

The New CSR: Why actions speak louder than words

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In the U.S., North Carolina's HB2 law, also known as the "bathroom bill," mandated that everyone use the public bathroom according to the gender they were assigned at birth, regardless of whether they were transgender or in transition. Adopted in February 2016, the law was introduced in the months leading up to the Nike-sponsored National Basketball Association (NBA) All Star Weekend basketball tournament, scheduled to take place in Charlotte, North Carolina.

While the law received criticism from companies like PayPal and Deutsche Bank, which pulled out planned investments in the state, the most visible backlash came from Nike and NBA fans urging the basketball association to move the All-Star Weekend to another city. The NBA waited to see if North Carolina would respond by softening the bill. When that didn't happen, the 2017 All-Star Game went to New Orleans.



Credit: [istockphoto.com/asiseeit](https://www.istockphoto.com/asiseeit)

As the premier athletic footwear brand in the world, Nike releases dozens of thematic sneakers a year, and the All-Star Weekend is a much-awaited moment from basketball fans and sneaker aficionados alike. Having already designed, created, and stocked shoes with Charlotte in mind, Nike faced a dilemma: to release the shoes improperly themed for Charlotte, or cancel the release altogether. But then, Nike realized that these shoes were the perfect metaphor for the experience of many LGBTQ people around the country: they reflected their need to move to a different state to avoid legal discrimination. The brand named the shoes "Gotta Shine" and added as a tagline: "Whether it's for yourself, your game or your community."

While Nike became the first footwear company to formally celebrate gay pride with its Pride Pack of sneakers in June 2012 and has continued to do so ever since, taking a stance against the "bathroom bill" sent a message to the world that Nike's support of LGBTQ rights went beyond cause marketing. Instead, it made a statement that policies discriminating against the LGBTQ community stood against the company's values, goals, and practices. It was a way to signal to the world that Nike means business when it comes to its support of the LGBTQ community by taking a clear and authentic stance against discriminatory laws.

Now, if you are thinking to yourself that Nike didn't make that statement purely based on an ethical stance, you are correct. Instead, Nike made a decision based on consumer trends and demands.

Leading social change

The 2017 Cone CSR study demonstrated that 71 percent of respondents who are millennial consumers (and 63 percent of all respondents) are hopeful that businesses will take the lead in moving the needle on social change in the absence of government policy. In a June 2017 survey from Ogilvy, nearly half of respondents said they were more likely to spend money with brands that are LGBTQ-inclusive. The study found that the opposite was true as well—nearly half of Americans and a majority of those who identify as LGBTQ allies said they would avoid purchasing products and services from companies they perceived as not supporting the LGBTQ community.

We are living at a pivotal time for brand communication and social impact. Never before has the consumer demand for ethical practices and values been so widespread. As the 2017 Cone CSR report describes it: “2017 will be remembered as the year that redefined corporate social responsibility.”

It is no longer enough for companies to simply identify particular issues to support through their CSR strategies if they want to stand out in the crowd; instead, as Bill Berman, group director at Ogilvy and co-chair of Ogilvy PRIDE, told Fortune Magazine in a June 2017 article: “[consumers] want brands to take action on some level. They want them to ‘walk the walk’ and follow through.”

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Tackling global issues

These consumer trends are not just confined to the U.S.; in fact, GlobeScan’s 2016 Public Radar shows 40 percent of “aspirational consumers”—the world’s emerging middle class—want to choose brands that “have a clear purpose and act in the best interests of society.” This means that 40 percent of the world’s consumers want brands to have authentic and positively impactful relationships with society.



© Better Shelter. IKEA worked with Better Shelter to design shelters for refugee camps that are easy to build, safer and more dignified for those displaced by conflict.

In response, we are seeing brands like IKEA standing up to the challenge and reacting to global issues like the Syrian refugee crisis in a meaningful way. In fact, the Swedish furniture brand used its design expertise to help the Better Shelter initiative to provide shelters that are modular, easy to build, and conceived in 2013 for refugees in camps around the world. In 2017, with the goal of creating jobs, IKEA hired Syrian refugees to create and produce its new series of hand-woven rugs and textiles set to roll out in 2019.

It’s important to remember that while consumers are increasingly making decisions based on a company’s demonstrated values and ethics, we also live in a time in which we are overloaded with information. Putting together an ambitious and compelling CSR strategy is great, but consumers at large won’t read about it unless it somehow makes its way into the mainstream news cycle. In fact, more than one-third of respondents to the Ogilvy survey said social

media and news outlets were the most common way to find information about a particular company’s social responsibility

work. Taking a public stance against the “bathroom bill” was advantageous for Nike because it was able to leverage the opportunity for free press to spread its support for the LGBTQ community. Equally, IKEA’s Better Shelter initiative hit the news cycle as an award-winning temporary home design.

Today, consumers are demanding that companies stand up for important social justice issues and advance progress for the world at large. Whether it’s by lending your expertise to solve a global problem like IKEA, or publicly standing up against discriminatory laws like Nike, consumers want demonstrated action toward making our world a better place.



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