

# Corporate Social Responsibility

Consumers are more passionate about global social issues than ever, and their expectation for companies to address these issues in their own business initiatives continues to grow. Corporate social responsibility (CSR) is no longer just an option if a company wants to be perceived favorably by consumers but instead a necessity, especially with millennials. As CSR continues to evolve, companies should explore new ways of performing and communicating their CSR initiatives to consumers.

## THE EMPOWERED CONSUMER

ACCORDING TO THE 2015 CONE COMMUNICATIONS/EBIQUITY GLOBAL CSR STUDY, GLOBAL CONSUMERS WANT COMPANIES TO ACT RESPONSIBLY ABOUT ADDRESSING CRITICAL SOCIAL AND ENVIRONMENTAL ISSUES

**9** OUT OF 10 CONSUMERS

HAVE COME TO EXPECT THAT COMPANIES WILL AIM TO DO MORE THAN JUST MAKE A PROFIT



84% OF GLOBAL CONSUMERS ACTIVELY SEEK OUT RESPONSIBLE PRODUCTS

## HOW U.S. CONSUMERS ARE ENGAGING IN CSR



85% would stop purchasing a company's products if they learned of its irresponsible or deceptive business practices



60% would consider a company's CSR efforts before choosing which stocks or mutual funds to invest in



72% would spread the word about a company's CSR efforts to their friends and families



85% would like more information on a company's CSR efforts

## A MILLENNIAL-DRIVEN TREND

How does CSR affect U.S. millennials' loyalty to an employer?

**76%** WOULD CONSIDER A COMPANY'S SOCIAL AND ENVIRONMENTAL COMMITMENTS BEFORE DECIDING WHERE TO WORK

**62%** WOULD ACCEPT A LOWER SALARY TO WORK AT A SOCIALLY RESPONSIBLE COMPANY

How millennials are engaging in CSR



about 66% OF MILLENNIALS USE SOCIAL MEDIA TO ENGAGE IN CSR



1/3 OF MILLENNIALS USE SOCIAL MEDIA TO LEARN MORE ABOUT BRANDS AND ISSUES

26% use social media to share negative information about companies and issues

**70%** WOULD CHOOSE TO DONATE TO A CHARITY BASED ON THEIR PERSONAL PASSIONS

**74%** WOULD VOLUNTEER FOR A CAUSE SUPPORTED BY A COMPANY THEY TRUST



## HOW TO INTEGRATE CSR INTO A BUSINESS MODEL



64% OF CEOs IN 2016 NOTED THAT CSR IS BEING TREATED AS A CORE ASPECT OF BUSINESS AS OPPOSED TO A STAND-ALONE SIDE CHANNEL

The Harvard Business Review has outlined three approaches to engaging in CSR

### ENGAGE IN PHILANTHROPY

These efforts are not intended to create profits or directly improve business performance

**EXAMPLE**  
Donating money or equipment to a civic organization



### IMPROVE A COMPANY'S OPERATIONAL EFFECTIVENESS

These efforts function within existing business models to deliver social or environmental benefits that may end up supporting a company's operations

**EXAMPLE**  
Sustainability initiatives that reduce resource use, waste or emissions, and in turn reduce costs



### TRANSFORM THE BUSINESS MODEL

These efforts create new forms of business to specifically address social or environmental issues that help improve business performance

**EXAMPLE**  
Hiring local citizens to help in the distribution of products, rather than outsourcing to another company, which can help the community and local economy and could lower costs



## THE APPROACHES CAN INFLUENCE OR COMPLEMENT ANOTHER APPROACH

For example, engaging in philanthropy can boost a brand's image and indirectly increase sales

## A CSR PROGRAM REQUIRES

### COHERENCE

Every CSR program must align with the company's vision, goals and values

### METRICS

Success needs to be clearly defined-not only in financial measures

### INCLUSIVENESS

All programs should coordinate across a company's various CSR methods

Different initiatives used to promote a company's CSR efforts include:

- WORKING FOR A SPECIFIC CAUSE**  
Choose what kind of philanthropy is complementary to the company's mission or target market
- USING CSR AS A RECRUITMENT TACTIC**  
Create a position whose role would be consistent with the company's CSR efforts
- PROVIDING EMPLOYEES TIME OFF TO VOLUNTEER**  
Give the company's workforce an allotted amount of time to volunteer and give back to their own communities or organizations that are important to them
- MEASURING THE IMPACT**  
Quantifiable proof of positive impact is the most effective way to illustrate the benefits of a CSR campaign
- BEING ENVIRONMENTALLY CONSCIOUS**  
Reducing the company's environmental footprint and making environmentally thoughtful decisions are good for the company and the community

## CORPORATIONS LEADING THE WAY

### Benefits of CSR

A study conducted by the Society for Human Resource Management found that businesses with prominent CSR programs saw:



According to the Reputation Institute's Global CSR RepTrak ranking, the following companies were perceived to be the most socially responsible in 2016:

### GOOGLE

Google for Education and Google.org are supporting innovative education nonprofits with a \$50 million global initiative

Google realized the biggest hurdle in education was getting kids in the classroom. They believe that with the help of technology and trusted nonprofits, they will help close the worldwide gap in learning

### WALT DISNEY

Aims to reduce net emissions by 50%

Plans to divert 60% of waste from landfills and incineration

Intends on developing water conservation plans for new locations

Disney Conservation Fund strives to help protect the planet and help kids develop lifelong conservation values

### BMW

The BMW Group focuses on three areas:

**PRODUCTS AND SERVICES**  
Reducing resource consumption

**EMPLOYEES AND SOCIETY**  
Promoting employee diversity

**PRODUCTION AND VALUE CREATION**  
Increasing transparency and improving efficiency across its supply chain

The highest level of corporate social responsibility is achieved when philanthropy and environmental awareness blend seamlessly into a company's business plan. As research has pointed out, companies that make an effort to lead the way and take a global approach can be richly rewarded by consumer loyalty and increased brand awareness. The key is to increase transparency, collaboration and storytelling in order to reap the full benefits of being socially responsible.