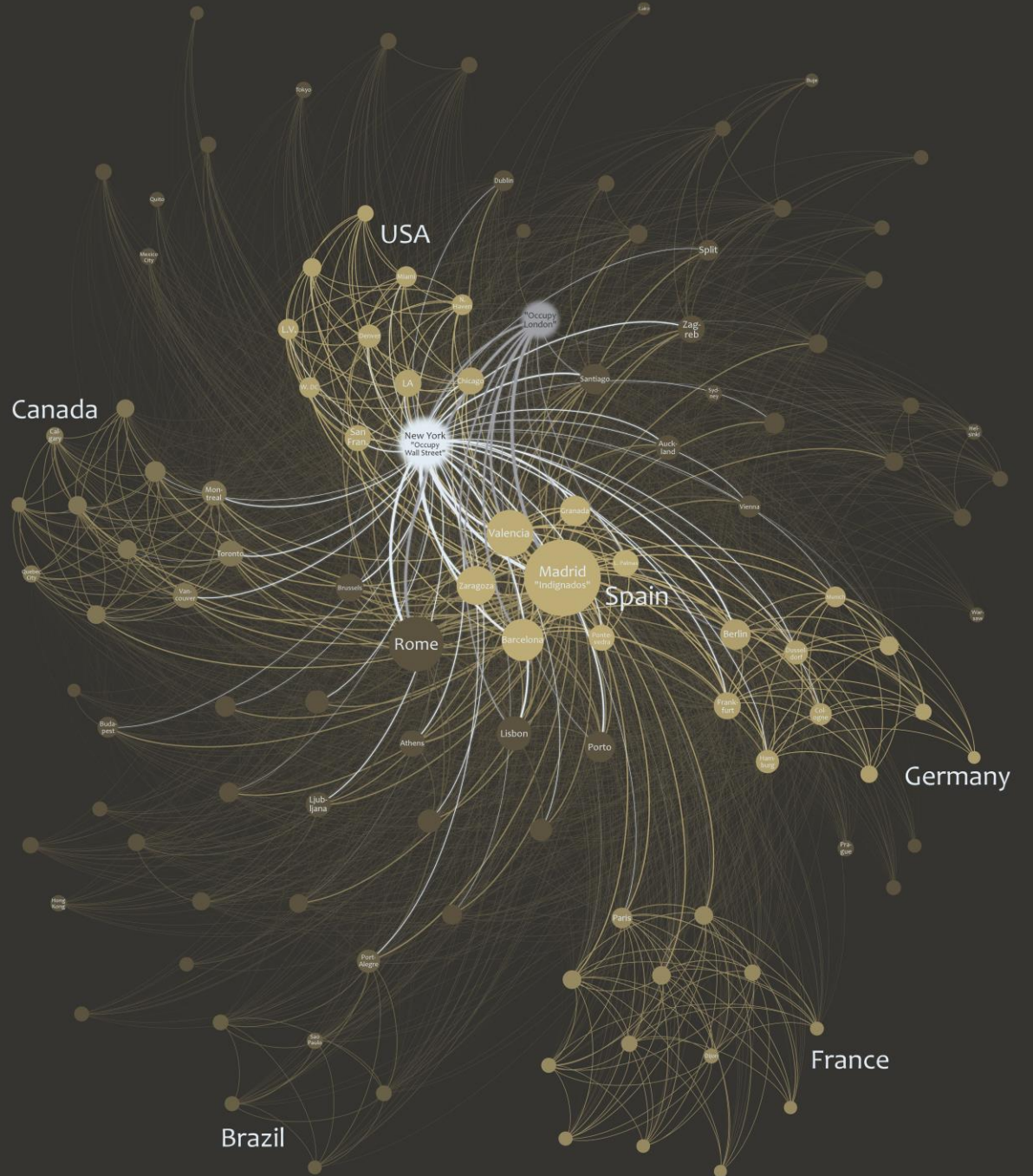
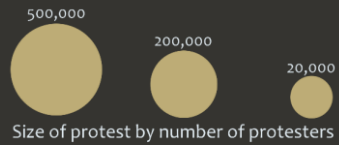
Cambridge Centre for Risk Studies  
Cambridge Risk Framework

Social Unrest: Stress Test Scenario

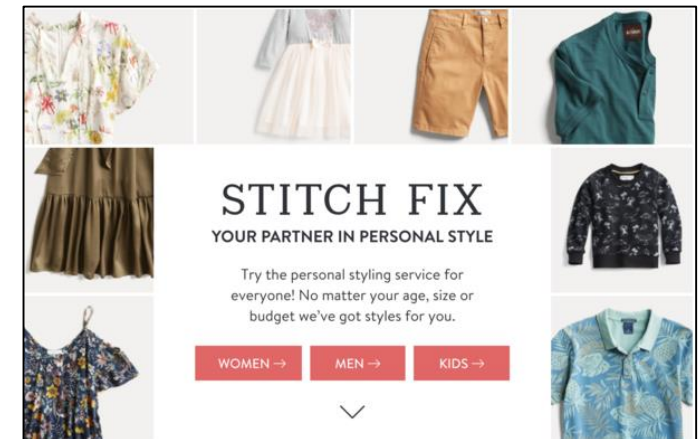
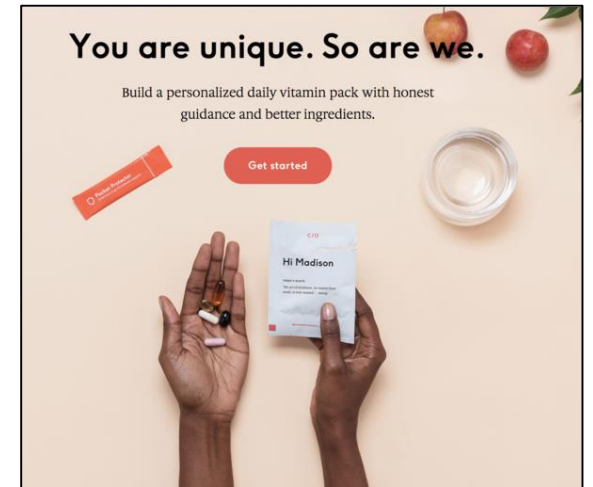
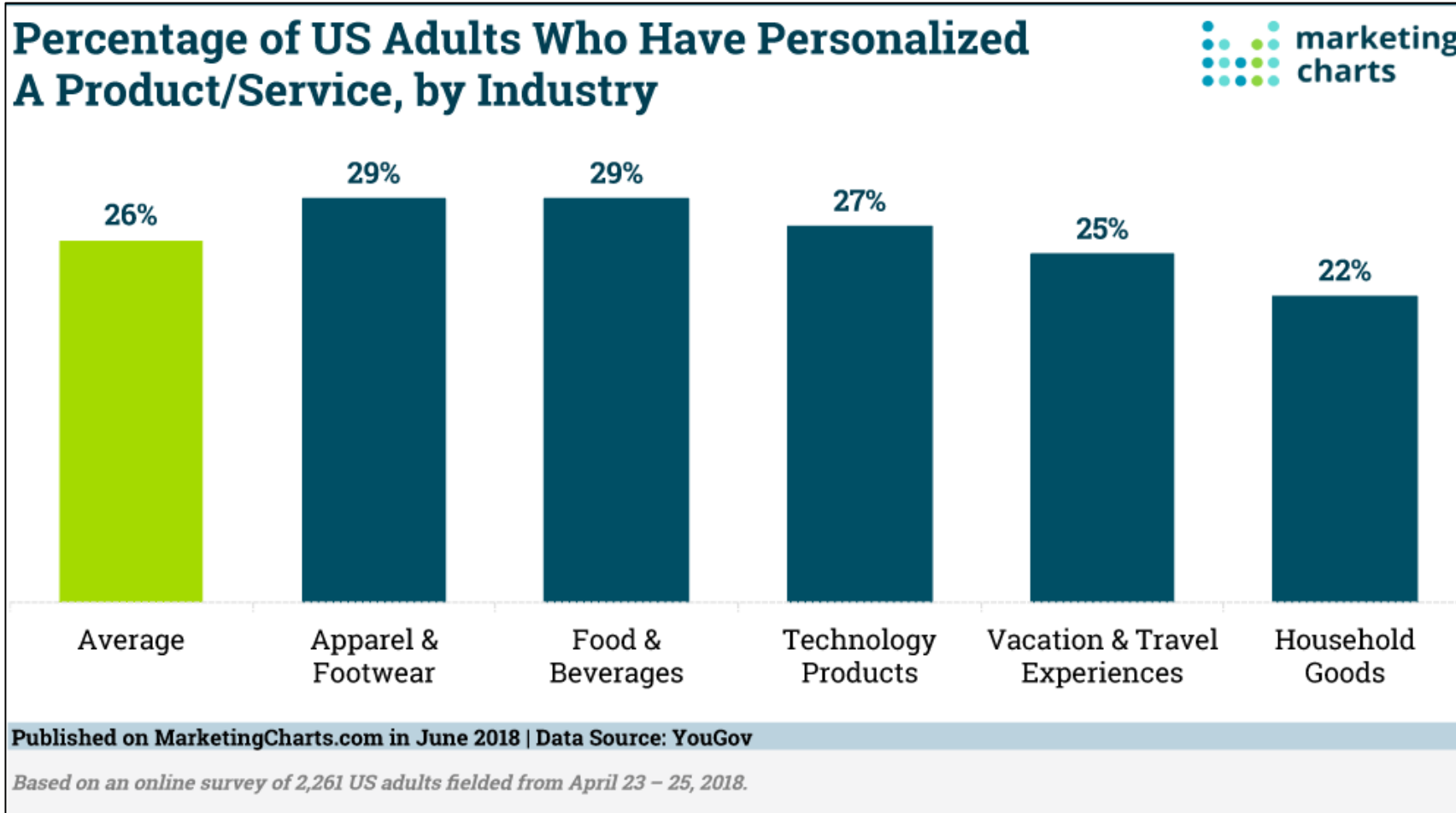
# MILLENNIAL UPRISING SOCIAL UNREST SCENARIO



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# Consumerism: Make it Personal



"About 1 in 4 Americans Personalize Products Across Categories." 2018. *Marketing Charts* (blog). June 28, 2018. <https://www.marketingcharts.com/customer-centric/personalization-customer-centric-83755>.



# Consumerism: Everyone is an Expert

## SHOPPERS RESEARCH ONLINE BEFORE BUYING



SHOPPERS CONSULT 3  
OR MORE WEBSITES BEFORE  
MAKING A PURCHASE



SHOPPERS PREFER  
TO BROWSE PRODUCTS  
ONLINE BEFORE PURCHASING



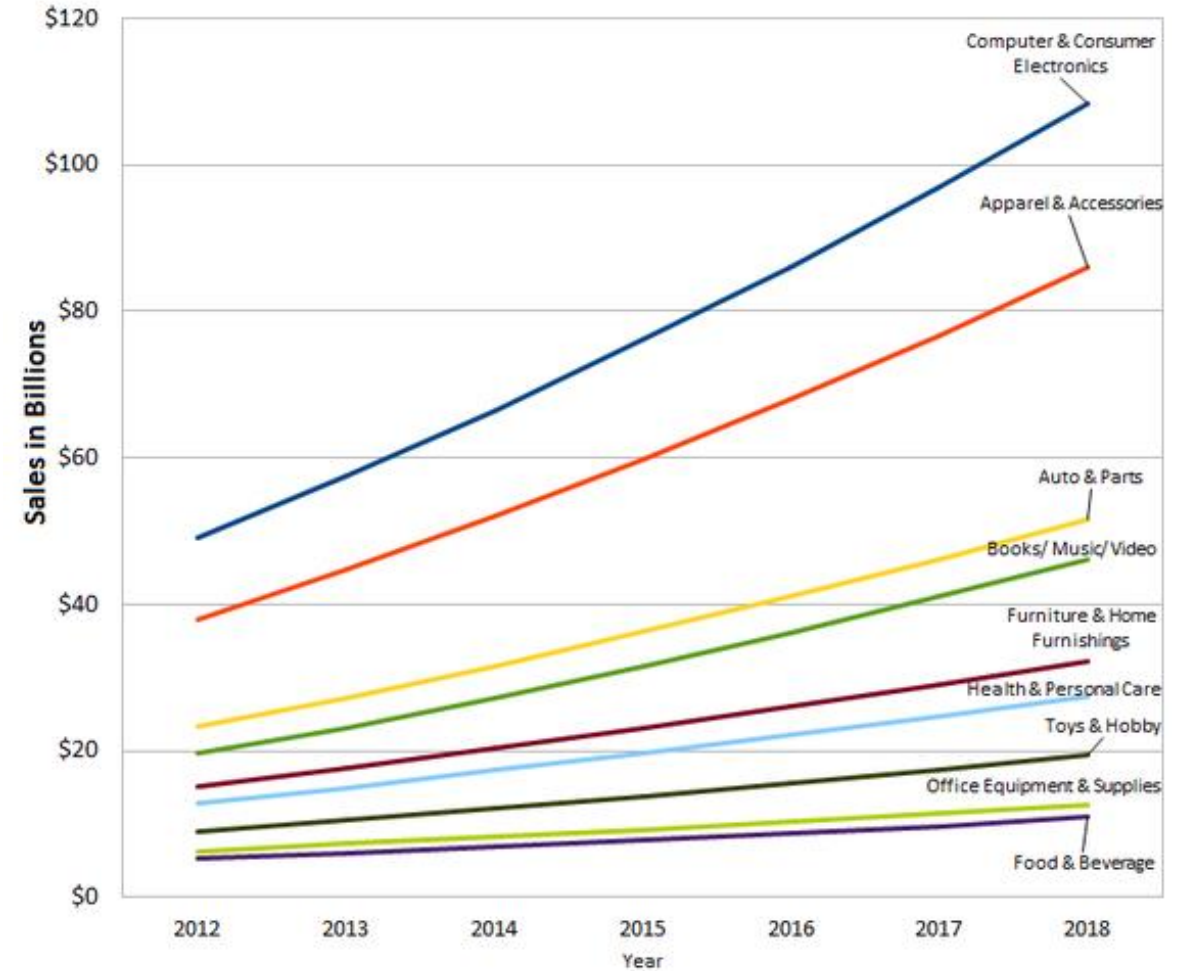
DIGITAL INTERACTIONS  
INFLUENCE RETAIL SALES

*hostadvice.com*

# Consumerism: Changing Retail Platforms



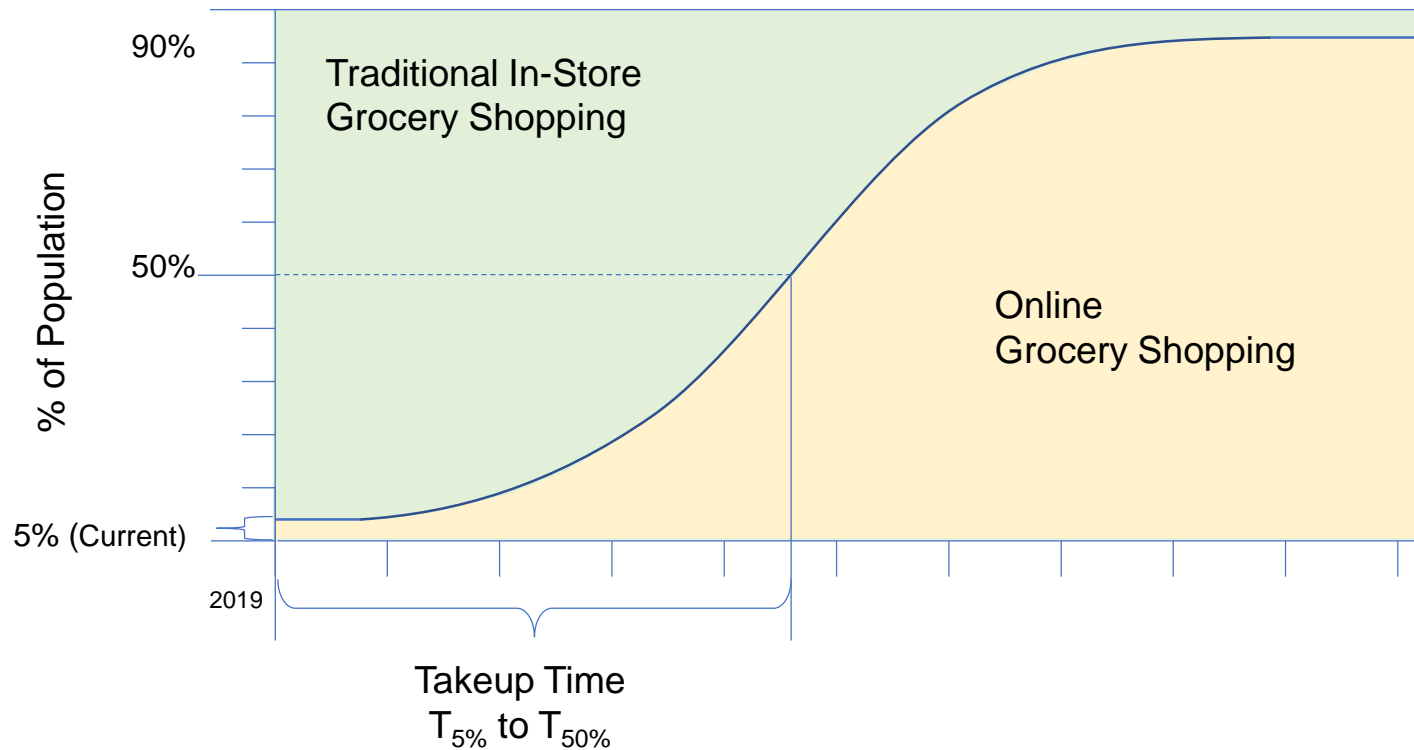
US Ecommerce Sales By Product Category



# Consumerism: Mapping a Trend

*Example Event: A rapid uptake of online shopping where retailers lose customers to online competitors*

## Customer Preference Shift Model



## Evidence of Takeup Time for Historical Precedents of Population Habit Changes

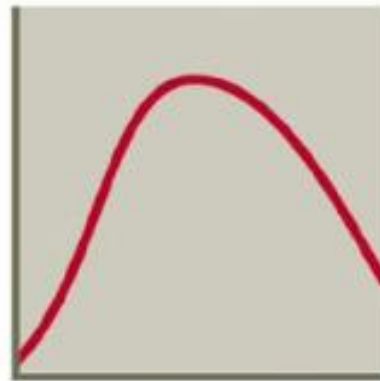
Behaviour Change	$T_{3\%}$ to $T_{50\%}$
Giving up smoking	18
Buying a TV	10
Installing landline telephone	12
iPhone adoption	6
Joining Facebook	4
Buying Print Books Online	13

# Consumerism: “Bass Diffusion Model”

$$n_t = \underbrace{p \times \text{Remaining Potential}}_{\text{Innovation Effect}} + \underbrace{q \times \text{Adopter Proportion} \times \text{Remaining Potential}}_{\text{Imitation Effect}}$$



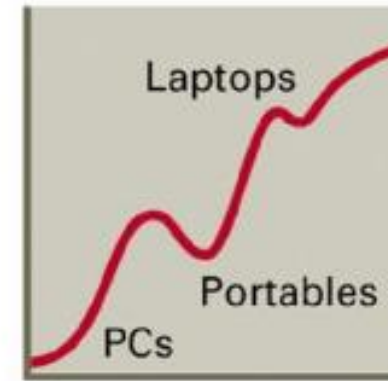
A. Product with slow adoption (record players, microwave ovens)



B. Product with fast adoption (compact discs)



C. A fad product (Beanie Babies)



D. Product with frequent revitalization (personal computers)

© Palmatier, 2017, *Marketing Strategy*, Palgrave.  
ISBN: 9781137526236.

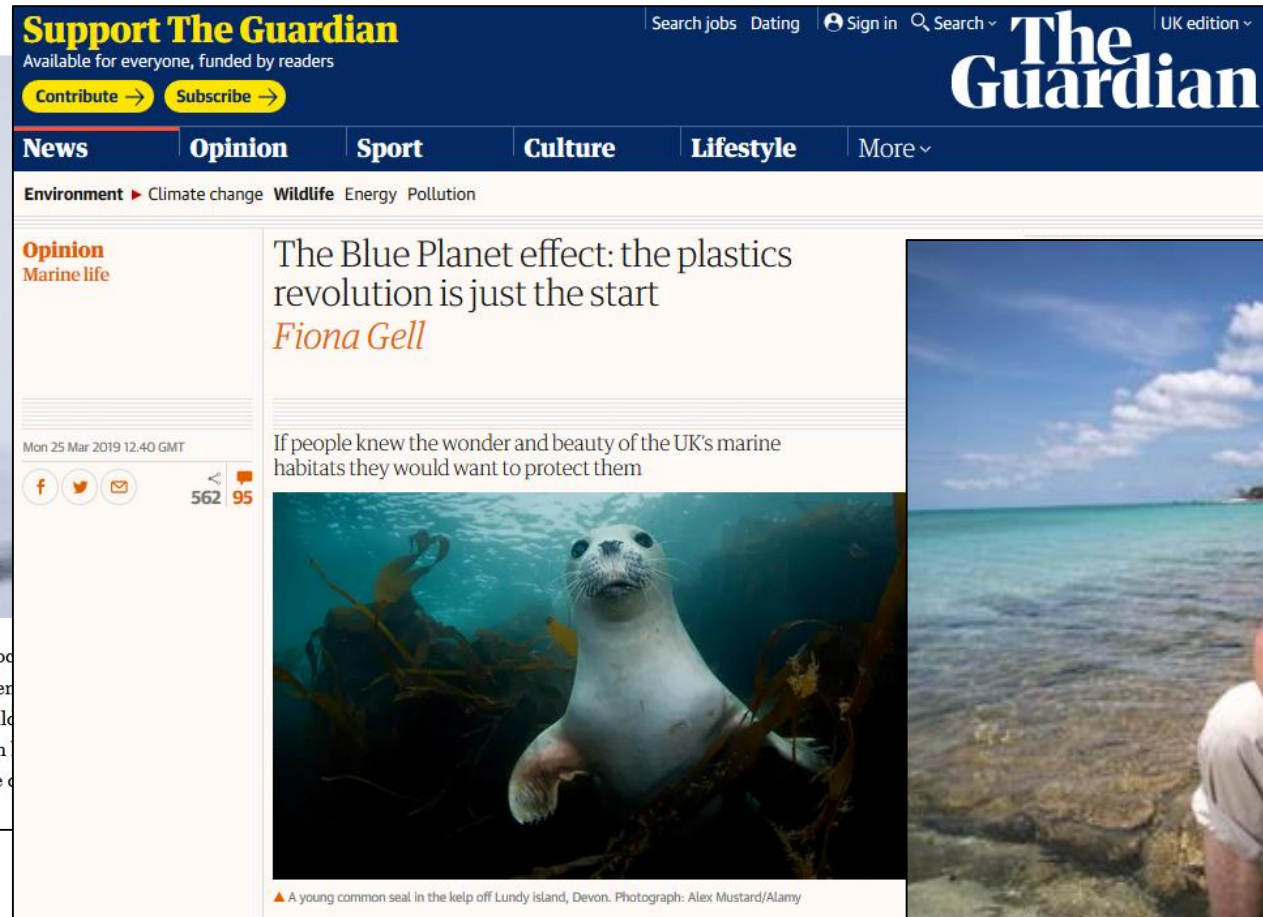
# Sustainability: The Media Impact



BY MELISSA GIANNINI JUN 6, 2019



About 16 minutes into the first episode of *Our Planet*, Netflix's blockbuster narrated by veteran English broadcaster and naturalist David Attenborough cuts from a jaunty flamingo caravan to a lone fluffy chick who could flock. Clumsily, it treks across a vast African salt pan, its stick-thin body supported by an Ugg boot-like crust of salt. While we never learn its fate, we can't help but make it.



Australian Department of Foreign Affairs and Trade, 2015

# Sustainability: A Maturing Market Influencer



% who say they agree or disagree with the following statement

*“If I realize that a brand/product I use isn’t environmentally friendly, I’m likely to switch to a brand that is”*



- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

**61% of consumers say they’re likely to switch to a brand that is more environmentally friendly than their current brand.**

# Societal and Sustainability Risks: Session Speakers



## **Chair: Daniel Ralph**

Professor of Operations Research,  
Academic Director of the Centre for Risk  
Studies, Cambridge Judge Business School



## **Discussant: Brendan Plessis**

Executive Vice President, Head of  
Emerging Markets, AXA XL



## **Societal and Sustainability Risks – CRS Risk Outlook**

Kayla Strong, Human and Humanity Risk  
Research Lead, Cambridge Centre for Risk  
Studies



## **Key Sustainability Issues in the Next Decade**

Professor Aled Jones, Director of the Global  
Sustainability Institute, Anglia Ruskin  
University



## **Risk to Business and the Economy from Future Pandemics**

Professor John Edmunds, London School of  
Hygiene and Tropical Medicine

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