



EMBRACE BRAND CITIZENSHIP

**Anne Bahr Thompson*

Introduction

In our personal lives, sometimes change comes slowly after we spend weeks, months, or years thinking about how we can be happier, more successful, or more fulfilled. Other times, change pursues us: We're fired from a job, a natural disaster strikes, our spouse calls it quits, or our child is diagnosed with a potentially terminal disease. Whether by choice or necessity, we typically discover that changing takes time, is full of competing demands, and is far from easy—even when it's a proactive choice.

The process of change is no different for a business, particularly now, because the model that's guided business for the last several decades *must* change. What was an optional path for companies before the millennium has become mandatory.

The global economy, technology, climate change, generational shifts, and an evolving socio-political landscape are all dramatically altering the ways in which people consume, engage, and even abandon the brands in their lives.

Over more than twenty years as a Fortune 500 global brand strategist and researcher I have observed people continuously expecting more from brands. Three years of investigation with more than 6000 people dedicated to deconstructing the shifting elements of Brand Leadership, Corporate Citizenship, and Favorite Brands through my company One sixty fourth's CultureQ® research project confirmed customers unequivocally are demanding more value, more service, better ethics, and a greater focus on sustainability and social good. What people told me in qualitative conversations and quantitative surveys was clear: They want the companies they do business with not only to “do good” and make the world a better place, but also to advocate on their behalf and make them feel like they are part of a larger community or grander mission. Customers are calling for, yearning for—and paying for—a new business ethos that I call Brand Citizenship®.

Brand Citizenship is a way of doing business—from a company's core purpose; to its delivery of goods and services; to its responsibility to its employees, community, the environment, and the world—that people

trust, believe in, and rely on. It creates a sense of partnership and belonging, all with the aim of earning profits that are maintainable over the long term.

More People Look to Brands to Link Them to a Larger Purpose

People who participated in *CultureQ* research beginning in 2011 expressed the belief that companies were more equipped than governments to address and solve problems—from the ordinary needs of daily living to the big issues of our age. Our research also showed that people support companies that demonstrate they have their customers' and employees' best interests at heart. Brands, especially the ones we're most loyal to, represent more than things and services. They signify a lifestyle and an ethos—one that mirrors our values or ones that we aspire to. As more consumers grow concerned with fairness and sustainability, more of them—in other words more of us—are seeking “relationships” with brands that link us to a larger purpose that enriches our modern lives and sustains the planet.

Some of the brands participants in *CultureQ* research named as good corporate citizens—and why they chose them—might startle corporate social responsibility and sustainability experts. As far back as the end of 2011 they included:

- **Apple** – for making products that make life more inspired and communicating worldwide easier.
- **Walmart** – for making prices so low that they make the cost of living and quality of overall life easier.
- **Ford** – for making individual Americans feel proud of what they can accomplish through the company's turnaround which exemplified “coming back stronger.”

Customers' perceptions are sometimes counterintuitive and vastly different than what industry and functional experts expect. Today's consumer is savvy—an individual person who easily identifies efforts that are “bolted on” or straight up marketing ploys disconnected from what they know or believe is true about a brand. At best, such initiatives fall flat or fail to grow revenue and fans. At its worst, these approaches will significantly erode a loyal customer base. *CultureQ* research consistently demonstrated that people don't expect “perfection” from brands: they respect brands that exhibit human traits and, as such, expect them to be somewhat flawed—provided they're transparent about their imperfections and working to improve them.

The Resistance to Doing Good is Largely Rooted in a Common Business School Mantra

While more and more companies desire to partner in new ways with customers, employees, and other stakeholders, there is not a definitive way to do this. Many executives wrestle with how to integrate sustainable, environmental, and social initiatives into their corporate mission and how to align these programs with the products and services they offer. For a large number, the activities related to doing good still feel as though they are in conflict with the classic business school mantra that has dictated corporate behavior for decades: The primary purpose of a corporation is to maximize profits and shareholder value. Importantly, however, this guiding principle is not codified in law. Indeed, it's a notion that was popularized by economists in the 1970s, most notably Milton Friedman in a September 13, 1970, article in *The New York Times*.

Thirty years before Friedman wrote his article, Theodore Kreps, a professor at Stanford's Graduate School of Business known as "the conscience of the business school," coined the term *social audit* as he strove to establish a process for companies to report their contribution to society. And since then, there's been a wealth of academic research on the rise of social consciousness in business. Despite this, my company's *CultureQ* research project exploring brand leadership, good corporate citizenship, and favorite brands has demonstrated that "real" people define corporate social responsibility and corporate citizenship very differently than academics and experts do. Over three-plus years of investigation, our research participants told us that the first responsibility of a business is to live up to its promises to its customers and employees, followed by aligning its purpose to behave responsibly, in a way that advances society. With executives, academics and the general public having varying perceptions of the purpose of a business and role of corporate citizenship, it's not surprising many companies are hesitant to adopt new ways of working and integrate doing good into their corporate mission.

People Demands Brands Span Across a me-to-we Continuum of Brand Citizenship

Beginning in 2011, participants in our research began expressing the belief that companies were better equipped than governments to address and solve problems—from the ordinary needs of daily living to the big issues of our age. Our research also showed that people support companies that demonstrate they have their customers' and employees' best interests at heart. The qualitative and quantitative studies we conducted led me to uncover something unexpected: People want brands to start with a ME-First orientation and then to span across a ME-to-WE continuum of Brand Citizenship. Brands must first deliver value, functionally and emotionally, to individual consumers (ME) and then, depending on the brand's purpose, move outward toward delivering added value to society: the collective WE.

Brand Citizenship isn't about a company sacrificing to better the world. Nor is it boasting about doing good. It's a five-step model that integrates "doing good" activities—such as fair employee policies,

corporate and social responsibility ("CSR"), sustainability programs, ethical sourcing, and charitable giving—with brand development to strengthen a brand's reputation, foster greater loyalty, and enhance value creation. It's a win-win-win solution that mutually benefits consumers, companies, society, and the planet. See Figure-1.

Figure-1

The Five-Step Me-To-We Continuum of Brand Citizenship



Brand Citizenship begins with placing a greater purpose at the center of a brand – and a business. This is followed by aligning the value a brand delivers to individual customers with how it treats employees, suppliers and the environment, and with the way it helps the world. The five steps of Brand Citizenship logically flow from one another:

1. Trust: Don't Let Me Down

First and foremost, brands that deliver on their promises are trusted more. Digital communications and information channels have made reciprocity one of five key requirements for trusted brands. Farrow & Ball's *The Chromologist* is a fun example of this. Through this blog, the seventy-year-old UK-based paint-and-wallpaper supplier offers a deep dive into the world of color in art, decoration, food, fashion, literature, and more. SunTrust, one of the largest regional banks in the US, has also discovered ways to give customers unexpected and worthwhile benefits that reflect its brand purpose through its onUp program. Anyone, not just SunTrust customers, can join onUp and learn to become a good steward of their own money, no matter how modest their means.

2. Enrichment: Enhance Daily Life

People identify more with—and are less price sensitive toward—brands that help them to simplify their routines, make mundane tasks less dull, and enrich their daily lives. The baby food manufacturer and public benefit corporation Plum Organics, for example, enriches parents – and their babies – lives with authentic, wholesome foods similar to what they would make themselves if they had time, packaged in innovative, environmentally friendly ways. Through its focus on nutritional intelligence, Parenting Unfiltered initiative, and The Full Effect® social impact program the brand has grown a loyal following.

3. Responsibility: Behave Fairly

In a post-recession, flattened, and transparent world, customers expect brands to treat their employees fairly, behave ethically, and be proactive in their business practices. Kimberly-Clark has won numerous awards globally for being a great place to work. Further

recognizing that divisions and regions had different social and environmental priorities, Kimberly-Clark brought its billion-dollar brands to the forefront of delivering social initiatives, tackling relevant issues in their supply chain, and raising awareness of social issues. Equally as important to achieving its ambitious goals, the company's CEO is the number one advocate for embedding sustainability and social responsibility across the business.

4. Community: Connect Me

Brands that rally communities, motivate behavioral changes and fix social problems – provided they are not overtly political – attract more loyalists. The British mobile operator Giffgaff has built a highly successful, award-winning brand in the competitive telecom space by creating a mobile community based on fair pricing, an online forum at the center of its network, and reaching out to customers in a variety of creative, entertaining, and practical ways. In the B2B space, The Forest Stewardship Council certifies brands sourcing materials from sustainable forests, underlining the credibility of their social identity. It brings together like-minded major corporations focused on educating consumers on the meaning and purpose of the growing number of product certifications.

5. Contribution: Make Me Bigger Than I Am

Brands that play an active role in creating a more positive and life-enhancing future enrich loyalists' lives by improving life on the planet. Beginning as a creator and purveyor of natural bath and beauty products, Lush fresh, handmade cosmetics is the outcome of its founders' determined journey to live their personal purpose and embody the positive side of activism. The brand continually expands its reach and the ways in which it connects its fans to sustainable products, fair trade, and philanthropic causes.

There is not one type of Brand Citizenship company. As detailed in my book, *Do Good: Embracing Brand Citizenship to Fuel Both Purpose and Profit*, multiple approaches along the ME-to-WE continuum resonate with customers, employees, investors, and other stakeholders of all types, as well as with companies in all industries and of all scales.

Doing Good and Making a Profit

The phrase “doing good” conjures up images of idealism and altruism—which translates to self-sacrifice and not making a profit. Yet globalized sourcing, production, and sales all insist that long-term success be dependent on meeting the needs of a wide range of stakeholders. In an interconnected world where mashups of all kinds are mainstream concepts and where social media enables people to share stories globally of good and bad experiences with products and services, the notions of doing good and earning a profit cease to be at odds with each other. They are each part of a symbiotic, interdependent circle, what I, and others refer to as a “virtuous circle,” that includes customers, employees, suppliers, communities, society at large, and even the planet.

TODAY, THE GOAL OF “DOING GOOD” AND BECOMING A SUSTAINABLE BUSINESS IS A PRACTICAL AND NECESSARY INVESTMENT INTO BRAND LOYALTY.

This is the new model of Brand Citizenship, the holistic principle that equips businesses to gain lasting credit and customer credibility for sustainability and corporate social responsibility initiatives as part of a continuum of doing what you say you will, doing right by employees and the planet, and providing goods and services that are truly worthy of the buying public's time and hard-earned dollars. Companies that make this strategic shift are judged to be more relevant and more in synch with modern society: empathic, innovative, inspiring. I hope you'll join me on the journey and accelerate the movement already underway of companies creating a legacy of good.

**Anne Bahr Thompson is the pioneer of the strategic framework of Brand Citizenship®, author of the book 'Do Good', and founder of the boutique consultancy, Onesixtyfourth. She has more than 25 years of experience as a global brand strategist, accomplished researcher and speaker.*

IOD FAMILY SOAKS IN THE SPIRIT OF 72ND INDEPENDENCE DAY

“May the sun in his course visit
no land more free, more happy,
more lovely,
than this our country!”

::Bhagat Singh::

India's 72nd Independence Day was celebrated on the 15th August, 2018 with fervor across India and indeed, across the world. The iconic Empire State Building in New York along with Burj Khalifa in Dubai were illuminated too, to mark India's Independence Day.

The patriotic spirit swept the IOD family, across all its offices, nationwide. The staff celebrated by dressing up in the tri colors, literally wearing patriotism on their sleeves. An emotional evening for all, the President, IOD gave a moving speech elucidating on the importance of India's Independence and how each one should value the independence and strive to responsibly make more of it, every single day.

The evening also witnessed an interactive quiz covering India's freedom movement for the employees, and giving away of prizes for The Best Dressed Employee.

The celebrations concluded with high tea and candid conversations on the India so far and 'The Road Ahead'.

Compiled By:
Amanjit Kaur, Sr. Manager, IOD