



COMPANIES FAIL TO ENGAGE CONSUMERS ON ENVIRONMENTAL AND SOCIAL ISSUES

Three-quarters of Americans give companies a “C” or below on how they’re engaging consumers around key issues

Eighty-four percent of Americans believe their ideas can help companies create products and services that are a win for consumers, business and society; yet, only half (**53%**) feel companies are effectively encouraging them to speak up on corporate social and environmental practices and products, according to the **2010 Cone Shared Responsibility Study**.

A majority of consumers want to be engaged on four key responsible business pillars, including how a company conducts its business (**85%**), its products and packaging (**83%**), its support of social and environmental issues (**81%**) and its marketing and advertising (**74%**). Consumers are prepared to dedicate time and money to help influence corporate social/environmental practices through surveys and research (**70%**), buying or boycotting a company’s products (**44%**) or through email, phone or employee communications (**32%**), among other activities.

Yet, when it comes to consumer interaction, most Americans say companies are not making the grade. **Three-quarters** assign companies a “C,” “D,” or “F” on how well they are engaging consumers around critical business issues. This disconnect signals a lost opportunity for companies because consumers are prepared to reward them for engagement. If a company incorporated their ideas, consumers say they would be more likely to buy its products and services (**60%**), more loyal (**54%**) and more likely to recommend the company (**51%**).

“There’s tremendous opportunity to more actively collaborate with consumers and other key stakeholders to achieve mutually beneficial solutions,” says Jonathan Yohannan, senior vice president of Cone. “We call this collaborative approach to addressing social and environmental issues ‘Shared Responsibility’ because diverse stakeholders each have a unique value, role and stake in solving today’s complex global challenges. Companies can’t go it alone.”

Consumers Hold Great Expectations

Americans are holding companies accountable for addressing a range of complex, global issues that may directly or indirectly touch their businesses, from ensuring product quality and safety (**92%**) to alleviating poverty (**62%**). [See complete chart page 6.]

The range of issues is complemented by an equally extensive menu of business approaches to solve them. Consumers indicate everything from developing new products and services (**89%**) to making charitable donations (**83%**) are effective ways for a company to help solve social and environmental issues. [See complete chart page 6.]

“Companies have a unique opportunity to address issues holistically, from the products they create to the partnerships they form to the dollars they give,” says Alison DaSilva, executive vice president of Cone. “And it’s this blend of both social initiatives and business operations – along with the sweat equity and ingenuity of diverse stakeholders – that stands to affect change. We all share responsibility for the issues at hand, and we all stand to benefit from the solutions.”

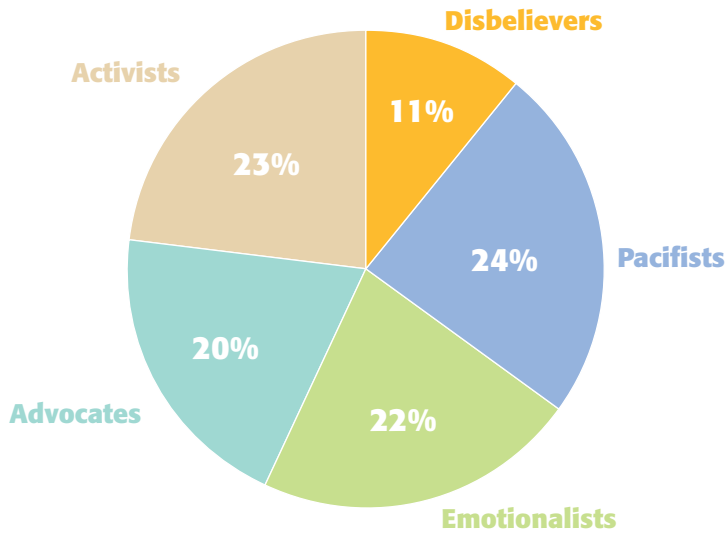
Transparent Communication Core to Building Trust

Not only do consumers want a voice in the issues, but they are overwhelmingly prepared to listen. A full **92 percent** want companies to tell them what they’re doing to improve their products, services and operations. But two key barriers exist:

- Skepticism** – **87 percent** of consumers believe the communication is one-sided – companies share the positive information about their efforts, but withhold the negative; and,
- Confusion** – **67 percent** of consumers are confused by the messages companies use to talk about their social and environmental commitments.

“Open, consistent lines of communication are the only way a company can effectively collaborate with diverse stakeholders for the long-term and stay on top of issues that may improve or inhibit its business,” says Yohannan. “It doesn’t mean companies have to solve all of the issues on the table, but it does mean being transparent about their journey.”

Americans' beliefs about the role of business in society:



Disbelievers: Businesses exist to make money for shareholders and are not responsible for supporting social or environmental issues

Pacifists: Businesses may play a limited role in the community in which they are based, but are not necessarily responsible for supporting social or environmental issues

Emotionalists: Businesses should support larger social or environmental issues by donating products or services, money or volunteering

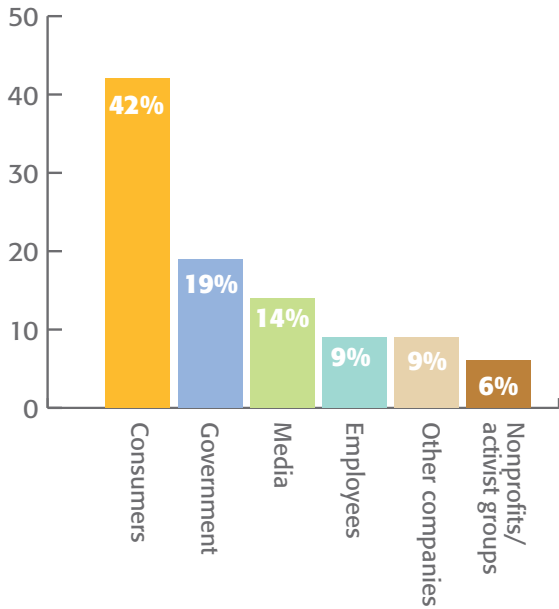
Advocates: Businesses should not only support but advocate for change in larger social or environmental issues by increasing awareness of the issue and donating products or services, money or volunteering

Activists: Businesses should change the way they operate to align with greater social and environmental needs

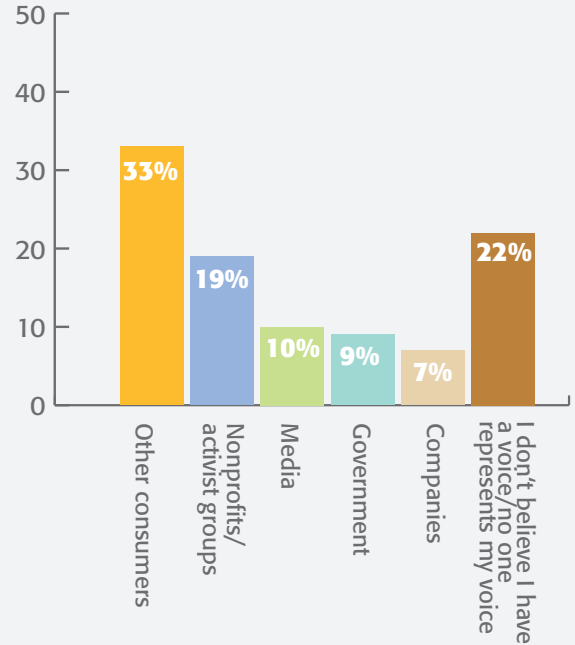
Consumers want to be engaged in companies' social and environmental efforts:



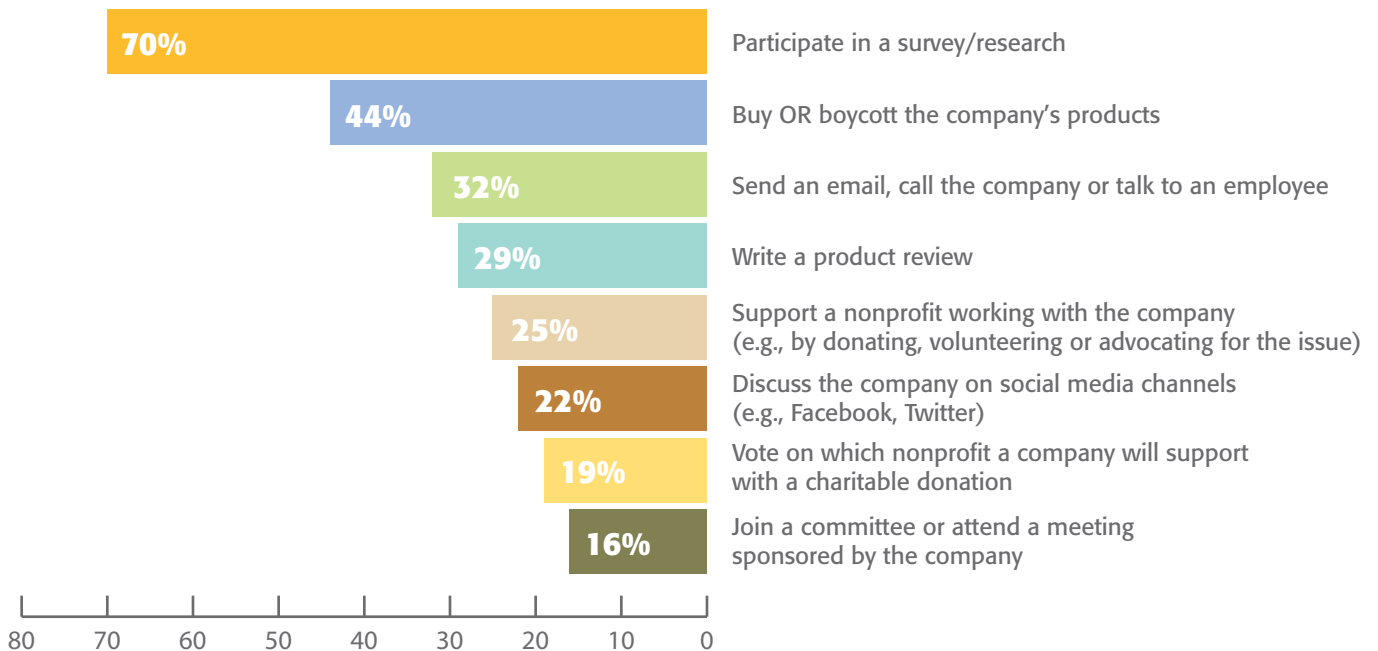
Consumers believe these entities most influence a company's social and environmental policies and products:



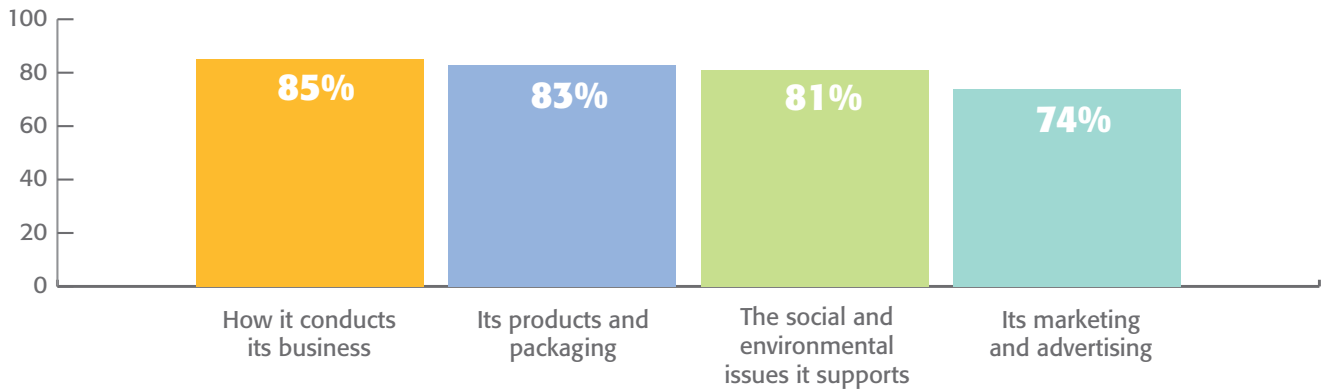
But these are not all aligned with who they believe best represents their own interests about social and environmental issues:



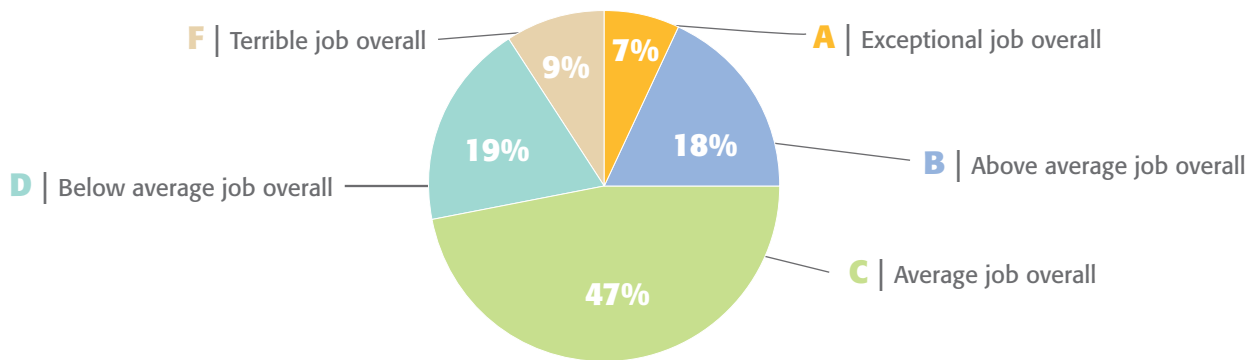
To help influence corporate social/environmental practices and initiatives, consumers would:



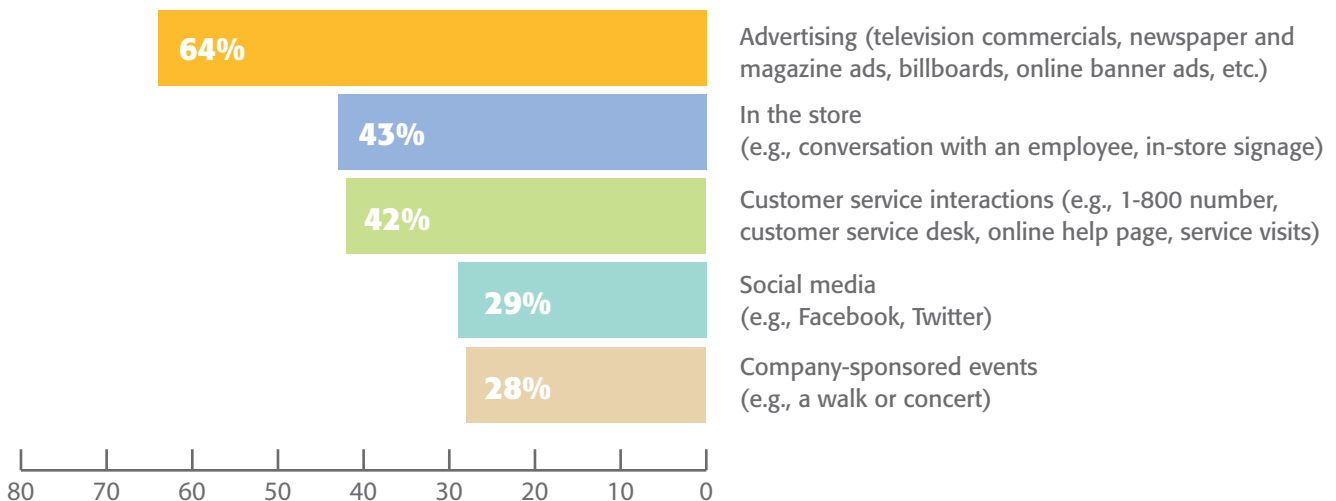
Consumers want to be engaged on these company topics:



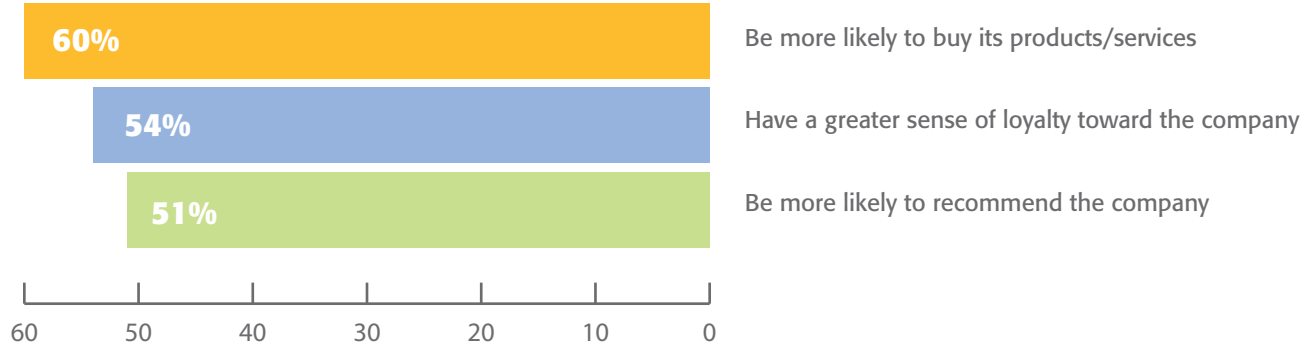
Consumers grade companies on how well they're engaging consumers in these areas:



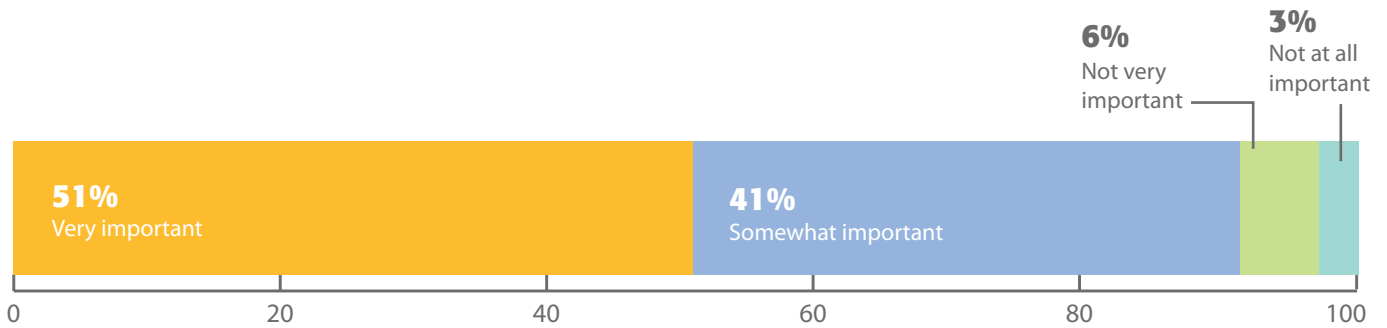
Businesses can reach consumers with information about their social/environmental programs and products via these everyday channels:



Effective engagement can lead to bottom-line benefits. If a company incorporated their ideas, consumers would:



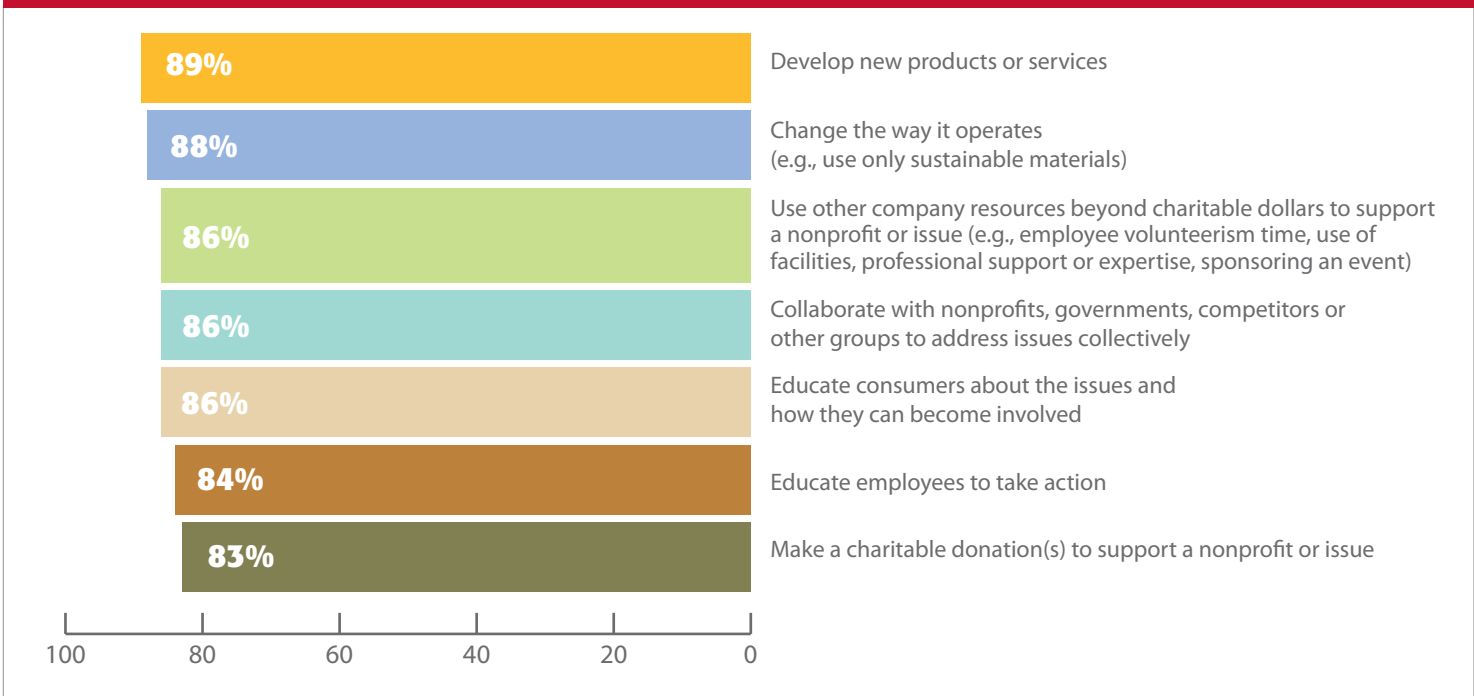
Americans look to business, government and nonprofit organizations to collaborate to solve social and environmental issues. They believe collaboration is:



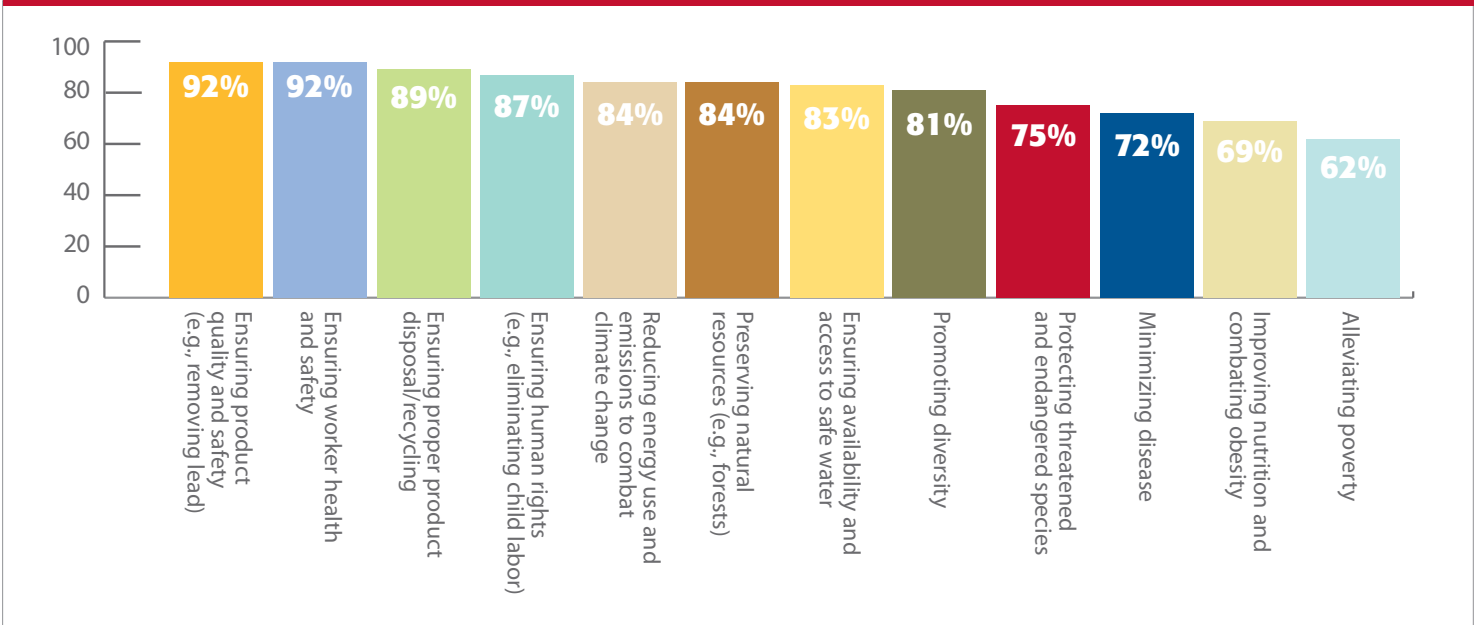
Americans want to hear about corporate efforts, but are confused by the messages:



Americans have high expectations for a company's approach to solving social and environmental issues. Effective ways include:



Americans hold companies accountable for a range of global issues that may impact their business:



About the Study:

The 2010 Cone Shared Responsibility Study presents the findings of an online survey conducted April 8-9, 2010 by Opinion Research Corporation (ORC) among a representative U.S. sample of 1,045 adults comprising 507 men and 538 women 18 years of age and older. The margin of error associated with a sample of this size is $\pm 3\%$.