

## **CCI – how far can it take you?**

**Is being a good corporate citizen going to make everything better?**

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## **Chapter 4:**

# **CCI – how far can it take you?**

### **Is being a good corporate citizen going to make everything better?**

Being a do right company will improve your reputation, but there is a lot more to being a do right company than simply being active in supporting CCI. Ultimately, doing the right thing may mean getting out of your core business.

For example, it is hard to see how a tobacco company can have a long term future, even though it can have an admirable record as a supporter of CCI and be a good company in operational terms. Ultimately, the impact of its products on the health services and individuals of countries around the world cause more harm than can ever be made up by even the most excellent CCI.

We have seen BP declare its repositioning as an energy company and begin to explore more sustainable sources of power other than oil. BP recognises that long term sustainability means the flexibility to change and adapt to environmental and public pressures in order to maintain commercial viability.

These root and branch approaches are everything to do with corporate citizenship and being a do right company. However CCI alone will not tackle the big issues faced by every company.

So the first point to make is that CCI is useful, but it has its limits. This seems obvious enough, but many companies still see CCI as a substitute for real change. As a way of keeping the barbarians from the gate, by throwing them some sweetened distractions to mask the smell of the real malaise.

This use of CCI as a mask, is typical behaviour from companies that do not embrace the consumer into the heart of the business. The messages going to the outside world are very different to the reality and discussion internally.

Of course, this position is not sustainable for any period of time. Sooner or later, the whistle will be blown by a disgruntled employee or the truth will be unearthed by the media and the game will be up.

The problem is that this type of company is not operating inside out and therefore there is deceit between message and reality. Soon the cracks will start to appear.

CCI cannot rescue a company from a bad situation. The message is simple – get your house in order before starting to take the moral high ground in support of good causes.

## What can CCI do?

Having fired a warning shot about the limitations of CCI, let us now look at how it can be effective.

The first thing to consider is how much CCI you need. This depends greatly on a variety of factors: your objectives, size of audience, the number of employees, geographic spread of your organisation, available budget and so on.

Chapter five shows a model to help companies determine the level and scope of CCI needed. This is based on research conducted for this report, which shows that the most popular audience for CCI is employees and that the majority of activity is targeted within local communities.

Companies surveyed reported the following targeting of CCI activity:

The City	2 per cent
Politicians	12 per cent
Opinion formers	12 per cent
Trade customers	2 per cent
The media	12 per cent
Consumers	10 per cent
General public	10 per cent
Employees	24 per cent
Local community	16 per cent

Clearly CCI is proving more effective at reaching some audiences than others. Why is this?

Research shows that great cynicism remains among the media in particular, but also with the general public and City analysts as to the value and worth of CCI.

Typically the media is inclined to report business in an overwhelmingly negative manner. At best the media tends to portray business in a one dimensional way, as solely interested in profits, being something rather detached from every day life and generally existing to make money for its owners.

The stories about business contribution to communities are only really reported in either the regional media – which is generally supportive of the businesses in their communities – and by serious, specialist business publications such as *The Financial Times*, *Management Today* and *CBI News* for example.

MORI and other research among consumers shows that this absence of mainstream positive reporting about business and its support of CCI, has impacted on the public's view of business, which is generally unfavourable, being shaped primarily by business failures or rare, but high profile, cases of bad corporate behaviour.

Consumer affairs programmes like BBC's Watchdog, continue to fuel the public's beliefs that business is out to rip them off. Sensationalist journalism fans the flames of mistrust and does little to empower consumers by making their voice heard in a constructive way that might lead to genuine improvements in consumer service.

Instead companies retreat, having seen that the penalty for trying to discuss issues in the media is public ridicule and media reporting which seeks to drive home an agenda that is wholly anti-business.

Given the media-led distrust of business, it is hardly surprising then that CCI is largely unnoticed, or dismissed as companies trying to buy their way into people's hearts.

All of this means that companies are focusing their efforts more and more on the audiences that are most responsive – employees and local communities, including local political figures and the regional media.

Companies naturally hanker for the perfect CCI initiative: one that appeals to employees, local communities and opinion formers, but which also wins national media support and – most importantly – consumer appeal, leading to more sales and greater brand loyalty.

Tesco's Computers for Schools, is the ideal role model for most corporations. The scheme appeals on every level: to Government because it attacks a real need in society and because education is a top political priority, to local communities because it delivers benefits locally, to consumers as it is easy to support and easy to understand in terms of what it is achieving, it is good for the brand as it supports families – the core target group for Tesco, and it is good for PR as it provides endless regional media opportunities that can involve local politicians, stores and children.

And at the end of the day, Tesco will be able to put a single figure on the CCI contribution – ie x number of computers paid for by y number of vouchers, equating to z amount of groceries bought.

While Tesco's scheme is perfect in every regard, and while many companies would aspire towards such a scheme, it is generally regarded, in the research for this publication, as the exception in the field of CCI. Most businesses do not hope to replicate the breadth of appeal that the Tesco scheme achieves. Instead the prevailing trend is to develop a number of discrete projects that appeal to individual target audiences.

This recognises the very different needs and areas of interest between target groups and the difficulty of creating a ‘one size fits all’, single CCI concept.

## **How much risk can you stand?**

Another influence in deciding what will be the right CCI path to follow, is to consider the degree of risk or innovation you are willing to undertake as a company. Safe CCI – for example supporting a well know charity or a very popular cause does not mean that it will be any less effective. However a corporation will need to be even more creative in its communications to make involvement in very mainstream CCI be in any way outstanding.

A sports sponsorship analogy might be of choosing to sponsor the Olympics, where the audience is big, but the event is so well sponsored and supported that the sponsors name risks disappearing unless the accompanying communications are very heavyweight and eye catching.

Alternatively, a company could sponsor a new up and coming sport, perhaps helping to create the events and beginning to be associated with the sport itself. The company then stands out more given the freshness of the sponsorship. However the risks are higher. What happens if the new sport does not catch on, if audiences turn away etc.

There is no right or wrong answer, but companies must consider the culture of their organisation and brands and then adopt a CCI scheme to match. We would expect innovative companies to support innovative CCI, family companies to help with family based CCI and so on. CCI should be true to your brand values in the same way that everything else you do as a business is.

## **What your marketing style says about you**

There is some interesting research produced by the Future Foundation which looked at consumer perception of a range of well know companies, and asked for views on how they saw these companies in terms of being a good corporate citizen.

Typically it showed a clear correlation between a company’s style of advertising and marketing and its perceived trustworthiness as a company. Therefore British Airways was seen as greedy and aggressive, yet Virgin was seen by 50 per cent as a ‘good citizen’. Similarly Sky was rated very low in terms of good citizenship compared to the BBC which was seen as twice as credible as a good citizen. Other examples of companies in the same sector exhibiting very different ratings as good corporate citizens included Dixons which was one of the worst companies for corporate citizenship verses retail sector leaders such as The Body Shop, Marks and Spencer, Boots, Tesco, John Lewis and J Sainsbury.

In all cases those companies that had either aggressive advertising or had suffered bad PR experiences, all scored poorly in terms of being seen as companies to trust to be good corporate citizens.

The research did not cover other sectors that might be considered collectively un-trustworthy – for example it would be hard to imagine any one chemical company performing better in the trustworthiness stakes than another. Similarly, it would be surprising to see differences between car companies, or insurance companies – all areas where the public would have an overall view of a sector en mass, rather than being able to define one company's identity and character from another.

However, it is fascinating to see what an impact marketing style has on the perceived trustworthiness of a corporation, when it ought to have no impact whatsoever on the reality of the situation. Consumers took the view that a particularly aggressive or 'greedy' stance in advertising meant that the company advertising was more likely to be untrustworthy and therefore, by extension, the company itself was seen as not being so trustworthy or as being such a good corporate citizen in general terms.

Does any of this matter? The research would indicate it does. Consumers were then asked to describe their ideal company. The following attributes were given:

<b>Adjective</b>	<b>Mentioned by</b>
Honest	87 per cent
Fair	84 per cent
Trustworthy	77 per cent
Helpful	63 per cent
Innovative	48 per cent
Friendly	42 per cent

Companies whose advertising does not reinforce or reflect these areas of consumer interest may be appealing to the consumer's rational side – for example the side looking for a bargain, but the advertising will not be triggering the feelings shown above, which consumers are rating as very important in terms of building trust.

In summary, CCI efforts could be undermined if other areas of your communications are at odds in terms of style and tone. Are we likely to believe that a retailer, for example, is a good corporate citizen, if we experience their store displays and advertising as aggressive, price-led and constantly claiming excellent bargains?

How are we to feel if we encounter pushy sales staff or read about consumer dissatisfaction? None of these factors logically implies that this hypothetical retailer is a poor corporate citizen, or is not committed to CCI. However, the perception clouds whatever the reality may be.

We all tend to judge a briefing by its cover and those who are stewards of brands and corporate reputation should know this more acutely than most. The Chairman of SAS, the Scandinavian airline, once famously remarked that if there were dirty coffee stains on the pull down tables fixed to seat backs on aeroplanes, then people would think the engines were also poorly maintained, that safety was skimped on and that the airline offered poor service levels and value for money. All that from a single coffee stain.

His point was well made. Everything seen by the consumer says something about your brand and the best brands ensure that everything is consistent. If you wish to position yourself as aggressive in a market, this is fine if it helps win sales. However, do not try and then use CCI to enhance the business as it will be viewed as not credible and even as suspicious.

However, if you seriously seek to build a favourable profile through CCI, then remember that your other means of communication must be supportive of this tone.

Having considered these broad areas on whether CCI is going to be appropriate and if so, what role it will play and how overt it will be, you are now ready to begin detailed planning.