



## Afternoon Open Space Interactive Session B – Consumers and Customers October 20, 2008, 1:45am

Speakers:  
Barb Steele, CBSR  
Chris Coulter, Globescan Inc.

### Introduction by Barb Steele

Barb Steele of CBSR opened the session by stating that consumers and customers are the most important stakeholder group, no project is done without them. Quality data and trend information is critical to member companies to make informed CSR decisions.

### Speaker: Chris Coulter, Globescan Inc.

Presentation: [http://www.cbsr.ca/cbsrftp/Summit\\_Presentations/Summit - GlobeScan.pdf](http://www.cbsr.ca/cbsrftp/Summit_Presentations/Summit - GlobeScan.pdf)

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Globescan polls consumers and general public with various annual surveys. A survey from a month ago on current expectations of companies from a range of countries:

- Survey demonstrated concern about free enterprise and a growing demand for responsible business;
  - NGOS have strong issues constituencies;
  - A growing receptivity to a sustainability agenda;
  - The rise of the ‘active’ consumer; and
  - Whether it is called CSR or SD or XYZ the pressure will continue.
- Capturing the trends from around the world, between 2001-2007 asking questions such as ‘*how much do you owe business responsible for the environment*’ etc. (18,000 interviews in 18 countries).
  - Even after Enron there is still an acute sense of demand from consumers on CSR
  - What wasn’t expected is that now there is a decreasing perception of how companies are doing on CSR. There is a declining sense that companies aren’t being responsible, even though CSR programs have been going on, they are not reaching the consumers.
    - Importance of telling stories, messaging etc.
    - Corporations have failed to reach the consumer – this is the big message

**Linking Stakeholders to the Bottom Line.**

## 6<sup>th</sup> annual summit on Corporate Social Responsibility

- Urban Chinese consumers' expectations have exploded since 2005
- Across the world there is a significant shift on consumer empowerment and consumer activism
- Canada is empowered and active, meaning strong consumer activism which is significant
  - In 2001 23% of population were mainstream activists in 6 European and North American countries; this has grown by 50% in 6 years
  - Recent research shows that consumers are much more active. People are receptive, but there needs to be a lot more learning
  - In Canada specifically, only 13% of consumers have increased receptivity on CSR efforts
- **Can companies communicate CSR honestly?**
  - Canadians are more receptive to this work and want more knowledge; an active consumer base and a generally receptive one
- **How are people learning about whether or not a company is a good one?**
  - Increasingly the media are portraying the stories, word of mouth and general communications approaches. Self-reporting is quite low. The blog specifically is not high. Overall pressure will continue. There is an on growing tension between how people want to behave as citizens and how to put it in to practice. Canadians are above Americans in 'Greendex', but second worse. This should be increasing pressure to change behaviours over time.
- After Enron, people have become acutely interested in CSR. Did not necessarily translate to activism but did increase demands for CSR. Climate change will keep sustainability on the agenda. Key consumer segments are hard wired to this agenda and they have been through this before.
- These active consumers will hang in as long as business keeps up its end of the bargain
- Business will continue down the road as CSR drives corporate reputation
- The mass consumer market masks underlying opportunities
- It is important to link activities with broader corporate strategy
- CSR is not going away, bread and butter of reputation in the future
- Products are critical expressions, according to consumers, of a companies' value set – it's an expression of how a company expresses it in the marketplace

### *The changing activist consumer:*

- Proportion of this group has grown since 2001
- Consumer segment that is most active in marketplace grown by 50% over last six years in Europe and North America, huge growth in South Korea and China

### *What sectors have had greater CSR awareness?*

- Food (i.e. organic, fair trade)
- Automobiles (i.e. Toyota Prius)

### *How do you reconcile the "intention" to be sustainable and actual behaviour?*

- Bullfrog Power has tried to understand demographics and psychographics of agents of change, but has seen a huge discrepancy

## Linking Stakeholders to the Bottom Line.

## *Need to get product right*

- Often make product that is different and more hippie-like, such as jeans – why should it be different?
- However, there have been other products that have differentiated on performance, such as Honda Accord Hybrid
- People have perception that environmental is more expensive; Bob Willard recently purchased new, fully loaded Honda Civic Hybrid and it ended up being less than a fully loaded normal Honda Civic – even the salesperson didn't realize this
- Galen Weston had value proposition with Organic baby food at Loblaws. It was a huge success because it was a better product at the same price as normal baby food
- Bullfrog has seen green energy companies pricing at the same as normal energy have a hard time reaching consumers
- Education is needed for consumers to understand – very complex

## *Marketing summary for green products:*

- There was a journal article by Stafford and Hartman written in 2007 that summarizes the most important elements of selling environmental products include energy cost savings, health & safety, high performance, convenience and status

## *Uptake in CSR interest in China:*

- There had been a sudden interest in CSR in China over the past couple of years, led by:
  - Scrutiny that comes with hosting the Olympics;
  - Host of health problems from poor air/ high pollution;
  - Resurgence in interest in Confucianism and its ethics principles.