

Guide

# How CSR agendas can boost your business and brand

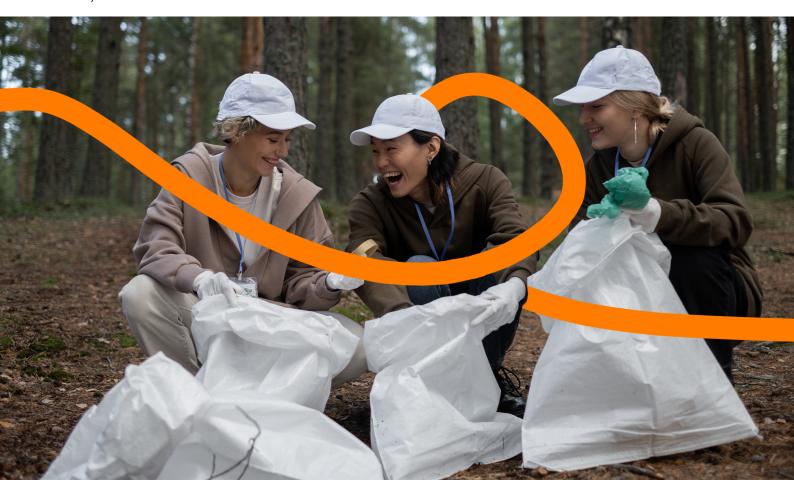
CSR, or sustainable business practices, will only become more important. So how can organisations implement an effective strategy and maximise its impact on their brand?

### Key takeaways

- Many organisations don't fully understand CSR or know how to get it right.
- The benefits of a good sustainability strategy are multifold; the dangers of a bad one can be extreme.
- There are various stages involved in creating CSR initiatives that count.
- An effective CSR strategy can absolutely leverage your brand provided its done authentically.

### **The Media Precinct**

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Corporate Social Responsibility (CSR) may have become a buzzword in marketing today, but the term is also riddled with scepticism.

Some business leaders worry sustainability or corporate responsibility may lead to higher costs and reduced profits, so they may "greenwash" – or make misleading claims for their sustainability credentials.

Many organisations don't fully comprehend what CSR actually entails, or what its potential long-term benefits might be.

"CSR has been rather hollowed out as a term; many people think it's about charity contributions and employee volunteering – not core business," explains sustainability expert David Grayson, co-author of All In: The Future of Business Leadership and The Sustainable Business Handbook.

Antonio Greer at Global Strategic Communications Council (GSCC), a network of communications professionals in the fields of climate, energy and nature, says many organisations don't understand what CSR is beyond the surface-level change.

"They may be happy to throw money at it, especially large organisations, but very few realise the deep level of organisational changes required."

### What is CSR?

According to the Australian Human Rights Commission, CSR for organisations is "a degree of responsibility not only for the economic consequences of their activities, but also for the social and environmental implications".

In his books, Grayson describes sustainability as protecting the environment, creating a fair and sustainable economy, and ensuring equal opportunity to individuals and institutions worldwide.

"The focus has to be on core business: how businesses treat their employees, their customers, suppliers, the environment," Grayson says. "At the very least, businesses need to reduce their negative social, environmental and economic impacts and increase their positive ones. This is the basis for their strategy."

Some global corporations are lauded for their CSR commitments, such as Unilever, Patagonia, IKEA, Starbucks, Microsoft and P&G.

"We have an enormous opportunity and responsibility to ensure the technology we create benefits everyone on the planet, as well as the planet itself," Microsoft says about its CSR policy. "We believe that companies that can do more, should."

## Benefits of a good CSR strategy

An effective sustainability strategy has many benefits, Grayson says. It makes your business more resilient to future shocks because it has a better grasp of the changing external environment. It makes it better able to attract and retain staff, partners, suppliers and investors; better able to shape the future thanks to better influence and access to governments and civil society; and better able to innovate.

It also offers press opportunities and brand awareness.

Research shows sustainability credentials are an increasingly important factor for both consumers and employees alike. A 2023 report by Nielsen found that 69% of consumers say CSR has become more important to them over the last two years.

Dr Mireia Guix, an expert in CSR and sustainability accounting at the University of Queensland Business School, says CSR can help your businesses to differentiate from competitors, build a positive brand, and foster value-based and meaningful connections with your consumers.

"Stakeholders, including customers, increasingly expect businesses to be socially responsible and actively contribute to society."

And these expectations will only increase, she says, as CSR evolves, and new sustainability issues and tasks emerge.

"Incorporating CSR into the brand's strategy and marketing is not just a trend but a necessity for businesses to thrive in the long run," Gruix says.

She adds that poor or slow adoption of sustainability practices have the potential to be extremely harmful to a brand. They may also jeopardise the company's financial position in the long term, given the increasing environmental, social, and governance (ESG) regulatory pressures on the measurement and disclosure.

Greenwashing, meanwhile, can be disastrous, Grayson adds.

"Whether deliberately or negligently, it can lead to fines and a damaged reputation."



# How to implement a CSR strategy

Gruix advises companies to start with "small, achievable initiatives with tangible impact, and gradually expand those initiatives as they secure internal buy-in and additional skills".

Here are her tips for implementing an effective CSR strategy:

- Choose initiatives that align with your core values, which will ensure authenticity and long-term commitment, while strengthening organisational culture and your employees' sense of belonging.
- Align these social and environmental initiatives with your business's core operations, which will not only minimise any scepticism that the actions are tokenistic but will also make the initiatives more visible.
- 3. Set clear goals for the CSR strategy and be transparent about the efforts, progress and challenges. This can help to engage shareholders while strengthening your brand's reputation.
- 4. Create strategic collaborations and partnerships, which can both enhance your brand, amplify the impact of your initiatives and help you to stay on top of emerging sustainability trends.
- Prioritise social and environmental initiatives at the local level as a way to create a tangible impact that resonates with your market.
- 6. Engage consumers by communicating your CSR initiatives in a genuine way.
- 7. Empower employees by promoting employee engagement, which also secures them as positive brand ambassadors.

# Leveraging your CSR in marketing

Once you've got the ball rolling, there are various ways to leverage your sustainability practices to further boost your brand, Gruix says.

She advises companies to share authentic and compelling stories about CSR initiatives that engage their consumers; be transparent about their CSR efforts and show demonstrable outcomes to build trust and credibility; be consistent about the sustainability of their product or service across multiple channels; engage consumers by encouraging them to co-create CSR initiatives; and encourage employees to participate in CSR initiatives and share their experience on social media.

But just because you tell people what you're doing, you can't necessarily expect to be rewarded for it, says Glenda Wynyard, media strategist and Media Precinct's managing director.

She uses the fashion industry as an example, for which Media Precinct undertakes bespoke customer research on behalf of clients.

"Our research tells us consistently that customers won't necessarily be swayed to purchase clothing from a brand just because the retailer/designer has sustainable practices or offers vegan leather. Product appeal and price take precedence," she says.

"Customers also won't pay more for a brand just because you are operating ethically or sustainably. They just expect a brand to do this now."

But at the same time, they do want to know what you're doing by way of better business practices, Wynyard adds.

"It might be as simple as telling them on your packaging or on the clothing label."



# The importance of authenticity

While your CSR strategy should definitely be a focus of your brand and marketing, experts emphasise it will only be impactful if it's authentic.

Wynyard says companies can no longer get away with paying lip service.

"They need to be authentic in their approach to any form of CSR, charity or niche community involvement. Organisations need to ensure they genuinely have an internal culture that fits with the external perception that they would like to cultivate.

"This is particularly important for clients to consider as younger, better educated and more opinionated consumers have a genuine voice on social media, and they will call out any organisation that acts contrary to their public face."

Grayson agrees that companies shouldn't approach CSR purely from a brand perspective.

"I wouldn't start from the proposition of building a brand. Much of the sustainability agenda today is about basic good business, which employees and customers expect. Hence the need for accountability, responsibility and transparency when it comes to making claims about what a business is doing and its performance."

Greer says the key to success is having the right people leading the charge. This means being clear about your values to attract the right staff in the first place, then tasking the CSR journey not necessarily to those at the top but to "those who care".

"These people need to be given full power to make changes, even if there is a short-term business impact in doing so, or it makes life more challenging for a period of time."

He adds that the CSR journey is not always an easy one; that doing the right thing from a sustainability point of view and a brand point of view "do not always go hand in hand".

"I think like anything, it is easy to do the easy stuff but for actual fundamental change, we need companies to see it as their duty to do the right thing and not the easy thing." to see it as their duty to do the right thing and not the easy thing."







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