



PENN
SCHOEN
BERLAND

CORPORATE SOCIAL RESPONSIBILITY BRANDING SURVEY

2010

In conjunction with:



Burson•Marsteller

Landor

NEW YORK • WASHINGTON • DENVER • SEATTLE • LOS ANGELES • SAN FRANCISCO • AUSTIN • LONDON • HONG KONG • BEIJING • DUBAI

©PENN, SCHOEN & BERLAND ASSOCIATES, LLC.

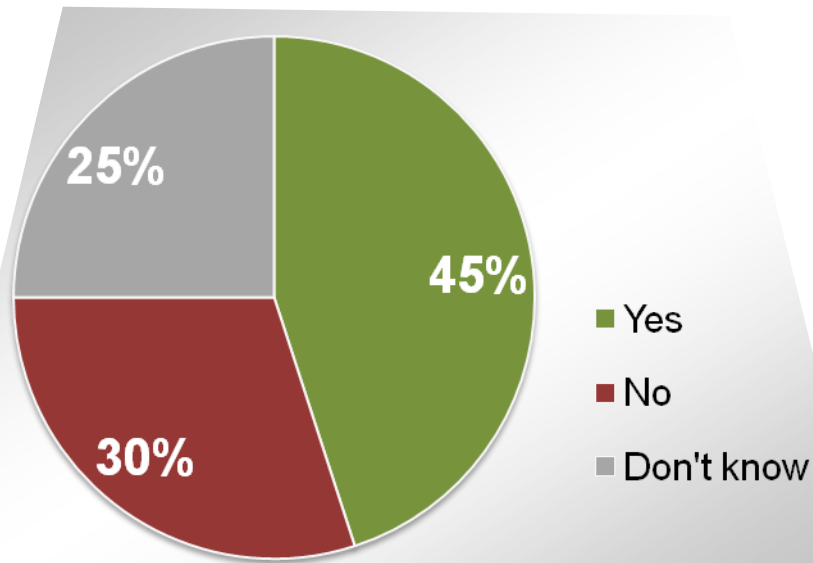
KEY FINDINGS

- 1. Social responsibility remains important to consumers despite the recession.**
 - More than 75% of consumers say that responsibility is important for each tested industry.
- 2. Social responsibility remains a differentiator for products and brands.**
 - 55% are more likely to choose a product that supports a certain cause when choosing between otherwise similar products.
- 3. Some industries have taken a hit in terms of consumer perception of their responsibility in the last year.**
 - Consumer perceptions of the Healthcare industry have dropped most significantly – perhaps because of added scrutiny of congressional debate – though CSR experts often rank healthcare companies as performing well.
- 4. Some consumers are willing to pay more for products with added social benefits, despite the recession.**
 - 38% of respondents still plan to spend the same or more on products or services from socially responsible companies, compared to 2009.
- 5. Communications about social responsibility have significant impact on favorability and purchase intent, though they don't consistently break through.**
 - 75% of those who have read about a company's social responsibility agenda on its website say it made them more likely to purchase products or services from the company in the future – but just 13% of all respondents have done so.

SLIGHTLY MORE THAN HALF OF CONSUMERS ARE UNSURE ABOUT THE MEANING OF CSR

Fewer than one-half (45%) of respondents say they know the meaning of the term “Corporate Social Responsibility.”

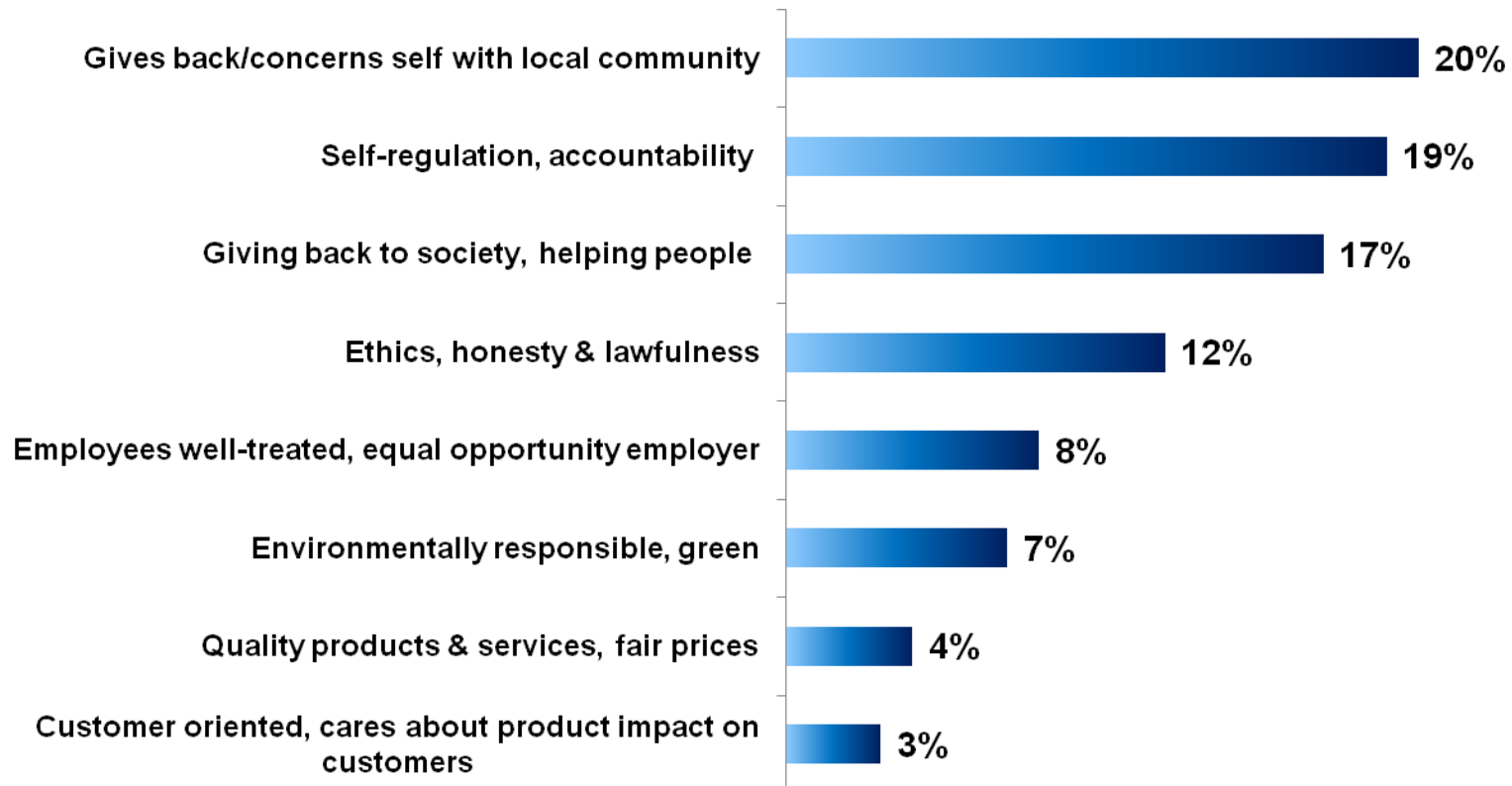
Percent Who Know Meaning of “CSR”



GIVING BACK TO THE COMMUNITY AND SELF-REGULATION ARE TOP PILLARS OF CSR

Of those who do know what “CSR” means, 20% say it means giving back to the local community and 19% say it is about self-regulation and accountability.

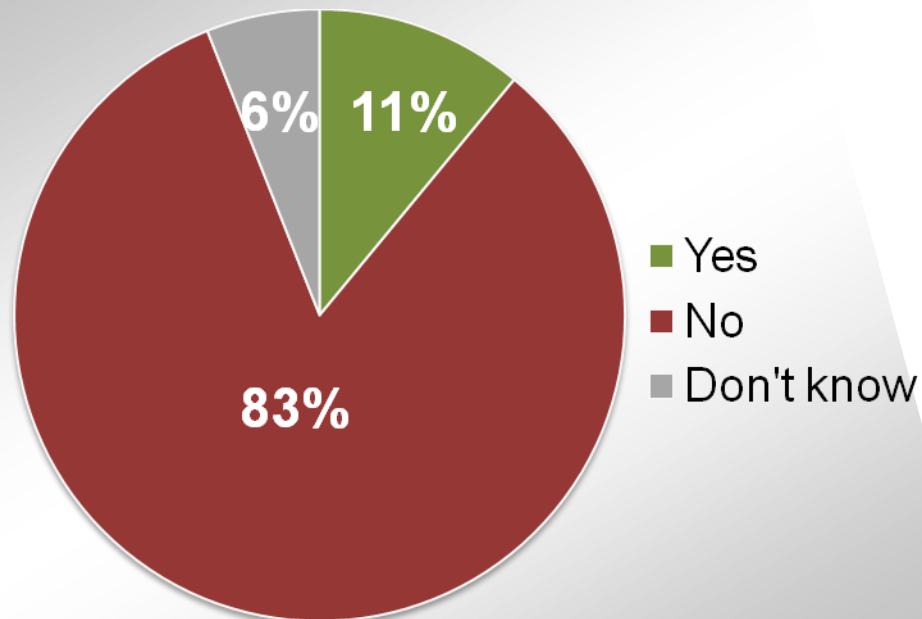
Definition of CSR



THERE IS LOW AWARENESS OF CORPORATE COMMUNICATIONS ABOUT SOCIAL RESPONSIBILITY

Only 11% say they've heard communications about CSR from any company in the past year.

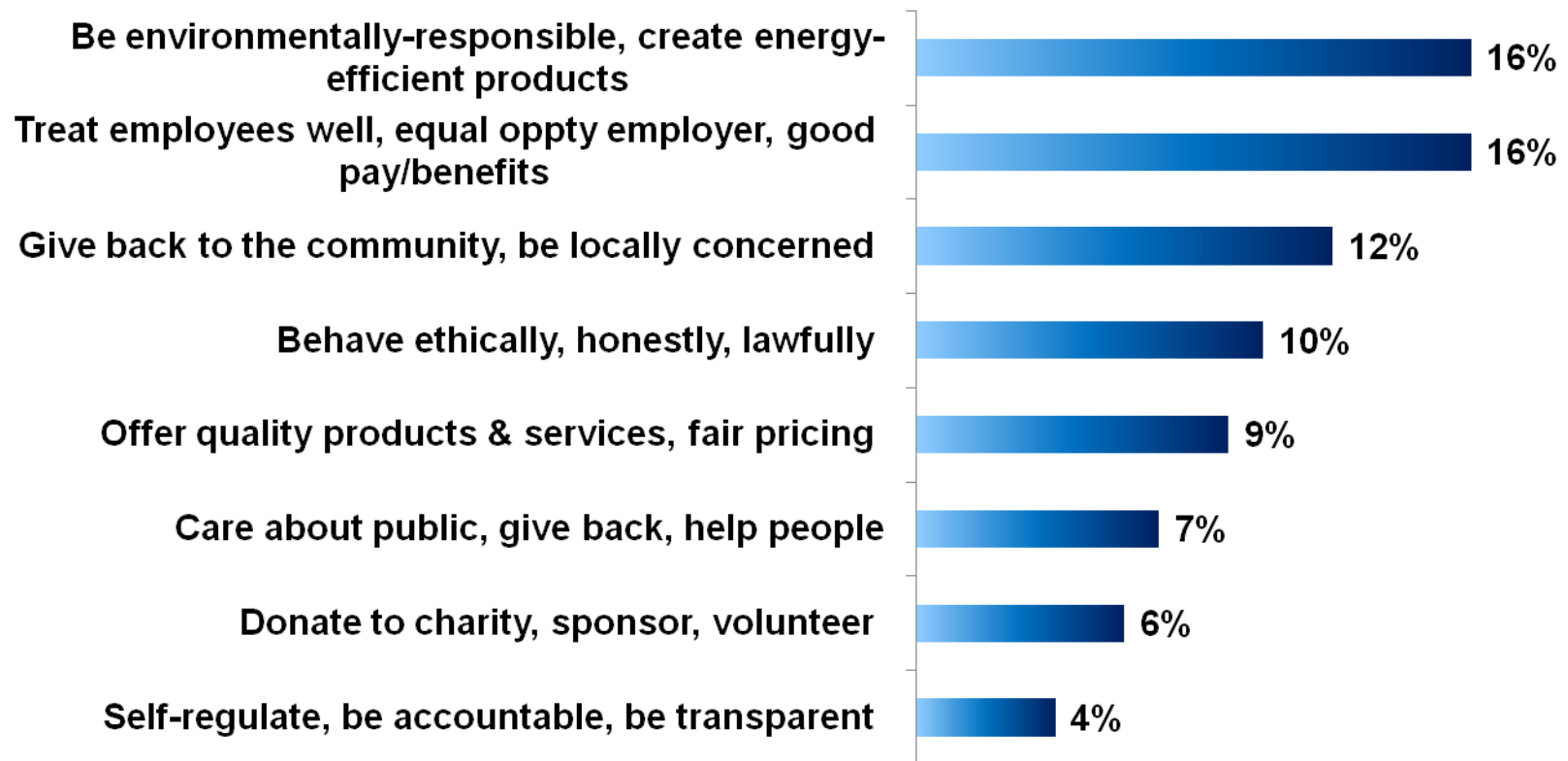
Percent Who Heard CSR Messages from Any Company



TREATING THE ENVIRONMENT AND EMPLOYEES WELL ARE THE TOP WAYS TO BE SOCIALLY RESPONSIBLE

Environmental (16%) and employment (16%) practices are the leading ways for firms to be perceived as socially responsible.

What Companies Should Do to Be Socially Responsible



SOME OF THE INDUSTRIES WHERE CSR IS MOST IMPORTANT PERFORM WORST

While consumers say CSR is very important for healthcare (88%), automotive (85%) and financial service (85%) companies, these industries scored poorly on their CSR performance (35%, 38% and 27% respectively).

Industry	Importance of CSR to Industry	Positive CSR Performance
	2010	2010
Healthcare	88%	35%
Energy	88%	44%
Food	88%	62%
Automotive	85%	38%
Financial Services	85%	27%
Consumer Goods	84%	58%
Media	83%	37%
Retailers	82%	54%
Technology - Electronics	81%	57%
Technology - Computer Hardware & Software	81%	57%
Beverages	80%	60%
Technology - Online Services	79%	54%
Telecom Services	77%	40%
Apparel	77%	52%

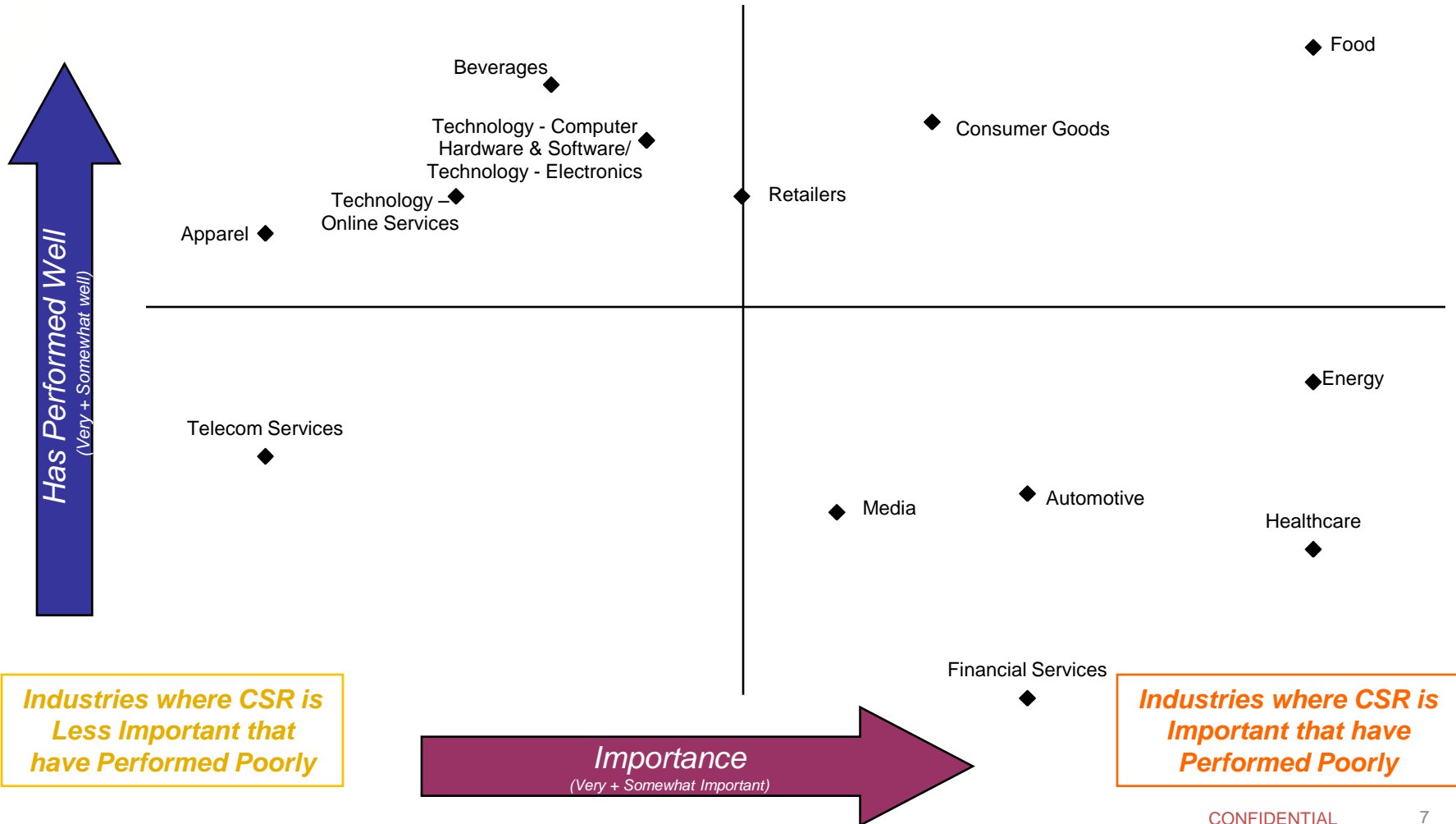
Q: How important is it for companies in this industry to be socially responsible?

Q In the last five years, how well have each of the following industries performed in being socially responsible?

CONSUMERS BELIEVE CSR IS MORE IMPORTANT FOR SOME INDUSTRIES THAN FOR OTHERS

Industries where CSR is Less Important but that have Performed Well

Industries where CSR is Important and that have Performed Well



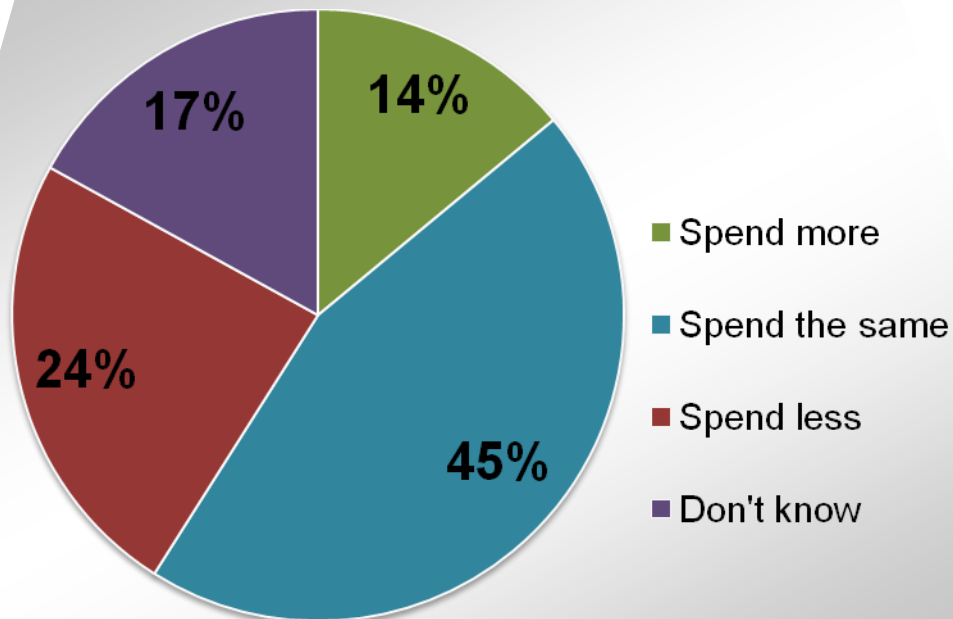
Industries where CSR is Less Important that have Performed Poorly

Industries where CSR is Important that have Performed Poorly

MANY CONSUMERS ARE COMMITTED TO SPENDING MORE ON SOCIALLY RESPONSIBLE PRODUCTS IN THE COMING YEAR

Fifty-nine percent plan to spend the same or more on products from socially responsible companies in the coming year.

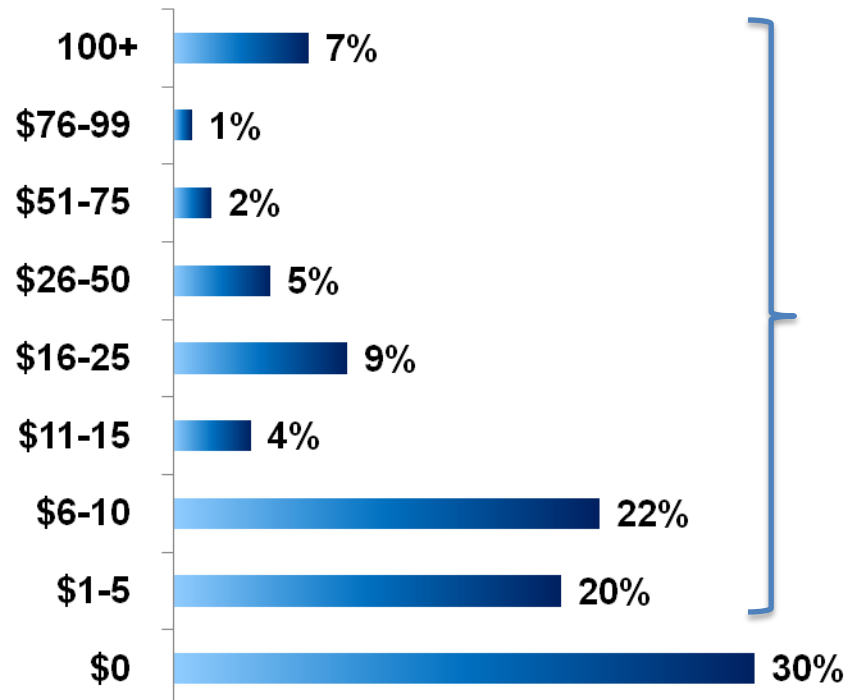
Change in Spend on Products From Socially Responsible Companies Within Next Year



CONSUMERS ARE WILLING TO PAY A PREMIUM FOR GOODS FROM SOCIALLY RESPONSIBLE COMPANIES

70% are willing to pay a premium on \$100-products from a socially responsible company.

**Additional Amount Willing to Pay for a \$100
Socially Responsible Product**



70% are willing to pay more. 28% are willing to pay at least \$10 more.

CONSUMERS ARE MUCH MORE LIKELY TO PURCHASE PRODUCTS WITH “ADDED SOCIAL BENEFIT”

A majority of consumers say they are more likely to purchase products that support a certain cause when given the choice to do so.

Influence of “Added Social Benefit” on Purchase Decisions

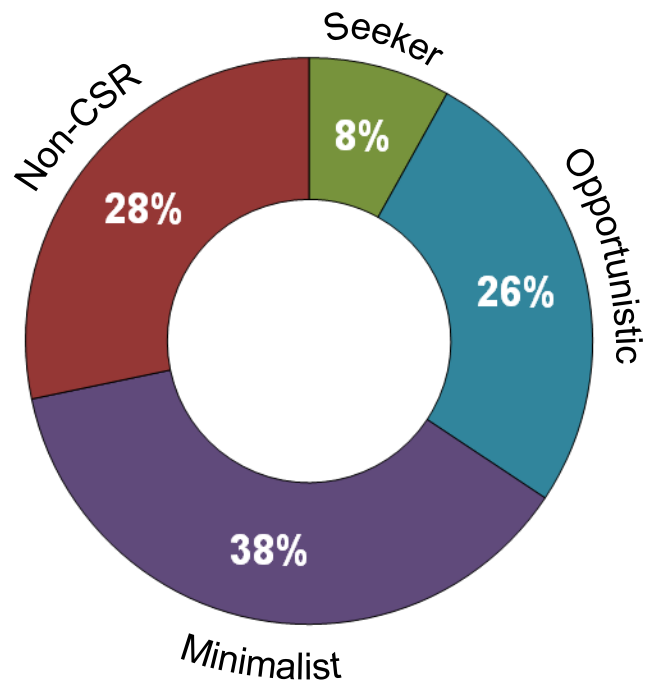
More likely to purchase product with added social benefit



Less likely to purchase product with added social benefit

■ = I would be indifferent between the products.

MORE THAN TWO-THIRDS OF CONSUMERS SAY THEY WILL MAKE SOME CHANGES IN BEHAVIOR FOR SOCIAL RESPONSIBILITY



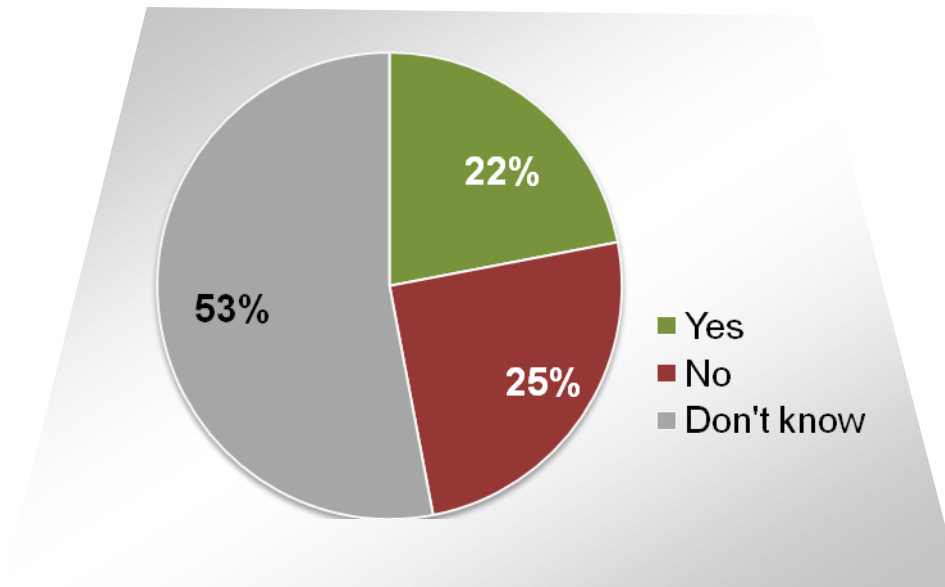
CSR Attitude	Definition	Will Pay More?	Will Cut Salary*
Seeker	Willing to make Moderate to Extreme changes in both spending and salary	Yes a lot, \$11-76+	Yes a lot, 11-21+%
Opportunistic	Willing to make Moderate to Extreme cuts in salary or spend more, but not both	Either \$0-76	Or 0-21%
Minimalist	Willing to make Minimal changes in spending, salary or both	Yes a little, \$0-10	Yes a little, 0-5%
Non-CSR	No change in spending and salary	No	No

Q: Thinking broadly, how much more would you be willing to spend on a \$100 product if you could purchase a version from a socially responsible company? Please specify in whole US dollars.
 Q: What percentage of your salary would you be willing to give up in exchange for working with a company that is well-known for being socially responsible? *n=883

ALMOST 8 IN 10 EMPLOYEES ARE UNCLEAR OR UNAWARE OF THEIR EMPLOYERS' CSR ACTIVITIES

Only 22% are aware that their companies have CSR practices. The majority either say “no” (25%) or “don’t know” (53%), for a total of 78%.

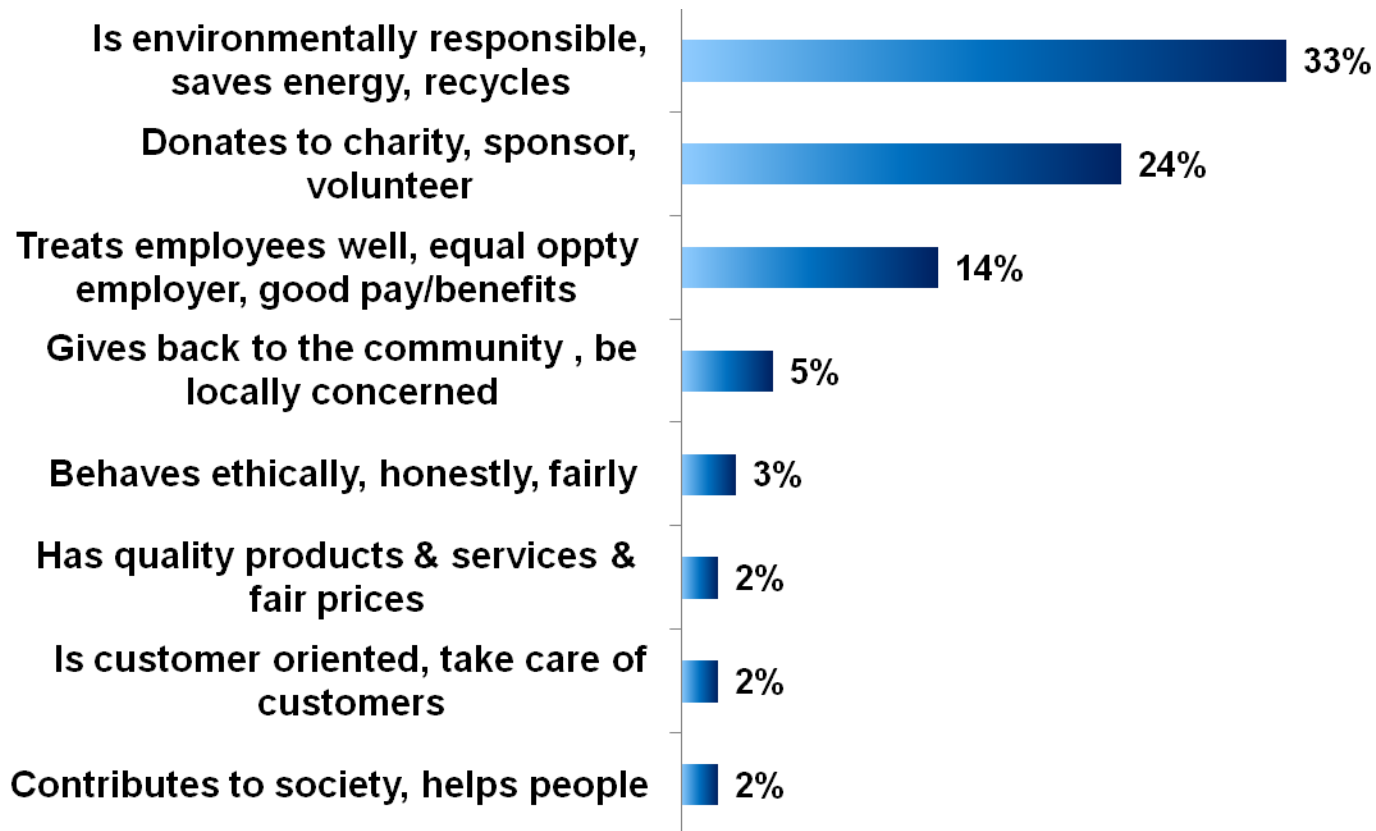
Percent Whose Workplaces Employ CSR Practices



EMPLOYEES ARE MOST AWARE OF THEIR COMPANIES' ENVIRONMENTAL AND CHARITABLE CSR ACTIVITIES

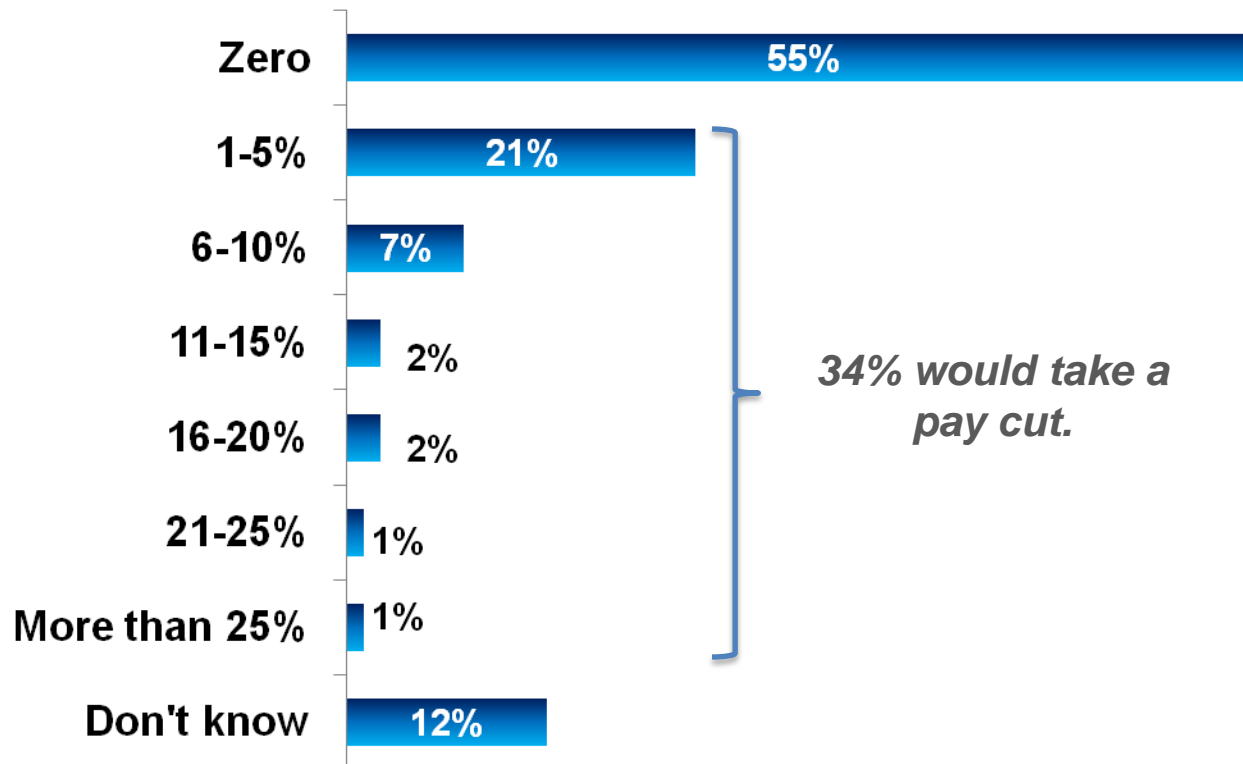
Employees are primarily aware of their employers' environmental (33%) and charitable (24%) activities.

CSR Activities Deployed by Companies



ONE-THIRD OF WORKERS WOULD TAKE A PAY CUT TO WORK FOR A SOCIALLY RESPONSIBLE FIRM

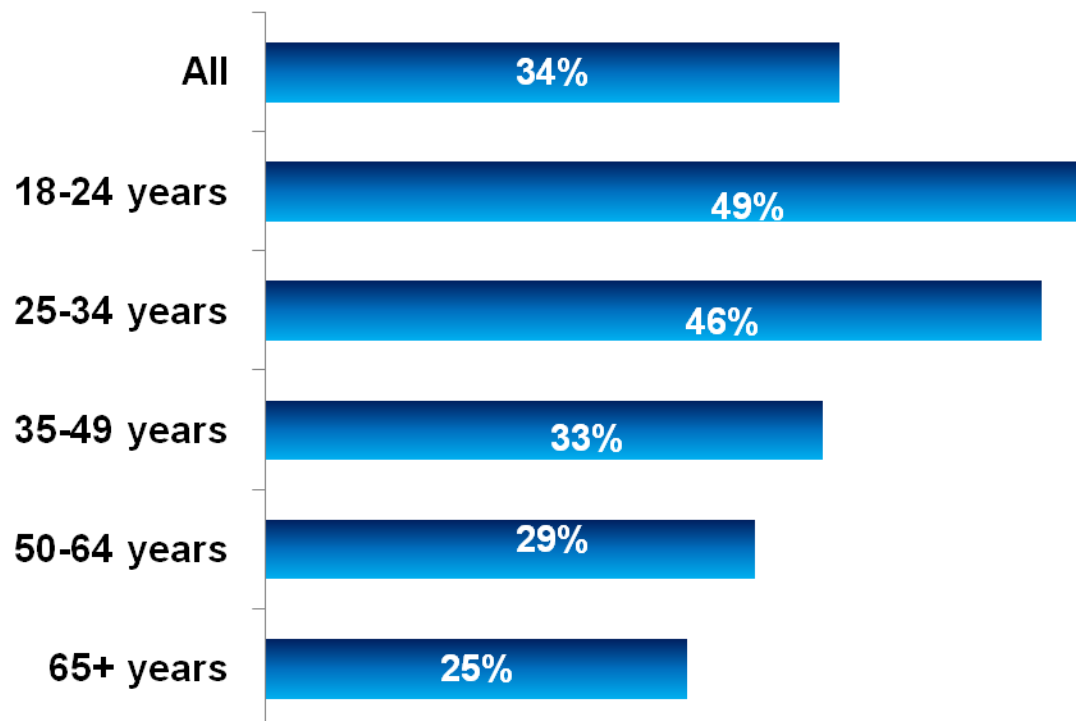
Proportion of Salary Employees Would Relinquish to Work at Socially Responsible Firm



YOUNGER WORKERS ARE MORE LIKELY TO TAKE PAY CUT TO WORK FOR A SOCIALLY RESPONSIBLE FIRM

About one-half (49%) of 18-24 year old employees would take a pay cut to work at a socially responsible firm compared with 33% of 35-39 year olds and 25% of employees age 65+.

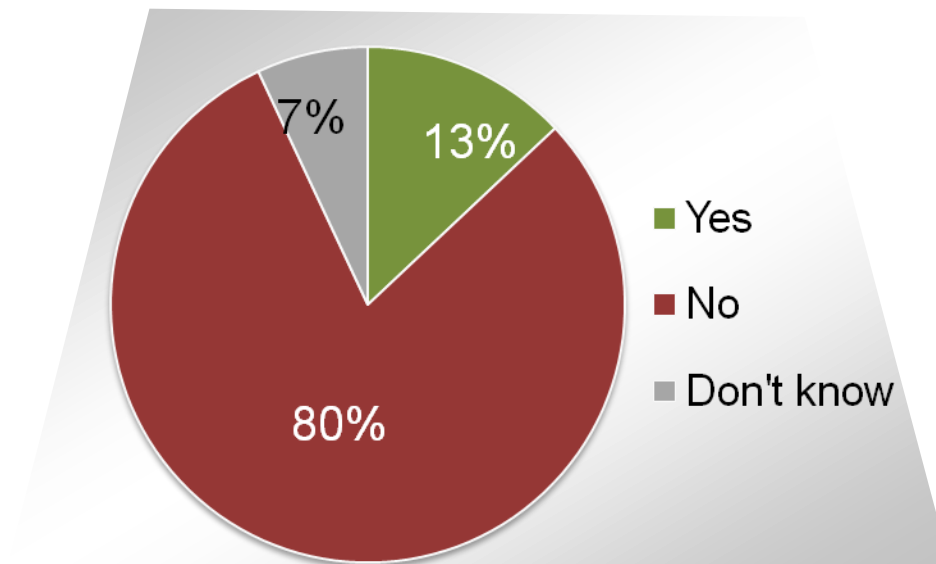
Proportion of Employees Who Would Take a Pay Cut to Work at Socially Responsible Firm



FEW CONSUMERS ARE READING CSR CONTENT ON CORPORATE WEBSITES

Only 13% have read about a company's CSR agenda on the corporate website.

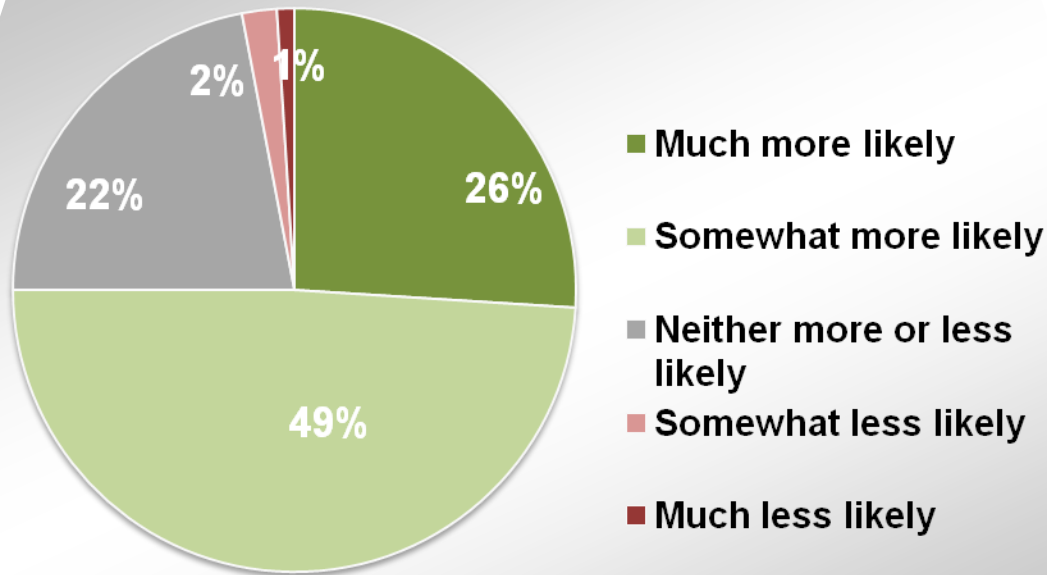
Percent Who Have Read a Company's CSR Agenda on Their Website



READING ABOUT CSR ON THE CORPORATE WEBSITE DRIVES PURCHASES

While few have read about a company's CSR agenda on their website, three-quarters of those who have are either much (26%) or somewhat (49%) more likely to purchase a product from that company.

Percent Who Have Read a Company's CSR Agenda on Their Website



IMPLICATIONS OF FINDINGS

1. Consumers are paying attention to social responsibility.

- Companies in industries perceived as lacking on these issues have an opportunity to differentiate themselves.

2. Tying social responsibility to products is key.

- Consumers are more likely to select the product with an added social benefit when given a choice between otherwise similar products.

3. Communications are important, and companies need to understand which social responsibility messages will resonate with consumers.

- To be perceived as socially responsible, companies need to offer high-quality products at good prices, while communicating to consumers about the ways they respect and give back to their employees, their communities, and the environment.

MORE ABOUT CORPORATE SOCIAL RESPONSIBILITY

For more information about this survey and our Corporate Citizenship practices, please contact:



Burson•Marsteller

ERIC BIEL
MANAGING DIRECTOR
Eric.Biel@bm.com
202.530.4559



PENN
SCHOEN
BERLAND

BETH LESTER
VICE PRESIDENT
blester@ps-b.com
202.962.3042

Landor

SCOTT OSMAN
GLOBAL DIRECTOR
Scott.Osman@landor.com
212.614.5137