

MARKETING

Brands benefit by communicating corporate activism: RepTrak

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Guerlain often highlights its nature conservation efforts, particularly when it comes to saving the bees. Image credit: LVMH

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Corporate activism and social responsibility continue to take center stage, and consumers increasingly expect brands to communicate their actions to audiences.

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According to the [2021 Corporate Activism report](#) from insights company [RepTrak](#), 63 percent of global consumer prefer buying goods and services from companies that "stand for a purpose that reflects their values and beliefs" rather than businesses that do not. Nonetheless, brands including luxury labels will see little financial benefits from their ESG and CSR policies if efforts are not actively publicized.

RepTrak's environmental social governance (ESG) analytics reflect public perception of brand performance across 17 factors, including sustainability, talent management and diversity.

Actions speak louder with words

RepTrak defines corporate activism as a public stance taken by company or brand to impact social change or legislation. This can impact purchase appeal, trust, consumer willingness to recommend and general reputation.

Overall, brands have maintained a strong reputation since a turbulent and polarizing 2020.



Consumers want brands to go beyond slacktivism. Image credit: Burberry

Although consumers kept in mind companies' commitments from the upheaval of 2020, RepTrak's global reputation score has declined slightly from its June 2020 peak of 72.1 to 70.5.

Since June 2020, there has been a decline of 4 percent in the share of consumers who believe it is important for companies to act or respond to social and political issues. About one in 10 consumers prefer businesses take no action, an increase of 7 percent.

Some of this fluctuation may be attributed to consumer fatigue or cynicism, per RepTrak, and should not be seen as an indicator that staying silent is good for business.

Those consumers who prefer brands take no action give companies a reputation score of 66, an "average" ranking. Those who prefer companies make statements give businesses a reputation score of 74, which reaches the "strong" threshold.

Ultimately, consumers are significantly more likely to purchase from and trust a company with a high ESG score. Shoppers are also more willing to trust a business and give it the benefit of the doubt for any missteps if the company has a solid ESG reputation.

There can be consequences for brands that make mistakes, however.

Thirty-six percent of consumers report feeling "betrayed by what a company stands for" and 47 percent have stopped patronizing those businesses as a result.

For the best response from consumers, companies need to offer both actions and words in response to cultural issues, moving beyond "slacktivism" supporting a political or social cause with little time or involvement, such as social media shares or signing an online petition.



The importance of corporate activism varies across countries. Image credit: RepTrak

Globally, 51 percent of consumers in the first quarter of 2021 believe it was important for brands to use both actions and words in supporting important issues, compared to 30 percent who believe corporate action on its own was most important.

In key markets, 50 percent of Australian consumers find both action and words to be essential from businesses, followed by 48 percent of Italian consumers. Consumers in the U.K. and U.S. agreed at rates of 46 and 44 percent, respectively.

Finally, Japanese consumers trailed with 36 percent agreeing that corporations need to be both vocal and proactive about cultural issues.

Publicizing policies

Without advertising and communicating conscious policies and programs, consumers cannot give luxury brands credit. Unsurprisingly, more labels are centering their environmental efforts in marketing campaigns.

French leather and accessories brand Longchamp recently shared a whimsical look at the durability and versatility of its classic Le Pliage handbags with one sustainable surprise.

A new series of vignettes reimagines the foldable tote bags as everyday objects, while alluding to **Longchamp's** French heritage. After countless interpretations of the Le Pliage bag, Longchamp has also introduced the first versions made with recycled materials in a nod to sustainable style (**see story**).

In another informative campaign, France's Dior is examining its innovative cultivation of organic, cosmetic roses the special ingredient in its prestige skincare line

The film Le Jardin Dior de La Rose takes viewers to the house's rose garden outside of Granville, where a team of floral science experts helped develop its first generative cosmetic rose. The responsibly cultivated roses are now being used in Dior Prestige La crme, where sustainability meets luxury skincare (**see story**).