POV:

Corporate Social Responsibility

is anyone paying attention?

Insights & Implications

Corporate Social Responsibility (CSR) initiatives sound great on paper. Sustainable practices. Community giving. Charitable efforts. After all, who doesn't agree with these ideals? But in reality, what does CSR mean to consumers – and more importantly – to your bottom line?

Recent data suggests a shift in consumer mindset, with CSR not just being "a nice to have" but quickly becoming a "must-have," providing real evidence that CSR can drive consumer loyalty and employee satisfaction.

Traditionally, price has always been a large driver in consumer purchase decisions. Today, people weigh a company's values *equal to* price in making a final choice. That is a shift worth paying attention to, *signaling that what a company stands for is equally as important as what it delivers in terms of price savings*. Knowing this, how can you adapt your communications?

74%
"I choose brands mostly based on price"

74%
"The brands I choose have values that align with mine"

As we look to the future, brands need to consider how their CSR strategies can influence purchase decisions, what their consumers are looking for, and how this may impact their employees long-term.

CSR matters in making purchase decisions.

While price and products are still ranked the most important, consumers are saying that the impact brands have on people, communities, and the environment seems to matter as a key factor in decision-making.

Not only can social responsibility reinforce a sense of loyalty with existing consumers, CSR efforts, when employed effectively, can bring in new consumers **and command a high price point.**

52%

"I will pay more for a brand that is socially responsible"

48%

"I will stop using a brand that is not socially responsible"

30%

have bought a brand for the first time after learning of their CSR efforts

43%

seek out information on a brand's social responsibility practices before making a purchase

When it comes to deciding which brand to purchase, **1 in 4 (23%)** rank a **brand's social responsibility** among the top 3 features they consider

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If consumers don't know about it, they can't support it.

We often hear our clients say that they are not getting credit for the good they do. Consumers can only make decisions based on information they can readily access. This lack of communication about CSR efforts can result in a loss of customers, having a real impact on your bottom line.

30%

have switched away from a brand because they didn't know about their CSR efforts

Employing a strategy of total transparency is key. If your brand is doing something powerful or interesting for its consumers, associates, or the planet, people want to know about it. If consumers can't see what's going on behind the scenes, they're unable to factor that into their decision-making.

Many younger consumers are actively seeking out this type of information.

"I seek out information on a brand's social responsibility practices before making a purchase" (Agree or Strongly Agree)

- Gen Z – 58%
- Millennials – 63%
- Gen X – 34%
- Boomers – 28%

As a brand, it's likely you engage in even more CSR efforts than what you externally communicate. So how do you pick which stories to share?

Focus on stories of tangible, positive impact.

Consumers want to know the products they buy, and the companies they buy from, are having a direct impact on real people and real communities. They want to hear stories of how their product purchase is contributing to a greater good – whether in terms of sustainability, charitable giving or another area of social responsibility.
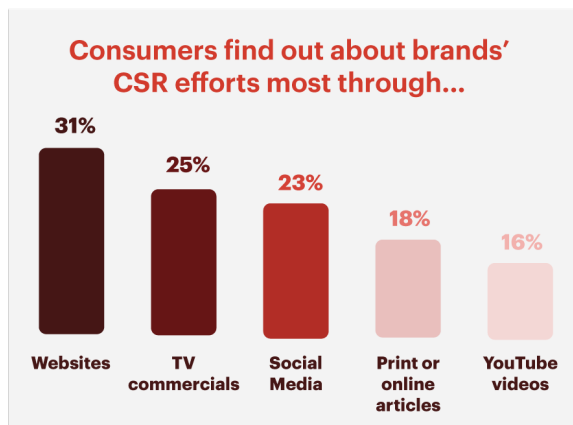
When it comes to making choices between brands, **which features below would make you choose one brand over another?**

CSR feature preference for consumers

Responsible product development and production — **50%**

Supporting those in need — **48%**

Supporting local communities — **47%**

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When it comes to reaching consumers, use your platforms with the highest exposure and the broadest reach. Brands have something good to say, and people want to know about it. In today's world, CSR efforts are tangible attributes that drive brand preference.

Say what you are doing and say it loud.

Consumers find out about brands' CSR efforts most through...

31% Websites
25% TV commercials
23% Social Media
18% Print or online articles
16% YouTube videos

Breaking it down by demographics, Millennials and Gen Z are the most likely generations to support and engage with your CSR efforts.
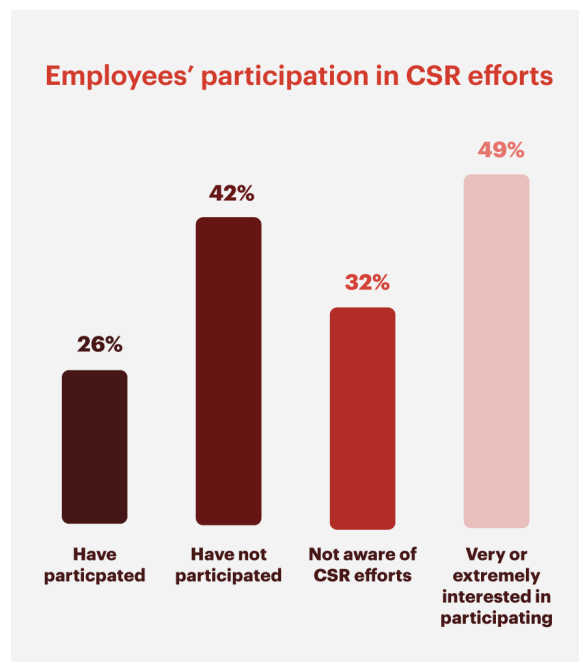
"They support socially responsible efforts"
(Likeliness to rank as 1st, 2nd or 3rd)

- Gen Z – 28%
- Millennials – 31%
- Gen X – 20%
- Boomers – 18%

# CSR impacts your internal audiences, too.

When it comes to your employees, impressions of CSR are slightly different since a lot of the time, they aren't physically buying your products or services. However, it's still a critical aspect of their overall employee experience. Doing it is not the problem. It's communicating it.

And again, it boils down to transparency and communication. Almost half of employees indicated that they would be extremely or very interested in participating in their company's CSR efforts, but 32% said they are unaware of any such efforts from their organization.

Employees' participation in CSR efforts

26% Have participated
42% Have not participated
32% Not aware of CSR efforts
49% Very or extremely interested in participating

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As of now, CSR to employees seems to be more of the traditional "nice to have" rather than the necessity that it is for consumers. While employees enjoy the opportunity to participate, the presence of it isn't driving greater interest in their jobs or their employers.

What impact has participating in your organization's Corporate Social Responsibility (CSR) efforts had on you as an employee?

CSR impacts on employees

Top 3 Box (8-10)
20%

Neutral (3-7)
48%

Bottom 2 Box (0-2)
32%
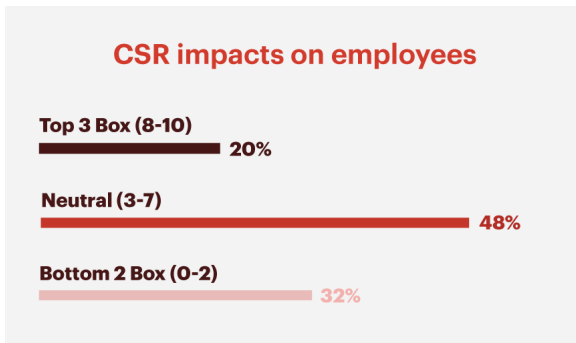
As we continue to see this shift toward consumers seeking out brands whose values align with theirs,

How can you rethink your communications to consumers and employees?

What platforms do you have with the broadest audience?

And, what stories can you tell about how you are impacting real people in real communities?

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About this study

Big Red Rooster conducted this online study in partnership with ENGINE Insights between April 1-3, 2022. It consisted of an omnibus CARAVAN® survey with 1,016 demographically representative U.S. adults ages 18 and older.

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