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EDUCATION

PUBLICATIONS

CW

CW BULLETIN

Submissions

Sponsorship

Archives

Discovery

Books

RESEARCH

ACCREDITATION

AWARDS

JOBS

COMMUNITIES

CHAPTERS

STUDENTS

ABOUT IABC

publications

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BULLETIN

Corporate Social Responsibility in a Changing Climate

by Tom Bowman

To say that public trust in corporations is volatile would be nothing new. Neither is the observation that new media complicate public relations and brand management. Given the large number of people who might enhance or degrade public confidence in a company, many communicators are thinking differently about how to defend their organization's reputation. Some of this new thinking focuses on environmental issues, where the lines between operations and corporate image-making have blurred. Increasingly, decisions about sustainability are becoming new lines of business because a company and its efforts to "go green" need to be managed just like emerging product lines.

In late 2008, the Yale Project on Climate Change Communication reported that one-third of U.S. consumers had rewarded companies for reducing global warming by purchasing their products. Meanwhile, one-quarter of those surveyed said they had punished companies for opposing climate action by boycotting their products, and nearly half reported that they planned to do so within a year. The consumer's biggest challenge, the researchers said, was figuring out which

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- [To Create a True CSR Culture, You Have to Start with Wall Street](#)
In order for CSR to truly take hold in the business world, Wall Street's culture needs to change, too.

companies to reward and which to punish.

The authors acknowledged that intentions do not always translate into actions. Ogilvy Earth's 2011 report on making "green" mainstream suggests that this disparity between what consumers say they intend to do and what they actually do is quite large. The so-called "green gap" is wide, in part, because consumers think sustainable products cost more than other products, are more difficult to find, and that sustainability is inherently more feminine than masculine. Carbon footprint calculations can seem impossibly complex, and this complexity can be exploited to make ordinary products seem more sustainable than they actually are. Nobody wants to be duped into paying more for a green product that turns out to offer little more than "greenwash."

While these factors might be slowing growth in the green consumer products segment, they do not let businesses off the hook. In fact, consumers seem to expect higher environmental performance from day-to-day business operations than from the products and services companies sell.

Edelman's 2011 Trust Barometer, which measures consumer attitudes in 23 countries, found that trust in businesses declined globally over the past year. Brazil, Germany and France were notable exceptions, while the public's trust in U.S. corporations fell significantly. When asked what matters most in establishing and maintaining a company's reputation, respondents ranked high-quality products or services first, followed closely by transparent and honest business practices, fair treatment of employees, and overall trustworthiness.


Gone are the days when a company can simply fund philanthropy alongside business-as-usual operations. The Edelman study notes that consumers look first to search engines and online news outlets, including bloggers, for information about companies. Only 11 percent of respondents said they look at a company's website first. In the age of YouTube, round-the-clock public scrutiny demands a transparent approach to CSR. Edelman concludes that trust has become an essential line of business, and that companies must find ways to align profit with larger social benefits.

The Edelman report does not look at sustainability per se, but these results strongly suggest how savvy companies might approach environmental CSR. The time has come to look beyond "greener" products and services, and embrace operational practices that conserve energy and natural resources, reduce waste, reduce pollution, and improve the health and welfare of employees. Increasingly, consumers are beginning to differentiate between companies that improve sustainability and those that do not.

Thinking beyond products and services might not seem as glamorous as launching a new clean-tech product line, but organizational operations are no longer invisible to consumers. The goodwill that comes from a strong track record of social and environmental performance can be especially valuable during a crisis. Establishing such a track record requires some care.

For example, Clif Bar & Company, a privately held natural foods manufacturer in the U.S., publishes an [annual report](#) about the company's "5 Aspirations." These aspirations include the company's goals for its business, brand identity, people, community and the planet. The environmental report defines these goals, highlights recent projects, and includes the firm's multiyear history of carbon emissions and carbon offset data. These data are segmented into various categories so that readers can review the organization's actions within the context of the overall carbon footprint.

On a smaller scale, my own firm has published its carbon footprint data in journals and on our website. Like Clif Bar, we present our goals, the actions we have taken and our results. We both also publish information about dead ends in CSR initiatives and provide some of the reasons why we have not taken certain steps.



In my organization's case, for example, the cost of installing solar power would have been out of scale with our actual electricity usage. In Clif Bar's case, public health laws prohibited the use of recycled materials for food packaging. When building a strong reputation, explaining why some good ideas are impractical can be just as valuable as calling attention to successful achievements because it demonstrates a commitment to sustainability that goes beyond marketing hyperbole.

As Edelman notes, people trust academic and technical reports more than marketing statements, so investing in third-party verification by a credible organization is crucial to establishing a strong reputation.

The deeper message, here, is that the lines between operational decision-making and corporate communication are disappearing. Increasingly, operational choices are important to consumers, especially if those choices lead to negative effects on communities, employees or the environment. In today's marketplace, sustainability is no longer just about the products and services a company sells. Sustainability itself is becoming a product, and it deserves to be managed accordingly.

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*On 14 June, at **IABC's World Conference**, Bowman will participate in a panel discussion about approaches to communicating complex sustainability issues, such as climate change.*

<http://www.iabc.com/cwb/archive/2011/0611/Bowman.htm>