

SPONSORED BY



B2B companies are proving slow to develop corporate social responsibility strategies, according to new research, with less than 50 per cent having a specified policy and one in 10 even unaware of the concept

CSR IS SLOW TO PENETRATE B2B SECTOR

B 2B companies are failing to embrace corporate social responsibility (CSR), according to new research by *B2B Marketing* in association with Milestone, which reveals that less than 50 per cent have a CSR policy in place.

'Lack of resources' was cited as the primary reason for companies' failure to implement CSR (33 per cent), although 'insufficient discernable benefits' was close behind (29 per cent). Most alarmingly, a quarter of companies who had not implemented CSR (10 per cent of the overall total) stated that they were 'not aware of the term'.

The role of the MD in managing CSR was underlined by the survey (see Figure 1), which revealed that responsibility for such activity falls under this individual's remit in 40 per cent of the companies that are embracing it. This is likely to be a reflection of the MD's importance in committing to CSR in the first place: unless the senior figure has championed its benefits, many companies would simply not have invested time or resources in it.

Role of marketing is increasing

The marketing function was the second most popular in terms of responsibility for CRM, cited by 20 per cent of companies, whilst only 10 per cent had established a dedicated CRM team within their organisation. This acknowledges the importance of marketing

51% OF B2B COMPANIES DO NOT HAVE A CSR POLICY IN PLACE

in communicating and leveraging CSR, which is likely to be a feature of its evolution and increased penetration.

Marketing was also recognised as the main communication channel for CSR, with 58 per cent of companies promoting their policy on their website, and 53 per cent using other forms of marketing communication (e.g. advertising or direct mail). By contrast, the annual report and AGM were far less popular as communication mechanisms.

The importance of marketing was confirmed later in the survey, when 'more emphasis on communication' was identified as the primary way in which CSR programmes would be developed. It was cited by 73 per cent of companies, more than double the second most popular response.

Small number of big budgets

In terms of the types of programmes being run and how they are constructed, less than one quarter (23 per cent) of respondents have a formal CSR budget. Paradoxically, of those companies that do have a specified budget, the majority (57 per cent) invest over £50,000 a year. This suggests that to carry out CSR in a meaningful way is expensive; this may be a factor that is deterring those companies who have yet to embrace it.

Growth in CSR budgets is unlikely to be spectacular, according to the research, with 68 per cent of companies predicting that it will remain static in the next 12 months. This may reflect the fact that activity already being conducted is expensive, and therefore companies are unwilling to invest further resources. Interestingly though, no respondents expect investment in CSR to decline.

Most companies (83 per cent) develop their CSR activity internally, declining the opportunity to benefit from specialist

CSR IS WASTED WITHOUT COMMUNICATIONS

Richard Collins, director of Milestone Strategic Design, says that corporate social responsibility strategies must be communicated properly to be effective

“ It is now possible to live and work in zero CO2 emission buildings with no loss of comfort. But for most of us this reality is still a way off. So what do we do in the meantime? I accept that it is virtually impossible for any organisation to be totally 'green' and ethically sound, but making a genuine effort to protect or enhance the environment needs to be communicated and recognised.

There are, of course, conflicting expectations as to the nature of a company's responsibility to society. However, for those that have a corporate

social responsibility (CSR) policy, there are clear benefits to their reputation and bottom line. CSR is rapidly becoming a visible way in which a business can achieve great commercial advantage.

The survey shows that, of those who participated, nearly 50 per cent have a CSR policy. But how many of those companies tell anyone about it? In a climate of ever increasing emphasis on brand communication, your CSR policy can act as an ambassador for your business, in some cases shaping corporate culture and operations.

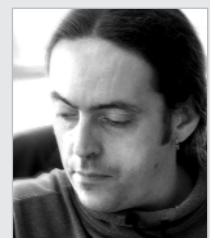
Brand value is created by the accumulation of experiences with a company's product or services. Whether you are reducing your energy usage or purchasing from ethical sources, promoting this kind of activity can greatly enhance your customers' perception of your company.

The survey also shows that only 17 per cent of companies have sought external help in this area.

We have identified a change in business attitudes and believe more companies will be looking for help developing and promoting their CSR policy. Climate change is now putting CSR on the agenda for every business.

Twenty years ago, Gro Harlem Brundtland (former prime minister of Norway and former director general of the World Health Organisation), wrote, "Sustainable development should meet the needs of the present without compromising the ability of future generations to meet their own needs".

CSR is finally putting us on track to achieve this goal.



RICHARD COLLINS,
Director, Milestone Strategic Design



FIG.1 WHO IS RESPONSIBLE FOR CSR IN YOUR ORGANISATION?

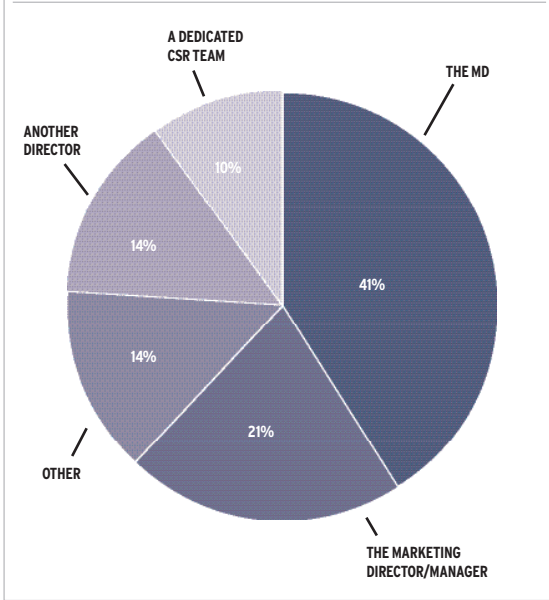
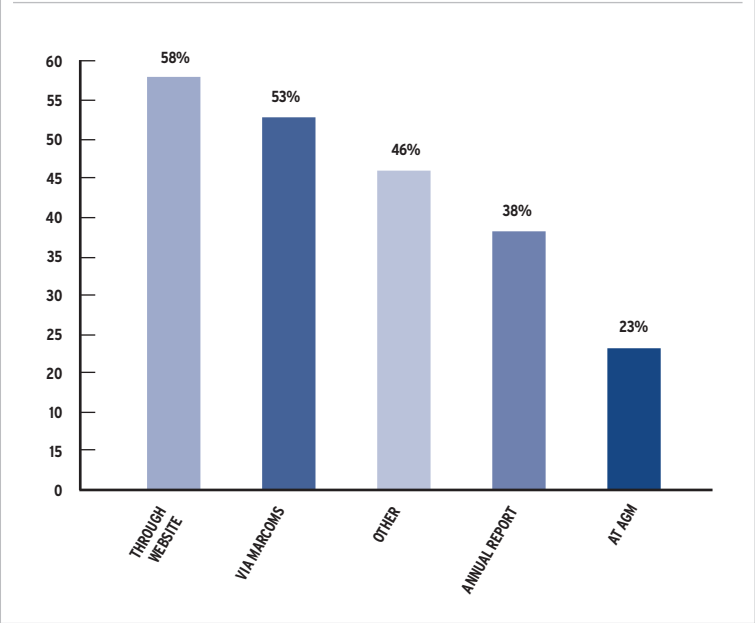


FIG.2: HOW IS YOUR CSR POLICY COMMUNICATED?



consultancies, such as Business in the Community. However, partnership looks likely to be more popular in future, selected as the second most popular way in which CSR policies will evolve.

Money invested in CSR appears to be relatively evenly split between local and national charities and/or initiatives, according to the survey, identified by 77 and 73 per cent of respondents respectively. Meanwhile, environmental

programmes – such as carbon trading – were selected by 54 per cent of respondents.

Mixed emotions

Comments by respondents underlined the strong feelings that CSR engenders amongst B2B marketers.

● “Corporate social responsibility isn’t just a buzzword. It is so much more than that. It is about adding total value to the

communities in which you work and serve and we continuously look for ways to actively promote and take part in CSR opportunities, enabling us to commit to our local people and all stakeholders”

- “Charitable acts shouldn’t be part of CSR – that’s a myth spread by less informed PR companies. CSR should be a systematic review of activity, its effects and mitigation. If you are a big employer within a community, then involvement makes sense for goodwill and understanding, not least for helping recruitment.”
- “CSR is currently ad hoc and sporadic [for my company].”

FIG.3: WHICH OF THE FOLLOWING TYPES OF ACTIVITY HAS YOUR ORGANISATION COMMITTED TO AS PART OF ITS CSR POLICY?

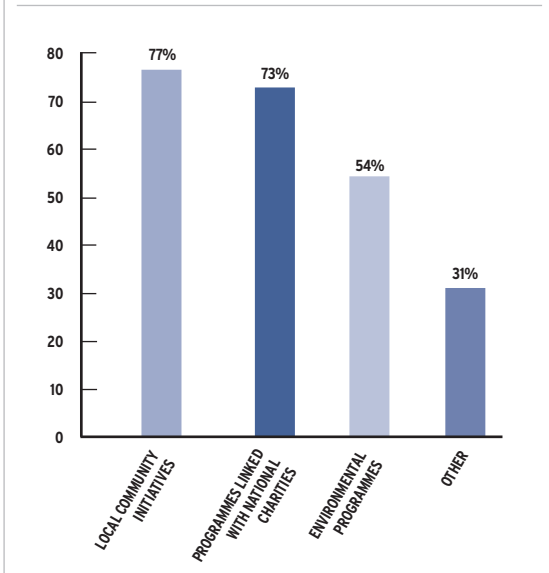


FIG.4: HOW IS YOUR CSR POLICY LIKELY TO EVOLVE?

