




**CONE**  
COMMUNICATIONS

2017 Cone Communications  
**CSR STUDY**

A microphone on a stand is the central focus of the image, set against a blurred background of a crowd of people. The entire image has a reddish-orange tint.

2017 will be remembered as the year that redefined corporate social responsibility. Although CSR will always be grounded in business operations – from water conservation to supply chain transparency – recently, the stakes have gotten a lot higher. Companies must now share not only what they are doing, but what they believe in.

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The 2017 Cone Communications CSR Study reveals one major takeaway for companies: consumers are no longer just asking, “What do you stand for?” but also, “What do you stand up for?” In today’s tumultuous society, Americans expect companies to not only improve their business practices and invest in social issues that are aligned with the company, but to be a force for change in broader society. They want companies to stand up for important social justice issues and advance progress for the world at large – and this means doing business with entities that care and share their beliefs.

**This report is chock full of robust data. We pulled out the overarching insights every practitioner should consider as they look to engage the new American consumer:**

- 01** Americans are worried about the future of important social and environmental issues due to the current political climate. Although a majority feels progress on important issues will be slowed, they are looking to companies to take the lead in advocating for issues that are important to consumers.
- 02** Consumers see a company’s values as equally important as its responsible business practices. Americans want to support companies whose values align with theirs – and will punish those that don’t. Companies can gain brand affinity and support by sharing their beliefs and points of view on social justice issues that are taking center stage.
- 03** CSR continues to be a differentiator in the minds of consumers, with nearly 25 years of benchmark data showing a steady increase in consumers’ willingness to purchase a product with a social benefit. Communicating strong CSR practices consistently reaps reputational and bottom-line benefits year-over-year.

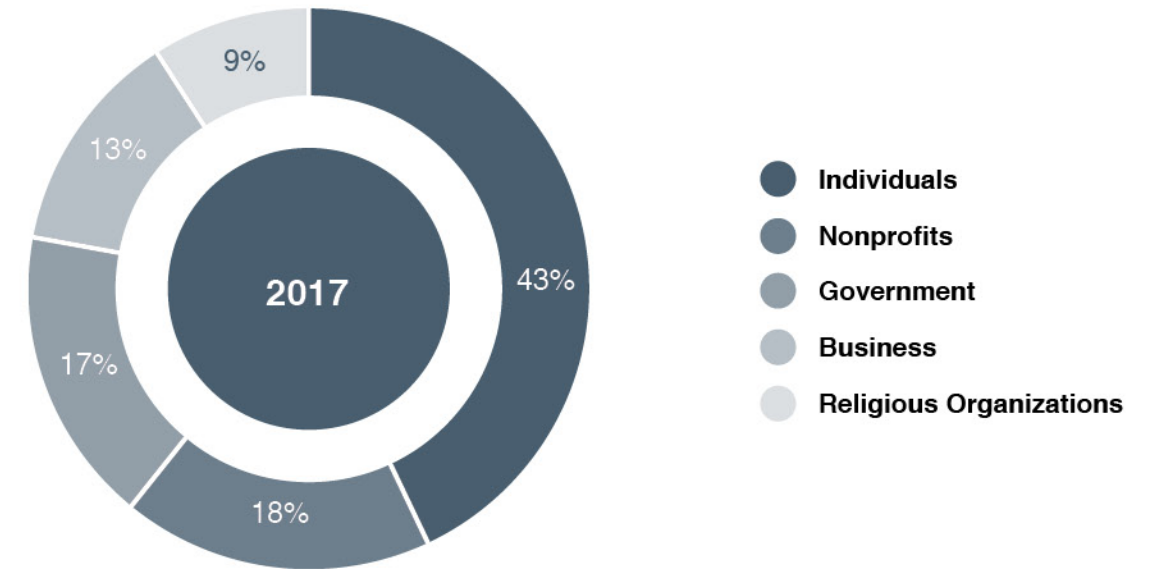
- 04** Being a good employer is one of the most important attributes of a responsible company in the eyes of Americans. Companies need to look at their internal practices as an external competitive advantage, not only to attract the best talent, but to win the hearts and wallets of consumers.
- 05** Economic development remains a priority issue for Americans, many of whom haven’t yet felt the impacts of a healthier economy. As an umbrella issue with many facets, companies should evaluate how their CSR efforts are contributing to job creation and preparing the next generation of American workers for success.
- 06** Responsible business practices are only half of the equation. Americans expect companies to stand up for issues far outside their operational footprints – from immigration to LGBTQ rights. Companies should determine if they can authentically stand up for social justice issues and be prepared to step into the spotlight.
- 07** When it comes to reported actions, consumers see their wallets as the most effective way to drive change – whether that’s making a donation, buying a product with a social or environmental benefit or boycotting a company that steps out of line. With consumers feeling empowered by their dollars – companies may find themselves the target of praise or backlash with one misstep.
- 08** Consumers need more than a Super Bowl ad or a one-off effort to believe a company is committed to making a difference. Companies must take on a surround-sound approach to CSR communications to break through and gain credibility.
- 09** Although Americans expect companies to report on their responsible business practices, they are inherently skeptical of what companies are doing to benefit society. In fact, they won’t believe a company is striving to be responsible until they hear information about positive efforts. Companies simply can’t afford to keep their CSR efforts a secret.
- 10** With the communications stakes so high, companies need not wait to be flawless to share efforts. Remaining consistent over the past six years, Americans believe it’s okay if a company is not perfect, as long as it is honest about efforts.



# Progress and Empowerment

With daily headlines exposing global strife, political unrest and domestic uncertainty, Americans are, not surprisingly, feeling the impact. In fact, two-thirds (67%) believe progress on key social and environmental issues will be slowed in the potential absence of government regulation. But even more so, consumers are questioning the effectiveness of not only government, but also nonprofits and businesses to address today's challenges. During this time of insecurity, Americans believe change must come from within. Far and away, respondents feel individuals (43%) are most effective at solving today's most pressing social and environmental issues.

## ACCORDING TO CONSUMERS, THE MOST EFFECTIVE ENTITY AT SOLVING TODAY'S MOST PRESSING SOCIAL AND ENVIRONMENTAL ISSUES IS:





Despite a feeling of individual empowerment, U.S. citizens are not relaxing their expectations for companies. Four-out-of-five (79%) expect businesses to continue improving their CSR efforts and more than three-out-of-five (63%) are hopeful business will take the lead to drive social and environmental change moving forward. This is a pivotal moment for companies, as consumers are giving them the mandate to not only participate in, but spearhead, larger societal progress.



**MILLENNIALS ARE PUTTING THEIR FAITH IN COMPANIES TO IGNITE CHANGE. 71% ARE HOPEFUL BUSINESS WILL TAKE THE LEAD.**

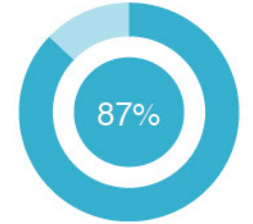




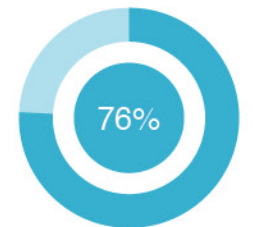
# Values Take Center Stage

Although companies may have traditionally looked at CSR through the lens of the business footprint, consumers are no longer taking such a narrow view on how companies can make a positive impact. Now, consumers expect companies to not only address issues that impact their operations, but also tackle broader societal challenges. Seven-in-10 (70%) Americans believe companies have an obligation to take actions to improve issues that may not be relevant to everyday business operations.

Consumers are examining a company's values and using that as a filter for the organizations they choose to support – or punish. Eighty-seven percent said they'd purchase a product because that company advocated for an issue they cared about and more than three-quarters (76%) would refuse to purchase a product if they found out a company supported an issue contrary to their beliefs. These numbers are also in alignment with respondents' intent to purchase or boycott based on CSR commitments – revealing that Americans may not be distinguishing between internal CSR activities and more high-level concepts like a company's values or reason for being.



will buy based on values



will boycott based on values



# CSR Expectations and Benefits Stay High

Even as the role of companies evolves, consumer expectations of and behaviors in support of CSR continue to stay strong – and the benefit to companies remains clear. Consistent over the years, nearly nine-in-10 (86%) Americans expect companies to do more than make a profit, they should also address social and environmental issues. More than two decades of benchmark data also reveal the growing positive impact of CSR on brand reputation, loyalty and affinity. Increasing or remaining steady over time, respondents have a more positive image (92% vs. 85% in 1993), are more likely to trust (87% vs. 66% in 1998) and are more loyal (88% vs. 90% in 2013) to companies that support social and environmental issues.

## WHEN A COMPANY SUPPORTS A SOCIAL OR ENVIRONMENTAL ISSUE, CONSUMERS SAY THEY:

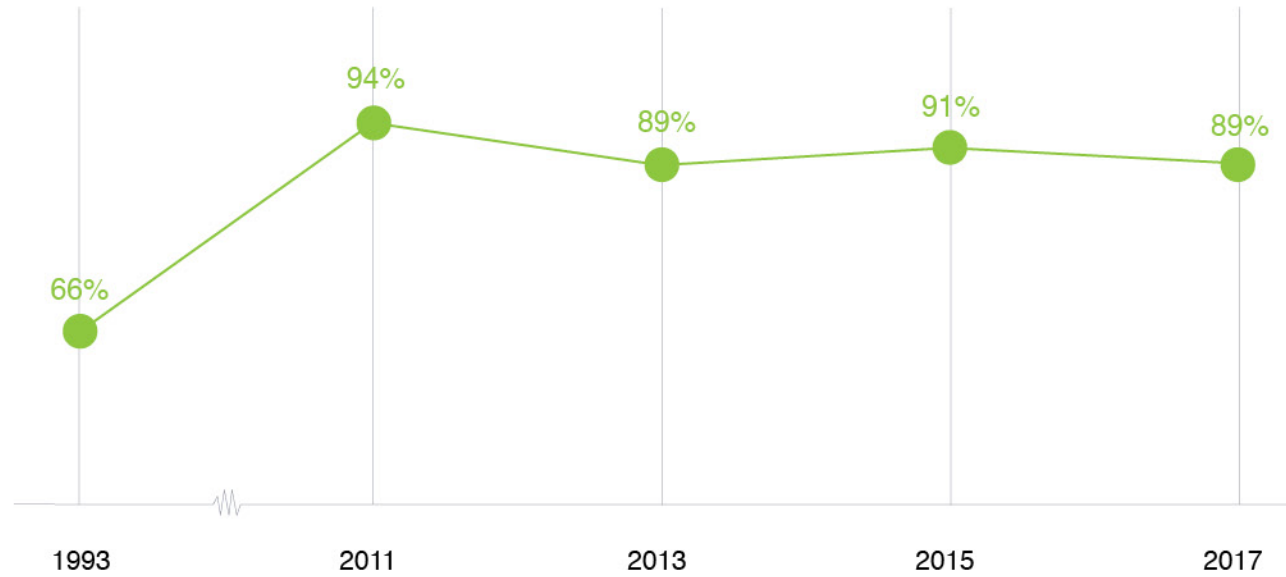






## CONSUMERS ARE LIKELY TO SWITCH BRANDS TO ONE THAT IS ASSOCIATED WITH A GOOD CAUSE, GIVEN SIMILAR PRICE AND QUALITY:

*Very/somewhat likely (net)*



Beyond reputational benefits, bottom-line rewards also remain consistently high for companies with strong CSR programs. For nearly 25 years, Cone has been tracking consumers' likelihood to buy a product with a cause benefit – and the number only continues to increase over time. Nearly nine-in-10 Americans (89%) would switch brands to one that is associated with a good cause, given similar price and quality, compared with 66 percent in 1993. And whenever possible, a majority (79%) continues to seek out products that are socially or environmentally responsible.





# Redefining Responsibility

CSR is now firmly entrenched among price, quality and convenience as a mainstay of consumers' purchasing criteria, but their view on what "responsibility" means continues to evolve. Today's consumers expect companies to go well beyond improving their operations. They want companies to take actions that ensure their personal well-being as well as the welfare of employees, other consumers and the global community as a whole.

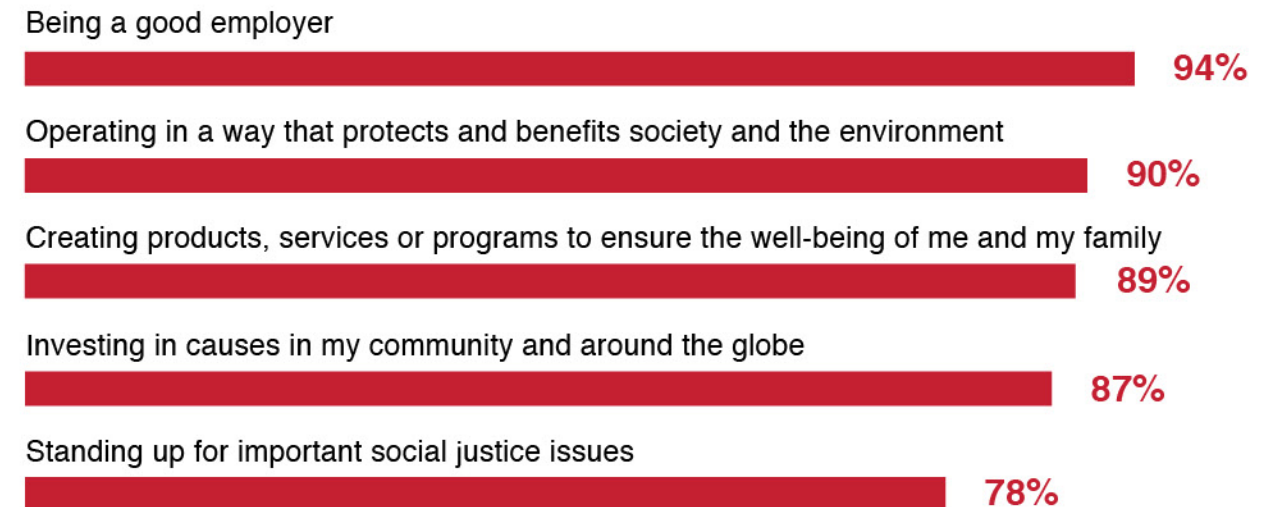
When asked to identify the most important responsible business practice, Americans felt being a good employer was the top priority (35%) – showing

that consumers want to do business with companies that, first and foremost, take care of their own people.

This reveals a clear opportunity for companies. CSR not only provides a competitive advantage to recruit and retain top talent, but this research also demonstrates that being a good employer can have broader brand and reputational benefits among external stakeholders. Americans now see this as a foundational element of a responsible business – and companies should communicate their efforts to be a good employer both outside and within company walls to realize competitive advantage.

## CONSUMERS CONSIDER THE IMPORTANCE OF A COMPANY'S RESPONSIBLE BUSINESS PRACTICES:

*Very/somewhat likely (net)*

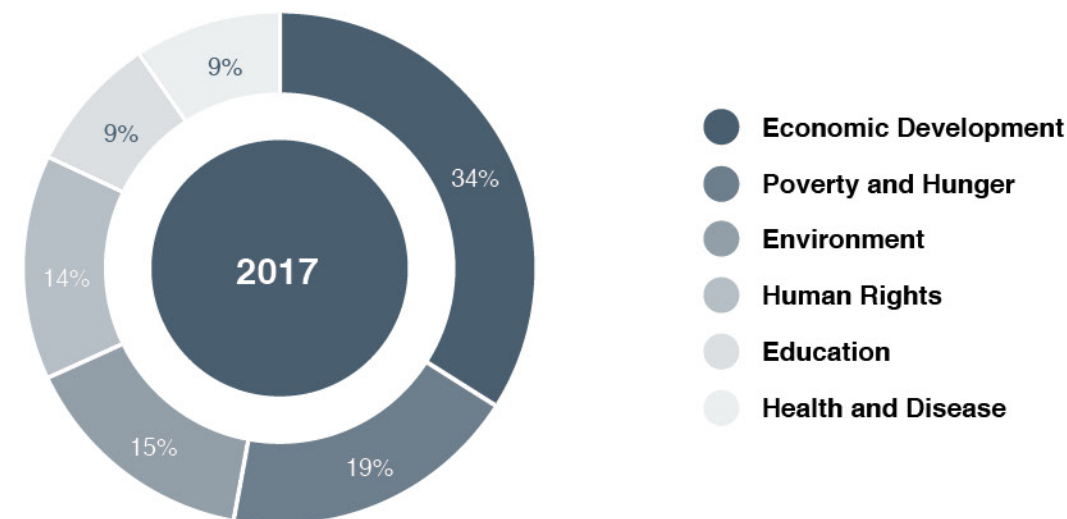


# Issues in Focus

When deciding how to focus their investments in CSR commitments, companies often start with those areas that are most material to their business growth or where they can have the greatest positive impact. Another key factor is identifying the issues that are important to consumers and other stakeholders. Consistent since 2011, Americans continue to prioritize economic development as the number one issue they want companies to address (34%). It should come as no surprise that this issue continues to remain top of mind as it touches all Americans and was a focal point of the 2016 U.S.

presidential election. In addition to being universally applicable, economic development is also a macro issue companies are well-suited to address through job creation, training and infrastructure development. Respondents also identified poverty and hunger (19%), environment (15%) and human rights (14%) as top areas for corporate involvement. Again, these are issues that companies can naturally have a direct hand in improving through their business operations, employee programs and supply chain policies.

## \$ THE ONE ISSUE CONSUMERS WOULD LIKE COMPANIES TO ADDRESS IS:





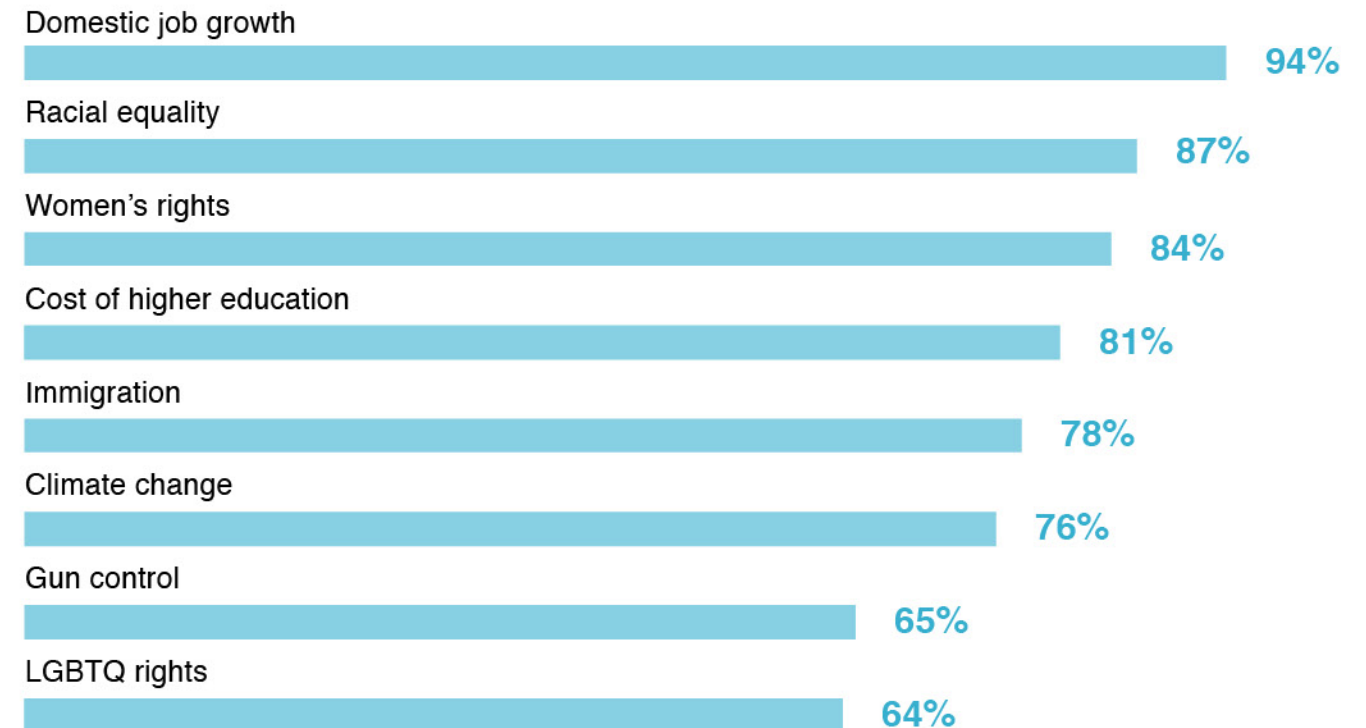
# Prioritizing Social Justice



Beyond traditional issues for corporate involvement, consumers also see business as instrumental in addressing many of the hot-button concerns that are taking center stage in the news today. Not surprisingly, domestic job growth (94%) was top of mind for respondents, but issues such as racial equality (87%), women's rights (84%) and cost of higher education (81%) also ranked as priority topics for companies to problem-solve. In fact, two-thirds believe companies have an important role in addressing a range of matters from immigration (78%) to gun control (65%) and LGBTQ rights (64%). Although many of these issues may be outside companies' standard footprints, Americans feel businesses need to have a seat at the table in solving for these critical concerns.

## ♀ CONSUMERS ALSO WANT COMPANIES TO ADDRESS ISSUES THAT ARE ACTIVE IN THE NEWS:

*Very/somewhat important (net)*



So where does a company's responsibility start and end? The bar is getting higher as consumers are not delineating between a company's CSR practices and its commitments across a wide range of social justice issues outside of the traditional business purview.

But there's more at stake than consumer favor when companies step up to the plate to advocate for issues. Nearly three-quarters (73%) of consumers said they would stop purchasing from a company if it shared a different perspective on these social justice issues. Now, not only do Americans expect companies to be leaders in standing up for complex and often divisive topics, but they are ready to boycott if that view differs from their own.

Companies will need to go beyond superficial messages of support – a one-off statement or provocative TV ad is not going to cut it. Consumers want to know that companies are walking the talk on the issues they are advocating for. Nearly two-thirds (65%) of consumers said that when a company takes a stand on a social or environmental issue, they will do research to ensure it's being authentic.

Here presents both an opportunity and potential pitfall for companies. Companies must look inward at their values, beliefs and business practices to determine what issues they can genuinely advocate for. Yet, the more companies take the lead, the more they should be prepared for careful consumer scrutiny – and the potential for backlash. However, companies that can effectively navigate the challenges and truly stand up for issues that matter will stand out in the hearts, minds and wallets of consumers.





# Translating Intent Into Action

Remaining consistent over the past six years, consumers continue to reward and punish companies based on CSR efforts. The top actions Americans will take remain to boycott for irresponsible business actions (88%) and reward by buying a product with a social or environmental benefit (87%). However, consistent with consumers' broadening expectations of companies, 87 percent would also purchase a product because a company advocated for an issue they cared about. Seeing their financial impact as a crucial tool for advocacy, consumers are also likely to make a donation to a charity supported by a company they trust (82%).

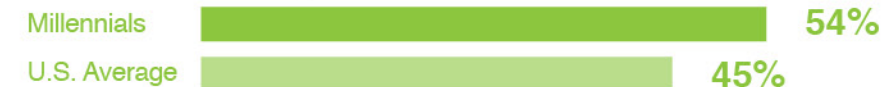
Even with a persistent gap between intent and action, the wallet remains the most important tool in a consumer's toolbox. Making a donation (70%), purchasing a product with a benefit (55%) and buying a product because that company stood up

for an issue they cared about (52%) topped the list of reported actions over the past 12 months. Still, consumers are not only using their buying power to reward companies, but also to punish. Nearly one-in-two said they have boycotted a company in the last year for irresponsible business actions (50%) or because that company supported an issue contrary to their beliefs (46%).

As consumers continue to show their support or disapproval for companies through financial sway, their propensity to do extra digging on company programs has increased over time. Thirty-nine percent of Americans report they have done research into a company's business practices or support of social or environmental issues in the past 12 months, six percentage points higher than in 2011.

## WANT TO ENGAGE MILLENNIALS IN CSR EFFORTS? GET THEM TALKING. MILLENNIALS ARE THE MOST LIKELY DEMOGRAPHIC TO:

Tell friends and family about CSR efforts

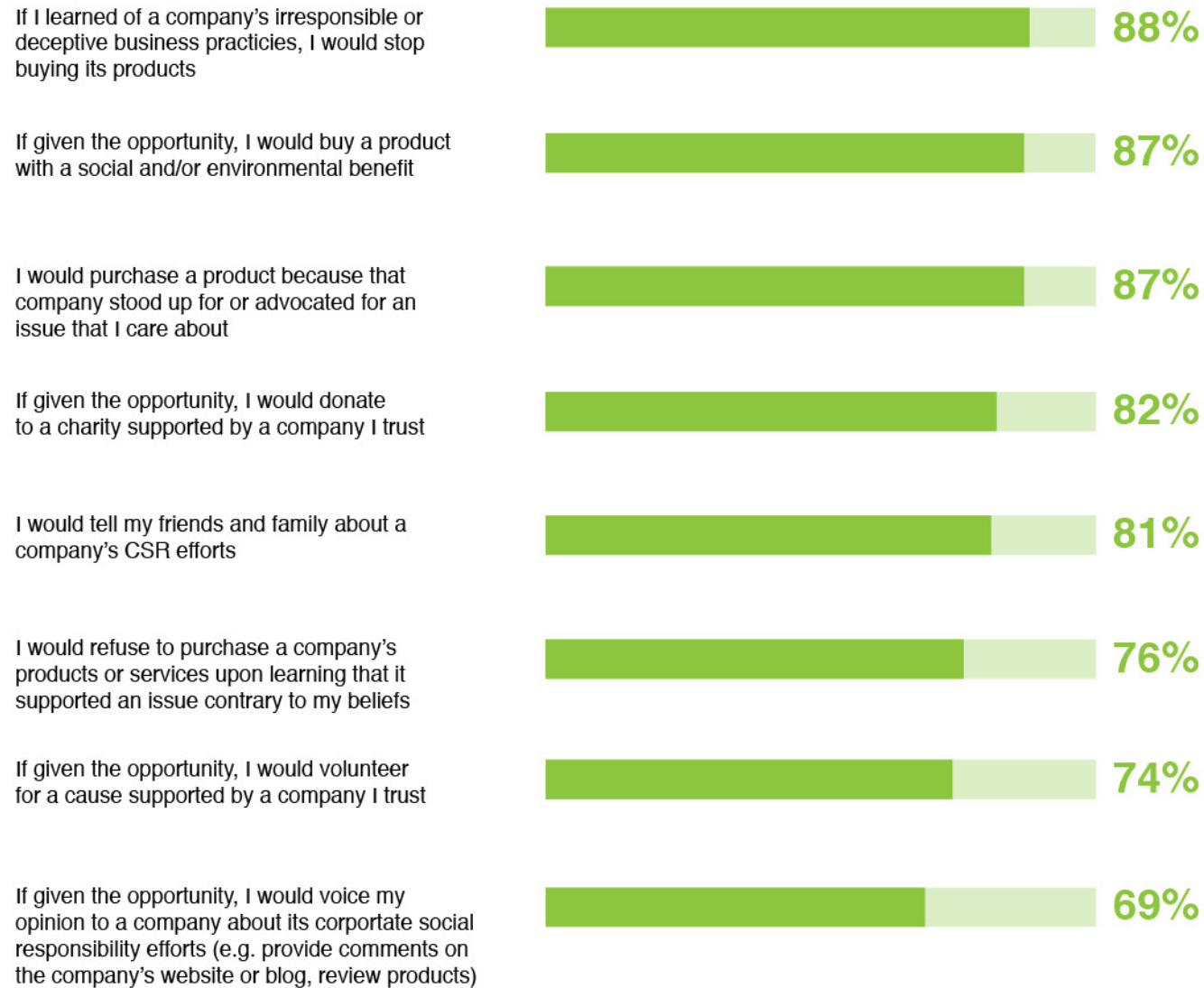


Give feedback directly to a company about efforts

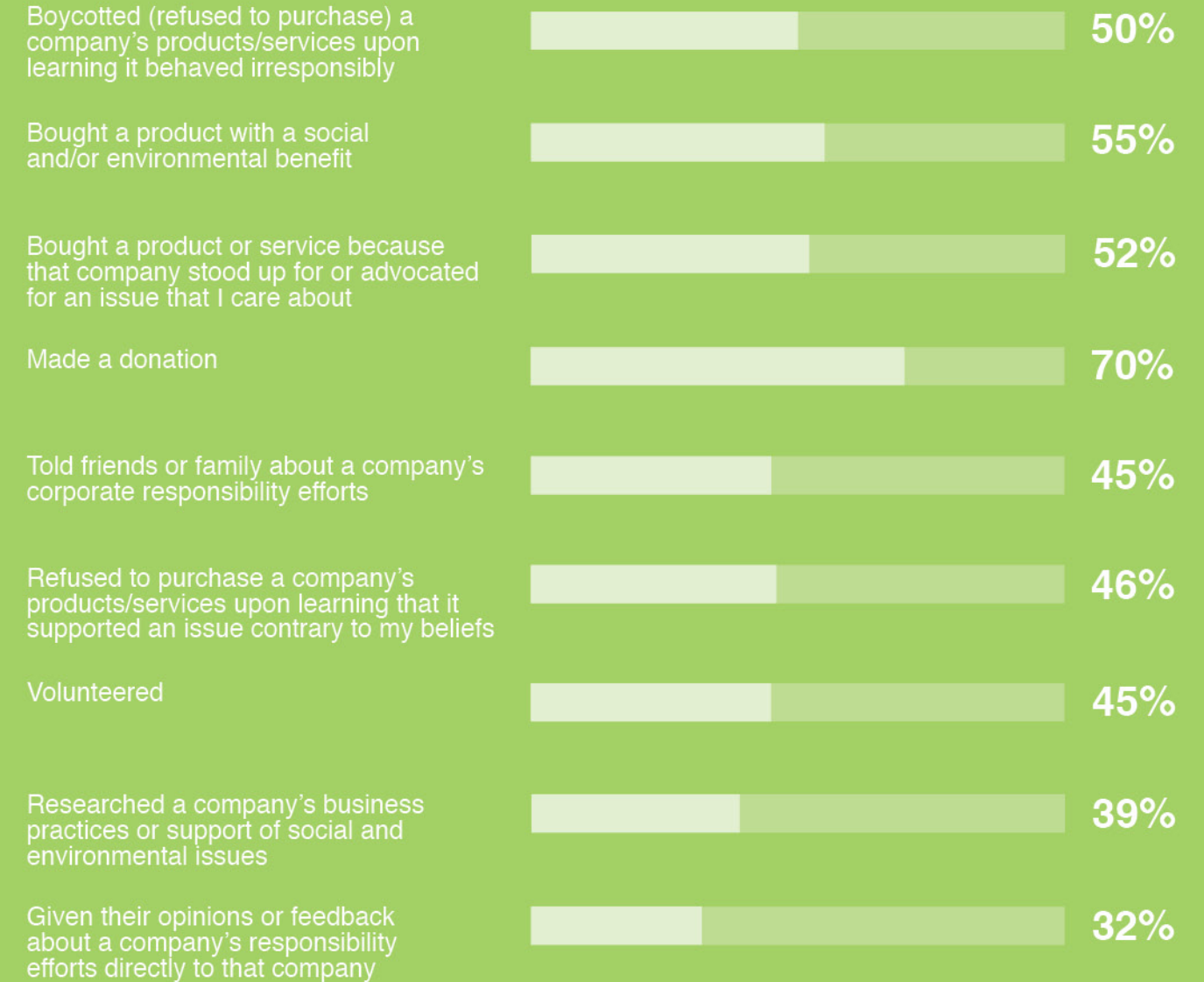


## CONSUMERS WANT TO GET ENGAGED IN CORPORATE RESPONSIBILITY EFFORTS:

*Strongly/somewhat agree (net)*



## IN THE PAST 12 MONTHS, CONSUMERS INDICATE THEY HAVE:






Consumers are also taking their social consciousness online as they make purchasing decisions and use their keyboards as a force for change. The top way consumers say they would support social or environmental issues is by purchasing a product from a socially conscious online retailer (80%). Beyond purchase, consumers are forgoing more passive actions, such as “liking” a company or nonprofit page (65%) or sharing social or environmental content with their social networks (60%), for more hands-on activities like learning about changes they can make in their everyday lives (79%), sharing their positive opinions about companies doing good (77%) and voting to designate funds to causes they care about (77%). When it comes to online actions, Americans are looking for tangible and impactful ways to engage around important issues. Companies have an opportunity to deepen relationships with consumers by serving as the educator, the convener and the catalyst for those wanting to make a difference in online channels.







# Driving CSR Through Effective Communications

Although consumers unequivocally stand ready to reward companies for their responsibility efforts, they need to hear about it first. In fact, nearly three-quarters of respondents stated they do not believe companies are striving to be as responsible as possible until they hear information about positive efforts (74%). But consumers need more than blanket “do good” claims to be convinced – more than eight-in-10 (82%) say if a company makes social or environmental commitments, they will hold it responsible for sharing results. They also don’t want to wait too long for you to put a bow around your efforts. Remaining consistent over the past six years, nine-in-10 Americans (91%) say it’s okay if a company is not perfect, as long as it is honest about efforts. Consumers are looking for transparent and real-time progress. Companies shouldn’t shy away from sharing the journey, in addition to the final destination.

This new level of sophistication around accountability and transparency is also reflected in consumers’ understanding of CSR messages. In fact, six years of longitudinal data have revealed consumers are significantly less likely to be confused by the messages companies use to talk about their CSR efforts and impacts than in the past (52% vs. 65% in 2011). This trend reinforces that consumers are savvy. They are not only grasping complex CSR issues, but are capable and willing to be engaged in a thoughtful dialogue.

To gain credibility in the eyes of consumers, companies need to do more than one-off advertising. Consumers want a company’s CSR messages built into the brand experience in a surround-sound way. Seventy-nine percent of consumers say they are more likely to believe a company’s CSR commitments if they share their efforts along multiple channels. And when it comes to the types of messages that are breaking through, 36 percent of Americans reported a communication that shows them how their personal actions can make a difference would be most likely to grab their attention. But there is still no silver bullet to stand out – other responses were evenly split between a daring or bold message that would make consumers think differently about something (23%), a message that shows a personal benefit (21%) and a message that draws out an emotion (20%).

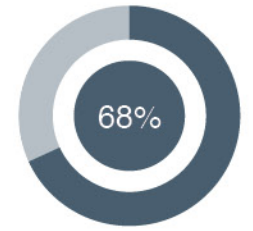


# Who is Leading Impact and Action?

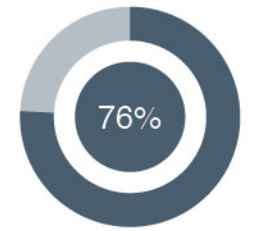
## MILLENNIALS

Consistent with 2015 results, Millennials are leading the pack in their expectations and actions of responsible businesses. They are the most likely group to seek out responsible products whenever possible (85% vs. 79% U.S. average) and are ardent in believing business should take the lead in the absence of government regulation (71% vs. 63%). Yet, Millennials may also be businesses most critical supporters. They are more likely to hold companies accountable for producing and communicating results of CSR efforts (88% vs. 82%) and are willing to take the time to look under the hood – over the past 12 months, half (51%) of Millennials have reported they have researched a company’s business practices (vs. 39%).

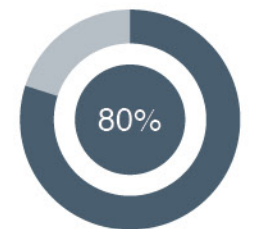
For Millennials, it’s not enough to just hear about CSR communications, they want to actively engage in the conversation. Seventy-nine percent say they would voice their opinions to companies about CSR efforts (vs. 69%) and 42 percent have actually done so in the past 12 months (vs. 32%). This generation is also the most likely to amplify CSR messages to their own networks, as more than half (54%) have told friends and family about CSR efforts in the last year (vs. 45%).



bought a product with a social or environmental benefit in the past 12 months (vs. 55%)



say when a company takes a stand on a social or environmental issue, they will do research to see if it is being authentic (vs. 65%)



believe companies have the obligation to help people or take actions to improve issues that may not be related to their everyday business (vs. 70%)



## AFRICAN AMERICANS

For African Americans, companies are not only a conduit for environmental progress, but also social justice. This demographic is the most likely to believe it is important for companies to stand up for social justice issues (90% vs. 78% U.S. average) and they're willing to reward and punish in turn. More than nine-in-10 (95%) would purchase a product because that company stood up for an issue they cared about (vs. 87%) and would also refuse to purchase a company's products if they learned a company supported an issue contrary to their beliefs (81% vs. 76%).

Although racial equality (98%) topped the list as the most important social justice issue, African Americans were across the board more likely to believe companies should address a range of issues in the news today – from women's (92% vs. 84%) and LGBTQ (74% vs. 64%) rights to climate change (88% vs. 76%) and gun control (83% vs. 65%).

Given the headlines of the past two years – from Black Lives Matter to gun control – it is clear most social justice issues are top of mind. Companies that can authentically stand up to injustices will win the trust and affinity among this segment urging for real and substantial change.







# Conclusion

Today's complex political environment, combined with the pressing challenges facing the globe, leave Americans wondering where to turn next. The 2017 Cone Communications CSR Study reveals Americans are giving companies not only the invitation, but the mandate to step up to solve today's most complex social and environmental issues.

In order to lead as a responsible company, it's simply not enough to address internal operational challenges – businesses must take the lead to push progress on issues that go straight to the hearts and minds of Americans and communicate company values in a way that's relevant and authentic. Today's consumers are smart and empowered. They have a propensity to dig in to do their own research. They are willing to use their voice and dollars as a force for change, becoming a company's staunchest supporters – or detractors. Now is the time to not only stand for, but stand *up* for something that matters.



## ABOUT CONE COMMUNICATIONS:

Cone Communications is a public relations and marketing agency that is Always Making a Difference<sup>SM</sup> for business, brands and society. With a unique combination of corporate social responsibility (CSR), consumer brand and integrated marketing expertise, our people deliver emotional storytelling and business value for every client.

Cone Communications' category-defining CSR work and our world-class research have drawn together some of the deepest thinkers in global sustainability issues, cause marketing and nonprofit communications. Our foundation as a public relations agency for consumer brands has attracted some of the most creative and ambitious integrated marketers in the industry.

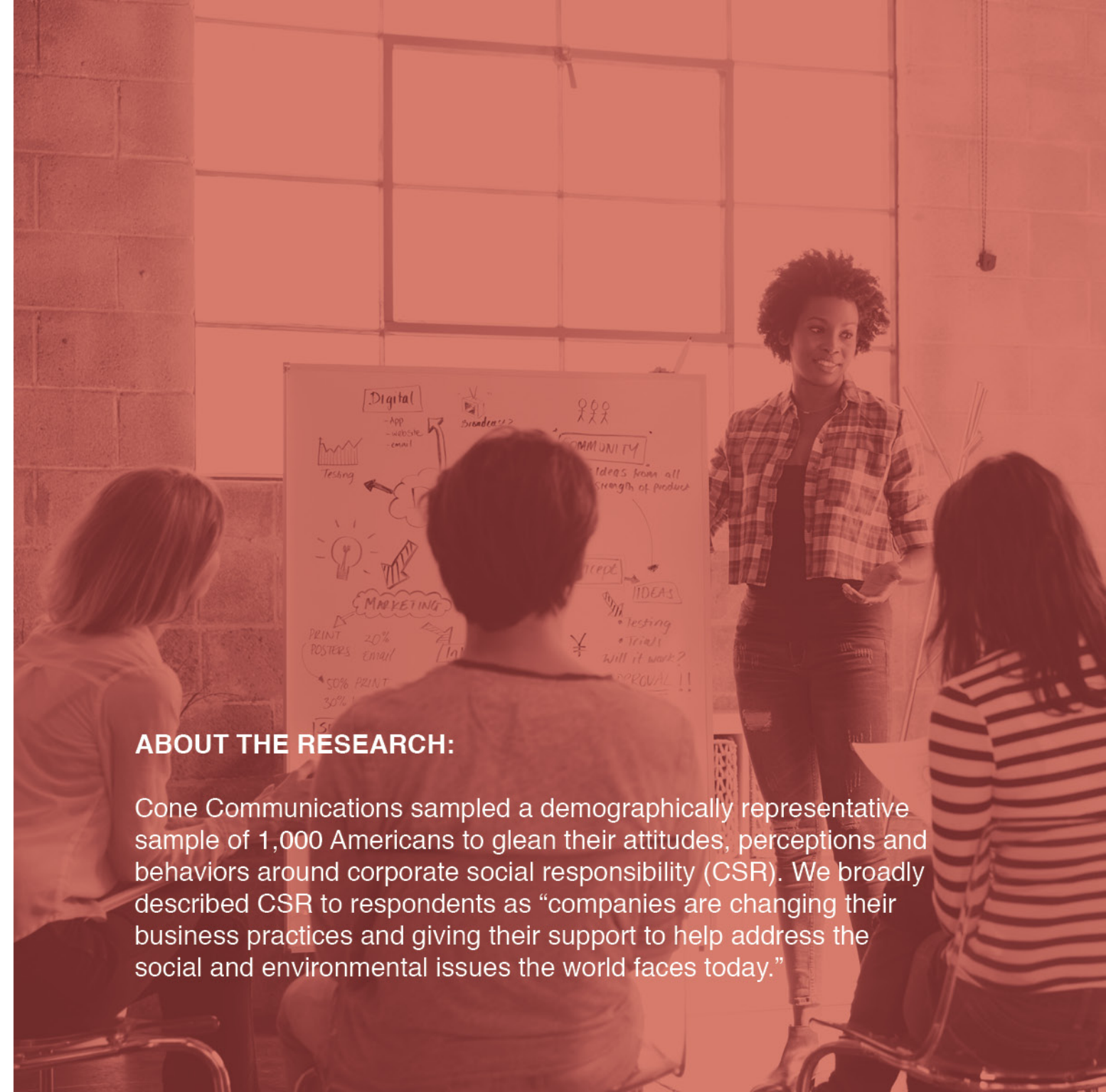
Together, we tackle communication challenges as a shared responsibility – and we are unified by what we do best:

- We deliver emotional storytelling designed to break through and endure.
- We create brand value and return for philanthropic, social and environmental commitments of all sizes.
- We track trends and understand corporate behaviors expected in today's transparent world.

We understand that driving positive change starts with driving a healthy bottom line. If you need an agency uniquely positioned to do both, let's get started.

Select services include:

- Corporate Social Responsibility Strategy
- Strategic Philanthropy
- Cause Marketing
- Nonprofit Strategy
- Employee Engagement
- Crisis and Issues Management
- Corporate Social Responsibility Reporting
- Public Relations
- Influence and Advocacy
- Digital and Social Strategy
- Content Creation and Amplification
- Creative
- Planning and Research



## ABOUT THE RESEARCH:

Cone Communications sampled a demographically representative sample of 1,000 Americans to glean their attitudes, perceptions and behaviors around corporate social responsibility (CSR). We broadly described CSR to respondents as “companies are changing their business practices and giving their support to help address the social and environmental issues the world faces today.”





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