



## Survey finds no correlation between a company's Corporate Responsibility record and consumers' views of that company as socially responsible Consumers give low ratings to firms that experts give high ratings

**Washington, D.C. July 13, 2009** – According to a consumer survey released today, there is no correlation between a company's social responsibility record, as rated by experts, and consumers' perception of that company's actions. The survey polled 1,001 consumers across the US, and was commissioned by research-based consultancy Penn, Schoen & Berland Associates, brand consulting firm Landor Associates, and strategic communications firm Burson-Marsteller.

The poll tested consumer perceptions of 69 brands, 23 of which were also ranked in the *Corporate Responsibility Officer* magazine's 100 Best Corporate Citizens 2009 (CRO 100). Currently in its tenth year, the CRO 100 ranks companies based on their corporate initiatives to affect the environment, climate change, human rights, employee relations, philanthropy, finances and governance. Subsequent analysis comparing the brands that were ranked in both the CRO 100 and the study released today, found no correlation between performance on key metrics and consumer perceptions. For example, only 30 percent of consumers surveyed considered Gap, Inc. to be a socially responsible company, yet it ranked 61<sup>st</sup> on the CRO 100.

"There is a definite disconnect between companies' corporate social responsibility initiatives and the public's perception and awareness of them," said Scott Siff, Executive Vice President of Penn, Schoen & Berland. "Companies are not successfully delivering messages to consumers about their efforts in this area, despite the fact that many consumers say they would rather make purchases from socially responsible companies."

Yet, despite the gloomy economic climate, 75 percent of indicated a willingness to pay more for socially responsible products and from companies they know to be socially responsible. In addition, more than half said they can pay at least six percent more on a \$100 purchase to patronize such companies.

But while consumers are ready to pay a premium to support their principles, few can name a responsible company. When asked to name the first brand that comes to mind when considering social responsibility, only 13 percent of survey respondents mentioned the same top-scoring company. In fact, no company stands out as being a leader in social responsibility.

"This survey confirmed what we suspected, that brands are not being recognized for their social responsibility by some of their most important audiences, including employees and consumers," said Scott Osman, global director of Landor's citizenship branding practice. "The good news is the opportunity exists to align citizenship investments with brand investment to unlock the potential value of existing initiatives."

Consumers' willingness to spend on social responsibility does not mean that the economic crisis has not affected their outlook. Not surprisingly, the survey found that consumers consider the financial services industry to be the least socially responsible sector by a wide margin, with the auto industry coming in second to last. Consumers identified the food and beverage sector as the most socially responsible industry.

“Some industries have seen real damage to their reputations over the past year,” said Eric Biel, Managing Director for Corporate Responsibility at Burson-Marsteller. “Firms operating in these industries will need to concentrate on rebuilding trust by focusing on improving their performance in the areas that consumers care about most. And regardless of industry, companies will need to find better ways to demonstrate to consumers why they should be rewarded for their corporate citizenship performance.”

When asked about the actions a company should take to be considered socially responsible, consumers responded with treating employees well; being environmentally sound; and giving back to the community. In an era of tight wallets, consumers say that a company’s honesty and trustworthiness, perhaps counter-intuitively, has more of an impact on purchase decisions than does the quality or value of its products, though both attributes remain vitally important.

Other key findings from the survey include:

- Consumers believe Johnson & Johnson is the most socially responsible brand.
- Despite concerns about the economy and their personal financial situations, just over half of respondents (53 percent) say they will purchase and spend the same amount or more on products and services from socially responsible companies.

This survey was conducted online with a representative sample of the general U.S. population (ages 18+) from March 25-27, 2009. For more information, please find an executive summary posted here: <http://www.wpp.com/wpp/press/press/default.htm?guid={8ee7869d-8483-4022-bf6a-84738b779ecc}>

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#### **About Burson-Marsteller**

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