THE AUTHENTICITY OPPORTUNITY

Substance over splash in corporate citizenship
INTRODUCTION

Whether you call it corporate citizenship, CSR, or purpose, these days it’s table stakes for companies to commit to do more for the world than simply make a profit.

Consumers, employees, investors, and advocates expect companies to act responsibly and invest in building a better world. Yet, these stakeholders have become increasingly savvy about corporate citizenship. And corporate good deeds, no matter how well-intended, can quickly work against a company if they appear inauthentic or self-serving.

Luckily, people still want to reward companies for good deeds, and there is clear agreement on what makes for genuine engagement with social issues. In this age of transparency and activism, the companies that reap the rewards of good corporate citizenship – trust, loyalty, endorsement – will be those that take a strategic, thoughtful approach to making a difference.

This is the authenticity opportunity.

This report looks at authenticity in corporate citizenship, outlining the stakes and diving into the nuances of how it is perceived by audiences today, so that companies can realize the promise of doing well by doing good.

This report includes findings from online research conducted between June 18-20, 2018 across 1,214 Americans aged 18 to 65. The margin of error associated with this survey is +/- 3% at a 95% level of confidence. Respondents did not see the name of any sponsoring entities and were not compensated for their participation.
THE AUTHENTICITY OPPORTUNITY

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WHAT’S INSIDE

GREAT EXPECTATIONS

People want companies to give back. 70% of people believe companies should support social issues and causes.

SKEPTICISM FOR SOCIAL GOOD

Yet, people are cynical. When learning about a company’s support for a social issue or cause, over 75% of people think the company is more talk than action, at least some of the time.

THE DIFFERENTIATOR

What sets apart great citizenship programs is authenticity. 69% of people are more likely to endorse a company they believe is genuinely committed to making a difference in society, while 67% are likely to speak out against a company they believe is inauthentic in its actions.

THE AUTHENTICITY OPPORTUNITY

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For companies today, corporate citizenship is no longer a nice-to-have, it’s a must-have.

Stakeholders across the board believe companies have a responsibility to minimize their negative impact and to contribute to the betterment of their communities and the world around them.

As one of the most visible ways companies do this, community investments bear much of this weight. The vast majority of Americans believe companies should use their resources to support social issues and causes.
of people believe companies should support social causes.

70%

THE BIGGEST BELIEVERS

Women and younger generations are especially likely to feel that companies have an inherent responsibility to give back to society through support for social issues and causes.

75% 65%

Women are more likely to feel companies should support social issues than men.

77% 69%

Generation Z and young Millennials think companies should support social issues more than older generations do.

Throughout the report, younger generations are defined as individuals aged 18-29 and older generations are defined as people aged 60+.
With expectations higher than ever, companies are responding.

From poignant advertisements to socially-oriented purpose statements, more and more companies are touting their commitment to social issues in big ways.

But people are skeptical that companies actually do what they say.
In recent years, high-profile scandals have shone spotlights on the opportunism and hypocrisy beneath some companies’ citizenship claims.

As a result, Americans often see companies’ claims to support social issues, however well-intended, as inauthentic or self-serving.

When hearing about companies supporting a social issue, people consider or believe the following:

- **Often believe companies are truly trying to make a difference.**
  - 25%

- **Sometimes believe companies are trying to cover up bad behavior.**
  - 60%

- **Consider companies to be more talk than action - at least sometimes.**
  - 75%

**THE BIGGEST SKEPTICS**

**Men are twice as likely as women to feel that companies often support social causes to cover up bad behavior.**

**Younger generations are twice as likely as older generations to believe companies are trying to cover up bad behavior when they take on social causes.**

**CRISIS CONTROL**

In times of crisis or scandal, companies hope a track record of corporate citizenship can protect them.

Our research supports this. 44% of people are more likely to forgive a company for occasional mishaps when they feel the company is genuinely committed to social issues.
What sets apart citizenship programs that work for companies from those that work against them is authenticity.

When people believe a company is insincere about its support for a cause, consumers are more likely to speak out against it and boycott its products.

Employees are less likely to be engaged, and recruitment efforts suffer as critical referral sources stay quiet or, worse, dissuade others from joining.

On the flip side, Americans are still eager to reward companies for their good deeds – if they believe their efforts are authentic.

When people believe a company is genuinely committed to making a difference, they are more likely to buy its products, endorse the company to friends and family, and even forgive the company for occasional missteps.

When employees believe their own employer is authentic in its efforts to address social issues, they are more likely to put in extra effort at work, remain with the company longer, and recommend working there to family and friends.
THE ADVOCATES
When people believe a company’s citizenship claims are authentic:

- 69% will tell friends and family about the company.
- 71% will choose this company’s product over another.
- 63% have recommended such a company in the past.

THE SKEPTICS
When people believe a company’s citizenship claims are inauthentic:

- 67% will speak out against the company to friends.
- 61% will boycott products from the company.
- 56% have spoken negatively about such a company in the past.

CONSUMERS

EMPLOYEES

MORE TO GAIN
Companies that are authentic in their commitment to address social issues can realize major upside, especially with women. When they believe the company in question is authentic about its social commitments, women are more likely to:

- Recommend the company to family or friends: 76% women, 61% men.
- Buy the company’s product over another: 78% women, 62% men.
- Recommend their employer: 80% women, 64% men.
- Work harder at their job: 65% women, 52% men.
- Stay at their job longer: 69% women, 56% men.

MORE TO LOSE
Additionally, companies whose citizenship efforts are deemed inauthentic have more to lose with women when compared to men. When the company in question is seen as inauthentic about its social efforts, women are more likely to:

- Speak out against the company: 71% women, 62% men.
- Boycott the company’s products: 67% women, 57% men.

Regardless of gender, when a company is seen as being inauthentic, the potential for people to boycott the company’s products increases dramatically with age:

- People aged 18-29: 49%
- People aged 30-44: 59%
- People aged 45-60: 68%
- People aged 60+: 78%

Compared to older generations, younger generations are more likely to consider a company’s social commitments when searching for a job:

- Younger: 46%
- Older: 30%

2018 Changing Our World Corporate Citizenship Study
A very real opportunity exists for companies to win the support and loyalty of key stakeholders and, in fact, even stand out from the crowd – through authentic engagement with social issues.

It’s as simple, and as difficult, as that. Because authenticity, by its very nature, must be earned.

Luckily, Americans, across gender and age, show remarkable agreement around the attributes of authentic corporate engagement with social issues.

There are 4 key attributes of companies’ citizenship efforts that are seen as authentic: having a long-term strategy, putting skin in the game, leveraging core assets, and earning the endorsement of third party advocates.
1 LONG-TERM COMMITMENT & STRATEGY:
People want to see that companies have a long-term commitment to an issue and a clear strategy for making an impact. Stakeholders perceive short-term and reactionary efforts as less authentic. Across all age groups, having a long-term plan is the most important factor for companies to be seen as more authentic.

Activities that people feel make a company’s citizenship efforts authentic:

MOST AUTHENTIC
Long-term and strategic

- 76% A company having a long-term plan for how it will support a cause.
- 73% Using the company’s skills and expertise to address a cause.

LEAST AUTHENTIC
Short-term and reactive

- 23% Supporting a cause after bad PR.
- 11% A one-time effort.

2 SKIN IN THE GAME:
People want to know that companies are putting skin in the game through their own investments, not simply using their platform to encourage others to act.

Consumers look less favorably on efforts where there is little material corporate investment, or where company support relies on the generosity of others.

Ranking of most impactful ways to support social issues:

- Donating money to a cause.
- Using the company’s skills and expertise to address a cause.
- Raising awareness of a cause through ads or PR.
- Organizing employee volunteers.
- Encouraging customers or employees to donate.
- Taking a political stance on an issue.

SIDENOTE
HOW TO DEMONSTRATE LONG-TERM COMMITMENT

Alignment: Social investment activities should align with core business priorities, and should not be at odds with business practices. Otherwise, they won’t have the legs for longevity.

Accountability: Companies should set clear, measurable goals for their social investment programs, and then track and report progress. An honest journey to reach these goals is as important as the goals themselves.

Adaptation: Social impact strategies should evolve over time in a thoughtful and deliberate way. Social programs should be treated with the same discipline and persistence as other business strategies.
3 LEVERAGING CORE ASSETS:

People see it as authentic when companies leverage their unique business assets to make a difference. From software companies sharing technical expertise in remote areas, to beverage bottlers providing clean water after a natural disaster, using business resources and expertise is seen as a meaningful way for companies to invest in social good.

73% of people believe a company’s efforts are more authentic when the company’s skills and expertise are used to address a social issue or cause.

4 THIRD PARTY ADVOCATES:

People are much more likely to believe a company’s citizenship efforts are authentic when they hear about such efforts from a third party source rather than from the company directly.

In terms of credibility, a company’s own advertising is the least credible source across all age groups and genders. A company’s website and social media also rank consistently low. By building true partnerships with grantees, companies cultivate powerful advocates who will sing their praises and, crucially, validate their citizenship story.

THE INFLUENCER MINDSET

The people most likely to serve as your third-party advocates are those with a history of speaking out on behalf of companies they believe are authentically committed to making a difference. These people - the influencers - are even more steadfast than the general public on what they consider important:

- Value strategy and commitment: 86% think having a long-term plan for supporting a cause is more authentic (vs 76% total population).
- Reward business integration: 83% think it’s more authentic when companies use their skills and expertise to address a cause (vs 73% total population).
- Trust nonprofit organizations: 71% find nonprofits to be credible sources for communicating companies’ good deeds (vs 65% total population).

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Ranking of most credible sources for learning about a company’s good deeds:

<table>
<thead>
<tr>
<th>More Credible</th>
<th>Less Credible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonprofit or charity.</td>
<td>Company website or social media.</td>
</tr>
<tr>
<td>Friend or family member.</td>
<td>Advertising from the company.</td>
</tr>
<tr>
<td>News article.</td>
<td></td>
</tr>
<tr>
<td>An employee of the company.</td>
<td></td>
</tr>
<tr>
<td>A customer of the company.</td>
<td></td>
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</tbody>
</table>

People are 3.5X more likely to respond to a nonprofit’s description of a good deed than a company’s own advertising.
CONCLUSION

When it comes to a company’s commitment to society, it’s not enough to give back indiscriminately or opportunistically; companies must be thoughtful and persistent in order to reap the rewards of good citizenship. Worse, it’s not only ineffective—it can actually be detrimental—when companies put getting credit above making a meaningful difference. Consumers and employees are savvier than ever, and they have little tolerance for companies that don’t walk the walk.

Fortunately, at their core, people want companies to give back and they will reward those that do. Herein lies the authenticity opportunity.

This is the wide open space for companies to cultivate loyalty, endorsement, and trust from consumers and employees by demonstrating an authentic commitment to do good. This distinction is earned by replacing transactional, short-term campaigns in favor of thoughtful, long-term strategies to make an impact, putting skin in the game, and aligning efforts to business assets.

The promise at the heart of corporate citizenship – to do well as a business by doing good for society – is very real. But the stakes are higher than ever for companies to do good well. The companies that take this task seriously will be the ones to benefit from the goodwill that authentic action leaves in its wake.
Changing Our World is a trusted social impact consulting firm that advises leading corporations and nonprofit organizations. From fundraising to corporate citizenship, our diverse practice areas are bound by a common commitment to help our clients succeed so that they can do more good in the world.

Our Corporate Social Engagement team specializes in designing and implementing strategic corporate citizenship programs that deliver social impact while driving business objectives. We focus on maximizing the ways in which a company leverages its resources and engages with its employees, consumers, and community partners to authentically address vital social needs.

At the core of our work is the belief that – by connecting business and social success – companies can change the world for the better. So, we seek to develop corporate citizenship solutions that help our clients reinforce their brand, build employee morale, win consumer loyalty, and create measurable social impact.

Our services include:
- Citizenship Strategy Development
- CSR Assessments & Materiality Mapping
- Competitive Benchmarking
- Employee Surveys & Focus Groups
- Cause Area Analysis & Identification
- Community Needs Assessment
- Goal Setting & Articulation
- Signature Program Design
- Partner Identification & Facilitation
- Employee Engagement & Volunteerism
- Internal & External Communications
- Cause Related Marketing
- Measurement & Evaluation
- SDG Alignment

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