

CSR proving its worth

What's your CSR?

The business world is filled with jargon. Abbreviations and key strategies in many cases have been shortened to just a few letters. Well here's another group of letters which is rapidly becoming one of the key areas that differentiates one business from another.

Corporate Social Responsibility (CSR) is proving its value but many companies have a hard time getting their heads around the concept and how to integrate it as part of their overall business plan.

Simply defined CSR is an umbrella policy that provides a focus for the voluntary activities of a business to have a positive impact on the economic, environmental and social welfare of its employees, suppliers, customers and public at large.

Like any other function of your business, it is essential to have a clear idea that is laid out in a plan that will fulfill a least a couple of goals. The first should always be to create a positive social impact. Other aspects should be to enhance the company's brand, reputation and realistically support the bottom line.

While many companies have all the right intentions of giving back to the community, many of them forget that their CSR activities should be part of the reason why they are in business. CSR should be connected to the company's mission and act as a guide to showcase what the company stands for and will uphold in its dealings with all its customers and the communities it serves.

CSR is often criticized for being a public relations buzzword or disingenuous activity that lacks substance and commitment. What businesses need to understand is that CSR can have a huge impact on not just how people see them but how their involvement with the community can help improve their ability to earn a living.

Research helps to show just what impact CSR can have. In 2010 research company Penn Schoen Berland in conjunction with ad agency Burson Marsteller conducted just over 1,000 interviews with the general public. Here's some of the key findings.

Social responsibility by industry remains important to more than 75 per cent of consumers despite the economic downturn.

Social responsibility remains a differentiator for products and brands with 55 per cent saying they are more likely to choose a product from a company that supports a cause.

Some consumers are willing to pay more for products with added social benefits. Thirty eight per cent of respondents plan to spend the same or more on products or services from socially responsible companies.

Communications about social responsibility have significant impact on favorability and purchase intent. Seventy five per cent of those who have read about a company's social responsibility agenda on its website say it made them more likely to purchase from them in the future.

When it comes to what companies should do, here are the top three comments: Be environmentally responsible and create energy efficient products. Treat employees well with good pay and benefits. Give back to the community, be locally concerned.

CSR is not just a slogan or part of a marketing strategy. People will quickly see through that. It must be something that resonates with the community, fulfills a need but most importantly comes from the heart and reflects who you are and what you do.

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