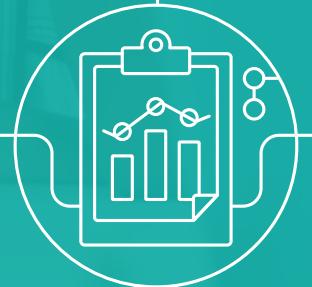


EVERFI



Creating a Loyal Consumer:

The Impact of Corporate Social
Responsibility and Education



Introduction

The importance of corporate social responsibility (CSR) has grown in recent years.¹ Consumers increasingly value companies not just by what they produce, but how responsibly they operate as a business. Many organisations give back to society in some way, often by addressing an environmental, social or economic need, but the specific impact of CSR on a company's reputation, brand loyalty, and bottom line remains unclear. This paper looks at the importance of CSR for an organisation's brand reputation and reveals what areas of social impact are most important to consumers. We have analysed, in particular, results of a survey of consumers who say education is an essential part of corporate social responsibility. We have found that they are more likely than others to be engaged with - and loyal to - brands.² We also look at an Accenture Strategy Global Consumer Pulse Research, which was published last year and surveyed nearly 30,000 consumers in 35 countries.³ It found that over half - 53% - prefer to buy goods and services from companies that stand for a shared purpose that reflects their personal values and beliefs.

The study showed that companies that stand for something bigger than what they sell, communicate their purpose and demonstrate commitment, are more likely to attract consumers and influence purchasing decisions which improves competitiveness.

About EVERFI

EVERFI has more than 25 years of experience in driving social impact through education. With our scalable learning solutions, we empower businesses and organisations everywhere to connect learning to the real world and help people of all ages gain new insight, perspectives and opportunities. We bring together an evidence-based, software-as-a-service platform with flexible learning opportunities. Our resources provide critical support to young people, teachers and parents. Find out how our unique education programmes can be part of your corporate social purpose strategy.

Key Findings

From our US survey:

6/10

- Six-in-ten consumers want companies to spend their CSR budgets on education

66%

- More than six-in-ten consumers (66%) say companies have an obligation to invest in the future workforce through education

Consumers who want companies to spend their CSR budgets on education are more likely to be loyal and engaged consumers. They are more likely to spend more money on a product, recommend a brand to a friend, follow a brand on social media, download their app and donate to a charity that brand supports.

From the Accenture Strategy Global Consumer Pulse Research study:

Consumers are no longer making decisions based solely on product selection or price; they're assessing what a brand says, what it does and what it stands for. They support companies whose brand purpose aligns with their beliefs. And they reject those that don't.

52%

- 52% of consumers said that what attracts them to buy from certain brands, apart from price and quality, is whether the brand stands for something bigger than just the products and services it sells, which aligns with my personal values

1/2

- Half said they were attracted by brands that stand up for societal and cultural issues they believe in

62%

- 62% of consumers want companies to stand up for the issues they are passionate about

The Value of Corporate Social Responsibility

While many companies place CSR as a priority, its value to consumers and the effect of it on purchasing decisions is far from clear.

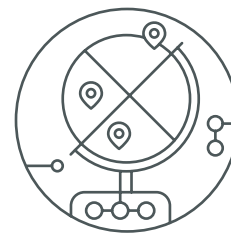
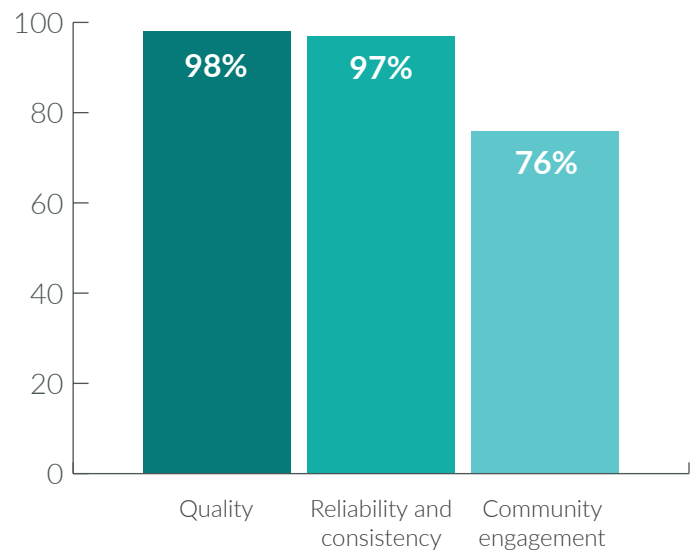
In our US survey, consumers were asked how important a range of issues were to a company's reputation. Unsurprisingly, nearly all respondents said quality, reliability and consistency of the product were important to reputation.

Building social capital and engaging in the community were also viewed as important, though. About three-quarters of consumers said that how a company engages in the broader community was important to its reputation.

Many go further though. Nearly half (46%) of consumers said companies have an obligation to take actions to improve societal problems, even if they are not related to their business operations.

Consumers identified corporate social responsibility as an important part of brand reputation. And what effect does CSR have on purchasing decisions? According to the survey, about six-in-ten consumers (58%) said the social impact of a company was important when deciding which product to buy.

What is important to a company's reputation?



46% think companies have an obligation to take actions to improve societal problems, even if it is not related to their business operations

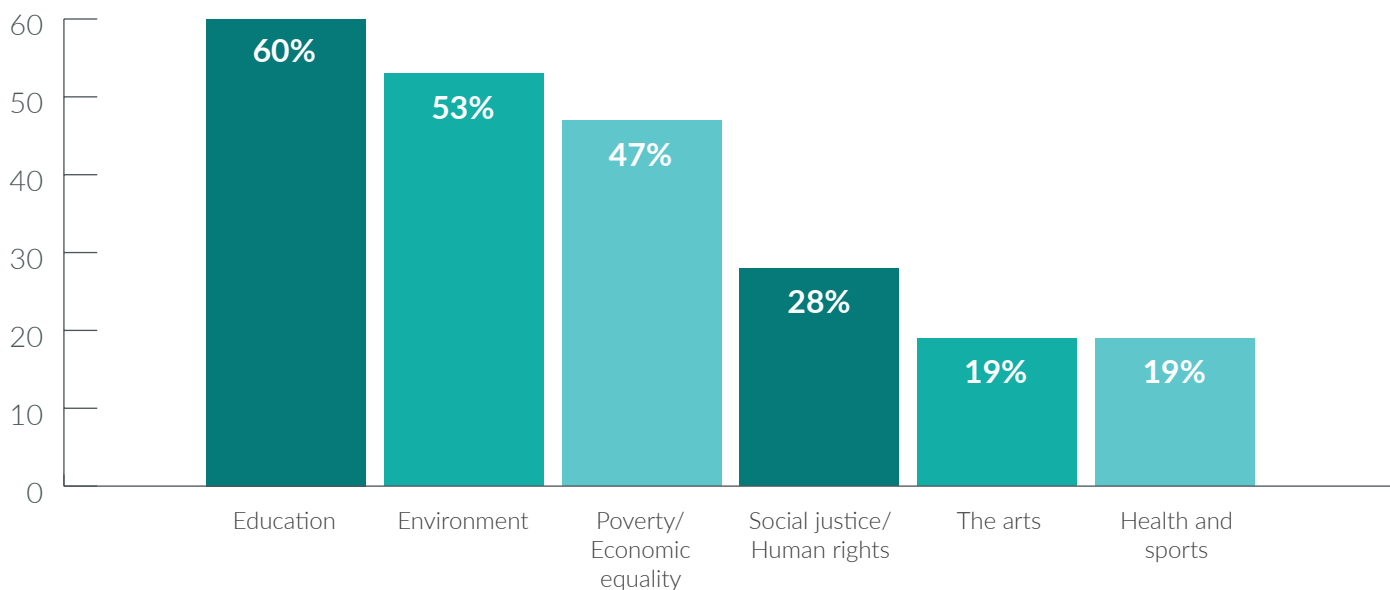
42% think companies do not have an obligation to improve societal problems that are unrelated to their business operations

Education's Role in Corporate Social Responsibility

Companies have a range of options when considering how to spend their CSR budgets. In the US, we asked consumers to state which of the following areas they would like companies to spend CSR budgets on: the environment, education, poverty, social justice/human rights, health/sport, the Arts.

Consumers who value education are more likely to be engaged with and loyal to companies.

Where would you like to see your favourite brand spend their CSR budget?



The largest number of consumers - 60% - wanted to see CSR budgets spent on education.

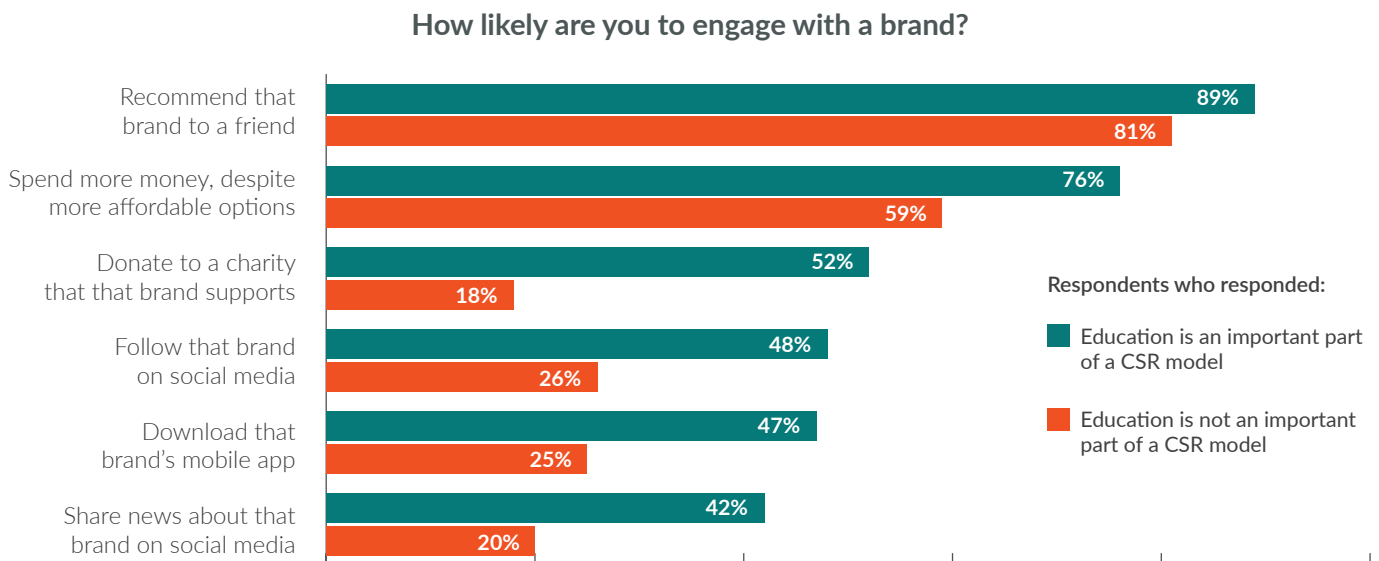
Over three-quarters - 78% - of consumers said it was important for education to be a part of a company's CSR strategy. And two-thirds - 66% - of consumers said companies had an obligation to invest in the future workforce through education.

Education-Concerned Customers: Engaged and Loyal

Not only do more than three-quarters of consumers want education to be a part of companies' CSR budgets, but consumers who value education are more likely to be engaged and loyal customers.

Consumers who think education is an important part of a company's CSR are more likely to pay more for a product, give money to a charity that a brand they like supports and follow brands they admire on social media.

These consumers are the ones every company wants - they are loyal and engaged.



References:

1. Crane, Andrew and Matten, Dirk and Spence, Laura J., Corporate Social Responsibility in a Global Context (September 1, 2013). Chapter in: Crane, A., Matten, D., and Spence, L.J., 'Corporate Social Responsibility: Readings and Cases in a Global Context', 2/e. Abingdon: Routledge, pp. 3-26.
2. The results presented are from a survey conducted through SurveyMonkey Audience. A survey of 705 adults who had made a purchase from a superstore in the last 6 months was conducted from August 4-7, 2017. The margin of error is 3.8%
3. https://www.accenture.com/_acnmedia/thought-leadership-assets/pdf/accenture-competitiveagility-gcpr-pov.pdf



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